

UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
ORLANDO DIVISION

**FEDERAL TRADE COMMISSION,**

**Plaintiff,**

**v.**

**LEADING EDGE PROCESSING, INC., a  
Florida corporation,**

**QUALITY PUBLISHING, INC., a Florida  
corporation,**

**MEGA PROCESSING CORP., a Florida  
corporation,**

**CREATIVE TECH OF AMERICA, INC., a  
Florida corporation,**

**DIGITAL INPUTTING CORP., a Florida  
corporation,**

**THE BAIR GROUP, INC., a Florida  
corporation,**

**MICHAEL J. GARDNER, a/k/a MICHAEL  
GAIDNEI a/k/a MICHAEL GARDENBAIR,  
individually, as an officer of the  
corporations, and d/b/a HOME TYPIST  
INTERNATIONAL, DATAPROS,  
PROFESSIONAL DATA SERVICES, NEW  
AGE INFORMATION SPECIALISTS, and  
WORK AT HOME DIRECT, and**

**REBECCA A. DAHL, individually, as an  
officer or principal of the corporations, and  
d/b/a HOME TYPIST INTERNATIONAL,  
DATAPROS, PROFESSIONAL DATA  
SERVICES, NEW AGE INFORMATION  
SPECIALISTS, and WORK AT HOME  
DIRECT,**

**Defendants.**

**CIVIL NO. 6:02-CV-681-ORL-19DAB**

**STIPULATED FINAL JUDGMENT  
AND ORDER FOR PERMANENT  
INJUNCTION**

Plaintiff, the Federal Trade Commission ("Commission"), on June 13, 2002 filed a Complaint for a Permanent Injunction and Other Relief, including redress to consumers, pursuant to Sections 5(a) and 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b) and 45(a) against defendants Leading Edge Processing, Inc., Quality Publishing, Inc., Mega Processing Corp., Creative Tech of America, Inc., Digital Inputting Corp., The Bair Group, Inc., Michael J. Gardner, d/b/a Home Typist International, Datapros, Professional Data Services, New Age Information Specialists, and Work at Home Direct, and Rebecca A. Dahl Gardner, d/b/a Home Typist International, Datapros, Professional Data Services, New Age Information Specialists, and Work at Home Direct ("Defendants"). On July 2, 2002, the Court entered a Stipulation and Order for Preliminary Injunction and Asset Freeze against Defendants. The parties hereby stipulate to the below-stated terms, conditions, and findings of this Stipulated Final Judgment and Order For Permanent Injunction:

**FINDINGS OF FACT**

The Court finds that:

1. This Court has jurisdiction over the subject matter of this action and over Defendants. Venue is proper as to all parties in the Middle District of Florida.
2. The activities of Defendants, as alleged in the Complaint, were in or affecting commerce, as defined in Section 4 of the FTC Act, 15 U.S.C. § 44;
3. This action was brought pursuant to Sections 5(a) and 13(b) of the FTC Act, 15 U.S.C. §§ 45(a) and 53(b), and states a claim upon which relief may be granted.
4. Defendants enter into this Order freely and without coercion and acknowledge that they understand the provisions of this Order and are prepared to abide by them.
5. The parties stipulate and agree to this Order, without trial or adjudication of any issue of fact or law, to settle and resolve all matters in dispute arising from the Complaint to the date of entry of this Order.

6. Defendants do not admit any of the allegations set forth in the Complaint other than jurisdictional facts.

7. Defendants waive all rights to seek judicial review or otherwise challenge or contest the validity of this Order. They also waive any claim that they may have held under the Equal Access to Justice Act, 28 U.S.C. § 2412, as amended by Pub. L. 104-121, 110 Stat. 847, 863-64 (1996) concerning the prosecution of this action to the date of this Order. Each settling party shall bear its own costs and attorney's fees.

8. Defendants waive and release any claim arising from this action that they may have against the Federal Trade Commission, and its employees, agents and representatives.

9. Entry of this Order is in the public interest.

#### **DEFINITIONS**

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

1. "Assisting others" means knowingly providing any of the following goods or services to any person or entity: (a) performing customer service functions, including but not limited to receiving or responding to consumer complaints; (b) formulating or providing, or arranging the formulation or provision of any written marketing materials; (c) providing names of or assisting in the generation of potential customers; (d) performing marketing services of any kind; or (e) acting as an officer or director of a business entity.

