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JUL 31 1998  
CLERK U.S. DISTRICT COURT  
UNITED STATES DISTRICT COURT  
DISTRICT OF ARIZONA

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AUG 07 1998  
CLERK U.S. DISTRICT COURT  
DISTRICT OF ARIZONA  
BY \_\_\_\_\_ DEPUTY

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

LEON SAJA, individually and doing business as  
SOUTHWEST PUBLISHING; DONALD L.  
RITTA, individually and as an officer of Stealth  
Publications, Inc.; and  
STEALTH PUBLICATIONS, INC.,

Defendants.

Civ. No. CIV-97-0666 PHX SMM

**STIPULATED FINAL  
JUDGMENT AND ORDER FOR  
PERMANENT INJUNCTION  
AS TO DEFENDANTS LEON  
SAJA AND STEALTH  
PUBLICATIONS, INC.**

X9700 42

Plaintiff, the Federal Trade Commission ("FTC" or "Commission"), has filed a complaint for a permanent injunction and other relief, pursuant to Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b), charging defendants Leon Saja, doing business as Southwest Publishing, and Stealth Publications, Inc., with violations of Section 5 of the FTC Act, 15 U.S.C. § 45.

Defendants, Leon Saja, doing business as Southwest Publishing, and Stealth Publications, Inc., and the Commission, by and through its counsel, have agreed to entry of this Order by this Court to resolve all matters in dispute in this action. The defendants and the Commission have consented to the entry of this Order without trial or adjudication of any issue of law or fact herein.

NOW, THEREFORE, defendants Leon Saja, doing business as Southwest Publishing, and Stealth Publications, Inc., and the Commission having requested the Court to enter this Order, **IT IS HEREBY ORDERED, ADJUDGED AND DECREED** as follows:

108

FEDERAL TRADE COMMISSION  
915 Second Ave., Suite 2896  
Seattle, Washington 98174  
(206) 220-6350

1 **FINDINGS**

2 A. This Court has jurisdiction of the subject matter of this action and the parties  
3 consenting hereto;

4 B. The complaint states a claim upon which relief may be granted against defendants  
5 Leon Saja, doing business as Southwest Publishing, and Stealth Publications, Inc., under  
6 Sections 5 and 13(b) of the FTC Act, 15 U.S.C. §§ 45 and 53(b);

7 C. Entry of this Order is in the public interest; and

8 D. Defendants have waived all rights to seek judicial review or otherwise challenge  
9 or contest the validity of this Stipulated Final Judgment and Order for Permanent Injunction.

10  
11 **DEFINITIONS**

12 For purposes of this Order the following definitions shall apply:

13 A. "Affiliated fundraiser" means any person that defendants arrange for or authorize  
14 to solicit contributions in the name of or on behalf of any nonprofit organization;

15 B. "Defendants" or "each defendant" means Leon Saja, individually and doing  
16 business as Southwest Publishing, and Stealth Publications, Inc., as well as their officers, agents,  
17 servants, employees, attorneys, salespersons, independent contractors, affiliated fundraisers,  
18 corporations, subsidiaries, affiliates, and those persons directly or indirectly under their control  
19 or in active concert or participation with them who receive actual notice of this Order by personal  
20 service, facsimile or otherwise, whether acting directly or through any corporation, subsidiary,  
21 division or other device;

22 C. "Donation" or "contribution" means money or any item of value provided in  
23 response to a solicitation made on behalf of or in the name of any nonprofit organization,  
24 including any payment made in exchange for advertising or any listing in any magazine, journal  
25 or other publication produced by or on behalf or in the name of any nonprofit organization;

26 D. "Donor" or "consumer" means any person or business solicited for a donation or  
27 contribution;

1 E. "Material" means likely to affect a person's decision to make, or conduct  
2 regarding, a donation or contribution;

3 F. "Nonprofit organization" means any person that is, or is represented to be, a  
4 nonprofit entity or that has, or is represented to have, a charitable purpose, specifically including  
5 any entity that purports to benefit, either in whole or in part, purported law enforcement,  
6 firefighting, or veterans' organizations, personnel, or programs;

