IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION

FEDERAL TRADE COMMISSION,)
Plaintiff,) Civ. No. 09-cv-2929
v.)
VOICE TOUCH, INC., a Florida corporation, dba Voice Touch, et al.,)) STIPULATED FINAL JUDGMENT) AND ORDER FOR PERMANENT) INJUNCTION AGAINST
Defendants.) DEFENDANT DAMIAN KOHLFELD))

Plaintiff Federal Trade Commission ("FTC" or "Commission"), filed its Complaint for Injunctive and Other Equitable Relief pursuant to Sections 13(b) and 19 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b) and 57b, and the Telemarketing and Consumer Fraud and Abuse Prevention Act ("Telemarketing Act"), 15 U.S.C. §§ 6101-6108, to secure temporary, preliminary, and permanent injunctive relief, restitution, disgorgement of ill-gotten gains, and other equitable relief for Defendants' acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and in violation of the FTC's Trade Regulation Rule entitled "Telemarketing Sales Rule" ("TSR"), 16 C.F.R. Part 310.

Plaintiff and Defendant Damian Kohlfeld ("Stipulating Defendant"), by and through their attorneys, have agreed to entry of this Stipulated Final Judgment and Order for Permanent Injunction Against Defendant Damian Kohlfeld ("Order") by this Court in order to resolve all claims against Stipulating Defendant in this action. Plaintiff and Stipulating Defendant have consented to entry of this Order without trial or adjudication of any issue of law or fact herein.

NOW THEREFORE, the Plaintiff and Stipulating Defendant, having requested the

Court to enter this Order, and the Court having considered the Order reached between the parties, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED as follows:

FINDINGS

- 1. This is an action by the Commission instituted under Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, the Telemarketing Act, 15 U.S.C. §§ 6101-6108, and the TSR, 16 C.F.R. Part 310. Pursuant to these Sections of the FTC Act and the Telemarketing Act, the Commission has the authority to seek the relief contained herein.
- 2. The Commission's complaint states a claim upon which relief may be granted under Sections 5(a), 13(b), and 19 of the FTC Act, 15 U.S.C. §§ 45(a), 53(b), and 57b, and Section 6(b) of the Telemarketing Act, 15 U.S.C. § 6105(b).
- 3. This Court has jurisdiction over the subject matter of this case and personal jurisdiction over the parties.
- 4. Venue in the United States District Court for the Northern District of Illinois is proper pursuant to 15 U.S.C. § 53(b) and 28 U.S.C. § 1391(b) and (c).
- 5. The alleged activities of Stipulating Defendant are "in or affecting commerce" as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.
- Stipulating Defendant, without admitting the allegations set forth in the
 Commission's complaint and without any admission or finding of liability thereunder, agrees to entry of this Order.
- 7. Stipulating Defendant waives: (a) all rights to seek judicial review or otherwise challenge or contest the validity of this Order; (b) any claim that he may have against the Commission, its employees, representatives, or agents; (c) 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 (d) any rights to attorney's fees that may arise under said provision of law. The Commission and Stipulating Defendant shall each bear their own costs and attorney's fees incurred in this action.

- 8. This Order is in addition to, and not in lieu of, any other civil or criminal remedies that may be provided by law.
 - 9. Entry of this Order is in the public interest.

DEFINITIONS

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

- 1. "Asset" or "Assets" means any legal or equitable interest in, right to, or claim to, any real or personal property, including, but not limited to, "goods," "instruments," "equipment," "fixtures," "general intangibles," "inventory," "checks," or "notes," (as these terms are defined in the Uniform Commercial Code), lines of credit, chattels, leaseholds, contracts, mail or other deliveries, shares of stock, lists of consumer names, accounts, credits, premises, receivables, funds, and all cash, wherever located.
- 2. "Assisting others" includes but is not limited to: (1) performing customer service functions, including, but not limited to, receiving or responding to consumer complaints; (2) formulating or providing, or arranging for the formulation or provision of, any sales script or other marketing material; (3) providing names of, or assisting in the generation of, potential customers; (4) performing or providing marketing or billing services of any kind; (5) acting as an officer or director of a business entity; or (6) providing telemarketing services.
- "Individual Defendant" or "Individual Defendants" means James A. Dunne and Damian Kohlfeld.
 - 4. "Corporate Defendants" means Voice Touch, Inc., Network Foundations, LLC,

Voice Foundations, LLC, and their successors and assigns, as well as any subsidiaries and any fictitious business entities or business names created or used by these entities, or any of them.

