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 CENTRAL DISTRICT OF CALIFORNIA
 BY D.A. DEPUTY

THIS CONSTITUTES NOTICE OF ENTRY
 AS REQUIRED BY FRCP, RULE 77(d).

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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

11	FEDERAL TRADE COMMISSION,)	Civil Action
12	Plaintiff,)	Case No. CV 99-0044 ABC (AJWx)
13	v.)	Hon. Audrey B. Collins
14	J.K. PUBLICATIONS, INC., et)	FINAL ORDER AND PERMANENT
15	al.,)	INJUNCTION AS TO DEFENDANTS
16	Defendants.)	J.K. PUBLICATIONS, INC., MJD
)	SERVICE CORP., HERBAL CARE,
)	INC., KENNETH H. TAVES, AND
)	TERESA CALLEI TAVES

18 WHEREAS Plaintiff, the Federal Trade Commission
 19 ("Commission") filed an Amended Complaint on January 20, 1999,
 20 charging individual Defendants Kenneth H. and Teresa Callei
 21 Taves, and Corporate Defendants, J.K. Publications, Inc., MJD
 22 Service Corp., and Herbal Care, Inc., with violating Section 5 of
 23 the FTC Act, and seeking a permanent injunction, and other
 24 relief, including consumer redress and disgorgement, pursuant to
 25 § 13(b) of the Federal Trade Commission Act ("FTC Act"), 15
 26 U.S.C. § 53(b), and

27 WHEREAS the Court by decision and order filed April 7, 2000,
 28 granted partial summary judgment finding Defendants

AUG 30 2000

ENTERED ON 10/15
 AUG 30 2000
 [Signature] 424

1 Publications, Herbal Care, Inc., MJD Services Corp., Kenneth H.
2 Taves, and Teresa Callei Taves (hereafter, collectively,
3 "Defendants") liable for committing unfair business practices
4 within the meaning of Section 5 of the FTC Act, and

5 WHEREAS the Court conducted a trial on June 15-16, 2000 with
6 respect to the amount of damages owed by Defendants, and by
7 decision dated August 9, 2000, adopted findings of fact and
8 conclusions of law finding Defendants liable for \$37,566,577 in
9 damages,

10 NOW THEREFORE IT IS ORDERED AS FOLLOWS:

11
12 **DEFINITIONS**

13 For purposes of this Order, the following definitions shall
14 apply:

15 1. "Participating Associates" shall refer to Defendants'
16 agents, employees, officers, attorneys, and those persons in
17 active concert or participation with them who receive actual
18 notice of this Order by personal service or otherwise. The terms
19 "Defendants" and "Order" are defined in subsections 4 and 10,
20 below;

21 2. "Taves Defendants" shall refer to Kenneth H. and Teresa
22 Callei Taves, individually and jointly, their successors,
23 assigns, officers, agents, servants, employees, and those persons
24 in active concert or participation with them who receive actual
25 notice of this Order by personal service or otherwise, whether
26 acting directly or through any entity, corporation, subsidiary,
27 division, or other device, unless specified otherwise;

28 //

1 3. "Corporate Defendants" shall refer to J.K. Publications,
2 Inc. ("JKP"), MJD Service Corp. ("MJD"), and Herbal Care, Inc.
3 ("Herbal Care");

4 4. "Defendants" shall refer to the Taves Defendants and
5 Corporate Defendants, individually and collectively;

6 5. "Documents" shall refer to written, typed, printed,
7 transcribed, or computer-stored material, however produced or
8 recorded;

9 6. "World Wide Web" means a system used on the Internet for
10 cross-referencing and retrieving information. A "web site" is a
11 set of electronic documents, usually a home page and subordinate
12 pages, readily viewable on computer by anyone with access to the
13 Web, standard software, and knowledge of the web site's location
14 or address;

15 7. "Internet" means a worldwide system of linked computer
16 networks that use a common protocol (TCP/IP) to deliver and
17 receive information. The "Internet" includes but is not limited
18 to the following forms of electronic communication: electronic
19 mail, the World Wide Web, news groups, Internet Relay Chat, and
20 file transfers;

21 8. "Receiver" shall refer to Robb Evans and Robb Evans and
22 Associates;

23 9. "Order of Preliminary Injunction" means the Order of
24 Preliminary Injunction As To Defendants J.K. Publications, Inc.,
25 MJD Service Corp., Kenneth H. Taves, and Teresa Callei Taves
26 dated March 15, 1999;

27 10. "Order," or "Final Order," or "Final Judgment" means
28 this Final Order and Permanent Injunction As To Defendants J.K.