7 G. "Person" means a natural person, organization or other legal entity, including a  
8 corporation, partnership, proprietorship, association, cooperative, government agency, or any  
9 other group or combination acting as an entity; and

10 H. "Solicitor" means any person who solicits donations or contributions.  
11

12 **ORDER**

13 **I. MONETARY RELIEF**

14 IT IS THEREFORE ORDERED that:

15 A. Judgment in the amount of \$500,000 is hereby entered in favor of the  
16 Commission against defendant Saja for equitable monetary relief including, but not limited to,  
17 consumer redress and payment of any attendant expenses of administering any redress fund. If  
18 the Commission determines, in its sole discretion, that redress to donors is wholly or partially  
19 impracticable, any funds not so used shall be deposited into the United States Treasury as  
20 disgorgement or be used by the Commission to educate donors affected by the defendant's  
21 deceptive practices. Defendant Saja shall cooperate fully with the Commission in identifying  
22 donors for any education program. No portion of the payments as herein provided shall be  
23 deemed a payment of any fine, penalty or punitive assessment;

24 B. The Commission shall file a satisfaction of judgment in the event defendant Saja,  
25 pays to the Commission a total of seventy-five thousand dollars (\$75,000). This amount shall be  
26 paid in monthly installments of \$3,000 or more. The first payment shall be made within ten (10)  
27 days of the date of entry of this Order, and subsequent payments shall be made on the first day of  
28 each month thereafter, until the total of \$75,000 has been paid. The payments shall be made by

1 wire transfer to an account designated by the Commission or by certified check made payable to  
2 the Federal Trade Commission and delivered to the Regional Director, Federal Trade  
3 Commission, 915 Second Avenue, Suite 2896, Seattle, Washington 98174. In the event of any  
4 default in the above payment schedule continuing for ten (10) days beyond the due date of  
5 payment, unless the defendant cures the default within thirty (30) days of receiving written notice  
6 of default from the Commission, the entire judgment of \$500,000 shall become immediately due  
7 and owing, less any amounts already paid, and the Commission shall have no obligation under  
8 this Order to file a satisfaction of judgment.

9 C. Notwithstanding any other provision of this Order, defendant Saja waives any  
10 right to contest any of the allegations in the Complaint filed in this matter in any subsequent  
11 litigation filed by the Commission to enforce its rights pursuant to this Order including, but not  
12 limited to, a non-dischargeability complaint pursuant to Section 523(a)(2)(A) of the Bankruptcy  
13 Code, 11 U.S.C. § 523(a)(2)(A), in any subsequent bankruptcy proceeding; and

14 D. Defendant Saja agrees to fully cooperate with the Commission and its agents in all  
15 attempts to collect amounts pursuant to this Order. Should defendant Saja fail to satisfy the  
16 judgment pursuant to Paragraph I.B. of this Order, he agrees to provide the Commission with his  
17 federal and state income tax returns for the preceding two (2) years, and with full financial  
18 disclosure, in a form specified by the Commission, waiving all objections, within ten (10)  
19 business days of receiving a request from the Commission to do so. Defendant Saja further  
20 authorizes the Commission to verify all information provided on the financial disclosure form  
21 with all appropriate third parties including, but not limited to, financial institutions.

## 22 23 **II. RIGHT TO REOPEN**

24 IT IS FURTHER ORDERED that, by agreeing to this Order, defendant Saja reaffirms  
25 and attests to the truthfulness, accuracy, and completeness of his financial statement that was  
26 executed on January 26, 1998 (designated the "Financial Statement"). The Commission's  
27 agreement to this Order is expressly premised upon the truthfulness, accuracy, and completeness  
28 of defendant's financial condition as represented in the Financial Statement referenced above,

1 which contains material information upon which the Commission relied in negotiating and  
2 agreeing to the terms of this Order, including the monetary redress and the satisfaction of  
3 judgment amounts provided for by this Order. If, upon motion by the Commission, this Court  
4 finds that defendant Saja failed to disclose any material asset, or materially misrepresented the  
5 value of any asset, or made any other material misrepresentation in or omission from the  
6 Financial Statement, the Court may reopen the judgment for the purpose of requiring additional  
7 monetary consumer redress in an amount approximately equivalent to any resulting  
8 understatement of assets, overstatement of liabilities, or understatement of net worth, provided  
9 that the total redress awarded not exceed the judgment amount of \$500,000, less any payments  
10 already made; provided, however, that in all other respects, this Order shall remain in full force  
11 and effect unless otherwise ordered by this Court; and provided further that proceedings  
12 instituted under this Paragraph are in addition to, and not in lieu of, any other civil or criminal  
13 remedies as may be provided by law, including any other proceedings the Commission may  
14 initiate to enforce this Order.

