

**UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF NEW YORK**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

VISIONS GROUP OF AMERICA, INC.,  
a corporation;

SOHO TECHNOLOGIES, INC.,  
a corporation;

MARK COLOSI, individually and as an  
officer and director of VISIONS GROUP  
OF AMERICA, INC.;

REX JUDD, individually and as an officer  
and director of VISIONS GROUP OF  
AMERICA, INC.; and

GREG KAZIMER, individually and as an  
officer and director of VISIONS GROUP  
OF AMERICA, INC. and SOHO  
TECHNOLOGIES, INC.,

Defendants.

CIVIL NO.

**CONSENT ORDER**

WHEREAS: Plaintiff, the United States of America, has commenced this action by filing the complaint herein; Defendants Visions Group of America, Inc. ("Visions Group"), SOHO Technologies, Inc. ("SOHO"), Mark Colosi, Rex Judd, and Greg Kazimer have waived service of the summons and complaint; the parties have been represented by the attorneys whose names appear hereafter; and the parties have agreed to settlement of this action upon the following terms and conditions, without adjudication of any issue of fact or law and without Defendants admitting liability for any of the matters alleged in the complaint;

THEREFORE, on the joint motion of the plaintiff and the Defendants, it is hereby ORDERED, ADJUDGED, and DECREED as follows:

1. This Court has jurisdiction of the subject matter and of the parties.
2. The complaint states a claim upon which relief may be granted against the Defendants under Sections 5(a)(1), 5(m)(1)(A), 13(b), and 16(a) of the Federal Trade Commission Act, 15 U.S.C. §§ 45(a)(1), 45(m)(1)(A), 53(b), and 56(a), and the Commission's Trade Regulation Rule entitled "Rule Concerning Cooling-Off Period for Sales Made at Homes or at Certain Other Locations," 16 C.F.R. Part 429 ("Cooling-Off Rule"). A copy of this Rule is attached hereto as "Attachment A" and incorporated herein as if fully set forth verbatim.

### **I. DEFINITIONS**

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

1. "The Defendants" means Visions Group, SOHO, Mark Colosi, Rex Judd, and/or Greg Kazimer.
2. "Door-to-Door Sale" means "Door-to-Door Sale," as that term is defined in Section 429.0(a) of the Cooling-Off Rule, 16 C.F.R. § 429(a).
3. "Seller" means "Seller," as that term is defined in Section 429.0(c) of the Cooling-Off Rule, 16 C.F.R. § 429.0(c).
4. "Consumer Goods or Services" means "Consumer Goods or Services," as that term is defined in Section 429.0(b) of the Cooling-Off Rule, 16 C.F.R. § 429.0(b).
5. "Place of Business" means "Place of Business," as that term is defined in Section 429.0(d) of the Cooling-Off Rule, 16 C.F.R. § 429.0(d).
6. "Business Opportunity" means any written or oral business arrangement, however denominated, whether or not covered by the Federal Trade Commission Trade Regulation Rule entitled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures," 16 C.F.R. Part 436, which consists of the payment of any consideration for:

- a. The right or means to offer, sell, or distribute goods or services (whether or not identified by a trademark, service mark, trade name, advertising, or other commercial symbol); and
- b. More than nominal assistance to any person or entity in connection with or incident to the establishment, maintenance, or operation of a new business or the entry by an existing business into a new line or type of business.

7. "Investment" means any interest, product or service, including any partnership, interest in any partnership, stock or other beneficial interest, tangible or intangible, that in any way is (1) offered for sale, traded, or sold, to be held, wholly or in part, primarily or substantially for purposes of economic benefit, profit, or income, or (2) offered for sale, traded, or sold, based on representations, wholly or in part, express or implied, about past or future income, appreciation, or resale value.

## **II. INJUNCTIVE PROVISIONS**

### **A. SECTION 5 OF THE FTC ACT**

1. The Defendants, and each of them, and their successors, assigns, subsidiaries, affiliates, officers, agents, servants, representatives, employees, and attorneys, and all persons in active concert or participation with any one or more of them who receive actual notice of this Order by personal service or otherwise, in connection with the offering for sale and sale of any franchise, business opportunity, or investment, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, shall not make any representation, in any manner, expressly or by implication, concerning:

- a. The income, profits, or sales volume likely to be achieved, or
- b. The income, profits, or sales volume achieved by other business opportunity or investment purchasers,

unless the representation is true and, at the time it is made, the Defendants possess and rely upon competent and reliable evidence that substantiates the representation.

