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11-12
LODGED
JAN 25 2001
CLERK U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION AT SANTA ANA
DEPUTY

FILED
JAN 26 2001
CLERK, U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION
DEPUTY

11
12 UNITED STATES DISTRICT COURT
13 FOR THE CENTRAL DISTRICT OF CALIFORNIA
14 SOUTHERN DIVISION

ENTERED
JAN 29 2001
CLERK, U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SANTA ANA OFFICE
DEPUTY

15 FEDERAL TRADE COMMISSION,
16 Plaintiff,
17 v.
18 HOME PROFESSIONS, INC., a Nevada
corporation also doing business
19 as Nationwide Medical Billing;
20 TELESALSCENTER.COM, a California
corporation also doing business
21 as Home Professions and
ProClaim Software; and
22 MICHAEL PETOK, individually, doing
23 business as Home Professions,
OptiMed, and Nationwide Medical
24 Billing, and as an officer and
25 director of Home Professions, Inc.,
and Telesalecenter.Com,
26 Defendants.

Civil No. SACV 00-111AHS (EEx)
STIPULATED FINAL JUDGMENT
AND ORDER FOR
PERMANENT INJUNCTION

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

- Docketed
- Copies / NTC Sent
- JS - 5 / JS - 6
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1 Plaintiff, the Federal Trade Commission ("FTC" or
2 "Commission"), commenced this action by filing its Complaint for
3 permanent injunction and other relief pursuant to Sections 5 and
4 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C
5 §§ 45 and 53(b), charging that the Defendants engaged in deceptive
6 acts or practices in violation of Section 5 of the FTC Act, 15
7 U.S.C. § 45, in connection with the sale of work-at-home medical
8 billing employment opportunities. The Commission and these
9 Defendants, as hereinafter defined, hereby agree to a settlement
10 of this action without trial or adjudication of any issue of law
11 or fact herein. The Commission and Defendants stipulate to entry
12 of this Stipulated Final Judgment and Order For Permanent
13 Injunction ("Order") to resolve all matters of dispute between
14 them in this action.

15 **NOW THEREFORE**, the Commission and Defendants having requested
16 the Court to enter this Order,

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

18 **FINDINGS**

19 1. This is an action by the Commission instituted under
20 Sections 5 and 13(b) of the Federal Trade Commission Act ("FTC
21 Act"), 15 U.S.C. §§ 45 and 53(b). The Complaint seeks permanent
22 injunctive relief against Defendants in connection with the
23 advertising, offering for sale, and sale of work-at-home medical
24 billing employment opportunities, and equitable monetary relief in
25 the form of consumer redress and/or disgorgement.

26 2. This Court has jurisdiction over the subject matter and
27 the parties pursuant to 28 U.S.C. §§ 1331 and 1337(a), and 15
28 U.S.C. § 53(b).

1 3. Venue is proper as to all parties in the Central
2 District of California.

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

5 5. The Complaint states a claim upon which relief may be
6 granted against the Defendants, under Sections 5(a) and 13(b) of
7 the FTC Act, 15 U.S.C. §§ 45(a) and 53(b).

8 6. Defendants have entered into this Order freely and
9 without coercion. Defendants further acknowledge that they have
10 read the provisions of this Order and are prepared to abide by
11 them.

12 7. Plaintiff and Defendants, by and through their counsel,
13 have agreed that the entry of this Order resolves all matters of
14 dispute between them arising from the Complaint in this action, up
15 to the date of entry of this Order.

16 8. Plaintiff and Defendants waive all rights to seek
17 appellate review or otherwise challenge or contest the validity of
18 this Order. Defendants further waive and release any claim they
19 may have against the Commission, its employees, representatives or
20 agents.

21 9. Defendants have agreed that this Order does not entitle
22 Defendants to seek or to obtain attorneys' fees as a prevailing
23 party under the Equal Access to Justice Act, 28 U.S.C. § 2412, as
24 amended by Pub. L. 104-121, 110 Stat. 847, 863-64 (1996), and
25 Defendants further waive any rights to attorneys' fees that may
26 arise under said provision of law.

27 10. This Order is in addition to, and not in lieu of, any
28 other civil or criminal remedies that may be provided by law.

1 11. Defendants, by stipulating and consenting to this Order,
2 do not admit any of the allegations in the Complaint, except those
3 contained in Findings 1 through 10 above. By executing this
4 Order, the Commission does not admit that any defense to the
5 Complaint is valid.

6 12. Entry of this Order is in the public interest.