### 16 III. PERFORMANCE BOND

17 A. IT IS FURTHER ORDERED that defendant Saja, whether acting directly or  
18 through any business, entity, corporation, subsidiary, division or other device, is permanently  
19 enjoined from soliciting, or providing others the means and instrumentalities to solicit,  
20 contributions unless he first obtains a performance bond in the principal amount of one hundred  
21 thousand dollars (\$100,000) and maintains the bond in that principal sum so long as he solicits,  
22 or provides others the means and instrumentalities to solicit contributions.

23 B. The bond shall be conditioned upon compliance by Leon Saja with Section 5 of  
24 the FTC Act, 15 U.S.C. § 45 ("Section 5"), and with the provisions of this Order. The bond shall  
25 be deemed continuous and remain in full force and effect as long as Leon Saja continues to  
26 solicit, or provide others the means and instrumentalities to solicit, contributions, and for at least  
27 one (1) year after he has ceased to engage in any such activity. The bond shall cite this Order as  
28 the subject matter of the bond, and shall provide surety thereunder against financial loss due, in

1 whole or in part, to any violation of Section 5 of the FTC Act, or to any violation of the  
2 provisions of this Order.

3 C. The bond shall be an insurance agreement providing surety for financial loss  
4 issued by a surety company that holds a Federal Certificate of Authority As Acceptable Surety  
5 On Federal Bonding and Reinsuring. Such bond shall inure to the FTC for use as consumer  
6 redress or disgorgement owed as a result of any violation of Section 5 of the FTC Act or this  
7 Order. Said performance bond shall be executed in favor of the FTC if the FTC demonstrates to  
8 this Court, or to a Magistrate thereof, by a preponderance of the evidence, that Leon Saja violated  
9 any condition of the bond;

10 D. Defendant Saja shall not disclose the existence of the performance bond to any  
11 donor without also disclosing clearly and prominently at the same time: "THIS BOND IS  
12 REQUIRED BY ORDER OF THE U.S. DISTRICT COURT IN SETTLEMENT OF CHARGES  
13 THAT DEFENDANT ENGAGED IN A PATTERN AND PRACTICE OF MAKING FALSE  
14 AND MISLEADING REPRESENTATIONS IN CONNECTION WITH SOLICITING  
15 DONATIONS." If triggered by a written representation, the required disclosure shall be set forth  
16 in a clear and conspicuous manner, separated from all other text in 100% black ink against a light  
17 background, in print at least as large as the main text of the sales material or document, and  
18 enclosed in a box containing only the required disclosure;

19 E. Defendant Saja shall provide a copy of any bond required by this Paragraph to the  
20 Regional Director, Federal Trade Commission, 915 Second Avenue, Suite 2896, Seattle,  
21 Washington, 98174, at least ten (10) days prior to the commencement of any activity or business  
22 for which the bond is required;

23 F. The bond required by this Paragraph shall be in addition to, and not in lieu of, any  
24 other bond required by law;

25 G. Proceedings instituted under this section are in addition to, and not in lieu of, any  
26 other civil or criminal remedies as may be provided by law, including any other proceedings the  
27 FTC may initiate to enforce this Order; and  
28

1 H. Defendant Saja has sixty (60) days from the entry of this Order to obtain any bond  
2 required by this Paragraph.

3  
4 **IV. PROHIBITED PRACTICES - REPRESENTATIONS AND OMISSIONS**

5 IT IS FURTHER ORDERED that defendants, in connection with soliciting contributions  
6 from any donor, and in connection with providing the means and instrumentalities to solicit  
7 contributions, are hereby permanently restrained and enjoined from:

8 A. Making, or assisting others to make, expressly or by implication, orally or in  
9 writing, any statement or representation of material fact that is false or misleading including, but  
10 not limited to, any false representation about:

- 11 (1) the solicitor's affiliation with any law enforcement, fire fighting,  
12 veterans' or other nonprofit organization;
- 13 (2) the organization on whose behalf a contribution is solicited;
- 14 (3) whether the donor's contribution will be used to support a local  
15 program or organization;
- 16 (4) the program or organization that the donor's contribution will  
17 support;
- 18 (5) the tax-exempt status of the organization for which the contribution  
19 is sought;
- 20 (6) the tax deductibility of the donor's contribution;
- 21 (7) the obligation of the donor to make any contribution;
- 22 (8) any person's approval, authorization or obligation to make a  
23 contribution, or to make any payment for any advertisement,  
24 publication, program, service, or product;
- 25 (9) the printing, publishing, or distribution of any journal,  
26 advertisement, publication, program, service, or product; or
- 27 (10) the prior approval, authorization or sponsorship of any advertisement,  
28 publication, program, service, or product by any person.

1 B. Failing to disclose, during the initial telephone contact with any donor and in any  
2 follow-up contact, that the solicitor is, or is employed by, a professional fundraiser;

3 C. Failing to disclose, if asked by any donor, the percentage or regularly distributed  
4 amount of donations that is or will be paid to the nonprofit organization on whose behalf the  
5 solicitor seeks contributions;

6 D. Soliciting or accepting contributions made in the name of or on behalf of any  
7 nonprofit organization from whom the defendants do not have written authorization to solicit at  
8 the time the solicitation is made;

9 E. Failing to disclose clearly and conspicuously on the front of each receipt or  
10 invoice that any defendant or any affiliated fundraiser sends to any consumer, in black ink  
11 against a light background, in print at least as large as that of any other text on the page and in no  
12 event smaller than eight (8) points, that:

13 (1) the solicitation was made by a paid fundraiser; and

14 (2) the donor's contribution is not tax deductible, if that is the case.

15  
16 **V. PROHIBITED PRACTICES - TRAINING, MONITORING, AND VERIFICATION**

17 IT IS FURTHER ORDERED that defendants, in connection with soliciting contributions  
18 from any donor, are hereby permanently restrained and enjoined from:

19 A. Failing to provide, prior to soliciting donations, initial and rebuttal scripts  
20 authorized by the respective nonprofit organization to each solicitor directly compensated by  
21 defendants who will solicit donations on behalf of that nonprofit organization;

22 B. Failing to take steps sufficient to train and monitor each solicitor directly  
23 compensated by defendants so that the solicitor follows the authorized scripts and complies with  
24 the requirements of Paragraph IV of this Order. Such steps shall include, but not be limited to,  
25 daily random tape-recording of solicitation calls made by each solicitor and randomly monitoring  
26 all other solicitation calls. Those employees conducting the monitoring shall maintain a log  
27 listing the solicitors and calls monitored and noting any material misrepresentations or  
28 omissions;



1 C. Failing to take steps sufficient to verify, prior to sending an invoice, bill, or  
2 C.O.D. package to any donor called by each solicitor directly compensated by defendants or to  
3 any commercial donor called by one of defendants' affiliated fundraisers, that each donor agreed  
4 to make the donation and that the bill or invoice will be sent to the donor C.O.D., if that is the  
5 case. Such steps shall include, but not be limited to, using non-commissioned employees to  
6 make verification calls to donors; the verifier shall either maintain a daily log listing the name  
7 and telephone number of each donor called and the date called, or tape-record each verification  
8 call-back; and

9 D. Failing to provide a written reprimand to each solicitor directly compensated by  
10 defendants who makes any representation in violation of Paragraph IV of this Order, and to  
11 terminate any solicitor directly compensated by defendants who makes more than one material  
12 representation in violation of Paragraph IV of this Order in any consecutive twelve month period.

