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6 **UNITED STATES DISTRICT COURT**  
7 **DISTRICT OF ARIZONA**

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9 Federal Trade Commission,  
10 Plaintiff,  
11 v.  
12 Handicapped & Disabled  
Workshops, Inc., *et al.*,  
13 Defendants.

**Case No. CV-08-0908-PHX-DGC**

**STIPULATED FINAL JUDGMENT  
AND ORDER FOR PERMANENT  
INJUNCTION AND OTHER  
EQUITABLE RELIEF AGAINST  
GEORGE THOMAS**

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15 This matter comes before the Court on the stipulation of Plaintiff, the Federal  
16 Trade Commission (“FTC” or “Commission”), and Defendant George Thomas. On  
17 May 13, 2008, the Commission filed a Complaint for a permanent injunction and other  
18 equitable relief in this matter pursuant to Sections 13(b) and 19(a) of the Federal Trade  
19 Commission Act (“FTC Act”), 15 U.S.C. § 53(b) and 57b(a). The FTC charged  
20 defendants Handicapped & Disabled Workshop, Inc., Handi-Hope Industries, Inc., Handi-  
21 Ship, LLC, Bruce D. Peeples, George Thomas, and Joshua D. Abramson with engaging in  
22 deceptive acts or practices in connection with the telemarketing and sale of various  
23 household products, in violation of: Section 5(a) of the FTC Act, 15 U.S.C. § 45(a); the  
24 Commission’s Telemarketing Sales Rule, 16 C.F.R. Part 310; and the Unordered  
25 Merchandise Statute, 39 U.S.C. § 3009. The Commission and Defendant George Thomas  
26 have agreed to the entry of this Stipulated Final Order for Permanent Injunction and Other  
27 Equitable Relief (“Order”) and to entry of the First Amended Complaint to resolve all  
28 matters of dispute between them with respect to the conduct alleged in this action.

1 Accordingly, by stipulation of the parties to this Order, it is hereby **ORDERED,**  
2 **ADJUDGED, AND DECREED:**

3 **FINDINGS**

4 1. This Court has jurisdiction of the subject matter of this case and the parties  
5 hereto. Venue is proper as to all parties in the District of Arizona.

6 2. The activities of Defendant George Thomas are in or affecting commerce,  
7 as defined in the FTC Act, 15 U.S.C. § 44.

8 3. The First Amended Complaint states a claim upon which relief may be  
9 granted against Defendant George Thomas.

10 4. Defendant George Thomas waives all rights to seek judicial review or  
11 otherwise challenge or contest the validity of this Order. Defendant George Thomas  
12 further waives any claim that may arise under the Equal Access to Justice Act, 28 U.S.C.  
13 § 2412, and any claims he may have against the Commission, its employees,  
14 representatives, or agents.

15 5. Defendant George Thomas enters into this Order freely and without  
16 coercion and acknowledges that he has read, understands, and is prepared to abide by, the  
17 provisions of this Order.

18 6. By entering into this Order, Defendant George Thomas does not admit to  
19 the allegations set forth in the First Amended Complaint, other than the jurisdictional  
20 facts. Defendant George Thomas's consent to entry of this Order shall not be interpreted  
21 to constitute an admission by him that he has engaged in any violations of any law or  
22 regulation.

23 7. This Order is in addition to, and not in lieu of, other remedies that may be  
24 provided by law, including both civil and criminal remedies.

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

26 **DEFINITIONS**

27 For the purpose of this Order, the following definitions shall apply:

28 1. "Assets" means any legal or equitable interest in, right to, or claim to, any

1 real and personal property, including, but not limited to chattel, goods, instruments,  
2 equipment, fixtures, general intangibles, inventory, checks, notes, leaseholds, effects,  
3 contracts, mail or other deliveries, shares of stock, lists of consumer names, accounts,  
4 credits, premises, receivables, funds, and cash, wherever located, whether in the United  
5 States or abroad.

6 2. “Defendant Thomas” means George Thomas.

7 3. “Document” is synonymous in meaning and equal in scope to the usage of  
8 the term in Federal Rule of Civil Procedure 34(a), and includes writings, drawings,  
9 graphs, charts, photographs, audio and video recordings, computer records, and other data  
10 compilations from which information can be obtained and translated, if necessary,  
11 through detection devices into reasonably usable form. A draft or non-identical copy is a  
12 separate document within the meaning of the term.