7 **DEFINITIONS**

8 For purposes of this Stipulated Order, the following
9 definitions shall apply.

10 1. "Asset" means any legal or equitable interest in, or
11 right or claim to, any real and personal property, including
12 without limitation, chattels, goods, instruments, equipment,
13 fixtures, general intangibles, leaseholds, mail or other
14 deliveries, inventory, checks, notes, accounts, credits,
15 contracts, receivables, shares of stock, and all cash, wherever
16 located

17 2. "Assisting others" means knowingly providing any of the
18 following services to any person or entity:

19 (a) formulating or providing, or arranging for the
20 formulation or provision of, any telephone sales script or
21 any other marketing material;

22 (b) hiring, recruiting, or training personnel;

23 (c) advising or consulting others on the commencement or
24 management of a business venture;

25 (d) providing names of, or assisting in the generation of,
26 potential customers,

27 (e) performing customer service functions, including but not
28 limited to, receiving or responding to consumer complaints;

1 or

2 (f) performing marketing or telemarketing services of any
3 kind.

4 3. "Defendants" means Corporate Defendants and Individual
5 Defendant. The Corporate Defendants are Home Professions, Inc.
6 ("Home Professions"), a Nevada corporation, doing business as
7 Nationwide Medical Billing; and Telesalescenter.Com
8 ("Telesalescenter"), a California corporation, doing business as
9 Home Professions, and ProClaim Software. The "Individual
10 Defendant" is Michael J. Petok, individually and as an officer of
11 the Corporate Defendants.

12 4. "Medical Billing" means any service by which bills or
13 charges for medical services or products or medically related
14 services or products are sent, directly or indirectly, to a
15 patient or third party payor, including but not limited to,
16 insurance companies, on behalf of the physician, doctor or other
17 provider of a medical service or product or medically related
18 service or product.

19 5. "Person" means a natural person, organization or other
20 legal entity, including a corporation, partnership,
21 proprietorship, association, or cooperative, or any other group or
22 combination acting as an entity.

23 6. "Plaintiff" means the Federal Trade Commission.

24 7. "Work-at-Home Opportunity" means any program, plan,
25 product or service that enables a participant or purchaser to earn
26 money while working at home.

27 8. "Telemarketing" means the advertising, offering for
28 sale, or sale of any good or service to any person by means of

1 telephone sales presentations, either exclusively or in
2 conjunction with the use of other advertising.

3 ORDER

4
5 **I. PERMANENT BAN**

6 **IT IS FURTHER ORDERED** that Defendants, whether directly or
7 indirectly, or through any corporation, business entity, or person
8 under their control, are hereby permanently restrained and
9 enjoined from engaging, participating, or assisting others in the
10 advertising, promotion, offering for sale or sale of any medical
11 billing or work-at-home opportunity.

12
13 **II. ADDITIONAL PROHIBITED BUSINESS ACTIVITIES**

14 **IT IS FURTHER ORDERED** that Defendants, their officers,
15 agents, servants, and employees, and all persons in active concert
16 or participation with them who receive actual notice of this Order
17 by personal service or otherwise, in connection with the
18 advertising, promotion, offering for sale, or sale of any good or
19 service, including but not limited to medical billing, work-at-
20 home opportunity, or other income generating product or service,
21 are hereby permanently enjoined from making, or assisting others
22 in the making of, any statement or representation of material fact
23 that is false or misleading, whether directly or by implication,
24 orally or in writing, including but not limited to, any or all of
25 the following:

26 A. Any false or misleading representation that:

27 1. Consumers who pay a fee to Defendants will be
28 enrolled in a work-at-home job program through which they will

- 1 obtain an actual job or actual jobs paying stated salaries;
- 2 2. The potential earnings a consumer can receive if
- 3 they purchase a product or service;
- 4 3. The likelihood that a purchaser will obtain
- 5 employment based on purchasing such product or service;
- 6 4. The terms of any guarantee or promise to refund
- 7 amounts paid by purchasers to Defendants.

8 **III. MONETARY JUDGMENT AND REDRESS**

9 **IT IS FURTHER ORDERED** that:

10 A. Judgment in the amount of Twenty-Seven Thousand Six

11 Hundred Forty-Seven Dollars (\$27,647.00) is hereby entered

12 against the Defendants, jointly and severally, which shall be paid

13 as follows:

14 Prior to or concurrently with their execution of this Order,

15 Defendants shall turn over the full amount of the monetary

16 judgment to their attorney, who shall hold the entire sum in

17 escrow. Within ten (10) days of the entry of this Order,

18 Defendants' attorney shall transfer the escrowed amount by

19 electronic transfer, certified or cashier's check payable to the

20 Federal Trade Commission, or such agent as the Commission may

21 direct in its sole discretion. By signing this Order, the

22 Defendants relinquish all dominion, control and title to the

23 monies transferred to the FTC, and agree that all legal and

24 equitable title to said monies is vested in the Commission, for

25 use according to the terms of this Order. In the event this Order

26 is not approved by the Commission all monies shall be returned to

27 the Defendants (including any accrued interest, minus expenses).