13  
14 **VI. PROHIBITED PRACTICES - AFFILIATED FUNDRAISERS**

15 IT IS FURTHER ORDERED that defendants, in connection with arranging for affiliated  
16 fundraisers to solicit contributions from any donor, are hereby permanently restrained and  
17 enjoined from:

18 A. Failing to ensure that, prior to soliciting donations, each affiliated fundraiser has  
19 initial and rebuttal scripts authorized by the respective nonprofit organization for which  
20 solicitations will be made. Defendants shall require each such affiliated fundraiser to provide  
21 these authorized scripts to, and require their use by, each solicitor employed by the affiliated  
22 fundraiser;

23 B. Failing to require that each affiliated fundraiser train, monitor, and discipline its  
24 solicitors, and verify all donations in a manner consistent with Paragraph V of this Order; and

25 C. Failing to evaluate the training, monitoring, and verification processes of each  
26 affiliated fundraiser on a regular basis.

27  
28

1                   **VII. PROHIBITED PRACTICES - NONPROFIT ORGANIZATIONS**

2           IT IS FURTHER ORDERED that defendants are hereby permanently restrained and  
3 enjoined from failing to obtain from each nonprofit organization for whom defendants solicit or  
4 arrange for solicitation of contributions, directly or through any corporation, subsidiary, division,  
5 or other device, prior to any solicitation on behalf of any such nonprofit organization, and again  
6 every six months until defendants' contractual arrangement with the nonprofit organization  
7 terminates:

8           A.     Written certification that all sales, verification, rebuttal, and other telephone  
9 solicitation scripts used in connection with any solicitation do not misrepresent:

- 10                   (1)    The identity or occupation of the solicitor;
- 11                   (2)    The programs or services benefitted by the solicited contributions;
- 12                   (3)    The geographic area or areas within which those programs or  
13                   services are provided; or
- 14                   (4)    The tax-exempt status of the organization or the tax deductibility  
15                   of any contributions; and

16           B.     A written report detailing the programs or services provided by the nonprofit  
17 organization in support of each affirmative representation contained in each script used in  
18 connection with soliciting contributions on its behalf.

19  
20                   **VIII. ASSISTANCE TO OTHER PERSONS**

21           IT IS FURTHER ORDERED that defendants are hereby permanently restrained and  
22 enjoined from assisting or facilitating any person who defendants know or should know makes  
23 false or misleading representations, including but not limited to those set forth in Paragraph IV of  
24 this Order. "Assisting" includes, but is not limited to:

25           A.     Formulating or providing, or arranging to formulate or provide, any script or other  
26 marketing material;

27           B.     Formulating or mailing, or arranging to formulate or mail, any solicitation,  
28 receipt, invoice or any other materials sent to donors;

- 1 C. Providing or arranging to provide the names of donors ("leads");
- 2 D. Arranging for affiliation between any person and any purported nonprofit
- 3 organization for the purpose of soliciting donations;
- 4 E. Providing or arranging customer service functions including, but not limited to,
- 5 receiving or responding to donor questions or complaints, or accepting or handling any refund
- 6 requests; and
- 7 F. Providing consultation services to any person soliciting contributions.
- 8

9 **IX. MAINTENANCE OF RECORDS**

10 IT IS FURTHER ORDERED that defendants, for a period of ten (10) years from the date

11 of entry of this Order, in connection with soliciting contributions from any donor or in

12 connection with assisting or facilitating any person who solicits contributions from any donor as

13 described in Paragraph VIII of this Order, are hereby permanently restrained and enjoined from

14 failing to create, and from failing to retain for a period of three (3) years following the date of

15 such creation unless otherwise specified:

16 A. Records of any contract or agreement utilized in any fundraising venture

17 undertaken by defendants, as well as copies of any advertisement, script or promotional material

18 relating to such fundraising venture;

19 B. Books, records, and accounts which, in reasonable detail, accurately and fairly

20 reflect the cost of conducting any fundraising venture and the income, disbursements,

21 transactions, and use of monies by defendants;

22 C. Records accurately reflecting the name, address, and telephone number of each

23 person employed by defendants in any capacity, that person's job title or position, the date upon

24 which the employee commenced work, and the date and reason for the employee's termination, if

25 applicable.