13 4. “Material” means likely to affect a person’s choice of, or conduct regarding,  
14 goods or services.

15 5. “Person” means a natural person, an organization or other legal entity,  
16 including a corporation, partnership, sole proprietorship, limited liability company,  
17 association, cooperative, or any other group or combination acting as an entity.

18 6. “Representatives” means Defendant Thomas’s successors, assigns, officers,  
19 agents, servants, employees, and those persons in active concert or participation with  
20 Defendant Thomas who receive actual notice of this Order, by personal service or  
21 otherwise.

22 7. “Telemarketing” means any plan, program or campaign (whether or not  
23 covered by the Telemarketing Sales Rule, 16 C.F.R. Part 310) that is conducted to induce  
24 the purchase of goods or services by means of the use of one or more telephones.

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

1 **ORDER**

2 **I.**

3 **PROHIBITED REPRESENTATIONS**

4 **IT IS THEREFORE ORDERED** that Defendant Thomas and his  
5 Representatives are hereby permanently restrained and enjoined from making or assisting  
6 others in making, expressly or by implication, any false or misleading statement or  
7 representation or omission of Material fact in connection with the advertising, offering for  
8 sale, sale, or distribution of any good or service, including, but not limited to,  
9 misrepresenting any of the following:

10 A. That any consumer's purchase will significantly help handicapped or  
11 disabled people;

12 B. That the person soliciting any consumer's purchase is handicapped or  
13 disabled;

14 C. That all or most persons employed by or working on behalf of Defendant  
15 Thomas or his Representatives are handicapped or disabled;

16 D. That any handicapped or disabled person packages products;

17 E. That Defendant Thomas or his Representatives operate a charitable  
18 organization;

19 F. That any consumer ordered, purchased, or agreed to purchase goods or  
20 services, and therefore owes money to Defendant Thomas or his Representatives;

21 G. The total cost to purchase, receive, or use, and the quantity of, any goods or  
22 services that are subject to the sales offer;

23 H. Any material restrictions, limitations, or conditions to purchase, receive, or  
24 use the goods or services;

25 I. Any material aspect of the nature or terms of a refund, cancellation,  
26 exchange, or repurchase policy for the goods or services; and

27 J. Any material aspect of the performance, efficacy, nature, or central  
28 characteristics of goods or services that are the subject of the sale.

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**II.**

**PROHIBITIONS AGAINST DECEPTIVE AND ABUSIVE  
TELEMARKETING PRACTICES**

**IT IS FURTHER ORDERED** that Defendant Thomas and his Representatives, in connection with the advertising, offering for sale, sale, or distribution of any good or service, are hereby permanently restrained and enjoined from violating or assisting others in violating, in any manner, any provision of the Commission's Telemarketing Sales Rule, 16 C.F.R. Part 310 (attached hereto as Attachment A), as currently promulgated or as it may hereafter be amended, including, but not limited to, any of the following:

A. Making any false or misleading statements to induce consumers to pay for goods or services or to induce a charitable contribution, in violation of Section 310.3(a)(4) of the TSR, 16 C.F.R. Part 310.3(a)(4);

B. Causing consumers' telephones to ring repeatedly, and/or engaging consumers repeatedly in telephone conversation with the intent to annoy, abuse, or harass persons at the called number, in violation of Section 310.4(b)(1)(i) of the TSR, 16 C.F.R. Part 310.4(b)(1)(i);

C. Causing billing information to be submitted for payment without the express informed consent of the consumer, in violation of Section 310.4(a)(6) of the TSR, 16 C.F.R. Part 310.4(a)(6);

D. Causing billing information to be submitted for payment when using a payment method other than a credit card or a debit card, without the consumer's express verifiable authorization, in violation of Section 310.3(a)(3) of the TSR, 16 C.F.R. Part 310.3(a)(3);

E. Initiating any outbound telemarketing call to a person's telephone number on the National Do Not Call Registry of persons who do not wish to receive outbound telephone calls to induce the purchase of goods or services, in violation of Section 310.4(b)(1)(iii)(B) of the TSR, 16 C.F.R. Part 310.4(b)(1)(iii)(B), unless:

1. Defendant Thomas or his Representatives have obtained the express



1 without any obligation whatsoever to the sender; and

2 B. Sending any communication, including, but not limited to, bills, invoices,  
3 reminders, letters, notices, or dunning communications, that in any manner seek to obtain  
4 payment for any merchandise shipped without the prior expressed request or consent of the  
5 recipient.