28 //

1 The Defendants agree not to make claim to or demand for the return
2 of the Escrow Fund, directly or indirectly. In the event of
3 bankruptcy of any Defendant such Defendant agrees to acknowledge
4 and verify in an appropriate manner to the bankruptcy court or to
5 any other authority, and hereby acknowledges and verifies, that
6 neither the Escrow Fund nor any part thereof is part of the
7 debtor's estate, nor does the estate have any claim or interest
8 therein;

9 B. All funds paid pursuant to this Section shall be
10 deposited into a fund administered by the Commission or its agent
11 to be used for equitable relief, including but not limited to
12 consumer redress and any attendant expenses for the administration
13 of any redress fund. If the Commission determines, in its sole
14 discretion, that redress to purchasers is wholly or partially
15 impracticable, any funds not so used shall be paid to the United
16 States Treasury as disgorgement or shall be used to educate
17 consumers affected by the practices in the Commission's Complaint
18 in this action. Defendants shall have no right to contest the
19 manner of distribution chosen by the Commission. The Commission,
20 in its sole discretion, may use a designated agent to administer
21 consumer redress;

22 C. The Commission's agreement to this Order, requiring that
23 Defendants be liable for less than the full amount of consumer
24 injury, is expressly premised upon the truthfulness, accuracy and
25 completeness of the Defendants' respective financial statements,
26 namely that of Defendant Michael J. Petok, dated March 6, 2000,
27 Defendant Home Professions, dated March 2, 2000, and Defendant
28 Telesalescenter.Com, dated March 14, 2000, and related documents

1 that were submitted to the Commission. Such financial statements
2 and supporting documents contain material information upon which
3 the Commission relied in negotiating and agreeing to this Order.
4 If, upon motion by the Commission, this Court finds that any
5 Defendant has failed to disclose any material asset or materially
6 misstated the value of any asset in the financial statements and
7 related documents described above, or has made any other material
8 misstatement or omission in the financial statements and related
9 documents described above, the Court shall enter judgment in the
10 amount of Two Million Nine Hundred Thousand Dollars (\$2.9 Million)
11 against such Defendant. For the purposes of this Section, the
12 Defendants waive any right to contest any of the allegations in
13 the Complaint filed in this action;

14 D. Any funds paid by Defendants pursuant to Paragraph C of
15 this Section shall be paid into the redress fund described in
16 Paragraph B of this Section.

17 E. In the event of any default on the monetary judgments
18 set forth in Paragraph of A of this section, the amount of \$2.9
19 million shall become immediately due and payable by Defendants,
20 and interest computed at the rate prescribed under 28 U.S.C.
21 § 1691, as amended, shall immediately begin to accrue on the
22 unpaid balance.

23 F. Defendants shall cooperate fully with the Commission and
24 its agents in all attempts to collect the amount due pursuant to
25 this Section if any of the Defendants fails to pay the full amount
26 due at the time specified herein. In such an event, Defendants
27 agree to provide the Commission with their federal and state tax
28 returns for the preceding two years, and to complete new financial

1 disclosure forms fully and accurately within ten (10) business
2 days of receiving a request from the Commission to do so.
3 Defendants further authorize the Commission to verify all
4 information provided on their financial disclosure forms with all
5 appropriate third parties, including but not limited to financial
6 institutions;

7 G. In accordance with 31 U.S.C. § 7701, the Defendants are
8 hereby required, unless they have done so already, to furnish to
9 the FTC their respective taxpayer identifying numbers (social
10 security numbers or employer identification numbers) which shall
11 be used for purposes of collecting and reporting on any delinquent
12 amount arising out of the Defendants' relationship with the
13 government;

14 H. Defendants agree that the facts as alleged in the
15 Complaint filed in this action shall be taken as true in any
16 subsequent litigation filed by the Commission to enforce its
17 rights pursuant to this Order, including but not limited to a
18 nondischargeability complaint in any bankruptcy proceeding;

19 I. Proceedings instituted under this Section are in
20 addition to, and not in lieu of, any other civil or criminal
21 remedies that may be provided by law, including any other
22 proceedings the Commission may initiate to enforce this Order.