2. The Defendants, and each of them, and their successors, assigns, subsidiaries, affiliates, officers, agents, servants, representatives, employees, and attorneys, and all persons in active concert or participation with any one or more of them who receive actual notice of this Order by personal service or otherwise, in connection with any product or service, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, shall not make any representation, in any manner, expressly or by implication, concerning any material fact, unless the representation is true and, at the time it is made, the Defendants possess and rely upon competent and reliable evidence that substantiates the representation.

### **B. THE COOLING OFF RULE**

3. The Defendants, and each of them, and their successors, assigns, subsidiaries, affiliates, officers, agents, servants, representatives, employees, and attorneys, and all persons in active concert or participation with any one or more of them who receive actual notice of this Order by personal service or otherwise, are hereby enjoined from ever violating, directly, or through any corporation, subsidiary, division, or other device, any provision of the Federal Trade Commission's Cooling-Off Rule, 16 C.F.R. Part 429, or as the Cooling-Off Rule may hereafter be amended, including but not limited to:

- a. Failing to furnish buyers with a Summary Notice in substantially the form required by § 429.1 Paragraph (a) of the Cooling-Off Rule;
- b. Failing to furnish buyers with the Notice of Cancellation form required by § 429.1 Paragraph (b) of the Cooling-Off Rule; and
- c. Misrepresenting a buyer's right to cancel.

### **III. CIVIL PENALTY**

4. Defendants Visions Group, SOHO, and Mark Colosi, Rex Judd, and Greg Kazimer, individually, and as officers and directors of the corporate Defendants, their successors and assigns, shall pay to plaintiff a civil penalty, in settlement of the complaint herein and pursuant to Section 5(m)(1)(A) of the Federal Trade Commission Act, 15 U.S.C. § 45(m)(1)(A),

in the amount of \$22,000. Defendants are jointly and severally responsible for paying the penalty.

#### **IV. COMPLIANCE REPORTING BY DEFENDANTS**

5. Mark Colosi, Rex Judd, and Greg Kazimer, for the purpose of monitoring compliance, for a period of four (4) years commencing with the date of entry of this Order, shall notify the Commission of the following in writing:

- a. Any changes in their residences, mailing addresses, or telephone numbers within thirty (30) days of such change;
- b. Any changes in their employment status (including self-employment) within thirty (30) days of such change. Such notice shall include the name and address of each such business that each of them is affiliated with or employed by, a statement of the nature of the business, and a statement of their duties and responsibilities in connection with each such business; and
- c. Any proposed change in the structure of Defendants Visions Group, SOHO, or any business entity owned or controlled by Mark Colosi, Rex Judd, or Greg Kazimer, such as creation, incorporation, dissolution, assignment, sale, creation or dissolution of subsidiaries, or any change that may affect compliance obligations arising out of this Order, thirty (30) days prior to the effective date of any proposed change; *provided*, however, that, with respect to any proposed change in the corporation about which Mark Colosi, Rex Judd, or Greg Kazimer learn less than thirty (30) days prior to the date such action is to take place, such Defendant shall notify the Commission as soon as it is practicable after learning of the proposed change.

6. One hundred eighty (180) days after the date of entry of this Order, Mark Colosi, Rex Judd, and Greg Kazimer shall provide a written report to the Commission, sworn to under penalty of perjury, setting forth in detail the manner and form in which the Defendants have complied and are complying with this Order. This report shall include, but not be limited to:

- a. The individual Defendants' then current residence addresses and telephone numbers;
- b. The individual Defendant's then current employment, business addresses, and telephone numbers, a description of the business activities of each such employer, and each Defendant's title and responsibilities for each employer;
- c. A copy of each acknowledgment of receipt of this Order obtained by the Defendants pursuant to Paragraph 15;
- d. A statement describing the manner in which the Defendants have complied and are complying with:
  1. the injunctive provisions set forth in Paragraph II.A.1 and 2, and the prohibition against violating the Cooling-Off Rule set forth in Paragraph II.B;
  2. the provision for payment of a civil penalty set forth in Paragraph 4;
  3. the monitoring compliance of sales personnel provisions set forth in Paragraph 11;
  4. the record keeping and document retention provisions set forth in Paragraph 13;
  5. the access to business premises provisions set forth in Paragraph 14;
  6. the order distribution provision set forth in Paragraph 15; and
  7. the furnishing of taxpayer identification numbers provision set forth in Paragraph 17.

