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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

1 their deceptive acts and practices in connection with the marketing of a work-at-  
2 home business opportunity, ~~they~~ makes findings and enters an Order for  
3 Permanent Injunction and Other ~~Final~~ Relief (“Order”) as follows:

4 FINDINGS

5 1. This Court has jurisdiction of the ~~subject~~ subject matter of this case and over the  
6 parties pursuant to 28 U.S.C. §§ 1333, 1337(a), 1345, and 1355, and 15 U.S.C.  
7 §§ 45(m)(1)(a), 53(b), and 56(a).

8 2. Venue is proper in this district under 28 U.S.C. § 1391(b) and (c), and 15  
9 U.S.C. § 53(b).

10 3. The activities of Defendants, as alleged in the Complaint, are in or  
11 affecting commerce, as defined in ~~Sec~~ Section 4 of the FTC Act, 15 U.S.C. § 44.

12 4. The Complaint states ~~a~~ claim upon which relief may be granted under  
13 Sections 5(a), 5(m)(1)(A), and 13(b) of the FTC Act, 15 U.S.C. §§ 45(a),  
14 45(m)(1)(A), and 53(b).

15 5. There is no genuine issue as to ~~any~~ material fact concerning the liability  
16 of Defendants for the illegal practices charged in the ~~com~~ Complaint, or the amount of  
17 consumer losses caused by Defendants’ deceptive acts and practices.

18 6. Undisputed facts show that in the course of marketing and selling the  
19 work-at-home business QuikSell, Defendants The Zaken Corp. and Tiran Zaken  
20 made false and misleading statements to consumers, in violation of Section 5 of the  
21 FTC Act, 15 U.S.C. § 45(a).

22 7. Defendants offered for sale, sold, ~~and~~ promoted QuikSell as a business  
23 opportunity, as that term is defined in the Business Opportunity Rule, 16 C.F.R. §  
24 437.1(c).

25 8. Undisputed facts show that Defendants failed to furnish prospective  
26 purchasers a disclosure document ~~and~~ required attachments within the time  
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1 period prescribed by the Business Opportunity Rule. 16 C.F.R. §§ 437.2 and  
2 437.3(a).

3 9. Undisputed facts show that Defendants have made earnings claims to  
4 prospective purchasers in connection with offering for sale, sale, or promotion  
5 of a business opportunity while: (1) lacking a reasonable basis for the earnings  
6 claim at the time it was made; (2) lacking written substantiation for the earnings  
7 claim at the time it was made; and (3) failing to provide an Earnings Claim  
8 statement to the prospective purchaser, all in violation of the Business Opportunity  
9 Rule, 16 C.F.R. § 437.4.

10 10. Undisputed facts show that Defendants have made earnings claims in the  
11 general media in connection with the offering for sale, sale, or promotion of a  
12 business opportunity while failing to state in immediate conjunction with those  
13 claims the beginning and ending dates when the represented earnings were  
14 achieved, and the number and percentage of persons who purchased  
15 Defendants' business opportunity prior to that ending date who achieved at least  
16 the stated level of earnings, in violation of the Business Opportunity Rule, 16  
17 C.F.R. § 437.4(b)(3).

18 11. As no material facts are in dispute, the United States of America is  
19 entitled to judgment as a matter of law pursuant to Rule 56(c) of the Federal Rules  
20 of Civil Procedure.

21 12. Defendants are liable for both injunctive and monetary relief for their  
22 violations of the FTC Act.

23 13. Entry of this Order is in the public interest. There being no just reason  
24 for delay, the Clerk is directed to enter judgment immediately.

25 ORDER

26 DEFINITIONS

27 For the purpose of this order, the following definitions shall apply:  
28

1. "Business Opportunity" means a commercial arrangement in which:
  - a. A seller solicits a prospective purchaser to enter into a new business;
  - b. The prospective purchaser makes a required payment; and
  - c. The seller, expressly or by implication, orally or in writing, represents that the seller or one or more designated persons will:
    - i. Provide locations for the use or operation of equipment, displays, vending machines, or similar devices, owned, leased, controlled, or paid for by the purchaser;
    - ii. Provide outlets, accounts, or customers including, but not limited to, Internet outlets, accounts, or customers, for the purchaser's goods or services; or
    - iii. Buy back any or all of the goods or services that the purchaser makes, produces, creates, grows, breeds, modifies, or provides including, but not limited to, providing payment for such services as, for example, stuffing envelopes from the purchaser's home.
2. "Business Opportunity Rule" or "Rule" means the FTC Rule entitled "Disclosure Requirements and Prohibitions Concerning Business Opportunities" 16 C.F.R. Part 437, as amended.
3. "Corporate Defendant" means The Zaken Corp. and its successors and assigns.
4. "Defendants" means the Corporate Defendant and the Individual Defendant, individually, collectively, or in any combination.
5. "Individual Defendant" means Tiran Zaken, individually and as an officer of the Corporate Defendant.