23
24 **IV. RESCISSION OF CONTRACTS**

25 **IT IS FURTHER ORDERED** that Defendants, and their officers,
26 agents, servants, and employees, and all persons in active concert
27 or participation with them who receive actual notice of this Order
28 by personal service or otherwise, shall:

1 (A) Within ten (10) days after the date this Order is
2 entered, mail a notice to all consumers who, as of the date of
3 entry of this Order, have payments which are due or may become due
4 on any Provider Acquisition I Agreement or other contract relating
5 to any medical billing product or service. Such notice shall
6 state that, as a result of an agreement between Defendants and the
7 Federal Trade Commission, such consumer may upon written notice to
8 Defendants rescind his or her contract with Defendants and that no
9 further payment for such product or service will be due.

10 (B) Upon receipt of a written notice pursuant to Paragraph
11 A, above, that a consumer is rescinding his or her Provider
12 Acquisition I Agreement or other contract relating to any medical
13 billing product or service, cancel such contract and cease all
14 collection efforts of any fees due under such contract.

15 (C) Within ten (10) days of the receipt of a written notice
16 pursuant to Paragraph A above, that a consumer is rescinding his
17 or her Provider Acquisition I Agreement or other contract relating
18 to any medical billing product or service, mail notices to all
19 third parties collecting or receiving payments from consumers that
20 such contracts are null and void and that payments are no longer
21 due.

22 V. CUSTOMER LISTS

23 **IT IS FURTHER ORDERED** that the Defendants, their successors,
24 assigns, officers, agents, servants, employees and those persons
25 in active concert or participation with them who receive actual
26 notice of this Order by personal service or otherwise are hereby
27 permanently restrained and enjoined from using, selling, renting,
28 leasing, transferring or otherwise disclosing the name, address,

1 telephone number, credit card number, bank account number, e-mail
2 address, or other identifying information of any person who paid
3 any money to any Defendant at any time prior to entry of this
4 Order, in connection with the advertising, promotion,
5 telemarketing, offering for sale or sale of any medical billing
6 opportunity or related work-at-home opportunity; *provided*,
7 however, that Defendants may disclose such identifying information
8 to a law enforcement agency, or as required by any law,
9 regulation, or court order.

10 **VI. LIFTING OF ASSET FREEZE**

11 **IT IS FURTHER ORDERED** that:

12 The freeze against the assets of the Defendants pursuant to
13 Section II of the Amended Preliminary Injunction Order entered by
14 this Court on February 25, 2000, shall be lifted to the extent
15 necessary for said Defendants to make the payments required by
16 Section III of this Order directly to the Commission as stated in
17 Section III, and upon compliance with that Section by Defendants,
18 shall be lifted permanently.

19 **VII. ACKNOWLEDGMENT OF RECEIPT OF ORDER AND**
20 **REAFFIRMATION OF FINANCIAL STATEMENTS**

21 **IT IS FURTHER ORDERED** that within five (5) business days of
22 receipt of this Order as entered by the Court, Defendants shall
23 submit to the Commission a truthful sworn statement, in the form
24 shown on **Appendix A**, that shall acknowledge receipt of this Order,
25 and in the forms shown on **Appendices B through D** shall reaffirm
26 and attest to the truthfulness, accuracy, and completeness of
27 Defendants' financial statements dated .
28

1 VIII. DISTRIBUTION OF ORDER BY DEFENDANTS

2 IT IS FURTHER ORDERED that, for a period of five (5) years
3 from the date of entry of this Order, Defendants shall:

4 A. Provide a copy of this Order to, and obtain a signed and
5 dated acknowledgment of receipt of same from, each officer and
6 director, each individual serving in a management capacity, all
7 personnel involved in responding to consumer complaints or
8 inquiries, and all sales personnel, whether designated as
9 employees, consultants, independent contractors or otherwise,
10 within five (5) business days after receipt of this Order, and
11 thereafter immediately upon employing any such person, for any
12 business that Defendants directly or indirectly manage, control,
13 or have a majority ownership interest in.

