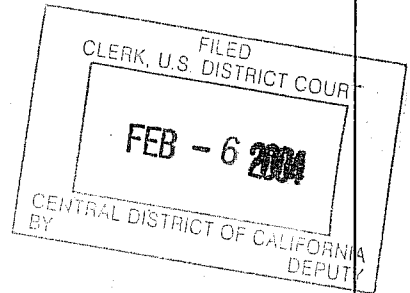


1 WILLIAM E. KOVACIC
General Counsel

2 JOHN D. JACOBS (Cal. Bar No. 134154)
3 KENNETH H. ABBE (Cal. Bar No. 172416)
4 BARBARA Y.K. CHUN (Cal Bar No. 186907)
Federal Trade Commission
10877 Wilshire Blvd., Ste. 700
5 Los Angeles, CA 90024
(310) 824-4343; Fax (310) 824-4380

6 Attorneys for Plaintiff
7 FEDERAL TRADE COMMISSION



8
9 UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

10
11 FEDERAL TRADE COMMISSION,

12 Plaintiff,

13 v.

14 INNOVATIVE SYSTEMS TECHNOLOGY,
INC. dba Briggs & Baker;

15 DEBT RESOLUTION SPECIALISTS,
16 INC.;

17 TODD A. BAKER; and

18 JACK BRIGGS, aka JOHN BRIGGS,

19 Defendants.

CV 04-0728

GAF

ITLx

STIPULATED FINAL JUDGMENT AND
ORDER FOR PERMANENT
INJUNCTION AGAINST DEFENDANT
JACK BRIGGS, AKA JOHN BRIGGS

20 Plaintiff, the Federal Trade Commission ("Commission" or
21 "FTC") has commenced this action by concurrently filing its
22 Complaint and this Stipulated Final Judgment and Order for
23 Permanent Injunction Against Defendant Jack Briggs, aka John
24 Briggs. The Complaint seeks a permanent injunction and other
25 relief pursuant to Section 13(b) of the Federal Trade Commission
26 Act ("FTC Act"), 15 U.S.C. § 53(b). The Complaint alleges that
27 Defendants Innovative Systems Technology, Inc. dba Briggs &
28

1 Baker, Debt Resolution Services, Inc., Todd A. Baker, and Jack
2 Briggs, aka John Briggs, have engaged in unfair and deceptive
3 acts or practices in violation of Section 5 of the FTC Act, in
4 connection with the advertising, marketing, promoting, offering
5 for sale, or sale of their debt negotiation services.

6 Defendant Briggs (hereafter "Defendant") has waived service
7 of the Summons and Complaint. Plaintiff and Defendant Briggs,
8 represented by the attorneys whose names appear hereafter, have
9 agreed to the entry of this Order and have requested that the
10 Court enter the same to resolve all matters in dispute in this
11 action without trial or adjudication of any issue of law or fact
12 herein. The parties having requested the Court to enter this
13 Order, the Court hereby finds and orders as follows:

14 **FINDINGS**

15 1. This Court has jurisdiction of the subject matter of
16 this case and of the parties consenting hereto;

17 2. Venue is proper as to all parties in the Central
18 District of California;

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

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

24 5. Defendant has waived all rights that may arise under the
25 Equal Access to Justice Act, 28 U.S.C. § 2412, amended by Pub. L.
26 104-121, 110 Stat. 847, 863-64 (1996);

1 6. Defendant has waived all rights to seek appellate review
2 or otherwise challenge or contest the validity of this Order, and
3 has further waived and released any claim he may have against the
4 Commission, its employees, and agents;

5 7. Defendant enters into this Order freely, without
6 admitting liability for any allegation or charge made in the
7 Commission's Complaint, without coercion, and acknowledges that
8 he understands the provisions of this Order and is prepared to
9 abide by them.

10 8. Entry of this Order is in the public interest.

11 **ORDER**

12 **Definitions**

- 13 A. "Defendant" means Defendant Jack Briggs, also known as John
14 Briggs ("Briggs"), by whatever name he might be known.
- 15 B. "Assisting Others" means knowingly providing any of the
16 following goods or services to another entity: (A)
17 performing customer service functions, including, but not
18 limited to, receiving or responding to consumer complaints;
19 (B) formulating or providing, or arranging for the
20 formulation or provision of, any marketing material; (C)
21 providing names of, or assisting in the generation of,
22 potential customers; (D) hiring, recruiting or training
23 personnel; (E) advising or consulting others on the
24 commencement or management of a business; or (F) performing
25 marketing services of any kind.