- "Defendants" means all of the Individual Defendants and the Corporate
 Defendants, individually, collectively, or in any combination.
- 6. "Document" or "documents" is synonymous in meaning and equal in scope to the usage of the term in Federal Rule of Civil Procedure 34(a), and includes writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, and other data compilations from which information can be obtained and translated, if necessary, through detection devices into reasonably usable form. A draft or non-identical copy is a separate document within the meaning of the term.
- 7. "Material" means likely to affect a person's choice of, or conduct regarding, goods or services.
- 8. "Person" or "persons" means a natural person, an organization or other legal entity, including a corporation, partnership, sole proprietorship, limited liability company, association, cooperative, or any other group or combination acting as an entity.
 - 9. "Plaintiff" means the Federal Trade Commission ("FTC" or "Commission").
- 10. "Stipulating Defendant" means Defendant Damian Kohlfeld, by whatever names he may be known.
- 11. "Telemarketing" means any plan, program, or campaign (whether or not covered by the Telemarketing Sales Rule, 16 C.F.R. Part 310) that is conducted to induce the purchase of goods or services or the payment of money by means of the use of one or more telephones.

I.

PERMANENT BAN ON TELEMARKETING

IT IS THEREFORE ORDERED that Stipulating Defendant, whether acting directly or through any person, business entity, trust, corporation, partnership, limited liability company, subsidiary, division, or other device, or any of them, is hereby permanently restrained and enjoined from telemarketing, or assisting others engaged in telemarketing.

II.

PROHIBITED BUSINESS ACTIVITIES

IT IS FURTHER ORDERED that Stipulating Defendant, his officers, agents, servants, employees, and attorneys, and all other persons in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any person, business entity, trust, corporation, partnership, limited liability company, subsidiary, division, or other device, or any of them, in connection with the advertising, marketing, promotion, offering for sale, sale, or provision of any good or service, are hereby permanently restrained and enjoined from:

- A. Misrepresenting, or assisting others in misrepresenting, expressly or by implication, any material fact, including, but not limited to:
 - that they are calling from, on behalf of, or are otherwise affiliated with the manufacturer or dealer of a consumer's automobile;
 - that the expiration of the consumer's original automobile warranty is imminent;
 - that they are authorized to, and are, selling warranties that continue or extend the consumer's original warranty from the manufacturer;

- 4. that they are selling warranties;
- 5. the total cost to purchase, receive, or use the goods or services;
- any material restrictions, limitations, or conditions to purchase, receive, or use the goods or services;
- any material aspect of the nature or terms of a refund, cancellation,
 exchange, or repurchase policy for the goods or services; and
- any material aspect of the performance, efficacy, nature, or central characteristics of the goods or services.

Provided, however, that nothing in this Section or in any other Section of this Order shall void the ban provision set forth in Section I of this Order.

III.

MONETARY JUDGMENT

IT IS FURTHER ORDERED that Judgment is hereby entered in favor of the Commission and against Stipulating Defendant for equitable monetary relief, including, but not limited to, consumer redress, in the amount of Forty Eight Million Dollars (\$48,000,000.00), the total amount of consumer injury caused by the activities alleged in the Commission's complaint; provided, however, that the Judgment for equitable monetary relief shall be suspended upon the satisfaction of the obligations imposed by Subsections A through C of this Section, and subject to the conditions set forth in Section IV of this Order.