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

19
20 IX. COMPLIANCE REPORTING BY DEFENDANTS

21 IT IS FURTHER ORDERED that, in order that compliance with the
22 provisions of this Order may be monitored:

23 A. For a period of five (5) years after the date of entry
24 of this Order, the Defendants shall notify the Commission in
25 writing of the following:

26 1. Any changes in the residence, mailing addresses and
27 telephone numbers of an Individual Defendant, within ten (10) days
28 of the date of such change;

1 2. Any changes in the employment status (including
2 self-employment) of any Individual Defendant, within ten (10) days
3 of such change. Such notice shall include the name and address of
4 each business that the Individual Defendant is affiliated with or
5 employed by, a statement of the nature of the business, and a
6 statement of the Individual Defendant's duties and
7 responsibilities in connection with the business or employment;

8 3. Any proposed change in the structure of any
9 Corporate Defendant, or any business entity that the Individual
10 Defendant directly or indirectly manages, controls or has a
11 majority ownership interest in, such as creation, incorporation,
12 dissolution (including the dissolution of any subsidiaries),
13 assignment, proposed filing of a bankruptcy petition, or sale or
14 merger resulting in the emergence of a successor corporation, or
15 any other change in that entity, including a change in the
16 corporate name or address, that may affect any compliance
17 obligation arising out of this Order, at least thirty (30) days
18 prior to the effective date of any such change; *provided, however,*
19 *that with respect to any proposed change in the structure of any*
20 *Corporate Defendant or any business entity that the Individual*
21 *Defendant directly or indirectly manages, controls or has a*
22 *majority ownership interest in, about which the Defendant learns*
23 *less than thirty (30) days prior to the date such action is to*
24 *take place, the Defendant shall notify the Commission as soon as*
25 *is practicable after learning of such proposed change;*

26 B. One hundred eighty (180) days after the date of entry of
27 this Order, Defendants shall provide a written report to the
28 Commission, sworn to under penalty of perjury, setting forth in

1 detail the manner and form in which Defendants have complied and
2 are complying with this Order. This report shall include but not
3 be limited to:

4 1. The Individual Defendant's then current residence
5 address, mailing address, and telephone numbers;

6 2. The Individual Defendant's then current employment
7 and business address and telephone number, a description of the
8 business activities of each such employer or business, and the
9 Individual Defendant's title and responsibilities for each such
10 employer or business;

11 3. A copy of each acknowledgment of receipt of this
12 Order obtained by the Corporate or Individual Defendant pursuant
13 to Section VII; and

14 4. A statement describing the manner in which the
15 Corporate or Individual Defendant has complied and is complying
16 with Paragraphs I through V of this Order;

17 C. Upon written request by a representative of the
18 Commission, Defendants shall submit additional written reports
19 (under oath, if requested) and produce documents on fifteen (15)
20 days' notice with respect to any conduct that is subject to this
21 Order;

22 D. For the purposes of this Order, Defendants shall, unless
23 otherwise directed by a representative of the Commission, identify
24 all written notifications to the FTC as provided in reference to
25 FTC v. Home Professions, et al., United States District Court for
26 the Central District of California, Civil Number SACV 00-111AHS
27 (EEx), FTC Number X000049, and mail them to:

28 Regional Director

1 Midwest Regional Office
2 Federal Trade Commission
3 55 East Monroe Street, Suite 1860
4 Chicago, Illinois 60603

5 E. For the purposes of this Section, "employment" includes
6 the performance of services as an employee, consultant, or
7 independent contractor; and "employers" include any individual or
8 entity for whom any Individual Defendant performs services as an
9 employee, consultant, or independent contractor; and

10 F. For purposes of the compliance reporting required by
11 this Section, the Commission is authorized to communicate directly
12 with Defendants.

13
14 **X. RECORD KEEPING PROVISIONS**

15 **IT IS FURTHER ORDERED** that, for a period of five (5) years
16 from the date of entry of this Order, in connection with any
17 business that any Defendant directly or indirectly manages,
18 controls or has a majority ownership interest in, Defendants,
19 their successors, assigns, officers, agents, servants, employees
20 and those persons in active concert or participation with them who
21 receive actual notice of this Order by personal service or
22 otherwise are hereby restrained and enjoined from failing to
23 create and maintain for a period of five (5) years following the
24 date of their creation, unless otherwise specified:

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

28 B. Records containing the name, address, telephone number

1 and social security number of each person employed by any
2 Defendant in any capacity, including as an independent contractor,
3 that person's job title or position, the date upon which the
4 person commenced work, and the date and reason for the person's
5 termination, if applicable; *provided, however,* that the businesses
6 subject to this requirement shall retain such records during the
7 employment of any person, and for a period of two (2) years after
8 the date of their termination;

9 C. Records containing the name, address, telephone number,
10 quantity of goods or services purchased, and a description of the
11 goods or services purchased, and the amount paid therefor, for all
12 consumers to whom the business has sold, invoiced or shipped any
13 product or service;