7. Upon written request by a representative of the Commission, the Defendants 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.

8. For purposes of this Order, the Defendants shall, unless otherwise directed by the Commission's authorized representatives, mail all written notifications to the Commission to:

Regional Director  
Northeast Region  
Federal Trade Commission  
One Bowling Green, Suite 318  
New York, NY 10004

Re: Federal Trade Commission v. Visions Group of America, Inc., et al.

9. For the purposes of this section, "employment" includes the performance of services as an employee, consultant, or independent contractor; and "employers" include any individual or entity for whom Mark Colosi, Rex Judd, or Greg Kazimer performs services as an employee, consultant, or independent contractor.

10. For purposes of the compliance reporting required by this section, the Commission shall direct all inquiries to Gary Hailey, Esq. at Venable, Baetjer, Howard & Civiletti, LLP, 1201 New York Avenue, N.W., Suite 1000, Washington, D.C. 20005 unless Mr. Hailey or a duly authorized representative gives the Commission thirty (30) days notice that inquiries should be directed to another identified attorney, or to Defendants Mark Colosi, Rex Judd, or Greg Kazimer directly.

#### **V. MONITORING COMPLIANCE OF SALES PERSONNEL**

11. For a period of four (4) years from the date of the entry of this Order, for the purpose of monitoring compliance with this Order, Mark Colosi, Rex Judd, and Greg Kazimer, and their successors and assigns, in connection with the offering for sale and sale of any franchise, business opportunity, or investment, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, where Mark Colosi, Rex Judd, or Greg Kazimer is the majority owner of the business or directly or indirectly manages or controls the business, are permanently restrained and enjoined from failing to take reasonable steps sufficient to monitor and ensure that all employees and independent contractors engaged in sales or other customer service functions comply with sections II.A and B of this Order. Such steps shall include, at a minimum, the following: (a) establishing and implementing procedures for the

listening to and monitoring of oral representations made by persons engaged in sales or other customer service functions; (b) establishing and implementing procedures for receiving, investigating fully, and responding to consumer complaints; *provided* that this paragraph does not authorize or require any Defendant to take any steps that violate any federal, state, or local laws; and (c) terminating any employee whom any defendant determines is not complying with this Order.

#### **VI. COMMISSION'S AUTHORITY TO MONITOR COMPLIANCE**

12. The Commission is hereby authorized to monitor the defendants' compliance with this Order by all lawful means, including, but not limited to, the following means:

- a. The Commission is authorized to obtain discovery from any person in the manner provided by Chapter V of the Federal Rules of Civil Procedure, F.R.C.P. 26-37, including the use of compulsory process pursuant to F.R.C.P. 45, for the purpose of monitoring and investigating any Defendant's compliance with any provision of this Order;
- b. The Commission is authorized to use representatives posing as consumers and suppliers to Defendant SOHO, Defendant's employees, or any other entity managed or controlled in whole or in part by Defendants Colosi, Judd, or Kazimer, without the necessity of identification or prior notice; and
- 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 and 57b-1, to investigate whether any Defendant has violated any provision of this Order or Section 5 of the FTC Act, 15 U.S.C. § 45.

#### **VII. RECORD KEEPING AND DOCUMENT RETENTION**

13. For a period of four (4) years from the date of the entry of this Order, Mark Colosi, Rex Judd, and Greg Kazimer, and their successors and assigns, in connection with the offering for sale and sale of any franchise, business opportunity, or investment, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, where Mark Colosi,



Rex Judd, or Greg Kazimer is the majority owner of the business or directly or indirectly manages or controls the business, are hereby ordered to create and retain for a period of three (3) years following the date of such creation, unless otherwise specified:

- a. 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;
- b. 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 employee's termination, if applicable. The businesses subject to this paragraph shall retain such records for any terminated employee for a period of two (2) years following the date of termination;
- c. Records containing the names, addresses, phone numbers, dollar amounts paid, quantity of items purchased, and description of items purchased, for each person to whom any of the above-referenced businesses has sold, invoiced, or shipped any products or services;
- d. Records that reflect, for every written or oral customer complaint or refund request, whether received directly, indirectly, or through any third party:
  1. The customer's name, address, telephone number, and the dollar amount paid by the customer;
  2. The written complaint or refund request, if any, and the date of the complaint or refund request;
  3. The basis of the complaint or refund request, including the name of any salesperson complained against, and the nature and

result of any investigation conducted concerning the validity of any complaint;