A. Stipulating Defendant shall pay to the Commission the sum of \$2,284,804.54 in equitable monetary relief, including, but not limited to, consumer redress and/or disgorgement, within five (5) days of the date of entry of this Order. Payment shall be made to the Commission by wire transfer in accordance with directions provided by the Commission, or by certified check

or other guaranteed funds payable to and delivered to the Commission.

- B. In addition to the payment required by Subsection A of this Section, Stipulating Defendant also shall immediately upon entry of this Order liquidate, for turn-over to the FTC or its designated representative, all assets held as of the date of the entry of this Order in the following two accounts, which were disclosed in response to Item 12 on the June 10, 2010 financial statement that Stipulating Defendant provided to the FTC:
 - Account titled to "Damian P. Kohlfeld" held at JPMorgan Chase Bank,
 N.A. ("Chase"), and shown on the above financial statement as having a
 "Current Balance" of \$88,015.19; and
 - Account held at Interactive Brokers LLC ("Interactive Brokers"), and shown on the above financial statement as having a "Current Balance" of \$52,327.51.

Upon liquidation of the above two accounts, Chase and Interactive Brokers shall transfer directly to the FTC or its designated agent, within five (5) business days of the date of entry of this Order, all assets held in the above accounts, via wire transfer in accordance with directions provided by the FTC. Stipulating Defendant, and those persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any entity, corporation, subsidiary, division, or other device, hereby forever waive, release, discharge, and disclaim all right, title, and interest in the assets held in the above-listed accounts;

C. Stipulating Defendant shall immediately take specific steps, as set forth below, to sell all interests in the 2006 Mercedes Sedan VIN WDBNG79JX6A467594 ("Mercedes") listed

on the June 10, 2010 financial statement that Stipulating Defendant provided to the FTC:

- Stipulating Defendant shall immediately place the Mercedes for sale through an appropriate broker or automobile listing service at the direction of the Commission;
- Stipulating Defendant shall notify counsel for the Commission of the amount of any offer to purchase the Mercedes immediately upon receiving each such offer.
 Acceptance of any such offer shall be in the Commission's sole discretion;
- 3. Within three (3) business days of receipt of net proceeds from the sale of all interests in the Mercedes, Stipulating Defendant shall cause to be wired to the Commission the net proceeds from the sale in accordance with instructions provided by the Commission, and Stipulating Defendant shall identify the name(s) and address(es) of the purchaser(s) of the Mercedes;
- 4. Stipulating Defendant agrees that, prior to the sale required by this

 Subsection, he will maintain insurance on the Mercedes in an amount of not less than the full
 replacement value of the vehicle. In the event that the Mercedes suffers any loss or damage
 covered by such insurance policy, Stipulating Defendant shall make such claims as are permitted
 by the insurance policy and shall assign or remit any insurance payment he receives as a result of
 such loss or damage to the Commission; and
- 6. To secure his performance under this Subsection C, Stipulating Defendant hereby grants to the Commission a lien on, and security interest in, the Mercedes, which terminates upon sale of the vehicle.
- D. Time is of the essence for the payments specified above. In the event of any default by Stipulating Defendant on any obligation imposed under this Section, including, but not limited to, the failure to timely and completely fulfill his payment obligations:

- 1. The judgment imposed herein will not be suspended, and the full amount of that Judgment (\$48,000,000.00) shall immediately become due and payable, plus interest from the date of entry of this Order pursuant to 28 U.S.C. § 1961, as amended, less any amounts already paid; and
- 2. The Commission shall be entitled to immediately exercise any and all rights and remedies against Stipulating Defendant and his assets to collect the full amount of the judgment and interest thereon, less any amounts already paid;
- E. All funds paid pursuant to this Order shall be deposited into a fund administered by the Commission or its agent to be used for equitable relief, including, but not limited to, consumer redress, and any attendant expenses for the administration of such equitable relief. Stipulating Defendant shall cooperate fully to assist the Commission in identifying consumers who may be entitled to redress pursuant to this Order. If the Commission determines, in its sole discretion, that direct redress to consumers is wholly or partially impracticable or funds remain after redress is completed, the Commission may apply any remaining funds for such other equitable relief (including consumer information remedies) as it determines to be reasonably related to Defendants' practices alleged in the complaint. Any funds not used for such equitable relief shall be deposited to the United States Treasury as disgorgement. Stipulating Defendant shall have no right to challenge the Commission's choice of remedies under this Section.