1 Publications, Inc., MJD Service Corp., Herbal Care, Inc., Kenneth
2 H. Taves, and Teresa Callei Taves;

3 **ORDER**

4 **INJUNCTIVE PROVISIONS (SECTIONS I-V)**

5 **I.**

6 **IT IS THEREFORE ORDERED** that in connection with the
7 advertising, promotion, offering for sale, or sale of goods or
8 services by any means whatsoever, including but not limited to
9 the Internet, the World Wide Web, or any web site, Defendants are
10 hereby permanently restrained and enjoined from making or
11 assisting others in making, directly or by implication, orally or
12 in writing, any false representation that consumers have
13 purchased or agreed to purchase goods or services, and,
14 therefore, owe money to Defendants.

15 **II.**

16 **IT IS FURTHER ORDERED** that in connection with the
17 advertising, promotion, offering for sale, or sale of goods or
18 services by any means whatsoever, including but not limited to
19 the Internet, the World Wide Web, any web site, Defendants are
20 hereby permanently restrained and enjoined from billing or
21 receiving money from any consumer, or assisting others in billing
22 or receiving money from any consumer, without authorization,
23 including but not limited to charging or debiting such consumer's
24 credit card or debit card accounts without that consumer's
25 express verifiable authorization; *provided, however,* that
26 compliance with Part III of this Order shall constitute "express
27 verifiable authorization" of the debiting of consumers' credit
28 card or debit card accounts in connection with the sale of goods

1 or services through the Internet, the World Wide Web, or any web
2 site.

3 **III.**

4 **IT IS FURTHER ORDERED** that in connection with the
5 advertising, promotion, offering for sale, or sale of goods or
6 services through the Internet, the World Wide Web, or any web
7 site, Defendants are hereby permanently restrained and enjoined
8 from submitting for payment a credit or charge card transaction,
9 check, draft, or other form of negotiable paper drawn on any
10 consumer's checking, savings, share, or similar account, unless
11 Defendants first:

12 A. Obtain the full account holder name, address, zip
13 code, e-mail address, card number, and card expiration date on
14 any credit, charge, or debit card transaction;

15 B. Using commercially available means, verify to the
16 extent possible, the name, expiration date, address, and other
17 identification information associated with the holder of the
18 credit, charge, or debit card account that corresponds with the
19 card number; provided, however, that nothing in this Order shall
20 be construed to permit the Defendants to distribute or transfer
21 information identified in Part III (A) or (B) to any third party
22 for any purpose other than obtaining express verifiable
23 authorization;

24 C. Clearly and conspicuously disclose to the consumer
25 the following terms and conditions of the sale:

- 26 1. A description of the product or service;
27 2. The amount of the charges/draft(s);
28 3. The payer's name;

- 1 4. The number of charge/draft payments (if more than
- 2 one);
- 3 5. A telephone number for customer inquiry that is
- 4 answered during normal business hours;
- 5 6. The cost per month;
- 6 7. Whether any recurring charges will be billed to the
- 7 consumer; and
- 8 8. The manner in which the consumer may cancel and/or
- 9 obtain a refund.

10 D. Require the consumer to communicate an express
11 acceptance or decline of the product or service after receiving
12 the disclosure described in Part III(C); and

13 E. Require the consumer to use his user name and password
14 to gain access to the product or service.

15 **IV.**

16 **IT IS FURTHER ORDERED** that in connection with the
17 advertising, promotion, offering or sale of goods or services by
18 any means whatsoever, including but not limited to the Internet,
19 the World Wide Web, or any web site, Defendants are hereby
20 permanently restrained and enjoined from failing to:

21 A. Transmit an e-mail message to any purchaser, after
22 the purchaser has used his user name and password to gain access
23 to the product or service, that confirms the purchase and repeats
24 the disclosure described in Part III(C);