26 ///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

I. PERMANENT BAN

IT IS THEREFORE ORDERED that Defendant, whether acting directly or through any corporation, limited liability company, subsidiary, division, or other device, is hereby permanently restrained and enjoined from engaging in, or receiving any remuneration of any kind whatsoever from, or holding a majority ownership interest, share, or stock in, or serving as an officer, director, trustee, or general manager of, any business entity engaged in whole or in part in, the advertising, marketing, promoting, offering for sale, or sale of any debt negotiation, debt reduction, or debt consolidation service.

II. PROHIBITED MISREPRESENTATIONS

IT IS FURTHER ORDERED that in connection with the advertising, marketing, promoting, offering for sale, or sale of any good or service, Defendant, and his agents, servants, employees, and all other persons or entities in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any corporation, limited liability company, subsidiary, division, or other device, are hereby permanently restrained and enjoined from misrepresenting, or assisting others in misrepresenting, expressly or by implication, any fact material to a consumer's decision to buy or accept the good or service.

III. SUSPENDED JUDGMENT

IT IS FURTHER ORDERED that:

- A. Judgment in the amount of \$8 million is hereby entered

1 in favor of the Commission against Defendant, for equitable
2 monetary relief; *provided, however,* that this judgment shall be
3 suspended subject to the conditions set forth in Paragraph IV of
4 this Order.

5 B. All funds paid pursuant to this Order shall be deposited
6 into a fund administered by the Commission or its agent to be
7 used for equitable relief, including but not limited to consumer
8 redress and any attendant expenses for the administration of any
9 redress funds. In the event that direct redress to consumers is
10 wholly or partially impracticable or funds remain after redress
11 is completed, the Commission may apply any remaining funds for
12 such other equitable relief (including consumer information
13 remedies) as it determines to be reasonably related to the
14 Defendant's practices alleged in the Complaint. Any funds not
15 used for such equitable relief shall be deposited to the Treasury
16 as disgorgement. Defendant shall have no right to challenge the
17 Commission's choice of remedies under this Paragraph.

18 IV. TERMINATION OF SUSPENSION

19 IT IS FURTHER ORDERED that the Commission's agreement to,
20 and the Court's approval of, this Order is expressly premised
21 upon the truthfulness, accuracy, and completeness of Defendant's
22 financial condition, as represented in his financial statement
23 dated April 2, 2003, including attachments, and in any other
24 documents submitted by Defendant, upon which the Commission
25 relied in negotiating and agreeing to the terms of this Order.
26 If, upon motion by the Commission to the Court, the Court finds
27

1 that Defendant, in his above-referenced financial statement and
2 information, failed to disclose any asset with a value in excess
3 of \$1,000, materially misrepresented the value of any asset, or
4 made any other material misrepresentation or omission, the
5 suspension of the monetary judgment will be terminated and the
6 entire judgment amount of \$8 million, representing the
7 approximate amount of consumer injury, will become immediately
8 due and payable, less any payments already made. For purposes of
9 this Paragraph, and any subsequent proceedings to enforce
10 payment, including but not limited to a non-dischargeability
11 complaint filed in a bankruptcy proceeding, Defendant waives any
12 right to contest any of the allegations set forth in the
13 Complaint filed in this matter or the \$8 million judgment
14 referenced above.

15 **V. CUSTOMER LISTS**

16 **IT IS FURTHER ORDERED** that Defendant, as well as his
17 officers, agents, servants, employees, and attorneys, and all
18 other persons or entities in active concert or participation with
19 him who receive actual notice of this Order by personal service
20 or otherwise, whether acting directly or through any corporation,
21 subsidiary, division, or other entity, are permanently restrained
22 and enjoined from selling, renting, leasing, transferring, or
23 otherwise disclosing the name, address, telephone number, social
24 security number, credit card number, bank account number, e-mail
25 address, or other identifying information of any person who paid
26 any money to any Defendant, who was solicited to pay money to any
27
28

1 Defendant, or whose identifying information was obtained for the
2 purpose of soliciting them to pay money to any Defendant, at any
3 time prior to the date this Order is entered, in connection with
4 the advertising, marketing, promoting, offering for sale or sale
5 of any debt negotiation, debt reduction, or debt consolidation
6 service. *Provided*, however, that any party subject to this
7 provision may disclose such identifying information to a law
8 enforcement agency or as required by any law, regulation, or
9 court order.

10 **VI. DISTRIBUTION OF ORDER BY DEFENDANT**

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

13 A. Defendant shall deliver a copy of this Order to the
14 principals, officers, directors, managers, and employees under
15 the Defendant's control for any business that (a) employs or
16 contracts for personal services from Defendant and (b) has
17 responsibilities with respect to the subject matter of this
18 Order. Defendant shall secure from each such person a signed and
19 dated statement acknowledging receipt of the Order within thirty
20 (30) days after the date of service of the Order or the
21 commencement of the employment relationship.

