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AT SEATTLE  
CLERK U.S. DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON

AT SEATTLE  
CLERK U.S. DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
BY DEPUTY

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON

FEDERAL TRADE COMMISSION,  
  
Plaintiff,  
  
v.  
  
INVISIONS INTERNATIONAL CORP.,  
a New Jersey corporation,  
and  
  
STEPHEN C. FOX, individually  
and as an officer of said  
corporation,  
  
Defendants.

C 96 1727

Civil No.

CONSENT ORDER

X970027

Plaintiff, the Federal Trade Commission ("FTC" or "Commission"), has commenced this action by filing the complaint herein. Defendants InVisions International Corporation ("InVisions") and Stephen C. Fox ("Fox") have waived service of the summons and complaint. Plaintiff and defendants, by and through their respective counsel, have agreed to settle this action upon the following terms and conditions, without

Mary T. Benfield, Attorney  
Washington Bar No. 18835  
FEDERAL TRADE COMMISSION  
915 Second Ave., Suite 2806  
Seattle, Washington 98174  
(206) 220-6350

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1 adjudication of any issue of fact or law and without the  
2 defendants admitting liability for any of the matters alleged in  
3 the complaint.

4 The Court, acting upon the joint motion of the parties,  
5 hereby ORDERS, ADJUDGES and DECREES as follows:

6 JURISDICTION AND VENUE

7 1. This Court has jurisdiction over the subject matter and  
8 parties to this action under 15 U.S.C. § 53(b) and 28 U.S.C.  
9 §§ 1331, 1337(a), and 1345.

10 2. The complaint states a claim upon which relief may be  
11 granted against defendants under Sections 5(a) and 13(b) of the  
12 FTC Act, 15 U.S.C. §§ 45(a) and 53(b).

13 3. Entry of this Consent Order is in the public interest.

14 4. The defendants waive all rights to seek judicial review  
15 or otherwise to challenge or contest the validity of this Consent  
16 Order.

17 DEFINITIONS

18 For purposes of this Consent Order, the following  
19 definitions apply:

20 1. "Hair replacement product or service" means any product  
21 or service purported to replace or restore hair loss, including  
22 but not limited to wigs, toupees, and any other hairpieces of any  
23 type, hair weaves, hair transplants, and any chemical  
24 preparations.

25 2. "Endorsement" means endorsement as defined at 16 C.F.R.  
26 § 255.0(b).

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Mary T. Benfield, Attorney  
Washington Bar No. 18835  
**FEDERAL TRADE COMMISSION**  
915 Second Ave., Suite 2806  
Seattle, Washington 98174  
(206) 220-6350

1 INJUNCTIONS

2 I.

3 IT IS THEREFORE ORDERED that defendants, and each of them,  
4 their successors, assigns, officers, agents, servants, employees,  
5 and all persons or entities in active concert or participation  
6 with them who receive actual notice of this Consent Order by  
7 personal service or otherwise, whether acting directly or through  
8 any corporation, subsidiary, division, or other device, in  
9 connection with the advertising, offering for sale, or sale of  
10 any hair replacement product or service, are permanently  
11 restrained and enjoined from:

12 A. Representing, directly or by implication, that:

- 13 (1) the InVisions Process is not a hairpiece, wig, toupee,  
14 or substantially similar product;  
15 (2) the InVisions Process is maintenance-free; or  
16 (3) customers who take possession of the completed  
17 InVisions Process and return it the next day or shortly  
18 thereafter will receive a 50% refund of the purchase  
19 price, if such is not the case; and

20 B. Failing to disclose the fact that the InVisions Process  
21 is a hairpiece, wig, toupee, or substantially similar product.

22 II.

23 IT IS FURTHER ORDERED that defendants, and each of them,  
24 their successors, assigns, officers, agents, servants, employees,  
25 and all persons or entities in active concert or participation  
26 with them who receive actual notice of this Consent Order by  
27 personal service or otherwise, whether acting directly or through  
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1 any corporation, subsidiary, division, or other device, in  
2 connection with the advertising, offering for sale, or sale of  
3 any hair replacement product or service, are permanently  
4 restrained and enjoined from misrepresenting, directly or by  
5 implication:

6 A. The nature of any hair replacement product or service;

7 B. The maintenance requirements of any hair replacement  
8 product or service; or

9 C. The terms or conditions of any hair replacement product  
10 or service refund offer.

11 III.

12 IT IS FURTHER ORDERED that defendants, and each of them,  
13 their successors, assigns, officers, agents, servants, employees,  
14 and all persons or entities in active concert or participation  
15 with them who receive actual notice of this Consent Order by  
16 personal service or otherwise, whether acting directly or through  
17 any corporation, subsidiary, division, or other device, in  
18 connection with the advertising, offering for sale, or sale of  
19 any hair replacement product or service, are permanently  
20 restrained and enjoined from:

21 A. Misrepresenting, directly or by implication, that the  
22 endorsements of consumers appearing in advertisements and  
23 promotional materials reflect the typical or ordinary experience  
24 of members of the public who have used the defendants' hair  
25 replacement product or service; and

26 B. Failing to disclose, clearly and prominently, a  
27 material connection, where one exists, between a person providing  
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1 an endorsement for any such product or service and defendant or  
2 any other individual or entity manufacturing, advertising,  
3 promoting, offering for sale, selling, or distributing such  
4 product or service. For purposes of this Order, a "material  
5 connection" shall mean any relationship that might materially  
6 affect the weight or credibility of the endorsement and would not  
7 reasonably be expected by consumers.

8 IV.

9 IT IS FURTHER ORDERED that defendants, and each of them,  
10 their successors, assigns, officers, agents, servants, employees,  
11 and all persons or entities in active concert or participation  
12 with them who receive actual notice of this Consent Order by  
13 personal service or otherwise, whether acting directly or through  
14 any corporation, subsidiary, division, or other device, are  
15 hereby permanently restrained and enjoined from providing means  
16 and instrumentalities to, or otherwise assisting, any person who  
17 defendants know or should know is making any false or misleading  
18 representation or material omission in connection with the  
19 advertising, offering for sale, or sale of any hair replacement  
20 product or service. "Assisting" includes, but is not limited to,  
21 providing:

- 22 A. Advertising or promotional materials;  
23 B. Customer services;  
24 C. Training materials or services;  
25 D. Management or accounting services; or  
26 E. Order processing services.
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V.

IT IS FURTHER ORDERED that:

A. Defendants, their successors and assigns, shall, for a period of at least five (5) years from the date of entry of this Consent Order:

(1) maintain all records and documents necessary to demonstrate fully defendants' compliance with each provision of this Consent Order; and

(2) upon written request by FTC employees:

a. provide copies of requested documents or permit FTC representatives access during normal business hours to any office or facility in which documents relating to compliance with the terms of this Order are stored or held, to inspect and copy such documents; and

b. permit FTC representatives to interview, during normal business hours, at defendants' offices and at a time reasonably convenient to defendants and the FTC representatives, the officers and employees of any business entity that is owned, managed, or controlled, in whole or in part, by any defendant, regarding any matters covered by this Consent Order.

B. Defendants InVisions and Fox shall, within sixty (60) days after the date of entry of this Consent Order, and at such other times as the FTC may require, file with the FTC a report,

1 in writing, setting forth in detail the manner and form in which  
2 they have complied with this Order.

3 VI.

4 IT IS FURTHER ORDERED that, within three (3) business days  
5 after the date of entry of this Consent Order, each defendant  
6 shall submit to plaintiff a sworn statement, in the form shown on  
7 Attachment A to this Consent Order, that shall reaffirm and  
8 attest to the truthfulness, accuracy, and completeness of the  
9 Financial Statements that were executed on February 23, 1996  
10 (designated the "Financial Statements"). The FTC's agreement to  
11 this Consent Order is expressly premised upon the truthfulness,  
12 accuracy, and completeness of defendants' financial condition as  
13 represented in the Financial Statements referenced above, which  
14 contain material information upon which the FTC relied in  
15 negotiating and agreeing to the terms of this Consent Order. If,  
16 upon motion by the FTC, this Court finds that a defendant failed  
17 to file the sworn statement required by this section, or filed a  
18 Financial Statement that failed to disclose any material asset,  
19 or materially misrepresented the value of any asset, or made any  
20 other material misrepresentations in or omissions from the  
21 Financial Statement, the Judgment herein shall be reopened for  
22 the purpose of determining the payment of consumer redress;  
23 provided, however, that in all other respects this Judgment shall  
24 remain in full force and effect unless otherwise ordered by this  
25 Court; and provided further, that proceedings instituted under  
26 this Paragraph are in addition to, and not in lieu of, any other  
27 civil or criminal remedies as may be provided by law, including  
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1 any other proceedings the FTC may initiate to enforce this  
2 Consent Order. Solely for purposes of this Paragraph, each  
3 defendant waives any right to contest any of the allegations in  
4 the FTC's complaint.

