



UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF TEXAS

\_\_\_\_\_ )  
 FEDERAL TRADE COMMISSION, )  
 )  
 Plaintiff, )  
 v. )  
 )  
 IAB MARKETING ASSOCIATES, LP *et al.*, )  
 )  
 Defendants, )  
 )  
 TRESSA K. WOOD and AVIS S. WOOD, )  
 )  
 Relief Defendants. )  
 \_\_\_\_\_ )

Case No. 3:14-cv-00458-L

**STIPULATED FINAL ORDER FOR MONETARY JUDGMENT  
AS TO RELIEF DEFENDANT AVIS S. WOOD**

On September 18, 2012, Plaintiff, the Federal Trade Commission ("FTC"), filed its Complaint for Permanent Injunction and Other Equitable Relief 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 ("Telemarketing Act"), 15 U.S.C. §§ 6101-6108, against IAB Marketing Associates, LP; Independent Association of Businesses; JW Marketing Designs, LLC; International Marketing Agencies, LP; International Marketing Management, LLC; Wood, LLC; James C. Wood; James J. Wood; Michael J. Wood; and Gary D. Wood (the "IAB Defendants"); and against Health Service Providers, Inc.; Magnolia Health Management Corporation; Magnolia Technologies Corporation; FAV Marketing, Inc.; Roy D. Hamilton; and Judy M. Hamilton (the "HSP Defendants"). (DE 1.) On October 9, 2012, the Court issued a preliminary injunction against the IAB Defendants following

ASW's Initials *ASW*

a hearing. (DE 72.) The HSP Defendants stipulated to a preliminary injunction (DE 71), and on February 19, 2013, the Court entered a Stipulated Final Order for Permanent Injunction and Monetary Judgment as to the HSP Defendants. (DE 193.)

On March 4, 2013, the FTC filed its First Amended Complaint ("FAC"), naming Tressa K. Wood and Avis S. Wood as relief defendants in this matter. (DE 197.) The FTC and Relief Defendant Avis S. Wood ("Wood") have agreed to the entry of, and request the Court to enter, this Stipulated Final Order for Monetary Judgment as to Avis Wood ("Order") to resolve all matters of dispute in this action between them.

**IT IS HEREBY ORDERED, ADJUDGED AND DECREED** as follows:

**FINDINGS**

1. This Court has jurisdiction over this matter.
2. The FTC's FAC charges that the IAB and HSP Defendants deceptively sold memberships in IAB, a sham nonprofit "trade association," as traditional health insurance or its equivalent in violation of Sections 5(a)(1), 13(b), and 19 of the FTC Act, 15 U.S.C. §§ 45(a)(1), 53(b), and 57b; and under the Telemarketing Sales Rule ("TSR"), 16 C.F.R. Part 310. The FAC further charges that Wood received funds from the IAB Defendants that can be traced back to the IAB and HSP Defendants' unlawful business practices, and Wood does not have a legitimate claim to those funds.
3. Wood admits that she received funds from the IAB Defendants that the FAC alleges were the proceeds of the IAB and HSP Defendants' activities as described in the FAC.
4. Wood waives any and all rights she may have arising under the Equal Access to Justice Act, 28 U.S.C. § 2412, *amended by* Pub. L. 104-121, 110 Stat. 847, 863-64 (1996),

concerning the prosecution of this action through the date of this Order, and agrees to bear her own costs and attorney fees.

5. The FTC and Wood waive all rights to seek appellate review or otherwise challenge or contest the validity of this Order. Wood further waives and releases any claims she may have against the FTC, its employees, agents, and representatives arising out of this action and under the terms of this Order.

6. Wood waives her share of any and all claims to the Assets of any of the Defendants, including any Assets currently in possession of the Receivers appointed by the Court, Charlene Koonce and John Arrastia, Jr., and further stipulates that her share, if any, of any of these Assets are to be transferred to the FTC to be used for equitable relief.

#### 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, personal, or intellectual property including, but not limited to, chattel, goods, instruments, equipment, fixtures, general intangibles, effects, leaseholds, contracts, mail or other deliveries, shares or stock, securities, inventory, checks, notes, accounts, credits, receivables (as those terms are defined in the Uniform Commercial Code), insurance policies, lines of credit, cash, trusts (including but not limited to asset protection trusts), lists of consumer names and reserve funds or any other accounts associated with any payments processed by, or on behalf of, any Defendant, including, but not limited to, such reserve funds held by payment processors, credit card processors, banks or other financial institutions.

2. “**Defendants**” means the defendants in this action: IAB Marketing Associates, LP; Independent Association of Businesses; HealthCorp International, Inc.; JW Marketing

Designs, LLC; International Marketing Agencies, LP; International Marketing Management, LLC; Wood, LLC; James C. Wood; James J. Wood; Michael J. Wood; Gary Wood; Tressa K. Wood; Avis S. Wood; Health Service Providers, Inc.; Magnolia Health Management Corporation; Magnolia Technologies Corporation; FAV Marketing, Inc.; Roy D. Hamilton; and Judy M. Hamilton.