 Stipulating Defendant shall have no right to contest the manner of distribution chosen by the Commission. This judgment for equitable monetary relief is solely remedial in nature and is not a fine, penalty, punitive assessment or forfeiture;
- F. Stipulating Defendant relinquishes all dominion, control, and title to the funds paid to the fullest extent permitted by law. Stipulating Defendant shall make no claim to or

demand for return of the funds, directly or indirectly, through counsel or otherwise.

- G. In accordance with 31 U.S.C. § 7701, as amended, Stipulating Defendant is hereby required, unless he already has done so, to furnish to the Commission his taxpayer identifying numbers (social security numbers or employer identification numbers), which shall be used for purposes of collecting and reporting on any delinquent amount arising out of Stipulating Defendant's relationship with the government. Stipulating Defendant is further required, unless he already has done so, to provide the Commission with clear, legible and full-size photocopies of all valid driver's licenses that he possesses, which will be used for reporting and compliance purposes;
- H. Stipulating Defendant agrees that the facts as alleged in the complaint filed in this action shall be taken as true without further proof in any bankruptcy case or subsequent civil litigation pursued by the Commission to enforce its rights to any payment or money judgment pursuant to this Order, including, but not limited to, a nondischargeability complaint in any bankruptcy case. Stipulating Defendant further stipulates and agrees that the facts alleged in the complaint establish all elements necessary to sustain an action pursuant to, and that this Order shall have collateral estoppel effect for purposes of, Section 532(a)(2)(A) of the Bankruptcy Code, 11 U.S.C. § 532(a)(2)(A);
- I. Proceedings instituted under this Section are in addition to, and not in lieu of, any other civil or criminal remedies that may be provided by law, including any other proceedings the Commission may initiate to enforce this Order.

IV.

RIGHT TO REOPEN

IT IS FURTHER ORDERED that:

- A. By agreeing to this Order, Stipulating Defendant reaffirms and attests to the truthfulness, accuracy, and completeness of the financial statement(s) signed by him dated June 10, 2010 and provided to the Commission, including all attachments and subsequent amendments and corrections thereto. Plaintiff's agreement to this Order is expressly premised upon the truthfulness, accuracy, and completeness of Stipulating Defendant's financial condition, as represented in the financial statements referenced above, which contain material information upon which Plaintiff relied in negotiating and agreeing to the terms of this Order;
- B. If, upon motion of the FTC, the Court finds that Stipulating Defendant failed to disclose any material asset, materially misrepresented the value of any asset, or made any other material misrepresentation in or omission from his financial statement or supporting documents, the suspended Judgment entered in Section III shall become immediately due and payable (less any amounts already paid). *Provided, however*, that, in all other respects, this Order shall remain in full force and effect, unless otherwise ordered by the Court; and
- C. Any proceedings instituted under this Section shall be in addition to, and not in lieu of, any other civil or criminal remedies that may be provided by law, including, but not limited to, contempt proceedings, or any other proceedings that the Commission or the United States might initiate to enforce this Order. For purposes of this Section, Stipulating Defendant waives any right to contest any of the allegations in the Commission's complaint.

V.