2. "Business Venture" means any written or oral business arrangement, however, denominated, 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) 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.

3. “Defendants” means Michael J. Gardner, a/k/a Michael Gardenbair, a/k/a Michael Gaidnei (“Michael Gardner”), individually and as an officer of Leading Edge Processing, Inc. (“Leading Edge”), Quality Publishing, Inc. (“Quality Publishing”), Mega Processing Corp. (“Mega Processing”), Creative Tech of America, Inc. (“Creative Tech”), Digital Inputting Corp. (“Digital Inputting”), The Bair Group, Inc. (“Bair Group”), and d/b/a Home Typist International, Datapros, Professional Data Services, New Age Information Specialists and Work at Home Direct, and Rebecca A. Dahl Gardner (“Rebecca Gardner”), individually and as an officer of Leading Edge, Quality Publishing, Mega Processing, Creative Tech, Digital Inputting, Bair Group, and d/b/a Home Typist International, Datapros, Professional Data Services, New Age Information Specialists and Work at Home Direct.

4. “Person” means any natural person, organization, or other legal entity including a corporation, partnership, proprietorship, association, cooperative, government agency, or any other group or combination acting as an entity.

5. “Prohibited Marketing Scheme” means a pyramid sales scheme, Ponzi scheme, chain marketing scheme, or other marketing plan or program in which a person who participates makes a payment and receives the right, license or opportunity to derive income as a participant primarily from: (i) the recruitment of additional recruits by the participant, program promoter or others; (ii) sales made to or by such recruits or their recruits; or (iii) any other payments made by recruits. A “Prohibited Marketing Scheme” does not include a marketing plan or program in which the program promoter demonstrates that it has instituted and enforced rules that have the actual effect of insuring that a participant derives income primarily from the sale of goods or services to persons who do not recruit participants into

the program. For purposes of this Order, “goods or services” does not include sales aids, membership certificates, or an opportunity to participate in a sales or marketing program.

6. “Work-at-home opportunity” means any program, plan, product, or service that represents that it enables a participant or purchaser to earn money while working from home.

7. “Employment opportunity” means any program, plan, product, or service that represents that it enables a participant or purchaser to earn money through any employment.

8. The terms “and” and “or” have both conjunctive and disjunctive meanings.

## **ORDER**

### **I**

#### **PERMANENT BAN**

**IT IS THEREFORE ORDERED** that Defendants, and any entity through which they do business, directly or indirectly, are hereby permanently restrained and enjoined from:

A. Engaging in, or receiving any remuneration of any kind whatsoever from, holding any ownership interest, share, or stock in, or serving as an officer, director, trustee, general manager of, or consultant or advisor to, any business entity engaged in, or assisting others engaged, in whole or in part, in the advertising, marketing, promoting, offering for sale, or sale of any work-at-home opportunity; and

B. Engaging in, or receiving any remuneration of any kind whatsoever from, holding any ownership interest, share, or stock in, or serving as an officer, director, trustee, general manager of, or consultant or advisor to, any business entity engaged, or assisting others engaged, in whole or in part, in any prohibited marketing scheme.

*Provided, however,* nothing in this Order shall be construed to nullify the prohibitions set forth in Section I.

### **II.**

## **PROHIBITED REPRESENTATIONS**

**IT IS FURTHER ORDERED** that, in connection with the advertising, promotion, offering for sale, or sale of any good or service, including, but not limited to business ventures, employment opportunities, and work-at-home opportunities, Defendants, and any entity through which they do business, and each of them and their officers, agents, servants, directors, employees, salespersons, independent contractors, attorneys, subsidiaries, affiliates, divisions, sales entities, related entities, successors, assigns and all other persons or entities in active concert or participation with them who receive actual notice of this Order by personal service, facsimile or otherwise, whether acting directly or indirectly or through any trust, corporation, subsidiary, division or other device are permanently enjoined and restrained from, expressly or by implication, making any false or misleading oral or written representation of material fact, including, but not limited to:

A. Falsely representing the earnings, income, profits, or sales volume likely to be achieved in connection with the purchase of or investment in any business venture, employment opportunity, or work-at-home opportunity;

B. Falsely representing the earnings, income, profits, or sales volume achieved by other purchasers or investors in any business venture, employment opportunity, or work-at-home opportunity;

C. Falsely representing that there are actual job openings available for purchasers of any business venture, employment opportunity, or work-at-home opportunity; and

D. Falsely representing the amount, nature, or degree of training, support, or assistance that will be provided to any purchaser of or investor in any business venture, employment opportunity, or work-at-home opportunity.