6 **IV.**

7 **MONETARY RELIEF**

8 **IT IS FURTHER ORDERED** that:

9 A. Judgment is hereby entered against Defendant Thomas, jointly and severally  
10 with the other Defendants named in the First Amended Complaint in this case, in the  
11 amount of THIRTEEN MILLION FOUR HUNDRED ELEVEN THOUSAND NINE  
12 HUNDRED EIGHTEEN (\$13,411,918); *provided, however*, that this judgment, as to  
13 Defendant Thomas, shall be suspended upon receipt by the Commission of the monies as  
14 specified in Section IV.B. of this Order.

15 B. Mountain America Credit Union, 7181 South Campus View Drive, West  
16 Jordan, Utah, 84084, shall transfer to the Commission the sum of TWO THOUSAND  
17 THREE HUNDRED EIGHTY DOLLARS AND TWENTY-FIVE CENTS (\$2,380.25)  
18 from the account ending in 9545. This account was established by Defendant Thomas and  
19 previously frozen by stipulation of the parties and by this Court's order. The funds  
20 identified above shall be remitted to the Commission within ten (10) days following the  
21 entry of this Order. The payment shall be made to the Commission by certified check or  
22 other guaranteed funds payable to the Federal Trade Commission, Financial Management  
23 Office, or by wire transfer in accordance with directions provided by the Commission.  
24 The check(s) or written confirmation of the wire transfer(s) shall be delivered to:  
25 Associate Director, Division of Marketing Practices, 600 Pennsylvania Avenue, N.W.,  
26 Room 286, Washington, D.C. 20580.

27 C. Any and all funds or assets transferred or paid pursuant to Section IV.B. of  
28 this Order shall be deposited into a fund administered by the Commission or its agent to be

1 used for equitable relief, including, but not limited to, consumer redress and any attendant  
2 expenses for the administration of any redress fund. In the event that redress to consumers  
3 is wholly or partially impracticable, or any funds remain after redress is completed, the  
4 Commission may apply any remaining funds to such other equitable relief (including  
5 consumer information remedies) as it determines to be reasonably related to the acts and  
6 practices alleged in the First Amended Complaint. Any funds not used for such equitable  
7 relief shall be deposited in the United States Treasury as disgorgement. Defendant  
8 Thomas shall have no right to contest the manner of distribution or other disposition of  
9 funds chosen by the Commission. The Commission in its sole discretion may use a  
10 designated agent to administer consumer redress.

11 **V.**

12 **RIGHT TO REOPEN**

13 **IT IS FURTHER ORDERED** that:

14 A. The Commission's agreement to, and the Court's approval of, this Order is  
15 expressly premised upon the truthfulness, accuracy, and completeness of Defendant  
16 Thomas's financial statement dated May 20, 2008, and previously submitted by Defendant  
17 Thomas to the FTC ("Defendant's Financial Statement"), which contain material  
18 information relied upon by the Commission in negotiating and agreeing to the terms of this  
19 Order.

20 B. If, upon motion by the Commission, this Court finds that Defendant Thomas  
21 has (1) materially misstated the value of any asset that should have been disclosed in  
22 Defendant's Financial Statement, (2) made any material misrepresentation or omitted  
23 material information concerning his financial condition by failing to disclose any assets  
24 that should have been disclosed in the Defendant's Financial Statement, or (3) made any  
25 other material misstatement or omission in the Defendant's Financial Statement, then the  
26 suspended judgment entered in Section IV.A. shall become immediately due and payable.  
27 The Court, without further adjudication, shall enter a modified judgment holding  
28 Defendant Thomas liable to the Commission in the amount of THIRTEEN MILLION



1 FOUR HUNDRED ELEVEN THOUSAND NINE HUNDRED EIGHTEEN DOLLARS  
2 (\$ 13,411,918) for consumer redress, less any amounts turned over to the FTC pursuant to  
3 Section IV.B. of this Order and any verified payments for consumer redress made by any  
4 of the other Defendants in this action. This amount shall become immediately due and  
5 payable, and interest computed at the rate prescribed under 28 U.S.C. § 1961, as amended,  
6 shall immediately begin to accrue on the unpaid balance.