25 B. Terminate any business relationship with any party
26 that sends or attempts to send unauthorized credit, charge, or
27 debit card account numbers to Defendants, or for which a pattern
28 of false, deceptive, or questionable transactions develops; and

1 C. Maintain an adequate staff to respond to consumer
2 complaints or inquiries.

3 V.

4 IT IS FURTHER ORDERED that in connection with the
5 advertising, promotion, offering or sale of goods or services by
6 any means whatsoever, including but not limited to the Internet,
7 the World Wide Web, or any web site, Defendants are hereby
8 permanently restrained and enjoined from failing to promptly
9 credit, pursuant to Section 226.12(c) of Regulation Z, 12 C.F.R.
10 § 226.12(c), any consumer who requests a refund.

11 BAN REQUIREMENTS -- KEN TAVES

12 VI.

13 IT IS FURTHER ORDERED that for a period of ten years from
14 the date of this Order, defendant Kenneth Taves, whether
15 directly, in concert with others, or through any business,
16 entity, corporation, subsidiary, division or other device, is
17 enjoined from owning or controlling, whether directly or
18 indirectly, holding a managerial post, consulting for, or serving
19 as an officer in any business that handles consumers' credit card
20 or debit card accounts, or the information therefrom;

21 *Provided, however,* that nothing in this part shall prohibit
22 defendant Kenneth Taves individually from owning a non-
23 controlling number of shares of any corporation or business
24 entity whose shares are publicly traded on one or more of the
25 following exchanges: New York Stock Exchange, NASDAQ, American
26 Stock Exchange; and

27 *Provided, further,* that nothing in this part shall prohibit
28 defendant Kenneth Taves from being an employee of a business that

1 handles consumers' credit card or debit card accounts, or the
2 information received therefrom, as long as defendant Kenneth
3 Taves does not use any of those credit or debit card accounts, or
4 any information derived therefrom, for any purpose other than the
5 lawful and legitimate processing of a credit or debit card
6 transaction that is expressly authorized by the cardholder for
7 goods sold or services provided by defendant Kenneth Taves'
8 employer.

9 **BOND REQUIREMENTS -- TERESA C. TAVES**

10 **VII.**

11 **IT IS FURTHER ORDERED that:**

12 A. For a period of ten years from the date of this
13 Order, defendant Teresa Taves is restrained and enjoined from
14 engaging in the activities described in Sections I through V
15 above, whether directly, in concert with others, or through any
16 business, entity, corporation, subsidiary, division or other
17 device (in which defendant Teresa Taves has a direct or indirect
18 ownership or controlling interest, for which she holds a
19 managerial post, for which she serves as a consultant, or for
20 which she serves as an officer or director), unless she first
21 obtains a surety bond in the principal sum of FIVE HUNDRED
22 THOUSAND DOLLARS (\$500,000).

23 B. The terms and conditions of the bond required by
24 Section VII.A ("Bond Covered Activity") shall be as follows:

25 1. The bond shall be conditioned upon compliance with
26 the provisions of this Order and with Section 5(a) of the FTC
27 Act, 15 U.S.C. § § 45(a);

28 //

1 2. The bond shall be continuous and remain in full
2 force and effect as long as Teresa C. Taves engages in any Bond
3 Covered Activity, and for at least three (3) years after she has
4 ceased to engage in Bond Covered Activities;

5 3. The bond shall cite this Order as the basis of the
6 bond, and shall provide surety thereunder to consumers against
7 financial loss resulting from any violation of the provisions of
8 this Order, or Section 5(a) of the FTC Act;

9 4. The bond required by this Section shall be issued by
10 a surety company that:

11 (a) is admitted to do business in each of the
12 states in which Teresa C. Taves conducts
13 business; and

14 (b) holds a Federal Certificate of Authority As
15 Acceptable Surety On Federal Bond and Reinsuring;

16 5. The bond shall be in favor of the Commission
17 for the benefit of any consumer injured as a result of any
18 violation of the provisions of this Order or of Sections 5(a) or
19 12 of the FTC Act, 15 U.S.C. §§ 45(a) by the Teresa C. Taves, her
20 agents or any other persons acting in concert with them or under
21 their authority, supervision or control, while engaging in the
22 Bond Covered Activity;

