

Act, 15 U.S.C. § 44.

4. The Second Amended Complaint states a claim upon which relief may be granted against Defendant Chapman under the Telemarketing Sales Rule, 16 C.F.R. Part 310.
5. Defendant Chapman has violated the Telemarketing Sales Rule, 16 C.F.R. §310.3(b) as alleged in Count V against Defendant Chapman maintained in Plaintiffs' Second Amended Complaint.
6. Entry of this Order for Permanent Injunction ("Order") is in the public interest. It is also appropriate in light of Defendant Chapman's violation of the Telemarketing Sales Rule,

3. “Clear and conspicuous” statement, or a statement presented “clearly and conspicuously” means:
- a. in print communications, the message shall be in a type size and location sufficiently noticeable for an ordinary consumer to read and comprehend it, in print that contrasts with the background against which it appears;
 - b. in oral communications, the message shall be delivered in a volume and cadence sufficient for an ordinary consumer to hear and comprehend it;
 - c. in communications made through an electronic medium (including but not limited to television, video, radio, and interactive media, including but not limited to the Internet, online services, and software), the message shall be presented simultaneously in both the audio and visual portions of the communication. In any communication presented solely through visual or audio means, the message may be made through the same means in which the communication is presented. In any communication disseminated by means of an interactive electronic medium, including but not limited to software, the Internet, or online services, a disclosure must be unavoidable and presented prior to the consumer incurring any financial obligation. Any audio message shall be delivered in a volume and cadence sufficient for an ordinary consumer to hear and comprehend it. Any visual message shall be of a size and shade, with a degree of contrast to the background against which it appears, and shall appear on the screen for a duration and in a location sufficiently noticeable for an ordinary consumer to read and comprehend it; and

understandable language and syntax. Nothing contrary to, inconsistent with, or in mitigation of the message shall be used in any communication.

4. “Defendant” refers to Meggie Chapman.
5. “Document” 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, Internet sites, WebPages, Websites, electronic correspondence, including e-mail and instant messages, photographs, audio and video recordings, contracts, accounting data, advertisements (including, but not limited to, advertisements placed on the World Wide Web), FTP Logs, Server Access Logs, USENET Newsgroup postings, World Wide Web pages, books, written or printed records, handwritten notes, telephone logs, telephone scripts, receipt books, ledgers, personal and business canceled checks and check registers, bank statements, appointment books, computer records, and other data compilations from which information can be obtained and translated. A draft or non-identical copy is a separate document within the meaning of the term.
6. “Money-Making Opportunity ” means any good or service represented to enable consumers or to assist consumers to earn income, or to obtain grants, monetary assistance, scholarships, employment, or business opportunities.
7. “Negative Option Feature” means, in an offer or agreement to sell or provide any product or service, a provision under which the consumer’s silence or failure to take an affirmative action to reject products or services or to cancel the agreement is interpreted by the seller or provider as acceptance of the offer. Offers or agreements with Negative Option Features include, but are not limited to: (i) free or introductory price trial offers

in which the consumer receives a product or service for free or at a nominal or

13. “Telemarketing Sales Rule” means the FTC Rule entitled “Telemarketing Sales Rule,”
16 C.F.R. Part 310.

ORDER

I.

2. failing to disclose truthfully and in a clear and conspicuous manner, before a customer pays for goods or services offered, material information related to the offer;
 3. making a false or misleading statement to induce any person to pay for goods or services; and
- B. If the Commission amends the Telemarketing Sales Rule, in whole or part, failing to comply fully and completely with all applicable requirements of the amended Rule, on and after the effective date of any such amended Rule.

III.

PROHIBITED REPRESENTATIONS

IT IS FURTHER ORDERED , to the extent not already prohibited by Section I above, that Defendant and her Representatives, whether acting directly or through any entity, corporation, subsidiary, division, affiliate, ~~other~~ device, in connection with the advertising, marketing, promotion, offering for sale, or ~~sale~~ any good or service, specifically including but not limited to any Money-Making Opportunities, are hereby permanently restrained and enjoined from misrepresenting or assisting others ~~in~~ misrepresenting, expressly or by implication, any material fact, including but not limited to:

- A. Any material aspect of the nature or terms of any refund, cancellation, exchange, or repurchase policy, including, but not limited to, the likelihood of a consumer obtaining a full or partial refund, or the circumstances in which a full or partial refund will be granted to the consumer;
- B. The total costs to purchase, receive, or use, and the quantity of, the good or service;

- C. Any material restriction, limitation, or condition to purchase, receive, or use the good or service;
- D. Any material term, condition, or limitation, of any offer with a Negative Option Feature; and
- E. Any material aspect of the performance, efficacy, nature, or characteristics of the good or service.