**III.**

**PROHIBITION AGAINST DISTRIBUTION OF CUSTOMER LISTS**

**IT IS FURTHER ORDERED** that Defendants, and any entity through which they do business, whether acting directly or through any corporation, limited liability company, subsidiary, division, or other device, and each of them and their officers, agents, servants, directors, employees, salespersons, independent contractors, attorneys, subsidiaries, affiliates, divisions, sales entities, related entities, successors, assigns and all other persons or entities in active concert or participation with them who receive actual notice of this Order by personal service, facsimile or otherwise, are permanently enjoined and restrained from selling, renting, leasing, transferring, or otherwise disclosing the name, address, telephone number, credit card number, bank account number, e-mail address, or other identifying information of any customer of Defendants who paid any money to any Defendant at any time prior to entry of this Order in connection with the purchase of a work-at-home opportunity;*provided, however,* that Defendants may disclose such identifying information (i) to a law enforcement agency, or (ii) as required or authorized by any law, regulation, or court order.

**IV.**

**MONETARY RELIEF**

**IT IS FURTHER ORDERED** that Judgment is hereby entered against Defendants Leading Edge, Quality Publishing, Mega Processing, Creative Tech, Digital Inputting, Bair Group, Michael Gardner, and Rebecca Gardner, jointly and severally, for payment of equitable relief, including, but not limited to, consumer redress and/or disgorgement, and for paying the attendant expenses of administration of any redress fund, in the amount of TWO HUNDRED THOUSAND DOLLARS (\$200,000). Provided, however, that this judgment shall be suspended until further order of the Court pursuant to Paragraph V of this Order.

**V.**

## **RIGHT TO REOPEN**

**IT IS FURTHER ORDERED** that the Commission's agreement to this Order is expressly premised on the truthfulness, accuracy and completeness of Defendants' financial disclosure statements and the sworn deposition testimonies of Defendant Michael Gardner and Defendant Rebecca Gardner. If, upon motion by the Commission, the Court finds that any financial disclosure statement or Defendant Michael Gardner's or Defendant Rebecca Gardner's deposition testimony contains any material misrepresentation or omission, the Court shall enter judgment against Defendants, in favor of the Commission, in the amount of \$200,000, which the parties hereto stipulate is the total consumer injury caused by Defendants, which sum will be immediately due and payable, and interest computed at the rate prescribed under 28 U.S.C. § 1961, as amended, shall immediately begin to accrue on the unpaid balance. *Provided, however,* that, in the event the Judgment becomes due, in all other respects this Order shall remain in full force and effect unless otherwise ordered by the Court. *Provided further,* that proceedings instituted under this provision would be in addition to, and not in lieu of, any other civil or criminal remedies as may be provided by law, including any other proceedings that the Commission may initiate to enforce this Order. Defendants expressly waive all rights to contest the imposition or amount of the Judgment specified in this Paragraph.

## **VI.**

### **ASSET FREEZE**

**IT IS FURTHER ORDERED** that upon entry of this Order, the freeze of Defendants' assets provided for in the Stipulated Preliminary Injunction Order, shall be lifted.

## **VII.**

### **COMPLIANCE MONITORING**

**IT IS FURTHER ORDERED** that, for the purpose of monitoring and investigating compliance with any provision of this Order,



A. Within ten (10) days of receipt of written notice from a representative of the Commission, Defendants each shall submit additional written reports, sworn to under penalty of perjury; produce documents for inspection and copying; appear for deposition; and/or provide entry during normal business hours to any business location in such Defendant's possession or direct or indirect control to inspect the business operation;

B. In addition, the Commission is authorized to monitor compliance with this Order by all other lawful means, including but not limited to the following:

1. obtaining discovery from any person, without further leave of court, using the procedures prescribed by Fed. R. Civ. P. 30, 31, 33, 34, 36, and 45;
2. posing as consumers and suppliers to any Defendant, any Defendant's employees, or any other entity managed or controlled in whole or in part by any Defendant, without the necessity of identification or prior notice;

*Provided* that 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, 57b-1, to obtain any documentary material, tangible things, testimony, or information relevant to unfair or deceptive acts or practices in or affecting commerce (within the meaning of 15 U.S.C. § 45(a)(1)).