5 VII.

6 IT IS FURTHER ORDERED that:

7 A. Defendant InVisions shall notify the Federal Trade  
8 Commission at least thirty (30) days prior to any proposed change  
9 in the corporation, such as dissolution, merger, assignment, or  
10 sale which results in the emergence of a successor corporation,  
11 the creation or dissolution of any subsidiary or franchise, the  
12 transfer of the business by assignment to another entity, or any  
13 other change in the corporation that may affect compliance  
14 obligations under this Order; and

15 B. For a period of five (5) years from the date of entry  
16 of this Order, defendant Fox shall notify the FTC in writing of  
17 the discontinuance of his present business or employment or of  
18 his affiliation with any new business or employment. Said  
19 written notice shall be provided to the FTC within thirty (30)  
20 days of each change of affiliation or employment. Each notice  
21 shall include the defendant's then-current business and home  
22 address and telephone number, and a statement of the nature of  
23 the business or employment along with a description of his  
24 interest, duties and responsibilities in such business or  
25 employment.

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VIII.

IT IS FURTHER ORDERED that defendants shall, within thirty (30) days of the date of entry of this Consent Order and for a period of five (5) years thereafter, distribute a copy of this Consent Order to each officer, director, employee, agent, representative or other person having advertising, marketing, distribution, sales or managerial responsibilities, and to all persons or entities who are in active concert or participation with them concerning the activities that are the subject of this Consent Order, including but not limited to each franchisee or independent contractor involved in the advertising, offering for sale or sale of any InVisions hair replacement product or service, and to each such former franchisee, employee or independent contractor currently involved in the advertising, offering for sale or sale of any hair replacement product or service who uses or disseminates any promotional materials designed, prepared or created by the defendants or on their behalf.

IX.

IT IS FURTHER ORDERED that all notices required of defendants by this Order shall be made to the following address:

Regional Director  
Federal Trade Commission  
915 2nd Avenue, Suite 2806  
Seattle, Washington 98174

X.

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for all purposes.

Mary T. Benfield, Attorney  
Washington Bar No. 18835  
**FEDERAL TRADE COMMISSION**  
915 Second Ave., Suite 2806  
Seattle, Washington 98174  
(206) 220-6350

1 JUDGMENT IS THEREFORE ENTERED in favor of plaintiff and  
2 against defendants under the terms and conditions recited above,  
3 each party to bear its own costs and attorney's fees.

4  
5 SO ORDERED, dated this 7<sup>E</sup> day of Nov., 1996.

6  
7 William D. Ringer  
8 United States District Judge/  
United States Magistrate Judge

9  
10 The parties, by their respective counsel, hereby consent to  
11 the terms and conditions of this Consent Order as set forth above  
12 and consent to the entry thereof, without further notice to the  
13 parties. Defendants waive any rights that may arise under the  
14 Equal Access to Justice Act, 28 U.S.C. § 2412.

15 FOR THE  
16 FEDERAL TRADE COMMISSION:

FOR THE DEFENDANTS:

17 Charles A. Harwood  
18 CHARLES A. HARWOOD  
19 Regional Director

Stephen C. Fox  
INVSIONS INTERNATIONAL CORP.  
STEPHEN C. FOX, President

20  
21 Mary T. Benfield  
22 MARY T. BENFIELD, Attorney  
23 Seattle Regional Office  
24 Federal Trade Commission

Stephen C. Fox  
STEPHEN C. FOX, Individually

Richard L. Scheff  
RICHARD SCHEFF  
Attorney for Defendants  
Montgomery, McCracken, Walker  
& Rhoads  
3 Parkway, 20th Floor  
Philadelphia, PA 19102

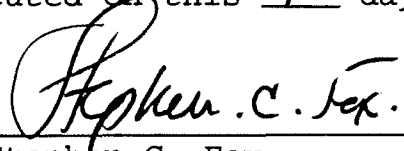
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Attachment A

Declaration of Stephen C. Fox

I, Stephen C. Fox, hereby state that the information contained in the financial statements for myself and InVisions International Corp. executed on February 23, 1996, were true, accurate and complete at such time. Copies of the aforementioned financial statements are attached hereto as Appendices A and B, respectively.

I swear under penalty of perjury that the foregoing statement is true and correct. Executed on this 24<sup>th</sup> day of June, 1996.

  
\_\_\_\_\_  
Stephen C. Fox