23 6. The bond required pursuant to this Section is in
24 addition to, and not in lieu of, any other bond required by
25 federal, state, or local law. The bond requirements of this Order
26 shall not be construed to limit or preempt the regulatory powers
27 of any other federal, state, regional, county, local or other
28 government agency or authority; and

1 B. The Defendants relinquish all right, title, and
2 interest to: (1) all frozen assets held by or on behalf of the
3 Receiver or receivership estate, or the Commission; (2) all
4 assets subject to claims by the Receiver, or the receivership
5 estate, or the Commission pursuant to the Temporary Restraining
6 Order of January 6, 1999 and the Order of Preliminary Injunction
7 previously entered in this case. This includes but is not
8 limited to all extraterritorial assets as well as assets in the
9 United States and includes, without limitation, the assets
10 identified by the Receiver, as set forth in Trial Exhibit 11, and
11 the reports filed by the Receiver with the Court in this case.

12 C. The Commission may apply any or all funds received
13 from Defendants and the Receiver pursuant to this Order, and any
14 interest received thereon, to a consumer redress program and to
15 related administrative expenses. If the Commission determines a
16 consumer redress program is not feasible, or if there are funds
17 remaining after full implementation of the redress plan, the
18 Commission shall deposit these funds into the United States
19 Treasury.

20 D. In implementing a redress plan, the Commission or
21 its agent shall have full and sole discretion to:

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

28 //

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

6 E. The Taves Defendants are hereby required, in
7 accordance with 31 U.S.C. § 7701, to furnish to the Commission
8 their social security numbers, unless previously furnished. The
9 social security numbers shall be used for purposes of collecting
10 and reporting on any delinquent amount arising out of this Order.

11 **RECORD KEEPING PROVISIONS**

12 **IX.**

13 **IT IS FURTHER ORDERED THAT,** for a period of ten (10) years
14 from the date of entry of this Order, the Defendants, and their
15 participating associates, in connection with any business where
16 they are the majority owner of the business, or directly or
17 indirectly control the business, are hereby restrained and
18 enjoined from failing to have such business create, and from
19 failing to have such business retain for a period of three (3)
20 years following the date of such creation, unless otherwise
21 specified:

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

26 B. Records accurately reflecting: the name, address,
27 and telephone number of each person employed in any capacity by
28 such business, including as an independent contractor; that

1 person's job title or position; the date upon which the person
2 commenced work; and the date and reason for the person's
3 termination, if applicable; provided that the business subject to
4 this Subsection shall retain such records for a period of two
5 years following the date of each such person's termination;

6 C. Records containing the names, addresses, phone
7 numbers, addresses, E-mail addresses, user names, passwords,
8 dollar amounts paid, quantity of items or services purchased, and
9 description of items or services purchased, for all consumers to
10 whom such business has sold or charged for goods or services;

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

- 14 1. The consumer's name, address, telephone number and
15 the dollar amount paid by the consumer;
- 16 2. The written complaint or refund request, if any, and
17 the date of the complaint or refund request;
- 18 3. The basis of the complaint, including the name of
19 any salesperson or business entity complained
20 against, and the nature and result of any
21 investigation conducted concerning any complaint;
- 22 4. Each response and the date of the response;
- 23 5. Any final resolution and the date of the resolution;
- 24 6. In the event of a denial of a refund request, the
25 reason for the denial; and
- 26 7. The e-mail verifications sent to consumers pursuant
27 to Part IV of this Order; and

28 //

1 E. Records relating to all ventures undertaken by the
2 Defendants, their agents, servants, employees and distributors,
3 and those persons in active concert or participation that involve
4 any type of business venture, but not limited to, group or
5 individual meetings, telemarketing, web sites, commercial
6 electronic mail, infomercials or other television or radio
7 advertising, or direct mail, including but not limited to copies
8 of all contracts or agreements between the Defendants, their
9 agents, servants, employees and distributors, and those persons
10 in active concert or participation and any sales company, mail
11 house, printer, Internet service provider, information provider,
12 telephone company, television or radio station, or other person
13 through whom the Defendants, their agents, servants, employees
14 and distributors, and those persons in active concert or
15 participation advertise or promote products or services, as well
16 as copies of all advertisements, web pages, commercial electronic
17 mail, or promotional materials utilized in such ventures; and

18 F. Copies of all sales scripts, training materials,
19 advertisements, or other marketing materials utilized; provided
20 that copies of all said sales scripts, training materials,
21 advertisements, or other marketing materials utilized shall be
22 retained for three (3) years after the last date of dissemination
23 of any such materials.

