

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

FEDERAL TRADE COMMISSION,

Plaintiff,

–v.–

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

Defendants.

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

**DEFAULT JUDGMENT AND  
ORDER FOR PERMANENT**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

February 13, 2017, the Court entered a Stipulated Permanent Injunction resolving the litigation against defendant Ian Gamberg.

The FTC has now applied for entry of a default judgment on all counts of the Complaint against Defendants Millenium Direct Incorporated and David Raff (“Defendants”) pursuant to Rule 54(b) and 55(b)(2) of the Federal Rules of Civil Procedure. Upon Consideration of the FTC’s Application for Entry of Default

B1c.00046C1Td( )Tj03S[81s66C19B laint a89-60.4HgiBDC 0 0 1 rg23DT TD(21 )Tjt.Tjtiu -0.4

5

10

15

20

25

1 disclosure must be presented simultaneously in both the visual and  
2 audible portions of the communication even if the representation  
3 requiring the disclosure is made in only one means.

4 2. A visual disclosure, by its size, contrast, location, the length of time it  
5 appears, and other characteristics, must stand out from any  
6 accompanying text or other visual elements so that it is easily noticed,  
7 read, and understood.

8 3. An audible disclosure, including by telephone or streaming video,  
9 must be delivered in a volume, speed, and cadence sufficient for  
10 ordinary consumers to easily hear and understand it.

11 4. In any communication using an interactive electronic medium, such as  
12 the Internet or software, the disclosure must be unavoidable.

13 5. The disclosure must use diction and syntax understandable to  
14 ordinary consumers and must appear in each language in which the  
15 representation Tw 12/P AM understand it.0005 Tc 0021 Tc1efBDC 0.0021 Tc 13.98

20

25

1 D. "Defendants" means Corporate Defendant and Individual  
2 Defendant.

3 E. "Prize Promotion" means (1) a sweepstakes or other game of  
4 chance, or (2) an oral or written express or implied representation that a person  
5 has been selected to receive, or may be eligible to receive, or enter a contest to  
6 receive, a prize or purported prize, whether in the form of money, merchandise, or  
7 anything of value.

8 F. The terms "and" and "or" in this Order shall be construed  
9 conjunctively or disjunctively, as necessary and appropriate. (cap) 0.8.288 0 Td-19j-rTw 4.56r07  
10

11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

5

10

15

20

25

III. MONETARY JUDGMENT

IT IS FURTHER ORDERED that:

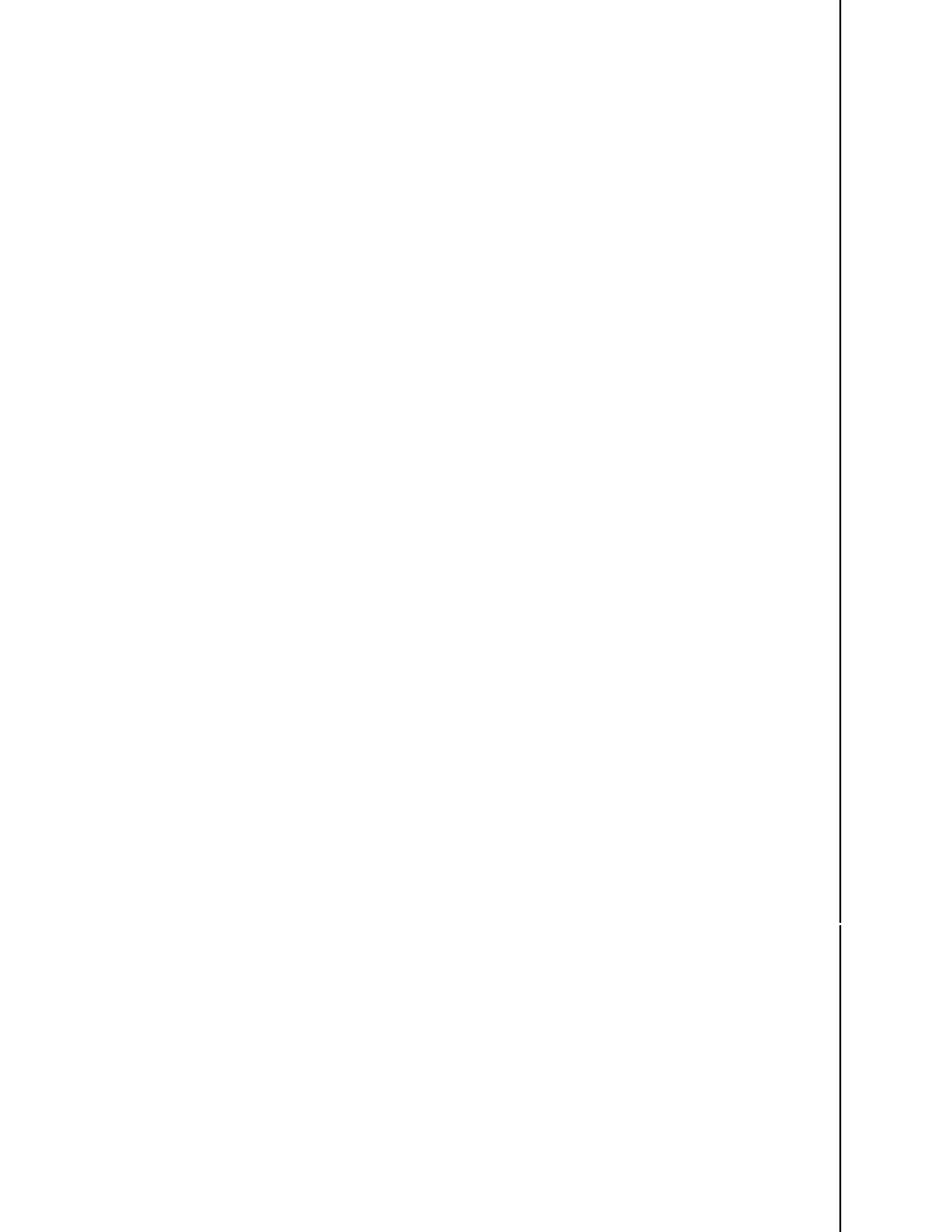
A. Judgment in the amount of Five Hundred and One Thousand, Eight Hundred Ninety-Five Dollars (\$501,895.00) is entered in favor of the Commission against Defendants, jointly and severally, as equitable monetary relief.