26 D. Records containing the name, address, and telephone number of each donor

27 solicited by defendants, or by any solicitor directly compensated by defendants;

28

1 E. Records of every consumer inquiry, complaint, or refund request, whether  
2 received directly or indirectly, that reflect:

3 (1) the consumer's name, address, telephone number, and the dollar  
4 amount paid by the consumer;

5 (2) the written inquiry, if any, or the telephone log describing the  
6 nature and the date of the inquiry, complaint, or refund request;

7 (3) the basis of the inquiry, complaint, or refund request, and the  
8 nature and result of any investigation conducted relating to any  
9 inquiry or complaint;

10 (4) each response by defendants and the date of the response;

11 (5) any final resolution and the date of resolution; and

12 (6) in the event of a denial by defendants of a refund request, the  
13 reason for such denial or, if cured, the basis for determining that  
14 such complaint has been cured;

15 F. All notices and reports required by this Order;

16 G. All tape recordings required by this Order together with all documents detailing  
17 the locations at which defendants conduct such taping, to be kept by defendants for a period of  
18 one (1) year;

19 H. All records maintained or created by defendants' training, monitoring, and  
20 verification pursuant to Paragraph V of this Order;

21 I. All records of violations of Paragraph IV of this Order that defendants discover as  
22 a result of their monitoring, taping, verifying, or other compliance efforts made pursuant to  
23 Paragraphs V and VI of this Order, or otherwise, including the date of the violation, the name of  
24 the employee or affiliated fundraiser, the name of the consumer solicited, the misrepresentation,  
25 the number of times the employee or affiliated fundraiser has violated Paragraph IV of this Order  
26 in the preceding twelve months, and a copy of the written warning or termination notice resulting  
27 from such violation;

28

1 J. All statements, certifications, reports and acknowledgments required to be  
2 obtained by this Order; and

3 K. A record of each person for whom defendants are assisting, as that term is defined  
4 in Paragraph VIII of this Order, including all affiliated fundraisers, which record shall include:

- 5 (1) the person's legal name, any business name used, its address, and  
6 telephone number;
- 7 (2) the individual(s) to be contacted and their position(s) or job title(s);
- 8 (3) all accounting or bookkeeping records generated by any defendant  
9 for such person;
- 10 (4) the date of initiation of any agreement or business relationship  
11 between such person and any defendant, and, if applicable, the date  
12 and reasons for the termination of such agreement or business  
13 relationship; and
- 14 (5) each inquiry or complaint received by defendants as a result of  
15 fundraising by such person, together with a description of the  
16 investigation and/or resolution of each such inquiry or complaint.

17  
18 **X. DETERMINING COMPLIANCE**

19 IT IS FURTHER ORDERED that defendants, for a period of ten (10) years after the date  
20 of entry of this Order, for purposes of determining compliance with this Order, shall permit  
21 representatives of the Federal Trade Commission, upon reasonable written notice to defendants:

22 A. Access during normal office hours to any office or facility in which documents  
23 relating to compliance with the terms of this Order are stored or held, to inspect and copy any  
24 documents retained pursuant to Paragraph IX or otherwise relating to the subject of this Order;

25 B. To interview, subject to the reasonable convenience of defendants and without  
26 restraint or interference from them, at a location reasonably convenient to defendants and the  
27 Federal Trade Commission, the officers, directors, and employees of any company or other  
28

1 business entity owned, managed or controlled, in whole or in part, by any defendant, relating to  
2 compliance with the terms of this Order. The person interviewed may have counsel present.  
3

#### 4 **XI. NOTICE TO RELATED PERSONS AND ENTITIES**

5 IT IS FURTHER ORDERED that defendants, for a period of five (5) years after the date  
6 of entry of this Order, in connection with soliciting contributions from any donor, shall:

7 A. Provide a copy of this Order to, and obtain a signed and dated acknowledgment of  
8 receipt of the same from, each of defendants' officers, directors, managing agents, employees,  
9 independent contractors or affiliated fundraisers, nonprofit organizations with whom they  
10 contract to do business, and from each person whom defendants assist, as that term is defined in  
11 Paragraph VIII of this Order; and

12 B. Maintain, and upon reasonable notice make available to representatives of the  
13 Commission, the original acknowledgments of the receipts required by Paragraph XI.A. of this  
14 Order.