PROHIBITIONS REGARDING CONSUMER INFORMATION

IT IS FURTHER ORDERED that Stipulating Defendant, and his officers, agents, servants, employees, and attorneys, and all other persons in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, are hereby

permanently restrained and enjoined from:

- A. Disclosing, using, or benefitting from customer information, including the name, address, telephone number, email address, social security number, other identifying information, or any data that enables access to a customer's account (including credit card, bank account, or other financial account), of any person which any Defendant obtained prior to entry of this Order in connection with providing telemarketing services to initiate outbound telephone calls that deliver pre-recorded messages; and
- B. Failing to dispose of such customer information in all forms in his possession, custody, or control within thirty (30) days after entry of this Order. Disposal shall be by means that protect against unauthorized access to the customer information, such as by burning, pulverizing, or shredding any papers, and by erasing or destroying any electronic media, to ensure that the customer information cannot practicably be read or reconstructed.

Provided, however, that customer information need not be disposed of, and may be disclosed, to the extent requested by a government agency or required by a law, regulation, or court order.

VI.

COOPERATION WITH FTC COUNSEL

IT IS FURTHER ORDERED that:

A. Stipulating Defendant shall, in connection with this action or any subsequent investigations related to, or associated with, the transactions or the occurrences that are the subject of the FTC's complaint, cooperate in good faith with the FTC and appear at such places and times as the FTC shall reasonably request, after written notice, for interviews, conferences, pretrial discovery, review of documents, and for such other matters as may be reasonably

requested by the FTC. If requested in writing by the FTC, Stipulating Defendant shall appear and provide truthful testimony in any trial, deposition, or other proceeding related to or associated with the transactions or the occurrences that are the subject of the complaint, without the service of a subpoena.

- B. Plaintiff's agreement to this Order is expressly premised upon the truthfulness, accuracy, and completeness of Stipulating Defendant's good faith cooperation required by Subsection A of this Section. If, upon motion of the FTC, the Court finds that Stipulating Defendant failed to cooperate in good faith as required by Subsection A of this Section, the suspended Judgment entered in Section III shall become immediately due and payable as to Stipulating Defendant (less any amounts already paid). *Provided, however*, that, in all other respects, this Order shall remain in full force and effect, unless otherwise ordered by the Court; and
- C. Any proceedings instituted under this Section shall be in addition to, and not in lieu of, any other civil or criminal remedies that may be provided by law, including, but not limited to, contempt proceedings, or any other proceedings that the Commission or the United States might initiate to enforce this Order. For purposes of this Section, Stipulating Defendant waives any right to contest any of the allegations in the Commission's complaint.

VII.

COMPLIANCE MONITORING

IT IS FURTHER ORDERED that, for the purpose of (i) monitoring and investigating compliance with any provision of this Order, and (ii) investigating the accuracy of Stipulating Defendant's financial statements upon which the Commission's agreement to this Order is expressly premised:

- A. Within ten (10) days of receipt of written notice from a representative of the Commission, Stipulating Defendant shall submit additional written reports, which are true and accurate and sworn to under penalty of perjury; produce documents for inspection and copying; appear for deposition; and provide entry during normal business hours to any business location in Stipulating Defendant's possession or direct or indirect control to inspect the business operation;
- B. In addition, the Commission is authorized to use all other lawful means, including, but not limited to:
 - 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, 45, and 69;
 - 2. having its representatives pose as consumers and suppliers to Stipulating Defendant, his employees, or any other entity managed or controlled in whole or in part by Stipulating Defendant, without the necessity of identification or prior notice; and
- C. Stipulating Defendant 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.

Provided, however, 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)).

VIII.

COMPLIANCE REPORTING

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. Stipulating Defendant shall notify the Commission of the following:
 - a. Any changes in Stipulating Defendant's residence, mailing
 addresses, and telephone numbers, within ten (10) days of the date of such change;
 - b. Any changes in Stipulating Defendant's employment status (including self-employment), and any change in Stipulating Defendant's ownership in any business entity, within ten (10) days of the date of such change. Such notice shall include the name and address of each business that Stipulating Defendant is affiliated with, employed by, creates or forms, or performs services for; a detailed description of the nature of the business; and a detailed description of Stipulating Defendant's duties and responsibilities in connection with the business or employment; and
 - c. Any changes in Stipulating Defendant's name or use of any aliases or fictitious names within ten (10) days of the date of such change;
 - 2. Stipulating Defendant shall notify the Commission of any changes in structure of any business entity that Stipulating Defendant directly or indirectly controls, or has an ownership interest in, that may affect compliance obligations arising under this Order, including, but not limited to: incorporation or other