24 **NON-DISCLOSURE OF CONSUMER LISTS**

25 X.

26 IT IS FURTHER ORDERED that the Defendants, and their
27 officers, agents, servants, employees, and attorneys, and all
28 other persons or entities in active concert or participation with

1 them who receive actual notice of this Order by personal service
2 are permanently restrained and enjoined from selling, renting,
3 leasing, transferring, or otherwise disclosing the name, address,
4 telephone number, credit card number, bank account number, e-mail
5 address, or other identifying information of any person who paid
6 any money to any defendant in this action, at any time prior to
7 entry of this Order, in connection with the advertising,
8 marketing, or sale of any product or service in commerce,
9 including through the Internet, the World Wide Web, any web site,
10 that involves charging or debiting consumers' credit card or
11 debit card accounts. *Provided, however,* that Defendants may
12 disclose such identifying information to a law enforcement agency
13 or as required by any law, regulation, or court order.

14 **REPORTS BY TAVES DEFENDANTS**

15 **XI.**

16 **IT IS FURTHER ORDERED** that:

17 A. For a period of ten (10) years from the date of
18 entry of this Order, the Taves Defendants shall notify the
19 Commission at the address listed in Subd. C, below, of the
20 following: (1) any changes in their business address, residential
21 address or telephone number, within ten (10) days of the date of
22 such change; and (2) any changes in their employment status
23 (including self-employment) within ten (10) days of such change.
24 Such notice shall include the name and address of each business
25 that the Taves Defendants are affiliated with or employed by, a
26 statement of the nature of the business, and a statement of his
27 duties and responsibilities in connection with the business or
28 employment.

1 B. Beginning on May 1, 2001, and continuing each year on
2 the same date, through and including May 1, 2009, the Taves
3 Defendants shall supply staff of the Federal Trade Commission
4 with a copy of their income tax returns and with returns for any
5 corporations or businesses owned or operated on their behalf.

6 C. For the purposes of this Order, the Taves Defendants
7 shall, unless otherwise directed by the Commission's
8 representatives, address all written communications to the
9 Commission to:

10 Associate Director for Marketing Practices
11 Federal Trade Commission
12 Room 238
13 600 Pennsylvania Ave, N.W.
14 Washington, DC 20580
15 Re: FTC v. J.K. Publications, Inc. et al., CV 99-00044

16 D. For the purposes of this Part, "employment" includes
17 the performance of services as an employee, consultant, or
18 independent contractor; and "employers" include any individual or
19 entity for whom any defendant performs services as an employee,
20 consultant, or independent contractor; and

21 E. For purposes of the compliance reporting required by
22 this Section only, the Commission is authorized to communicate
23 directly with the Taves Defendants.

24 **AUTHORITY TO MONITOR COMPLIANCE**

25 **XII.**

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

A. The Commission is authorized, without further leave
of court, to obtain discovery from any person in the manner

1 provided by Chapter V of the Federal Rules of Civil Procedure,
2 Fed. R. Civ. P. 26 - 37, including the use of compulsory process
3 pursuant to Fed. R. Civ. P. 45, for the purpose of monitoring
4 Defendants' compliance with any provision of this Order.

5 B. The Commission is authorized to use representatives
6 posing as consumers and suppliers to Defendants, their employees,
7 or any other entity managed or controlled in whole or in part by
8 Defendants, without the necessity of identification or prior
9 notice; and

10 C. Nothing in this Order shall limit the Commission's
11 lawful use of compulsory process, pursuant to Sections 9 and 20
12 of the FTC Act, 15 U.S.C. §§ 49, 57b-1, to investigate whether
13 Defendants have violated any provision of this Order, Section 5
14 of the FTC Act, 15 U.S.C. § 45, 52, the TILA, Regulation Z, or
15 the EFTA.