#### 15 **XII. CHANGES IN EMPLOYMENT**

16 IT IS FURTHER ORDERED that defendant Saja, for a period of ten years after entry of  
17 this Order, shall give written notice to the FTC of his affiliation or employment with any new  
18 business that is related to the solicitation of donations or is engaged in telemarketing any product  
19 or service within twenty-one days of the commencement of such affiliation. Such notice shall  
20 include the new business' name and address, a statement of the nature of the business, and a  
21 statement of defendant's duties and responsibilities in connection with the business.  
22

#### 23 **XIII. CHANGES IN CORPORATE STRUCTURE**

24 IT IS FURTHER ORDERED that defendant Stealth Publications, Inc., shall notify the  
25 FTC at least thirty (30) days prior to the effective date of any proposed change in its corporate  
26 structure, such as dissolution, assignment or sale resulting in the emergence of any successor  
27 corporation, the creation or dissolution of any subsidiary, or any other changes in the corporation  
28 that may affect compliance obligations arising out of this Order.

1 **XIV. COMPLIANCE REPORT**

2 IT IS FURTHER ORDERED that defendants, within one-hundred-eighty (180) days after  
3 the date of entry of this Order, annually thereafter for a period of three (3) years, and upon 30  
4 days' notice by the FTC at any time for a period of ten (10) years following entry of this Order,  
5 shall file a report, in writing, setting forth in detail the manner and form in which they have  
6 complied with this Order.

7  
8 **XV. NOTICES**

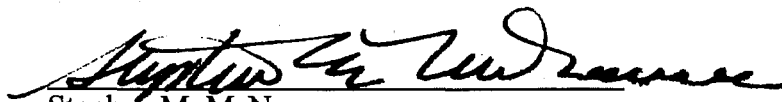
9 IT IS FURTHER ORDERED that all notices and reports required of defendants by this  
10 Order shall be made to the following address:

11 Regional Director  
12 Federal Trade Commission  
13 915 Second Avenue, Suite 2896  
14 Seattle, Washington 98174

15 **XVI. RETENTION OF JURISDICTION**

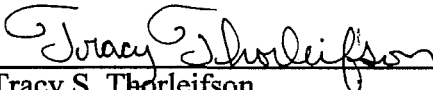
16 IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for the  
17 purpose of enabling either of the parties to this Order to apply to the Court at any time for such  
18 further orders or directives as may be necessary or appropriate for the interpretation or  
19 modification of this Order, for the enforcement of compliance therewith or for the punishment of  
20 violations thereof. This Permanent Injunction supersedes the Preliminary Injunction and the  
21 Stipulated Settlement of Contempt previously entered in this matter.

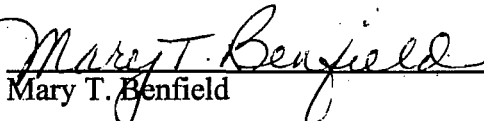
22 SO ORDERED, this 21 day of July, 1998.

23  
24  
25   
26 Stephen M. McNamee  
27 United States District Judge  
28

1 The parties hereby consent to the terms and conditions set forth above and consent to  
2 entry of this Order without further notice to the parties. The parties also stipulate that defendants  
3 waive any claim they may have against the Commission or the FTC attorneys of record in this  
4 matter. Defendants waive any rights that may arise under the Equal Access to Justice Act,  
5 28 U.S.C. § 2412.

6 FOR PLAINTIFF FEDERAL TRADE COMMISSION:

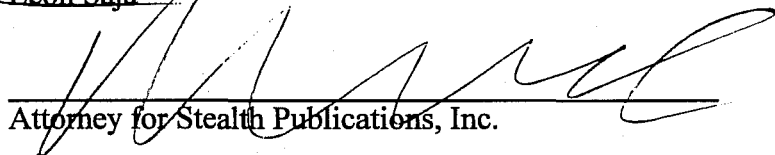
7   
8 \_\_\_\_\_  
9 Tracy S. Thorleifson

10   
11 \_\_\_\_\_  
12 Mary T. Benfield

13   
14 \_\_\_\_\_  
15 Kathryn C. Decker

16 FOR THE DEFENDANTS:

17   
18 \_\_\_\_\_  
19 Leon Saja

20   
21 \_\_\_\_\_  
22 Attorney for Stealth Publications, Inc.