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15 ATTORNEYS FOR PLAINTIFF
16 FEDERAL TRADE COMMISSION

17 UNITED STATES DISTRICT COURT
18 CENTRAL DISTRICT OF CALIFORNIA

19 FEDERAL TRADE COMMISSION,

20 Plaintiff,

21 -v.-

22 TERRY SOMENZI, individually and as
23 an officer of International Advisory
24 Services, Inc., and also doing business as
25 Paulson Independent Distributors,
26 International Procurement Center, Phelps
27 Ingram Distributors, and Keller Sloan &
28 Associates, *et al.*,

Defendants.

No. 2:16-cv-07101 SJO (GJSx)

**STIPULATED ORDER FOR
PERMANENT INJUNCTION
AND MONETARY JUDGMENT
AS TO DEFENDANT IAN
GAMBERG**

Judge: Hon. S. James Otero

1 Plaintiff, the Federal Trade Commission (“Commission” or “FTC”), filed
2 its Complaint for Permanent Injunction and Other Equitable Relief, pursuant to
3 Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C.
4 §53(b). Through counsel, having filed a joint motion, the Commission and
5 Defendant Ian Gamberg (“Gamberg”) stipulate to the entry of this Stipulated
6 Order for Permanent Injunction and Monetary Judgment as to Defendant Gamberg
7 (“Order”) to resolve all matters in this action between them.

8 **THEREFORE, IT IS ORDERED**(ry follows:dant)6.5(.)TJ2.7382579
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- 1 1. In any communication that is solely visual or solely audible, the
2 disclosure must be made through the same means through which the
3 communication is presented. In any communication made through
4 both visual and audible means, such as a television advertisement, the
5 disclosure must be presented simultaneously in both the visual and
6 audible portions of the communication even if the representation
7 requiring the disclosure is made in only one means.
- 8 2. A visual disclosure, by its size, contrast, location, the length of time it
9 appears, and other characteristics, must stand out from any
10 accompanying text or other visual elements so that it is easily noticed,
11 read, and understood.
- 12 3. An audible disclosure, including by telephone or streaming video,
13 must be delivered in a volume, speed, and cadence sufficient for
14 ordinary consumers to easily hear and understand it.
- 15 4. In any communication using an interactive electronic medium, such as
16 the Internet or software, the disclosure must be unavoidable.
- 17 5. The disclosure must use diction and syntax understandable to
18 ordinary consumers and must appear in each language in which the
19 representation that requires the disclosure appears.
- 20 6. The disclosure must comply with these requirements in each medium
21 through which it is received, including all electronic devices and face-
22 to-face communications.
- 23 7. The disclosure must not be contradicted or mitigated by, or
24 inconsistent with, anything else in the communication.
- 25 8. When the representation or sales practice targets a specific audience,
26 such as children, the elderly, or the terminally ill, “ordinary
27 consumers” includes reasonable members of that group.

28 B. **“Defendant”** means Ian Gamberg.

1 and

2 B. Failing to disclose Clearly and Conspicuously:

- 3 1. That the advertisement, promotion, or offer for sale of any product or
4 service is being distributed for the purpose of soliciting a purchase, if
5 such is the case, along with a complete description of the goods or
6 services being sold and the total purchase price thereof;
- 7 2. That the consumer who receives the advertisement, promotion, or
8 offer for sale has not won anything of value, if such is the case; and
- 9 3. If the consumer has won anything in connection with the
10 advertisement, promotion, or offer for sale, the exact monetary value
11 of the item won;

12 *Provided, however,* that nothing contrary to, inconsistent with, or in
13 mitigation of any required disclosure shall be included with any advertisement,
14 promotion, or offer for sale.

15 **II. MONETARY JUDGMENT AND PARTIAL SUSPENSION**

16 **IT IS FURTHER ORDERED** that:

17 A. Judgment in the amount of Eight Hundred Thousand Dollars (\$
18 800,000.00) is entered in favor of the Commission against Defendant Ian
19 Gamberg, as equitable monetary relief.

20 B. Defendant Gamberg is ordered to pay to the Commission One
21 Thousand Four Hundred Dollars (\$ 1,400.00). Such payment must be made
22 within seven (7) days of entry of this Order by electronic fund transfer in
23 accordance with instructions previously provided by a representative of the
24 Commission. Upon such payment, the remainder of the judgment is suspended,
25 subject to the Subsections below.

26 C. The Commission's agreement to the suspension of part of the
27 judgment is expressly premised upon the truthfulness, accuracy, and completeness
28 of Defendant Gamberg's sworn financial statements and related documents

1 (collectively “financial representations”) submitted to the Commission, namely
2 the Financial Statement of Defendant Gamberg signed on November 21, 2016,
3 including the attachments, bank statements, receipts, and tax returns provided.

4 D. The suspension of the judgment will be lifted as to Defendant
5 Gamberg if, upon motion by the Commission, the court finds that Defendant
6 Gamberg failed to disclose any material asset, materially misstated the value of
7 any asset, or made any other material misstatement or omission in the financial
8 representations identified above.