16 ACCESS TO BUSINESS PREMISES

17 XIII.

18 IT IS FURTHER ORDERED that, for a period of ten (10) years
19 from the date of entry of this Order, for the purpose of further
20 determining compliance with this Order, Defendants shall permit
21 representatives of the Commission, within three (3) business days
22 of receipt of written notice from the Commission to do the
23 following:

24 A. Access during normal business hours to any office,
25 or facility storing documents, of any business that handles
26 consumers' credit card or debit card accounts, or the information
27 therefrom, where the Defendants are the majority owner of the
28 business, or directly or indirectly control the business. In

1 providing such access, the Defendants shall permit
2 representatives of the Commission to inspect and copy all
3 documents relevant to any matter contained in this Order and
4 shall permit Commission representatives to remove documents
5 relevant to any matter contained in this Order so that the
6 documents may be inspected, inventoried, and copied; and

7 B. To interview the officers, directors, and employees,
8 including all personnel involved in responding to consumer
9 complaints or inquiries, and all sales personnel, whether
10 designated as employees, consultants, independent contractors or
11 otherwise, of any business to which Subsection A of this Section
12 applies, concerning matters relating to compliance with the terms
13 of this Order. If any of the above-mentioned persons agree to be
14 interviewed, the person interviewed may have counsel present.

15 *Provided further*, that Plaintiff may otherwise monitor each
16 Defendant's compliance with this Order by all lawful means
17 available, including: (1) the use of investigators or other
18 representatives of the Commission posing as consumers and
19 suppliers of Defendants, their employees or any entity which
20 Defendants own, operate or control, without the necessity of
21 prior identification or notice; (2) without further leave of
22 Court, the use of discovery as provided by Rules 26-37 of the
23 Federal Rules of Civil Procedure, including the use of compulsory
24 process pursuant to Federal Rule of Civil Procedure 45; and (3)
25 the use of compulsory process pursuant to Sections 9 and 20 of
26 the FTC Act, 15 U.S.C. §§ 49 and 57b-1, to investigate whether
27 either Defendant has violated any provision of this Order or
28 Section 5 of the FTC Act, 15 U.S.C. § 45.

1 Provided further that, upon application of the Commission,
2 and for good cause shown, the Court may enter an ex parte order
3 granting immediate access to Defendants' business premises for
4 the purposes of inspecting and copying all documents relevant to
5 any matter contained in this Order.

6 **ACKNOWLEDGMENT OF RECEIPT OF ORDER BY DEFENDANT**

7 **XIV.**

8 **IT IS FURTHER ORDERED** that within five (5) business days
9 after receipt by the Taves Defendants of this Order and the Final
10 Judgment, as entered by the Court, the Taves Defendants shall
11 submit to the Commission at the address proved in Section XI.C
12 herein a truthful sworn statement, in the form shown on
13 Attachments B and C, that shall acknowledge receipt of both the
14 Final Order and the Final Judgment.

15 **DISTRIBUTION OF ORDER BY DEFENDANT**

16 **XV.**

17 **IT IS FURTHER ORDERED** that, for a period of ten (10) years
18 from the date of entry of this Order, the Taves Defendants shall:

19 A. Provide a copy of this Order to, and obtain a signed
20 and dated acknowledgment of receipt of same from, each officer or
21 director, each individual serving in a management capacity, all
22 personnel involved in responding to consumer complaints or
23 inquiries, and all sales personnel, whether designated as
24 employees, consultants, independent contractors or otherwise,
25 immediately upon employing or retaining any such persons, for any
26 business where the Taves Defendants are an officer, director,
27 manager or majority owner.

28 //

1 B. Maintain for a period of ten (10) years after
2 creation, and upon reasonable notice, make available to
3 representatives of the Commission, the original signed and dated
4 acknowledgments of the receipt of copies of this Order, as
5 required in the previous Subsection.

6 **RECEIVER'S AUTHORITY WITH RESPECT TO DEFENDANTS' ASSETS**

7 **XVI.**

8 **IT IS FURTHER ORDERED** that this Order supersedes the Order
9 of Preliminary Injunction. The Receiver's obligations to pay
10 Defendants' monthly living expenses, attorneys' fees, and legal
11 costs are hereby terminated. The Receiver is authorized to
12 continue to take all steps necessary or advisable to locate and
13 liquidate all assets subject to the Order of Preliminary
14 Injunction. Without limiting the generality of the preceding
15 sentence, the Receiver shall take any steps necessary or
16 advisable in any jurisdiction where assets of the Taves
17 Defendants or Corporate Defendants are situated or where persons
18 or entities holding such assets are located to recover such
19 assets for consumer redress, including seeking repatriation
20 orders. The Receiver shall also be entitled to execute all such
21 documents in the name of and on behalf of the Defendants and any
22 third party legal title holder as may be necessary or advisable
23 to take custody and control of such assets.