22 **VII. MONITORING COMPLIANCE OF SALES PERSONNEL**

23 **IT IS FURTHER ORDERED** that Defendant, in connection with any
24 business where:

- 25 1. Defendant is the majority owner of the business or
26 directly or indirectly manages or controls the
27
28

1 business, and where

- 2 2. the business is engaged in radio advertising or a
3 website to market or sell its products or services, or
4 assists others in said activities

5 is hereby permanently restrained and enjoined from:

6 A. Failing to take reasonable steps sufficient to monitor
7 and ensure that all employees and independent contractors engaged
8 in sales or other customer service functions comply with
9 Paragraphs I-II of this Order. Such steps shall include adequate
10 monitoring of sales presentations or other calls with customers,
11 and shall also include, at a minimum, the following: (1)
12 listening to the oral representations made by persons engaged in
13 sales or other customer service functions; (2) establishing a
14 procedure for receiving and responding to consumer complaints;
15 and (3) ascertaining the number and nature of consumer complaints
16 regarding transactions in which each employee or independent
17 contractor is involved; provided that this Paragraph does not
18 authorize or require Defendant to take any steps that violate any
19 federal, state, or local laws;

20 B. Failing to investigate promptly and fully any consumer
21 complaint to which this Paragraph applies; and

22 C. Failing to take corrective action with respect to any
23 sales person whom Defendant determines is not complying with this
24 Order, which may include training, disciplining, and/or
25 terminating such sales person.

26 ///

1 VIII. RECORD KEEPING PROVISIONS

2 IT IS FURTHER ORDERED that, for a period of eight (8) years
3 from the date this Order is entered, where Defendant is the
4 majority owner or directly or indirectly controls the business,
5 Defendant and his agents, employees, officers, corporations,
6 successors, and assigns, and those persons in active concert or
7 participation with them who receive actual notice of this Order
8 by personal service or otherwise, are hereby restrained and
9 enjoined from failing to create and retain the following records:

10 A. Accounting records that reflect the cost of goods or
11 services sold, revenues generated, and the disbursement of such
12 revenues;

13 B. Personnel records accurately reflecting: the name,
14 address, and telephone number of each person employed in any
15 capacity by such business, including as an independent
16 contractor; that person's job title or position; the date upon
17 which the person commenced work; and the date and reason for the
18 person's termination, if applicable;

19 C. Customer files containing the names, addresses, phone
20 numbers, dollar amounts paid, quantity of items or services
21 purchased, and description of items or services purchased, to the
22 extent such information is obtained in the ordinary course of
23 business;

24 D. Complaint and refund requests (whether received
25 directly, indirectly or through any third party) and any
26 responses to those complaints or requests; and
27
28

1 E. Copies of all sales scripts, training materials,
2 advertisements, or other marketing materials.

3 IX. COMPLIANCE REPORTING BY DEFENDANT

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

6 A. For a period of five (5) years from the date of entry
7 of this Order,

8 1. Defendant shall notify the Commission of the following:

9 (a) Any changes in Defendant's residence, mailing
10 addresses, and telephone numbers, within ten (10) days
11 of the date of such change;

12 (b) Any changes in Defendant's employment status
13 (including self-employment) within ten (10) days of the
14 date of such change. Such notice shall include the
15 name and address of each business that Defendant is
16 affiliated with, employed by, or performs services for;
17 a statement of the nature of the business; and a
18 statement of Defendant's duties and responsibilities in
19 connection with the business;

20 (c) Any changes in Defendant's name or use of any
21 aliases or fictitious names; and

22 2. Defendant shall notify the Commission of any changes in
23 corporate structure that may affect compliance obligations
24 arising under this Order, including but not limited to a
25 dissolution, assignment, sale, merger, or other action that
26 would result in the emergence of a successor corporation;

1 the creation or dissolution of a subsidiary, parent, or
2 affiliate that engages in any acts or practices subject to
3 this Order; the filing of a bankruptcy petition; or a change
4 in the corporate name or address, at least thirty (30) days
5 prior to such change, provided that, with respect to any
6 proposed change in the corporation about which the Defendant
7 learns less than thirty (30) days prior to the date such
8 action is to take place, Defendant shall notify the
9 Commission as soon as is practicable after obtaining such
10 knowledge.

11 B. One hundred eighty (180) days after the date of entry of
12 this Order, Defendant shall provide a written report to the FTC,
13 sworn to under penalty of perjury, setting forth in detail the
14 manner and form in which he has complied and is complying with
15 this Order. This report shall include, but not be limited to:

- 16 1. Any changes required to be reported pursuant to
17 subparagraph (A) above;
- 18 2. A copy of each acknowledgment of receipt of this Order
19 obtained by Defendant pursuant to Paragraph VI;

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

24 Assistant Regional Director
25 Western Region - Los Angeles
26 Federal Trade Commission
27 10877 Wilshire Blvd., Suite 700
28 Los Angeles, California 90024
Re: FTC v. Innovative Systems Technology, et al.