B. Defendants are ordered to pay to the Commission Five Hundred and One Thousand, Eight Hundred Ninety-Five

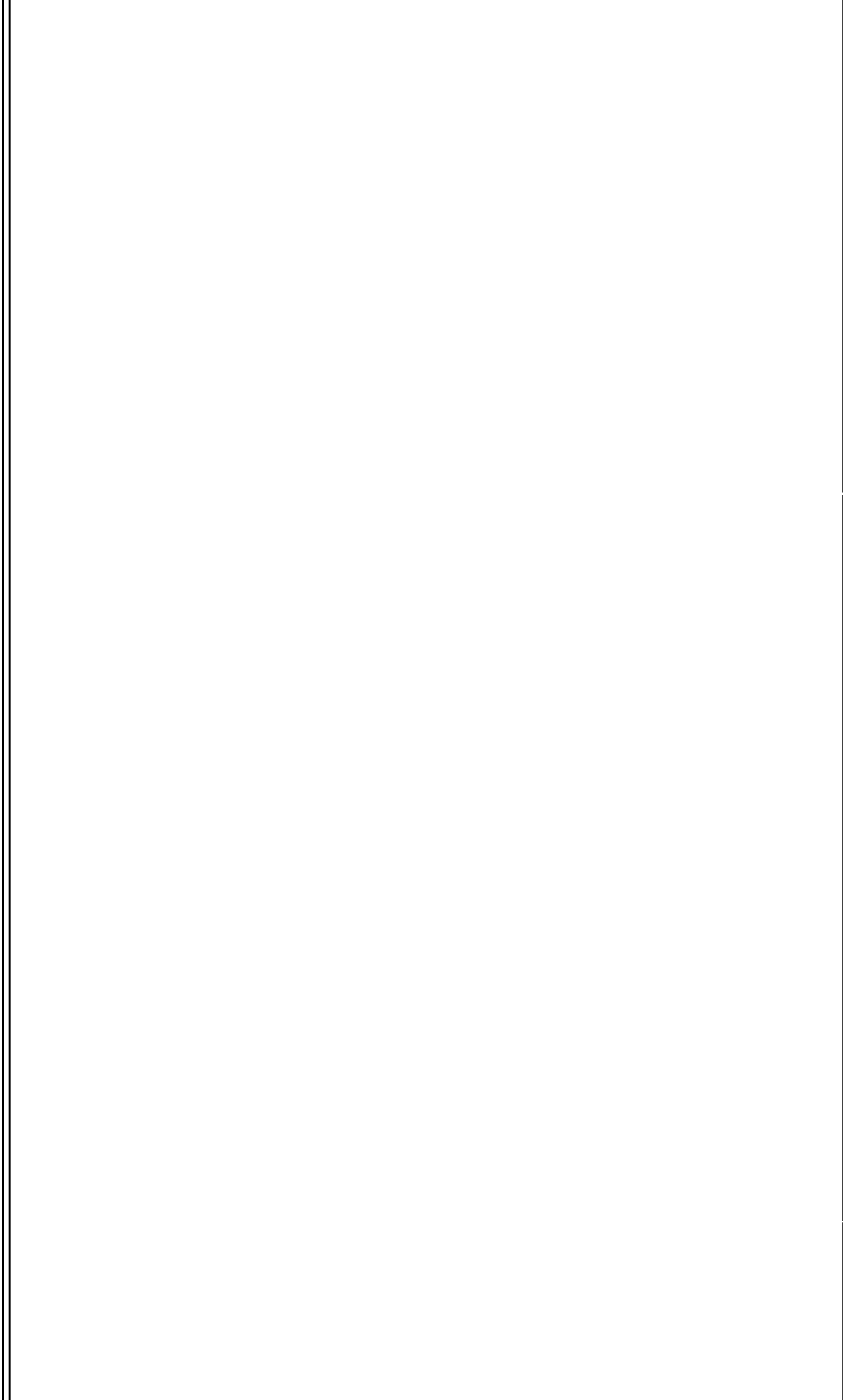
1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28







1 their names, telephone numbers, and physical, postal, email, and  
2 Internet addresses; (c) describe the activities of each business,  
3 including the goods and services offered, the means of advertising,  
4 marketing, and sales, and the involvement of any other Defendant  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28



VIII. RECORDKEEPING

IT IS FURTHER ORDERED that Defendants must create certain records for twenty (20) years after entry of the Order, and retain each such record for five (5) years. Specifically, Corporate Defendant and Individual Defendant for any business that such Defendant individually or collectively with any other Defendant, 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.

IX. COMPLIANCE MONITORING

IT IS FURTHER ORDERED that for the purpose of monitoring Defendants' compliance with this Order, including any failure to transfer any assets as required by this Order:

A. Within fourteen (14) days of receipt of a written request from a

representative of the Commission, the Commission shall, within 14 days of receipt of such request, conduct a review of the records of the Defendant and report the results of such review to the Commission.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28



XI. RETENTION OF JURISDICTION

IT IS FURTHER ORDERED

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

---

---