C. Defendants shall permit representatives of the Commission to interview any employer, consultant, independent contractor, representative, agent, or employee who has agreed to such an interview, relating in any way to any conduct subject to this Order. The person interviewed may have counsel present.

## **VIII.**

### **COMPLIANCE REPORTING BY DEFENDANTS**

**IT IS FURTHER ORDERED** that, in order that compliance with the provisions of this

Order may be monitored:

- A. For a period of five (5) years from the date of entry of this Order,
  1. Defendants Michael Gardner and Rebecca Gardner shall notify the Commission of the following:
    - a. Any changes in Defendant Michael Gardner's and/or Defendant Rebecca Gardner's residence, mailing addresses, and telephone numbers, within ten (10) days of the date of such change;
    - b. Any changes in Defendant Michael Gardner's and/or Defendant Rebecca Gardner's employment status (including self-employment) within ten (10) days of each such change. Such notice shall include the name and address of each business that Defendant Michael Gardner and/or Defendant Rebecca Gardner is affiliated with, employed by, or performs services for; a statement of the nature of the business, and a statement of Defendant Michael Gardner's and/or Defendant Rebecca Gardner's duties and responsibilities in connection with the business;
    - c. Any change in Defendants Michael Gardner's or Rebecca Gardner's name or use of any aliases or fictitious names; and
  2. Defendants shall notify the Commission of any changes in corporate structure that may affect compliance obligations arising under this Order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor corporation; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order; the filing of a bankruptcy petition; or a change in the corporate name or address, at least thirty (30) days prior to such change, *provided* that, with respect to any proposed change in the corporation

about which any Defendant learns less than thirty (30) days prior to the date such action is to take place, the Defendant shall notify the Commission as soon as is practicable after obtaining such knowledge.

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

1. Any changes required to be reported pursuant to subparagraph A above;  
and
2. A copy of each acknowledgment of receipt of this Order obtained by Defendants pursuant to Paragraph X;

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

Regional Director  
Federal Trade Commission  
One Bowling Green  
Suite 318  
New York, NY 10004  
Re: FTC v. Leading Edge Processing, Inc.,  
Civil Action No. 6:02-CV-681-ORL-19DAB

D. For purposes of the compliance reporting required by this Paragraph, the Commission is authorized to communicate directly with Defendants Michael Gardner and Rebecca Gardner.

## **IX.**

### **RECORD KEEPING PROVISIONS**

**IT IS FURTHER ORDERED** that, for a period of eight (8) years from the date of entry of this Order, Defendants Michael Gardner and Rebecca Gardner, in connection with any business where Defendant Michael Gardner and/or Defendant Rebecca Gardner is/are the

majority owner(s) or otherwise control(s) the business, and each of them and their officers, agents, servants, directors, employees, salespersons, independent contractors, attorneys, subsidiaries, affiliates, divisions, sales entities, related entities, successors, assigns and all other persons or entities in active concert or participation with them who receive actual notice of this Order by personal service, facsimile or otherwise, whether acting directly or through any trust, corporation, subsidiary, division or other device, are hereby restrained and enjoined from failing to create and retain the following records:

- A. Accounting records that reflect the cost of goods or services sold, revenues generated, and the disbursement of such revenues;
- D. Personnel 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 person's termination, if applicable;
- E. Customer files containing the names, addresses, phone numbers, dollar amounts paid, quantity of items or services purchased, and description of items or services purchased, to the extent such information is obtained in the ordinary course of business;
- F. Complaint and refund requests (whether received directly, indirectly or through any third party) and any responses to those complaints or requests;
- E. Copies of all sales scripts, training materials, advertisements, or other marketing materials.