4. Each response to the complaint or refund request and the date of the response;

5. Any final resolution and the date of the resolution; and

6. In the event of a denial of a refund request, the reason for such denial, or if the complaint was cured, the basis for determining that the complaint was cured; and

e. Copies of all sales scripts, training packets, advertisements, or other marketing materials utilized shall be retained for three (3) years after the last date of dissemination of any such materials.

#### **VIII. ACCESS TO BUSINESS PREMISES**

14. For a period of four (4) years from the date of entry of this Order, for the purpose of further determining compliance with this Order, the Defendants shall within ten (10) business days of receipt of written notice, permit representatives of the Commission:

a. Access during normal business hours to any office or facility storing documents used in connection with the offering for sale and sale of any franchise, business opportunity, or investment, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, where Mark Colosi, Rex Judd, or Greg Kazimer is the majority owner of the business or otherwise directly or indirectly manages or controls the business. In providing such access, the Defendants shall permit representatives of the Commission to inspect and copy all documents relevant to any conduct subject to this Order; and shall permit Commission representatives to remove documents relevant to any matter contained in this Order for a period not to exceed five (5) business days so that the documents may be inspected, inventoried, and copied. Alternatively, the Defendants may allow relevant documents to be inspected, inventoried, and

copied by Commission representatives onsite, provided that the Defendants furnish equipment and supplies needed to expeditiously copy such documents.

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 Subparagraph a. applies, concerning matters relating to compliance with the terms of this Order. The person interviewed may have counsel present. Nothing in this Order shall be construed to waive any rights that a person interviewed pursuant to this section may have, or to require such person to submit to a request for an interview, *provided*, however, that this section shall not affect the Commission's right to conduct discovery pursuant to Paragraph 12 a. of this Order.

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

#### **IX. DISTRIBUTION OF ORDER BY DEFENDANTS**

15. For a period of four (4) years from the date of the entry of this Order, the Defendants, their successors and assigns, shall:

a. provide a copy of this Consent Order and the Cooling-Off Rule to, and obtain a signed and dated acknowledgment of receipt of same from, each officer or director and each individual serving in a management capacity, in connection with the offering for sale and sale of any franchise, business opportunity, or investment, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, where Mark Colosi, Rex Judd, or Greg Kazimer is the majority owner of the business or directly or indirectly manages or controls the business;

- b. provide a Commission counsel approved summary of the injunctive provisions of Consent Order to, and obtain a signed and dated acknowledgment of receipt of same from, 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 person, in connection with the offering for sale and sale of any franchise, business opportunity, or investment, in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, where Mark Colosi, Rex Judd, or Greg Kazimer is the majority owner of the business or directly or indirectly manages or controls the business;
- c. provide a copy of the Cooling-Off Rule to, and obtain a signed and dated acknowledgment of receipt of same from, all personnel involved in Door-to-Door sales, whether the personnel are designated as employees, consultants, independent contractors or otherwise, immediately upon employing or retaining any such person, for any business where Mark Colosi, Rex Judd, or Greg Kazimer is the majority owner of the business or directly or indirectly manages or controls the business; and
- d. 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 receipt of copies of this Order, any Commission staff approved summaries of the Order, and the Cooling-Off Rule, as required in Subparagraphs a.-c. above.

**X. ACKNOWLEDGMENT OF RECEIPT OF ORDER BY DEFENDANTS**

16. Within ten (10) business days after receipt by Mark Colosi, Rex Judd, and Greg Kazimer of this Order as entered by the Court, each Defendant shall submit to the Commission a truthful sworn statement, in the form shown on Appendix B, that shall acknowledge receipt of this final Order.

**XI. FURNISHING OF TAXPAYER IDENTIFICATION NUMBERS**

17. Defendants Visions Group and SOHO are hereby required in accordance with 31 U.S.C. § 7701, to furnish to the Federal Trade Commission their respective taxpayer identifying numbers (Employer Identification Number), which shall be used for purposes of collecting and reporting on any delinquent amount arising out of such defendants' relationships with the government.