14 D. Records that reflect, for every written or oral consumer
15 complaint or refund request received by any of the Defendants,
16 their successors, assigns, officers, agents, servants, employees
17 and those persons in active concert or participation with them who
18 receive actual notice of this Order by personal service or
19 otherwise, whether directly or indirectly or through any third
20 party: (1) the customer's name, address, telephone number; (2) the
21 dollar amount paid by the consumer; (3) the written complaint or
22 refund request, if any; (4) the basis of the complaint or refund
23 request, including the name of any salesperson complained about;
24 (5) the nature and result of any investigation conducted
25 concerning the complaint or refund request; (6) each response and
26 the date of the response to the complaint or refund request, and
27 (7) any final resolution of the complaint or refund request, and
28 the date of the resolution; and (8) in the event of a denial of a

1 refund request, the reason for the denial; and

2 E. Copies of all sales scripts, training materials,
3 advertisements, or other marketing materials utilized, which shall
4 be retained for three (3) years after the last date of their
5 dissemination or use.

6 **XI. ACCESS TO BUSINESS PREMISES**

7 **IT IS FURTHER ORDERED** that for a period of five (5) years
8 from the date of entry of this Order, for the purposes of
9 determining or securing compliance with its provisions, the
10 Defendants, their successors, assigns, officers, agents, servants,
11 employees and those persons in active concert or participation
12 with them who receive actual notice of this Order by personal
13 service or otherwise shall grant to representatives of the
14 Commission, within three (3) business days of receipt of written
15 notice from the Commission:

16 A. Access during normal business hours to any office or
17 facility storing documents of any business that any of the
18 Defendants directly or indirectly manages, controls, or has a
19 majority ownership interest in. In providing such access,
20 Defendants shall permit representatives of the Commission to
21 inspect and copy all documents relevant to any matter contained in
22 this Order; and shall permit representatives of the Commission to
23 remove such documents for a period not to exceed five (5) business
24 days so that the documents may be inspected, inventoried, and
25 copied; and

26 B. The opportunity to interview, without restraint or
27 interference, officers, directors, employees, contractors, and
28 agents, including all personnel involved in responding to consumer

1 complaints or inquiries and all sales personnel, whether
2 designated as employees, consultants, independent contractors or
3 otherwise, of any business to which Paragraph A of this Section
4 applies, regarding compliance with the provisions of this Order.
5 Any person interviewed may have counsel present. *Provided,*
6 *however,* that upon application of the Commission for good cause
7 shown, the Court may enter an *ex parte* order granting immediate
8 access to Defendants' business premises for the purposes of
9 inspecting and copying all documents relevant to any matter
10 contained in this Order.

11 **XII. AUTHORITY TO MONITOR COMPLIANCE**

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

15 A. The Commission is authorized, without further leave of
16 Court, to obtain discovery from any person (including a Defendant)
17 in the manner provided by Chapter V of the Federal Rules of Civil
18 Procedure, Fed. R. Civ. P. 26-37, including the use of compulsory
19 process pursuant to Fed. R. Civ. P. 45, for the purpose of
20 monitoring and investigating Defendants' compliance with any
21 provision of this Order;

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

27 C. Nothing in this Order shall limit the Commission's
28 lawful use of compulsory process, pursuant to Sections 9 and 20 of

1 the FTC Act, 15 U.S.C. § 49 and 57b-1, to investigate whether
2 Defendants have violated any provision herein or Section 5 of the
3 FTC Act, 15 U.S.C. § 45, or any applicable rule or regulation
4 promulgated and enforced by the Commission.

5 **XIII. FEES AND COSTS**

6 **IT IS FURTHER ORDERED** that each party to this Order hereby
7 agrees to bear its own costs and attorneys' fees incurred in
8 connection with this action.

9 **XIV. RETENTION OF JURISDICTION**


10 **IT IS FURTHER ORDERED** that this Court shall retain
11 jurisdiction of this matter for the purpose of enabling the
12 parties to apply to the Court at any time for such further orders
13 and directives as may be necessary or appropriate for the
14 interpretation or modification of this Order, for the enforcement
15 of compliance therewith, or for the punishment of violations
16 thereof

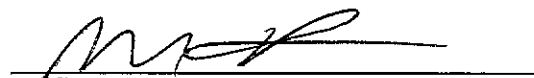
17 **XV. COMPLETE SETTLEMENT**

18 The parties hereby consent to entry of the foregoing Order
19 which shall constitute a final judgment and order in this matter.
20 The parties further stipulate and agree that the entry of the
21 foregoing Order shall constitute a full, complete and final
22 settlement of this action.