**X.**

**DISTRIBUTION OF ORDER BY DEFENDANTS**

**IT IS FURTHER ORDERED** that, for a period of five (5) years from the date of entry of this Order,

A. Defendants Leading Edge, Quality Publishing, Mega Processing, Creative Tech, Digital Inputting and Bair Group shall deliver a copy to this Order to all principals, officers, directors, managers, employees, agents, and representatives having responsibilities with respect to the subject matter of this Order, and shall secure from each such person a signed and dated statement acknowledging receipt of the Order. Defendants Leading Edge, Quality Publishing, Mega Processing, Creative Tech, Digital Inputting and Bair Group shall deliver this Order to current personnel within thirty (30) days after the date of service of this Order, and to new personnel within (30) days after the person assumes such position or responsibilities.

B. Defendants Michael Gardner and Rebecca Gardner shall deliver a copy of this Order to the principals, officers, directors, managers and employees under Defendants Michael Gardner's and/or Rebecca Gardner's control for any business that (a) employs or contracts for personal services from Defendants Michael Gardner and/or Rebecca Gardner and (b) has responsibilities with respect to the subject matter of this Order. Defendants Michael Gardner and Rebecca Gardner shall secure from each such person a signed and dated statement acknowledging receipt of the Order within thirty (30) days after the date of service of the Order or the commencement of the employment relationship.

**XI.**

**EFFECT ON OTHER OBLIGATIONS AND RELIEF**

**IT IS FURTHER ORDERED** that

- A. The expiration of any requirement imposed by this Order shall not affect any other obligation arising under this Order; and
- B. This action and the relief awarded herein is in addition to and not in lieu of other remedies as may be provided by law including administrative, civil and criminal remedies.

**XII.**

**USE OF ALIASES**

IT IS FURTHER ORDERED that, in connection with the advertising, marketing, promoting, offering for sale, or sale of any products or services, Defendants Michael Gardner and Rebecca Gardner are hereby permanently restrained and enjoined from using any aliases, pen names, pseudonyms, or otherwise misrepresenting their true identities, including their names and addresses, in the course of business dealings, in publicly filed documents, or in the text of any commercial electronic mail.

**XIII.**

**FURNISHING OF TAXPAYER IDENTIFICATION NUMBERS**

IT IS FURTHER ORDERED that Defendants are hereby required, in accordance with 31 U.S.C. § 7701, to furnish to the FTC their respective taxpayer identifying numbers (Social Security Number or Employer Identification Number), which shall be used for purposes of collecting and reporting on any delinquent amount arising out of such person's relationship with the government.

**XIV.**

**ACKNOWLEDGMENT OF RECEIPT OF ORDER**

**IT IS FURTHER ORDERED** that each Defendant, within five (5) business days after receipt of this Order as entered by the Court, must submit to the Commission a truthful sworn statement acknowledging receipt of this Order.

**XV.**

**RETENTION OF JURISDICTION**

**IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of this matter for all purposes of construction, modification, and enforcement of this Order.

**FOR THE FEDERAL TRADE COMMISSION:**

William E. Kovacic  
General Counsel

Barbara Anthony  
Regional Director

\_\_\_\_\_  
Robin E. Eichen  
Senior Attorney  
Federal Trade Commission  
One Bowling Green, Suite 318  
New York, NY 10004  
(212) 607-2829

**FOR THE DEFENDANTS:**

Leading Edge Processing, Inc.,  
Quality Publishing, Inc.  
Mega Processing Corp., Creative  
Tech of America, Inc.  
Digital Inputting Corp., The Bair  
Group, Inc.

\_\_\_\_\_  
By: Michael J. Gardner, President

\_\_\_\_\_  
Michael J. Gardner, *pro se*,  
individually, and as an officer  
of the corporations  
241 Fair Hope Pass  
Davenport, FL 33897  
863-424-8617

\_\_\_\_\_  
Rebecca Dahl Gardner, *pro se*  
individually, and as an officer  
or principal of the corporations  
241 Fair Hope Pass  
Davenport, FL 33897

**SO ORDERED**, this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ at \_\_\_\_ o'clock \_\_\_\_ m.

\_\_\_\_\_  
Patricia C. Fawcett

United States District Judge