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6. "Material" means likely to affect a person's choice of, or conduct regarding, opportunities, products, or services.
7. "Person" means a natural person, organization, or other legal entity, including a corporation, partnership, proprietorship, association, cooperative, government or governmental subdivision or agency, or any other group or combination acting as an entity.
8. "Plaintiff" means the United States of America.
9. "Work-at-Home Opportunity" means any good, service, plan, or program that is represented, expressl

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III.

PROHIBITED USE OF CUSTOMER LISTS

IT IS FURTHER ORDERED that Defendants and their officers, agents, servants, employees, and attorneys, and all other persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, 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 Defendants obtained prior to entry of this Order in connection with the advertising, marketing, promotion offering of any products or opportunities related to the allegations set forth in the Complaint; and

B. Failing to dispose of such customer information in all forms in their 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.







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VIII.

COMPLIANCE REPORTING

IT IS FURTHER ORDERED that Defendants make timely submissions to the Commission:

A. One year after entry of the Order, each Defendant must submit a compliance report, sworn under penalty of perjury:

1. Each Defendant must: (a) designate at least one telephone number and an email, physical, and postal address as points of contact, which representatives of the Commission and Plaintiff may use to communicate with that Defendant; (b) identify all of that Defendant's businesses by all of their names, telephone numbers, and physical, postal, email, and Internet addresses; (c) describe the activities of each business, including the products and services offered, the means of advertising, marketing and sales, and the involvement of any other Defendant; (d) describe in detail whether and how that Defendant is in compliance with each Section of the Order; and (e) provide a copy of each Order Acknowledgment obtained pursuant to this Order, unless previously submitted to the Commission;
2. Additionally, Individual Defendant Tiran Zaken must: (a) identify all telephone numbers and all email, internet, physical, and postal addresses, including all residences; (b) identify all titles and roles in all business activities, including any business for which he performs services whether as an employee or otherwise and any entity in which such Defendant has any ownership interest; and (c) describe in detail his involvement in each such business, including title, role, responsibilities, participation, authority, control, and any ownership;



1 E. Unless otherwise directed by a Commission representative in writing,  
2 all submissions to the Commission pursuant to this Order must be emailed to  
3 DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:  
4 Associate Director for Enforcement, Bureau of Consumer Protection, Federal  
5 Trade Commission, 600 Pennsylvania Ave NW, Washington, DC 20580. The  
6 subject line must begin: United States The Zaken Corp. and Tiran Zaken,  
7 X130011.

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9 IX.

10 RECORDKEEPING

11 IT IS FURTHER ORDERED that Defendants must create certain records  
12 for twenty (20) years after the date of the Order, and retain each such record for five  
13 (5) years. Specifically, The Zaken Corp. and Tiran Zaken, for any business in  
14 which that Defendant, individually or collectively with any other Defendants, is a  
15 majority owner or directly or indirectly controls, must maintain the following  
16 records:

17 A. Accounting records showing the revenues from all goods or services  
18 sold, all costs incurred in generating those revenues, and the resulting net profit or  
19 loss;

20 B. Personnel records showing, for each person providing services,  
21 whether as an employee or otherwise, the person's: name, addresses, and  
22 telephone numbers; job title or position; dates of service; if applicable, the  
23 reason for termination;

24 C. Complaints and refund requests, whether received directly or  
25 indirectly, such as through a third party, and any response;

26 D. All records necessary to demonstrate full compliance with each  
27 provision of this Order, including all submissions to the Commission; and  
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1 E. A copy of each advertisement or other marketing material.

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3 X.

4 COMPLIANCE MONITORING

5 IT IS FURTHER ORDERED that, for the purpose of monitoring  
6 Defendants' compliance with this Order:

7 A. Within fourteen (14) days of receipt of a written request from a  
8 representative of the Commission or Plaintiff, each Defendant must: submit  
9 additional compliance reports or other requested information, which must be sworn  
10 under penalty of perjury; appear for depositions; and produce documents, for  
11 inspection and copying. The Commission and Plaintiff are also authorized to  
12 obtain discovery, without further leave of court, using any of the procedures  
13 prescribed by Federal Rules of Civil Procedure 29, 30 (including telephonic  
14 depositions), 31, 33, 34, 36, 45, and 69;

15 B. For matters concerning this Order, the Commission and Plaintiff are  
16 authorized to communicate directly with each Defendant. Defendants must permit  
17 representatives of the Commission and Plaintiff to interview any employee or other  
18 person affiliated with any Defendant who has agreed to such an interview. The  
19 person interviewed may have counsel present; and

20 C. The Commission or Plaintiff may use all other lawful means,  
21 including posing, through its representatives, as consumers, suppliers, or other  
22 individuals or entities, to Defendants or any individual or entity affiliated with  
23 Defendants, without the necessity of identification or prior notice. Nothing in this  
24 Order limits the Commission's lawful use of compulsory process, pursuant to  
25 Sections 9 and 20 of the FTC Act, 15 U.S.C §§ 49, 57b-1.  
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27 XI.  
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