7 C. Defendant Thomas agrees that the facts as alleged in the First Amended  
8 Complaint filed in this action shall be taken as true without further proof in any  
9 bankruptcy case or subsequent civil litigation pursued by the Commission to enforce its  
10 rights to any payment or money judgment pursuant to this Order, including but not limited  
11 to a nondischargeability complaint in any bankruptcy case. Defendant Thomas further  
12 stipulates and agrees that the facts alleged in the First Amended Complaint establish all  
13 elements necessary to sustain an action pursuant to, and that this Order shall have  
14 collateral estoppel effect for purposes of, Section 523(a)(2)(A) of the Bankruptcy Code, 11  
15 U.S.C. § 523(a)(2)(A).

16 D. Defendant Thomas acknowledges and agrees that (1) this monetary  
17 judgment is equitable monetary relief, solely remedial in nature, and not a fine, penalty,  
18 punitive assessment or forfeiture; (2) any proceedings to lift the stay of the monetary  
19 judgment would be in addition to, and not in lieu of, any other civil or criminal remedies  
20 as may be provided by law, including any other proceedings that the FTC may initiate to  
21 enforce this Order; and (3) all money paid to satisfy the monetary judgment is irrevocably  
22 paid for purposes of settlement between the parties and Defendant Thomas relinquishes all  
23 interests, rights and title to such money to the fullest extent permitted by law.

24 E. Should this Order be modified pursuant to this Section V, this Order, in all  
25 other respects, shall remain in full force and effect unless otherwise ordered by the Court.  
26 Any proceedings instituted under this Section V are in addition to, and not in lieu of, any  
27 other civil or criminal remedies as may be provided by law, including any other  
28 proceedings that the FTC may initiate to enforce this Order.

1 **VI.**

2 **LIFTING OF ASSET FREEZE**

3 **IT IS FURTHER ORDERED** that the freeze against the assets of Defendant  
4 Thomas pursuant to the Preliminary Injunction entered by this Court on May 27, 2008,  
5 shall be lifted upon entry of this Order.

6 **VII.**

7 **CUSTOMER LISTS**

8 **IT IS FURTHER ORDERED** that Defendant Thomas and his Representatives are  
9 permanently restrained and enjoined from selling, renting, leasing, transferring, or  
10 otherwise disclosing the name, address, telephone number, credit card number, bank  
11 account number, e-mail address, or other identifying information of any person who paid  
12 money to any of the Defendants at any time prior to the entry of this Order, in connection  
13 with the purchase of any products. Provided, however, that Defendant Thomas or his  
14 Representatives may disclose such identifying information to a law enforcement agency or  
15 as required by any law, regulation, or court order.

16 **VIII.**

17 **COOPERATION WITH FTC COUNSEL**

18 **IT IS FURTHER ORDERED** that Defendant Thomas shall, in connection with  
19 this action or any subsequent investigations related to or associated with the transactions  
20 or the occurrences that are the subject of the FTC's First Amended Complaint, cooperate  
21 in good faith with the FTC and appear at such places and times as the FTC shall  
22 reasonably request, after written notice, for interviews, conferences, pretrial discovery,  
23 review of documents, and for such other matters as may be reasonably requested by the  
24 FTC. If requested in writing by the FTC, Defendant Thomas shall appear and provide  
25 truthful testimony in any trial, deposition, or other proceeding related to or associated with  
26 the transactions or the occurrences that are the subject of the First Amended Complaint,  
27 without the service of a subpoena.

1 **IX.**

2 **COMPLIANCE MONITORING**

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

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

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

12 1. obtaining discovery from any person, without further leave of court,  
13 using the procedures prescribed by Fed. R. Civ. P. 30, 31, 33, 34, 36, and 45;

14 2. posing as consumers and suppliers to: Defendant Thomas, Defendant  
15 Thomas's employees, or any other entity managed or controlled in whole or in part by  
16 Defendant Thomas, without the necessity of identification or prior notice; and

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

21 ***Provided, however,*** that nothing in this Order shall limit the Commission's lawful  
22 use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C.  
23 §§ 49, 57b-1, to obtain any documentary material, tangible things, testimony, or  
24 information relevant to unfair or deceptive acts or practices in or affecting commerce  
25 (within the meaning of 15 U.S.C. § 45(a)(1)).