IV.

SUBSTANTIATION

IT IS FURTHER ORDERED that Defendant and her Representatives, whether acting directly or through any entity, corporation, subsidiary, division, affiliate, or other device, in connection with the manufacturing, labeling, advertising, promotion, offering for sale, sale, or distribution of any good or service, in or affecting commerce are hereby permanently restrained and enjoined from making, or assisting others in making, any representation, in any manner, expressly or by implication, including through the use of endorsements, about the performance or efficacy of the product or service unless the representation is true, non-misleading, and, at the time the representation is made, Defendant possesses and relies upon competent and reliable evidence that substantiates the representation.

V.

CUSTOMER INFORMATION

IT IS FURTHER ORDERED that Defendant and her Representatives, whether acting directly or through any entity, corporation, subsidiary, division, affiliate, or other device, are 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 a credit card, bank account, or other financial account), of any person which was obtained from any defendant to this action prior to entry of this Order in connection with the marketing and sale of grant-related goods and services; and
- B. Failing to dispose of such customer information in all forms in Defendant's 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.

COMPLIANCE MONITORING

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

- A. Within ten (10) business days of receipt of written notice from a representative of the Commission, 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 depositions; and provide entry during normal business hours to any business location in 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:

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 their representatives pose as consumers and suppliers to Defendant, their employees, or any other entity managed or controlled in whole or in part by any Defendant, without the necessity of identification or prior notice; and

C. 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)).

VII.

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 eight (8) years from the date of entry of this Order, Defendant shall notify the Commission of the following:
 1. Any changes in her residence, mailing addresses, and telephone numbers, within ten (10) days of the date of such change;
 2. Any changes in her employment status (including self-employment), and any change in her ownership of more than one percent of 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 she 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 her duties and responsibilities in connection with the business or employment; and
 3. Any changes in her name or use of any aliases or fictitious names within ten (10) days of the date of such change;
- B. One hundred eighty (180) days after the date of entry of this Order and annually thereafter for a period of eight (8) years, Defendant shall provide a written report to the Commission, which is true and accurate and sworn to under penalty of perjury, setting forth in detail the manner and form in which she has complied and is complying with this Order. This report shall include, but not be limited to:
 1. Defendant's then-current residence address, mailing addresses, and telephone numbers;
 2. Defendant's then-current employment status (including self-employment), including the name, addresses, and telephone numbers of each business

that the Defendant is affiliated with, employed by, or performs services for; a detailed description of the nature of the business; and a detailed description of the individual Defendant's duties and responsibilities in connection with the business or employment;

3. A copy of each acknowledgment of receipt of this Order, obtained pursuant to the Section titled "Distribution of Order;" and
 4. Any other changes required to be reported under Subsection A of this Section.
- C. Defendant must submit to the Commission notice of the filing of any bankruptcy petition, insolvency proceeding, or any similar proceeding by or against Defendant within fourteen (14) days of filing.
- D. For the purposes of this Order, 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
Bureau of Consumer Protection
Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580
RE: FTC v. Affiliate Strategies et al., FTC case no. X090073

Provided that, in lieu of overnight courier, Defendant may send such reports or notifications by first-class mail, but only if Defendant contemporaneously sends an electronic version of such report or notification to the Commission at EDBrief@ftc.gov.

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

“Acknowledgment of Receipt of Order” and all reports submitted to the Commission pursuant to the Section titled “Compliance Reporting.”

IX.

DISTRIBUTION OF ORDER

IT IS FURTHER ORDERED that, for a period of eight (8) years from the date of entry of this Order, Defendant shall deliver copies of the Order as directed below:

- A. Defendant as control person: For any business that Defendant controls, directly or indirectly, or in which she has a majority ownership interest, 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 the sale of any Money-Making Opportunity; and (3) any business entity resulempliancetus(chanthe sastructur ofetp* .000o)0000the saSubs titledA.2y M .C

C. 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.

X.

ACKNOWLEDGMENT OF RECEIPT OF ORDER

IT IS FURTHER ORDERED that 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.

XI.

SEVERABILITY

IT IS FURTHER ORDERED that if any provision in this Order is determined to be void or unenforceable as to any Defendant, ~~then~~ that Defendant that provision shall be deemed severable from the remaining provisions of this Order, which shall remain in full force and effect.

XII.

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.

Dated: September 26, 2011

S/ Julie A. Robinson
JULIE A. ROBINSON
UNITED STATES DISTRICT JUDGE