organization; a dissolution, assignment, sale, merger, or other action; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order; or a change in the business name or address, at least thirty (30) days prior to such change, *provided* that, with respect to any such change in the business entity about which Stipulating Defendant learns less than thirty (30) days prior to the date such action is to take place, Stipulating 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 and annually thereafter for a period of five (5) years, Stipulating Defendant shall provide a written report to the FTC, which is true and accurate and 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:
 - Stipulating Defendant's then-current residence address, mailing addresses, and telephone numbers;
 - 2. Stipulating Defendant's then-current employment status (including self-employment), including the name, addresses, and telephone numbers of each business that Stipulating Defendant is affiliated with, employed by, or performs services for; a detailed description of the nature of the business; and a detailed description of Stipulating Defendant's duties and responsibilities in connection with the business or employment;
 - Any other changes required to be reported under Subsection A of this Section; and

- A copy of each acknowledgment of receipt of this Order, obtained pursuant to the Section titled "Distribution of Order;"
- C. Stipulating Defendant shall notify the Commission of the filing of a bankruptcy petition by Stipulating Defendant within fifteen (15) days of filing;
- D. For the purposes of this Order, Stipulating Defendant shall, unless otherwise directed by the Commission's authorized representatives, send by overnight courier all reports and notifications required by this Order to the Commission, to the following address:

Associate Director for Enforcement Federal Trade Commission 600 Pennsylvania Avenue, N.W. Washington, DC 20580 RE: FTC v. Voice Touch, Inc., et al. Civil Action 09-cv-2929 (N.D. Ill.)

Provided that, in lieu of overnight courier, Stipulating Defendant may send such reports or notifications by first-class mail, but only if Stipulating Defendant contemporaneously sends an electronic version of such report or notification to the Commission at: <u>DEBrief@ftc.gov</u>; and

E. For purposes of the compliance reporting and monitoring required by this Order, the Commission is authorized to communicate directly with Stipulating Defendant.

IX.

RECORD KEEPING PROVISIONS

IT IS FURTHER ORDERED that, for a period of eight (8) years from the date of entry of this Order, in connection with any business where Stipulating Defendant is the majority owner of the business or directly or indirectly controls the business, Stipulating Defendant is 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;

- B. 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;
- C. Customer files containing the names, addresses, telephone 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;
- D. Complaints and refund requests (whether received directly or indirectly, such as through a third party) and any responses to those complaints or requests;
- E. Copies of all sales scripts, training materials, advertisements, or other marketing materials; and
- F. All records and documents necessary to demonstrate full compliance with each provision of this Order, including, but not limited to, copies of acknowledgments of receipt of this Order required by the Sections titled "Distribution of Order" and "Acknowledgment of Receipt of Order" and all reports submitted to the FTC pursuant to the Section titled "Compliance Reporting."

X.

DISTRIBUTION OF ORDER

IT IS FURTHER ORDERED that, for a period of five (5) years from the date of entry of this Order, Stipulating Defendant shall deliver copies of the Order as directed below:

A. Stipulating Defendant as control person: For any business that Stipulating Defendant controls, directly or indirectly, or in which Stipulating Defendant has a majority

ownership interest, Stipulating Defendant must deliver a copy of this Order to: (1) all principals, officers, directors, and managers of that business; (2) all employees, agents, and representatives of that business who engage in conduct related to the subject matter of the Order; and (3) any business entity resulting from any change in structure set forth in Subsection A.2 of the Section titled "Compliance Reporting." For current personnel, delivery shall be within five (5) days of service of this Order upon Stipulating Defendant. For new personnel, delivery shall occur prior to them assuming their responsibilities. For any business entity resulting from any change in structure set forth in Subsection A.2 of the Section titled "Compliance Reporting," delivery shall be at least ten (10) days prior to the change in structure;

- B. Stipulating Defendant as employee or non-control person: For any business where Stipulating Defendant is not a controlling person of a business but otherwise engages in conduct related to the subject matter of this Order, Stipulating Defendant must deliver a copy of this Order to all principals and managers of such business before engaging in such conduct; and
- C. Stipulating Defendant must secure a signed and dated statement acknowledging receipt of the Order, within thirty (30) days of delivery, from all persons receiving a copy of the Order pursuant to this Section.