**XII. RETENTION OF JURISDICTION**

18. This Court shall retain jurisdiction of this matter for purposes of enabling any of the parties to this Order to apply to the Court at any time for such further orders or directives as may be necessary or appropriate for the interpretation or modification of this Order, for the enforcement of compliance therewith, or for the punishment of violations thereof.

The parties, by their respective counsel, hereby consent to the terms and conditions of the Consent Order as set forth above and consent to the entry thereof. Defendants waive any rights that may arise under the Equal Access to Justice Act, 28 U.S.C. § 2412, *amended by* Pub. L. 104-121, 110 Stat. 847, 863-64 (1996).

**STIPULATED AND AGREED TO:**

**FOR THE DEFENDANTS:**

Gary D. Hailey, Esq.  
Venable, Baetjer, Howard & Civiletti, LLP  
1201 New York Avenue, N.W.  
Suite 1000  
Washington, D.C. 20005  
Attorneys for Defendants  
Visions Group of America, Inc.,  
SOHO Technologies, Inc.,  
Mark Colosi, Rex Judd, and Greg Kazimer  
(202) 962-4997 (telephone)  
(202) 962-8300 (facsimile)

Mark Colosi, individually  
and as an officer of Defendant  
Visions Group of America, Inc.

Rex Judd, individually and as an  
officer of Defendant  
Visions Group of America, Inc.

Greg Kazimer, individually and  
as an officer of Defendants Visions  
Visions Group of America, Inc. and  
SOHO Technologies, Inc.

FOR THE  
UNITED STATES OF AMERICA

DAVID W. OGDEN  
Assistant Attorney General  
Civil Division  
U.S. Department of Justice

DENISE O'DONNELL  
United States Attorney  
Western District of New York

By: \_\_\_\_\_

Assistant United States Attorney  
138 Delaware Avenue  
Buffalo, NY 14202  
(716) 551-4811


EUGENE M. THIROLF  
Director  
Office of Consumer Litigation

By: \_\_\_\_\_

ELIZABETH STEIN  
Trial Attorney  
Office of Consumer Litigation  
Civil Division  
U.S. Department of Justice  
Washington, DC 20530  
(202) 307-0486

FOR THE  
FEDERAL TRADE COMMISSION:

BARBARA ANTHONY  
Regional Director

  
RONALD L. WALDMAN

ROBIN E. EICHEN  
Attorneys  
Federal Trade Commission  
Northeast Region  
One Bowling Green, Suite 318  
New York, NY 10004

SO ORDERED, this \_\_\_\_\_ day of \_\_\_\_\_, 2000.

\_\_\_\_\_  
UNITED STATES DISTRICT JUDGE

**UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF NEW YORK**

UNITED STATES OF AMERICA

Plaintiff,

v.

VISIONS GROUP OF AMERICA, INC.,  
a New York corporation;

SOHO TECHNOLOGIES, INC.,  
a Delaware corporation;

MARK COLOSI, individually and as an  
officer and director of VISIONS GROUP  
OF AMERICA, INC.;

REX JUDD, individually and as an officer  
and director of VISIONS GROUP OF  
AMERICA, INC.; and

GREG KAZIMER, individually and as an  
officer and director of VISIONS GROUP  
OF AMERICA, INC. and SOHO  
TECHNOLOGIES, INC.,

Defendants.

CIVIL NO.

**AFFIDAVIT OF**

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

1. My name is \_\_\_\_\_ . My current residence address is \_\_\_\_\_

\_\_\_\_\_ . I am a citizen of the United States of America and am over the age of eighteen. I have personal knowledge of the facts set forth in this Affidavit.

2. I am a defendant in U.S. v. Visions Group of America, et al., Civil Action Number CV- \_\_\_\_\_ , pending in the United States District Court for the Western District of New York.



3. On \_\_\_\_\_, I received a copy of the Consent Decree, which was signed by the  
Honorable \_\_\_\_\_ and entered by the Court on \_\_\_\_\_. A true and  
correct copy of the Order I received is appended to this Affidavit.

I declare under penalty of perjury under the laws of the United States that the foregoing is  
true and correct. Executed on \_\_\_\_\_, at \_\_\_\_\_.

\_\_\_\_\_  
State of \_\_\_\_\_, City of \_\_\_\_\_

Subscribed and sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 2000.

\_\_\_\_\_  
Notary Public  
My Commission Expires:  
\_\_\_\_\_