23 FOR THE PLAINTIFF:

FOR THE DEFENDANTS:

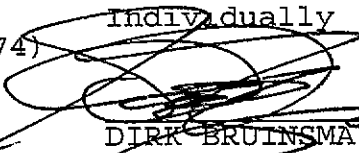
24 
25 ROLANDO BERRELEZ
26 THERESA M. McGREW
27 Federal Trade Commission
28 55 East Monroe St., Suite 1860
Chicago, Illinois 60603
(312) 960-5634 [Ph.]


MICHAEL J. PETOK
President
HOME PROFESSIONS, INC., and
TELESALESCENTER.COM

1 (312) 960-5600/05 [Fax]


MICHAEL J. PETOK
Individually

2 LINDA M. STOCK (CA Bar # 143774)
3 Federal Trade Commission
4 10877 Wilshire Boulevard
5 Los Angeles, California 90024
6 (310) 824-4316 [Ph.]
7 (310) 824-4380 [Fax]

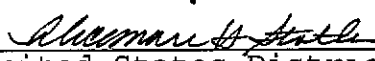

DIRK BRUINSMA
Bruinsma & Hewitt
25431 Cabot Road, Suite 202
Laguna Hills, California 92653
(949) 597-1551 [Ph.]
(949) 597-1661 [Fax]

8 Attorneys For Plaintiff
9 FEDERAL TRADE COMMISSION

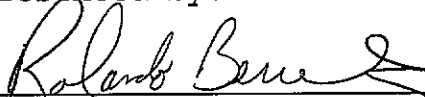
Attorney For Defendants

10 IT IS SO ORDERED.

11 Dated: Jan 21, 2001


United States District Judge

12
13 Presented by:

14 
15 ROLANDO BERREREZ
16 THERESA M. MCGREW
17 Federal Trade Commission
18 55 East Monroe Street, Suite 1860
19 Chicago, Illinois 60603
20 (312) 960-5634 [Ph.]
21 (312) 960-56005 [Fax]

APPENDIX A

DEBRA A. VALENTINE
General Counsel

ROLANDO BERRELEZ
THERESA M. MCGREW
Federal Trade Commission
55 East Monroe Street, Suite 1860
Chicago, Illinois 60603
(312) 960-5634 [Ph.]
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LINDA M. STOCK (CA Bar # 143774)
Federal Trade Commission
10877 Wilshire Boulevard, Suite 700
Los Angeles, California 90024
(310) 824-4316 [Ph.]
(310) 824-4380 [Fax]

Attorneys for Plaintiff
FEDERAL TRADE COMMISSION

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

HOME PROFESSIONS, INC., a Nevada
corporation also doing business
as Nationwide Medical Billing;

TELESALESCENTER.COM, a California
corporation also doing business
as Home Professions and
ProClaim Software; and

MICHAEL PETOK, individually, doing
business as Home Professions,
OptiMed, and Nationwide Medical
Billing, and as an officer and
director of Home Professions, Inc.,
and Telesalecenter Com,

Defendants.

)
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) CV NO. SACV 00-111AHS (EE*)
)
) AFFIDAVIT OF RECEIPT OF
) STIPULATED JUDGMENT
) AND ORDER FOR
) PERMANENT INJUNCTION

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1 I, _____, being duly sworn,
2 hereby state and affirm as follows:

3 1. My name is _____. My current
4 residence address is _____

5 I am a citizen of the United States and am over the age of
6 eighteen. I have personal knowledge of the facts set forth in
7 this Affidavit.

8 2. I am a defendant in the above captioned case.

9 3. On _____, I received a copy of the
10 Stipulated Judgment For Permanent Injunction, signed by the
11 Honorable _____, and entered by the
12 Court on _____. A true and correct copy
13 of the Order I received is appended to this Affidavit.

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

16 _____
17 MICHAEL J. PETOK
18 Individually and as an Officer of
HOME PROFESSIONS, INC., and
TELESALESCENTER.COM

19 State of _____
20 County of _____

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

23
24 _____
25 NOTARY PUBLIC
26 My Commission Expires:
27 _____
28

APPENDIX B

DEBRA A. VALENTINE
General Counsel

ROLANDO BERRELEZ
THERESA M. MCGREW
Federal Trade Commission
55 East Monroe Street, Suite 1860
Chicago, Illinois 60603
(312) 960-5634 [Ph]
(312) 960-5600 [Fax]

LINDA M STOCK (CA Bar # 143774)
Federal Trade Commission
10877 Wilshire Boulevard, Suite 700
Los Angeles, California 90024
(310) 824-4316 [Ph.]
(310) 824-4380 [Fax]

Attorneys for Plaintiff
FEDERAL TRADE COMMISSION

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

CV NO. SACV 00-111AHS (EEx)

HOME PROFESSIONS, INC., a Nevada
corporation also doing business
as Nationwide Medical Billing;

AFFIDAVIT ATTESTING TO
TRUTHFULNESS OF INDIVIDUAL
DEFENDANT'S FINANCIAL
STATEMENT

TELESALESCENTER.COM, a California
corporation also doing business
as Home Professions and
ProClaim Software; and

MICHAEL PETOK, individually, doing
business as Home Professions,
OptiMed, and Nationwide Medical
Billing, and as an officer and
director of Home Professions, Inc.,
and Telesalecenter.Com,

Defendants.