9 E. If the suspension of the judgment is lifted, the judgment becomes
10 immediately due as to Defendant Gamberg in the amount specified in Subsection
11 A above (which the parties stipulate only for purposes of this Section represents
12 the unjust enrichment alleged in the Complaint), less any payment previously
13 made pursuant to this Section, plus interest computed from the date of entry of
14 this Order.

15 **III. ADDITIONAL MONETARY PROVISIONS**

16 **IT IS FURTHER ORDERED** that:

17 A. Defendant Gamberg relinquishes dominion and all legal and
18 equitable right, title, and interest in all assets transferred pursuant to this Order
19 and may not seek the return of any assets.

20 B. The facts alleged in the Complaint will be taken as true, without
21 further proof, in any subsequent civil litigation by or on behalf of the
22 Commission, including in a proceeding to enforce its rights to any payment or
23 monetary judgment pursuant to this Order, such as a nondischargeability
24 complaint in any bankruptcy case.

25 C. The facts alleged in the Complaint establish all elements necessary to
26 sustain an action by the Commission pursuant to Section 523(a)(2)(A) of the
27 Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and this Order will have collateral
28 estoppel effect for such purposes.

1 Commission representative may reasonably request upon five (5) days written
2 notice, or other reasonable notice, at such places and times as a Commission
3 representative may designate, without the service of a subpoena.

4 **VI. ORDER ACKNOWLEDGMENTS**

5 **IT IS FURTHER ORDERED** that Defendant Gamberg obtain
6 acknowledgments of receipt of this Order:

7 A. Defendant Gamberg, within seven (7) days of entry of this Order,
8 must submit to the Commission an acknowledgment of receipt of this Order sworn
9 under penalty of perjury.

10 B. For five (5) years after entry of this Order, Defendant Gamberg, for
11 any business that he is the majority owner or controls directly or indirectly, must
12 deliver a copy of this Order to: (1) all principals, officers, directors, and LLC
13 managers and members; (2) all employees, agents, and representatives who
14 participate in any Prize Promotion; and (3) any business entity resulting from any
15 change in structure as set forth in the Section titled Compliance Reporting.
16 Delivery must occur within seven (7) days of entry of this Order for current
17 personnel. For all others, delivery must occur before they assume their
18 responsibilities.

19 C. From each individual or entity to which Defendant Gamberg
20 delivered a copy of this Order, that Defendant must obtain, within 30 days, a
21 signed and dated acknowledgement of receipt of this Order.

22 **VII. COMPLIANCE REPORTING**

23 **IT IS FURTHER ORDERED** that Defendant Gamberg make timely
24 submissions to the Commission:

25 A. One year after entry of this Order, Defendant Gamberg must submit a
26 compliance report, sworn under penalty of perjury:
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1. Defendant Gamberg must: (a) identify the primary physical, postal, and email address and telephone number, as designated points of contact, which representatives of the Commission may use to

1 Gamberg has any ownership interest in or controls directly or
2 indirectly that may affect compliance obligations arising under this
3 Order, including: creation, merger, sale, or dissolution of the entity or
4 any subsidiary, parent, or affiliate that engages in any acts or practices
5 subject to this Order.

- 6 2. Additionally, Defendant Gamberg must report any change in: (a)
7 name, including aliases or fictitious name, or residence address; or (b)
8 title or role in any business activity, including any business for which
9 he performs services, whether as an employee or otherwise, and any
10 entity in which he has any ownership interest, and identify the name,
11 physical address, and any Internet address of the business or entity.

12 C. Defendant Gamberg must submit to the Commission notice of the
13 filing of any bankruptcy petition, insolvency proceeding, or similar proceeding by
14 or against him within fourteen (14) days of its filing.

15 D. Any submission to the Commission required by this Order to be
16 sworn under penalty of perjury must be true and accurate and comply with 28
17 U.S.C. § 1746, such as by concluding: “I declare under penalty of perjury under
18 the laws of the United States of America that the foregoing is true and correct.
19 Executed on: _____” and supplying the date, signatory’s full name, title (if
20 applicable), and signature.

21 E. Unless otherwise directed by a Commission representative in writing,
22 all submissions to the Commission pursuant to this Order must be emailed to
23 DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to:
24 Associate Director for Enforcement, Bureau of Consumer Protection, Federal
25 Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The
26 subject line must begin: *FTC v. Terry Somenzi, et al.*, Matter No. X160053.
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VIII. RECORDKEEPING

IT IS FURTHER ORDERED that Defendant Gamberg must create certain records for twenty (20) years after entry of the Order, and retain each such record for five (5) years. Specifically, Defendant Gamberg, for any business that he, individually or collectively with any other named defendants, is a majority owner or controls directly or indirectly, must create and retain the following records:

A. Accounting records showing the revenues from all goods or services sold;

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

C. Records of all consumer complaints and refund requests, whether received directly or indirectly, such as through a third party, and any response;

D. All records necessary to demonstrate full compliance with each provision of this Order, including all submissions to the Commission; and

E. A copy of each unique advertisement or other marketing material.

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IX. COMPLIANCE MO

STIPULATED ORDER AS TO DEFENDANT IAN GAMBERG - 12

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3 **FEDERAL TRADE COMMISSION**

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26 **FOR DEFEDANT IAN GAMBERG:**

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IAN GAMBERG, Individual Pro Se Litigant