1 D. For purposes of the compliance reporting required by
2 this Paragraph, the Commission is authorized to communicate
3 directly with Defendant.

4 X. COMPLIANCE MONITORING

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

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

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

- 17 1. obtaining discovery from any person, without further
18 leave of court, using the procedures proscribed by Fed.
19 R. Civ. P. 30, 31, 33, 34, 36, and 45;
- 20 2. posing as consumers and suppliers to Defendant or his
21 employees, or any other entity managed or controlled in
22 whole or in part by Defendant, without the necessity of
23 identification or prior notice;

24 Provided that nothing in this Order shall limit the Commission's
25 lawful use of compulsory process, pursuant to Sections 9 and 20
26 of the FTC Act, 15 U.S.C. §§ 49, 57b-1, to obtain any documentary
27

1 material, tangible things, testimony, or information relevant to
2 unfair or deceptive acts or practices in or affecting commerce
3 (within the meaning of 15 U.S.C. § 45(a)(1)).

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

9 **XI. ACKNOWLEDGMENT OF RECEIPT OF ORDER BY DEFENDANT**

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

14 **XII. COSTS AND ATTORNEYS FEES**

15 **IT IS FURTHER ORDERED** that each party to this Order shall
16 bear its own costs and attorney's fees incurred in connection
17 with this action.

18 **XIII. RETENTION OF JURISDICTION**

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

22 **XIV. INDEPENDENCE OF OBLIGATIONS**

23 **IT IS FURTHER ORDERED** that the expiration of any
24 requirements imposed by this Order shall not affect any other
25 obligation under this Order.

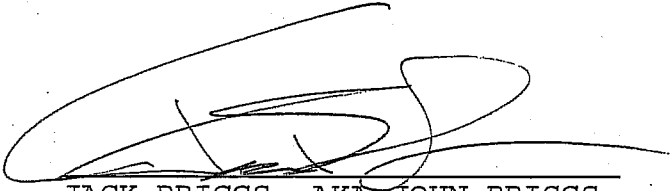
26 ///

XV. WAIVER OF CLAIMS

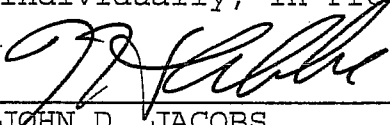
IT IS FURTHER ORDERED that Defendant waives all claims under the Equal Access to Justice Act, 28 U.S.C. § 2412, as amended by Pub. L. 104-121, 110 Stat. 847, 863-64 (1996), and all rights to seek appellate review or otherwise challenge or contest the validity of this Order, and further waives and releases any claim he might have against the FTC or its employees, agents or representatives.

SO STIPULATED:

DATED: Sept 23, 2003


JACK BRIGGS, AKA JOHN BRIGGS,
individually, In Pro Per

DATED: February 3, 2004


JOHN D. JACOBS
KENNETH H. ABBE
BARBARA Y.K. CHUN
Attorneys for Plaintiff FTC

IT IS SO ORDERED:

Dated: 2-5-04

GARY ALLEN FEESS

UNITED STATES DISTRICT JUDGE

CERTIFICATE OF SERVICE

I, Kenneth H. Abbe, certify as follows:

I am over the age of 18 and am employed by the Federal Trade Commission. My business address is 10877 Wilshire Boulevard, Suite 700, Los Angeles, California 90024. On February 4, 2004, I caused the attached document titled "STIPULATED FINAL JUDGMENT AND ORDER FOR PERMANENT INJUNCTION AGAINST DEFENDANT JACK BRIGGS, AKA JOHN BRIGGS" to be served by pre-paid, first class U.S. mail to the following:

Paracorp Incorporated
640 Bercut Dr.
Suite A
Sacramento, CA 95814

AGENT FOR SERVICE OF PROCESS
FOR DEFENDANT INNOVATIVE SYSTEMS
TECHNOLOGY, INC.

Gary S. Brown, Esq.
Law Offices of Gary Brown
1 S. Fair Oaks Ave. #301
Pasadena, CA 91105

AGENT FOR SERVICE OF PROCESS
FOR DEFENDANT DEBT RESOLUTION
SPECIALISTS, INC.

Todd A. Baker
35471 Larchfork Rd.
Acton, CA 93510

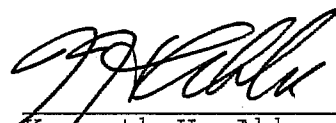
DEFENDANT

John Briggs
25763 Barnett Lane
Stevenson Ranch, CA 91381

DEFENDANT

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

Dated: February 4, 2004



Kenneth H. Abbe