1 I, Michael J. Petok, hereby state that the information
2 contained in the Individual Financial Statement which I provided
3 to the Federal Trade Commission dated March 6, 2000, and other
4 documents were true, accurate, and complete at such time.

5
6 I declare under penalty of perjury that the foregoing is true
7 and correct.

8
9 Executed on _____, at _____.
10 [Date] [City, State]

11
12 _____
DEFENDANT
13 State of _____, City of _____

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

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17 _____
Notary Public
18 My Commission Expires:
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1 I, Michael J. Petok, hereby state that the information
2 contained in the Corporate Financial Statement of Defendant
3 Telesalescenter.Com which I provided to the Federal Trade
4 Commission dated March 14, 2000, and other documents were true,
5 accurate, and complete at such time.

6
7 I declare under penalty of perjury that the foregoing is true
8 and correct.

9
10 Executed on _____, at _____
11 [Date] [City, State]

12
13 _____
14 Michael J. Petok, President
TELESALESCENTER.COM

15 State of _____, City of _____

16
17 Subscribed and sworn to before me
18 this _____ day of _____, 2000

19
20 _____
Notary Public
My Commission Expires:
21 _____

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APPENDIX D

DEBRA A. VALENTINE
General Counsel

ROLANDO BERRELEZ
THERESA M. MCGREW
Federal Trade Commission
55 East Monroe Street, Suite 1860
Chicago, Illinois 60603
(312) 960-5634 [Ph]
(312) 960-5600 [Fax]

LINDA M. STOCK (CA Bar # 143774)
Federal Trade Commission
10877 Wilshire Boulevard, Suite 700
Los Angeles, California 90024
(310) 824-4316 [Ph.]
(310) 824-4380 [Fax]

Attorneys for Plaintiff
FEDERAL TRADE COMMISSION

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

HOME PROFESSIONS, INC., a Nevada
corporation also doing business
as Nationwide Medical Billing;

TELESALESCENTER.COM, a California
corporation also doing business
as Home Professions and
ProClaim Software; and

MICHAEL PETOK, individually, doing
business as Home Professions,
OptiMed, and Nationwide Medical
Billing, and as an officer and
director of Home Professions, Inc.,
and Telesalecenter.Com,

Defendants.

)
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)
) CV NO. SACV 00-111AHS (EEEx)
)
) AFFIDAVIT ATTESTING TO
) TRUTHFULNESS OF DEFENDANT
) HOME PROFESSIONS, INC.'s
) FINANCIAL STATEMENT

1 I, Michael J. Petok, hereby state that the information
2 contained in the Corporate Financial Statement of Defendant Home
3 Professions, Inc., which I provided to the Federal Trade
4 Commission dated March 2, 2000, and other documents were true,
5 accurate, and complete at such time.

6
7 I declare under penalty of perjury that the foregoing is true
8 and correct.

9
10 Executed on _____, at _____
11 [Date] [City, State]

12
13 _____
14 Michael J. Petok, President
HOME PROFESSIONS, INC.

15 State of _____, City of _____

16
17 Subscribed and sworn to before me
18 this _____ day of _____, 2000.

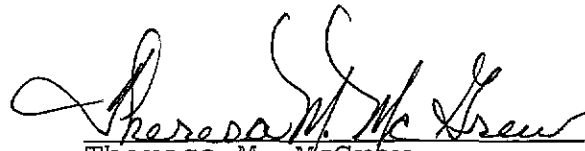
19
20 _____
Notary Public
My Commission Expires:
21 _____

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CERTIFICATE OF SERVICE

I, Theresa M. McGrew, hereby certify that on this day I caused to be served a true copy of the **Stipulated Permanent Injunction and Final Judgment Order**, by United States mail sent to Dirk Bruinsma, Bruinsma & Hewitt, 25431 Cabot Road, Suite 202, Laguna Hills, California 92653.

Dated: January 24, 2001


Theresa M. McGrew
Attorney for Plaintiff
Federal Trade Commission