24 **CONTINUATION OF RECEIVERSHIP**

25 **XVII.**

26 **IT IS FURTHER ORDERED** that the Receiver shall continue as
27 permanent receiver for Defendants, until discharged by order of
28 the Court, with full powers of a permanent receiver, including

1 but not limited to those powers set forth in the Order of
2 Preliminary Injunction, and including full liquidation powers.
3 Without limiting the generality of the preceding sentence, the
4 Receiver shall be empowered to continue to collect, marshal, and
5 take custody, control and possession of all of the funds,
6 property, and assets of the Taves Defendants and the Corporate
7 Defendants, and all of their affiliates and subsidiaries,
8 including but not limited to Media Buying Services, Benford
9 Limited, Phaeton Corporation, and Chamonix Investments, Ltd., and
10 to institute, prosecute, adjust, intervene in or become a party
11 to such actions or proceedings in state, federal or foreign
12 courts that the Receiver deems necessary or advisable in order to
13 collect, marshal, and take custody, control and possession of
14 such funds, property and assets.

15 IT IS FURTHER ORDERED that the Receiver shall submit
16 periodic reports to the Commission and the Court setting forth in
17 detail the status of the Receiver's post-judgment activities.
18 These reports shall be submitted on a quarterly basis for a
19 period of one year from the date of entry of this Order and,
20 thereafter, no less frequently than on a semi-annual basis. The
21 Receiver shall wind up the affairs of the receivership estate as
22 expeditiously as possible.

23 RETENTION OF JURISDICTION

24 XVIII.

25 IT IS FURTHER ORDERED that this Court shall retain
26 jurisdiction over this matter for purposes of the construction,
27 modification and enforcement of both this Order and the Final
28 Judgment.

ENTRY OF THIS FINAL ORDER

XIX.

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

SO ORDERED.

DATED:

August 29, 2000

Audrey B Collins

AUDREY B. COLLINS
UNITED STATES DISTRICT JUDGE

1 MJD Services Corp., Herbal Care, Inc., Kenneth H. Taves, and
2 Teresa Callei Taves and the Final Judgment As To Defendants J.K.
3 Publications, Inc., MJD Services Corp., Herbal Care, Inc.,
4 Kenneth H. Taves, and Teresa Callei Taves, both of which were
5 signed by the Honorable Audrey Collins and entered by the Court.

6 I declare under penalty of perjury under the laws of the
7 United States that the foregoing is true and correct. Executed
8 on [date], at [city and state].

9 _____
10 Kenneth H. Taves

11 State of _____, City of _____

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

14 _____
15 Notary Public
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ATTACHMENT B

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

J.K. PUBLICATIONS, INC.,
et al.

Defendants.

Civil Action
No. CV 99-00044 ABC (AJWx)
Hon. Audrey Collins

AFFIDAVIT OF TERESA C. TAVES

_____ being duly sworn, hereby states and affirms as follows:

1. My name is Teresa C. Taves. I am a defendant in the above-captioned civil action. I am a citizen of the United States and 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 copies of the Final Order and Permanent Injunction As To Defendants J.K. Publications, Inc.,

1 MJD Services Corp., Herbal Care, Inc., Kenneth H. Taves, and
2 Teresa Callei Taves and the Final Judgment As To Defendants J.K.
3 Publications, Inc., MJD Services Corp., Herbal Care, Inc.,
4 Kenneth H. Taves, and Teresa Callei Taves, both of which were
5 signed by the Honorable Audrey Collins and entered by the Court.

6 I declare under penalty of perjury under the laws of the
7 United States that the foregoing is true and correct. Executed
8 on [date], at [city and state].

9 _____
10 Teresa C. Taves

11 State of _____, City of _____

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

14 _____
15 Notary Public
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