3. **“Document”** is synonymous in meaning and equal in scope to the usage of the term in Federal Rule of Civil Procedure 34(a), and encompasses both paper Documents and electronically stored information—including writings, drawings, graphs, charts, Internet sites, Web pages, Web sites, electronic correspondence (including email, instant messages, text messages, and other correspondence transmitted on cell phones, smart phones and other mobile devices), photographs, audio and video recordings, contracts, accounting data, advertisements (including, but not limited to, advertisements placed on the World Wide Web), FTP Logs, Server Access Logs, books, written or printed records, handwritten notes, telephone logs, telephone scripts, receipt books, ledgers, personal and business cancelled checks, check registers, bank statements, appointment books, computer records and files, mobile electronic records and files, images, and other data or data compilations—stored in any medium from which information can be obtained either directly or, if necessary, after translation by the Defendants into a reasonably usable form. A draft or non-identical copy is a separate Document within the meaning of the term.

4. **“Material”** means likely to affect a person’s choice of, or conduct regarding, goods or services.

5. **“Person”** shall be construed in its broadest sense and means both natural persons and artificial entities including, but not limited to, sole proprietorships, general partnerships,

limited partnerships, joint ventures, limited liability partnerships, limited liability companies, corporations, sub-chapter S corporations, closely held corporations, professional corporations, business associations, business trusts, and all past and present officers, directors, agents, employees, parent companies, subsidiaries, predecessors, successors, affiliates, assigns, divisions or other persons acting or purporting to act on such person's behalf.

6. “**Representative**” means Wood’s officers, agents, servants, employees, and attorneys, and any other Person or entity in active concert or participation with Wood, who receives actual notice of this Order by personal service or otherwise.

I.

**MONETARY JUDGMENT**

**IT IS THEREFORE ORDERED** that monetary judgment is entered in favor of the FTC and against Wood in the amount of sixty-thousand dollars (\$60,000).

A. Wood must submit this payment to the FTC within seven (7) days of the Court’s entry of this Order by electronic fund transfer or an alternative method that FTC counsel authorizes in writing.

B. Wood relinquishes dominion and all legal and equitable right, title, and interest in all Assets transferred pursuant to this Order and may not seek the return of any Assets.

C. The facts alleged in the FAC will be taken as true, without further proof, in any subsequent civil litigation by or on behalf of the FTC, including in a proceeding to enforce its rights to any payment or monetary judgment pursuant to this Order, such as a nondischargeability complaint in any bankruptcy case.

D. Wood further stipulates and agrees that the facts alleged in the FAC establish all elements necessary to sustain an action by the FTC 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.

E. Wood acknowledges that the Taxpayer Identification Number (Social Security Number), which Wood previously submitted to the FTC, may be used for collecting and reporting on any delinquent amount arising out of this Order, in accordance with 31 U.S.C. § 7701.

F. All money paid to the FTC pursuant to this Order may be deposited into a fund administered by the FTC or its designee to be used for equitable relief, including consumer redress and any attendant expenses for the administration of any redress fund. If a representative of the FTC decides that direct redress to consumers is wholly or partially impracticable or money remains after redress is completed, the FTC may apply any remaining money for such other equitable relief (including consumer information remedies) as it determines to be reasonably related to the Defendants' practices alleged in the FAC. Any money not used for such equitable relief is to be deposited to the U.S. Treasury as disgorgement. Wood has no right to challenge any actions the FTC or its representatives may take pursuant to this Subsection.

## II.

### LIFTING OF ASSET FREEZE

**IT IS FURTHER ORDERED** that the Asset freeze against Wood (governed by the Orders that are DEs 72, 315, 419) shall be immediately lifted with respect to Wood as necessary for Wood to affect compliance with the terms of this Order. Once Wood has complied with her obligations under Section I.A above and Section IV below, the Asset freeze shall be lifted *only* as it applies to Wood. This Order does *not* affect the Asset freeze that is in place with respect to any other Defendant in this litigation.

III.

**COOPERATION WITH FTC COUNSEL**

**IT IS FURTHER ORDERED** that Wood must fully cooperate with representatives of the FTC in this case and in any investigation related to or associated with transactions or the occurrences that are the subject of the FAC. Wood must provide truthful and complete information, evidence, and testimony. Wood must appear for interviews, discovery, hearings, trials, and other proceedings that a FTC representative may reasonably request upon 5 days written notice, or other reasonable notice, at such places and times as a FTC representative may designate, without the service of a subpoena. For matters concerning this Order, the FTC is authorized to communicate directly with Wood. Wood must permit representatives of the FTC to interview any Representative affiliated with her who has agreed to such an interview. Wood and the Representative interviewed may have counsel present.

IV.

**ACKNOWLEDGMENT OF RECEIPT OF ORDER**

**IT IS FURTHER ORDERED** that Wood, within seven (7) days of entry of this Order, must submit to the FTC an acknowledgment of receipt of this Order sworn under penalty of perjury.

V.

**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 AND AGREED:

FOR AVIS S. WOOD:

Avis S Wood  
Avis S. Wood

Date: 6-23, 2014

FOR HILL GILSTRAP, P.C.:

[Signature]  
Frank Hill  
Hill Gilstrap, P.C.  
1400 West Abram Street  
Arlington, TX 76013  
Tel: 817-276-4938  
Fax: 817-861-4685  
*Counsel for Avis S. Wood*

Date: June 23, 2014

FOR THE FEDERAL TRADE COMMISSION:

[Signature]  
Dotan Weinman  
Patricia B. Hsue  
Thomas Biesty

Date: August 6, 2014

FEDERAL TRADE COMMISSION  
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*Attorneys for Plaintiff Federal Trade Commission*

IT IS SO ORDERED, this 8<sup>th</sup> day of August, 2014, at 2:15 o'clock ~~am~~<sup>sat</sup> p.m.

Sam A. Lindsay  
Judge Sam A. Lindsay  
UNITED STATES DISTRICT JUDGE