1 **X.**

2 **COMPLIANCE REPORTING**

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

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

6 1. Defendant Thomas shall notify the Commission of the following:

7 a. Any changes in his residence, mailing addresses, and  
8 telephone numbers, within ten (10) days of the date of such change;

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

16 c. Any changes in Defendant Thomas's name or use of any  
17 aliases or fictitious names; and

18 2. Defendant Thomas shall notify the Commission of any changes in  
19 corporate structure of any business entity that Defendant Thomas directly or indirectly  
20 controls, or has an ownership interest in, that may affect compliance obligations arising  
21 under this Order, including but not limited to a dissolution, assignment, sale, merger, or  
22 other action that would result in the emergence of a successor entity; the creation or  
23 dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject  
24 to this Order; the filing of a bankruptcy petition; or a change in the corporate name or  
25 address, at least thirty (30) days prior to such change, *provided* that, with respect to any  
26 proposed change in the corporation about which the Defendant Thomas learns less than  
27 thirty (30) days prior to the date such action is to take place, Defendant Thomas shall  
28 notify the Commission as soon as is practicable after obtaining such knowledge.

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

5 1. The then-current residence address, mailing addresses, and telephone  
6 numbers of Defendant Thomas;

7 2. The then-current employment and business addresses and telephone  
8 numbers of Defendant Thomas, a description of the business activities of each such  
9 employer or business, and the title and responsibilities of Defendant Thomas, for each  
10 such employer or business;

11 3. Any other changes required to be reported under subsection A of this  
12 Section; and

13 4. A copy of each acknowledgment of receipt of this Order, obtained  
14 pursuant to Section XII.

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

18 Associate Director  
19 Division of Enforcement  
20 Re: FTC v. Handicapped & Disabled Workshops, Case No. 08-0908-PHX-DGC  
21 Federal Trade Commission  
22 600 Pennsylvania Ave., NW  
23 Washington, DC 20580.

24 D. For purposes of the compliance reporting and monitoring required by this  
25 Order, the Commission is authorized to communicate directly with Defendant Thomas.

## 26 XI.

### 27 RECORD KEEPING

28 **IT IS FURTHER ORDERED** that, for a period of ten (10) years from the date of  
entry of this Order, Defendant Thomas and his Representatives in connection with any  
business where Defendant Thomas is the majority owner of the business or directly or



1 related to the subject matter of the Order. For current personnel, delivery shall be within  
2 five (5) days of service of this Order upon Defendant Thomas. For new personnel,  
3 delivery shall occur prior to them assuming their responsibilities.

4 B. Defendant Thomas as employee or non-control person: For any business  
5 where Defendant Thomas is not a controlling person of a business but otherwise engages  
6 in conduct related to the subject matter of this Order, Defendant Thomas must deliver a  
7 copy of this Order to all principals and managers of such business before engaging in such  
8 conduct.

9 C. Defendant Thomas must secure a signed and dated statement acknowledging  
10 receipt of the Order, within thirty days of delivery, from all persons receiving a copy of the  
11 Order pursuant to this Section.

12 **XIII.**

13 **ACKNOWLEDGMENT OF RECEIPT OF ORDER**

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

17 **XIV.**

18 **COURT'S RETENTION OF JURISDICTION**

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

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XV.

ENTRY OF ORDER

IT IS FURTHER ORDERED that, there being no just reason for delay, the Clerk is hereby directed to enter this judgment immediately.

STIPULATED AND AGREED TO BY:

/s/ Kathleen Benway  
KATHLEEN BENWAY  
GARY L. IVENS  
Federal Trade Commission  
600 Pennsylvania Ave, NW, Room H-281  
Washington, D.C. 20580  
Phone: (202) 326-2024/(202) 326-3071  
Facsimile (202) 326-3395  
Email: [kbenway@ftc.gov](mailto:kbenway@ftc.gov)/  
[givens@ftc.gov](mailto:givens@ftc.gov)

/s/ George Thomas  
GEORGE THOMAS  
*DEFENDANT PRO SE*

*COUNSEL FOR PLAINTIFF*

DATED this 9th day of December, 2008.



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David G. Campbell  
United States District Judge