XI.

ACKNOWLEDGMENT OF RECEIPT OF ORDER

IT IS FURTHER ORDERED that Stipulating Defendant, within five (5) business days of receipt of this Order as entered by the Court, must submit to the Commission a truthful sworn statement acknowledging receipt of this Order. An example of such a statement is attached hereto as Attachment A.

XII.

DISSOLUTION OF ASSET FREEZE

IT IS FURTHER ORDERED that the freeze on the assets of Stipulating Defendant shall remain in effect until the Commission has received all payments required by Section III above, provided, however, that Stipulating Defendant, with the express written consent of counsel for the Commission, may transfer funds to the extent necessary to make all payments required by Section III. Once Stipulating Defendant has fully complied with the requirements of Section III, the freeze against the assets of Stipulating Defendant shall be lifted permanently. A financial institution shall be entitled to rely upon a letter from Plaintiff stating that the freeze on the assets of Stipulating Defendant has been lifted.

With respect to all Defendants other than Stipulating Defendant, the asset freeze shall remain in full force and effect.

XIII.

SEVERABILITY

IT IS FURTHER ORDERED that the provisions of this Order are separate and severable from one another. If any provision is stayed or determined to be invalid, the remaining provisions shall remain in full force and effect.

XIV.

RETENTION OF JURISDICTION

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

JUDGMENT IS THEREFORE ENTERED in favor of the Plaintiff and against Stipulating Defendant, pursuant to all the terms and conditions recited above.

IT IS SO ORDERED. Dated: Agust 19, 2010	HONORABLE JOHN F. GRADY United States District Judge
SO STIPULATED AND AGREED:	
ROZINA C. BHIMANI JAMES H. DAVIS DAVID A. O'TOOLE Attorneys for Plaintiff Federal Trade Commission	Date: 8/12/2010
Dan Kolfed DEFENDANT DAMIAN KOHLFELD	Date: 2010/06/11
APPROVED AS TO FORM:	Date: 6/1 /2010
GREGORY A. ADAMSKI Adamski & Conti LLC Attorney for Defendant DAMIAN KOHLFELD	

ATTACHMENT A

IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION

FEDERAL TRADE COMMISSION,	C N- 00 C 2020
Plaintiff,)	Case No. 09 C 2929
v.)	Judge Grady
VOICE TOUCH, INC. et al.,	
)	
Defendants.)	
AFFIDAVIT OF	
I,, being duly sworn, hereby	state and affirm as follows:
1. My name is I am a c	itizen of the United States and
am over the age of eighteen. I have personal knowledge of the fa	cts set forth in this Affidavit.
2. I am a defendant in FTC v. Voice Touch, Inc., et al	., 09-cv-2929 (United States
District Court for the Northern District of Illinois).	
3. My current employer is My current busine	ss address is My
current business telephone number is My current resident	ial address is My
current residential telephone number is	
4. On [date], I received a copy of the Stipulated Fina	l Judgment Against Defendant
Damian Kohlfeld, which was signed by the Honorable John F. Gr	ady and entered by the Court or
[date of entry of the Order]. A true and correct copy of the Order	I received is appended to this
Affidavit.	
I declare under penalty of perjury under the laws of the Ur	nited States that the
foregoing is true and correct. Executed on [date], at [city and sta	te].

	[Full name of the defendant]
State of, City of	
Subscribed and sworn to before me this day of, 20	
Notary Public My Commission Expires:	