

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

Case No. 17-cv-20848-Gayles-Otazo-Reyes

Federal Trade Commission,

Plaintiff,

v.

World Patent Marketing, Inc., et al.,

Defendants.

**NOTICE OF LODGING PROPOSED STIPULATED ORDER
FOR PERMANENT INJUNCTION AND MONETARY JUDGMENT**

As stated in the attached Proposed Stipulated Order for Permanent Injunction and Monetary Judgment (“Order”), Plaintiff, the Federal Trade Commission, and Defendants, World Patent Marketing, Inc., Desa Industries, Inc., and Scott Cooper, have stipulated to the entry of the Order to resolve all matters in dispute in this action between them. Order, at 1.

I. Permanent Injunction

Section I of the Order addresses the Amended Complaint’s deception allegation and bans Defendants from advertising, marketing, promoting, or offering for sale, or assisting in the advertising, marketing, promoting, or offering for sale of any invention promotion service. Section II prohibits Defendants from making the specific misrepresentations alleged in the Amended Complaint and misrepresentations concerning any other material fact in the sale of any product or service. Section III addresses the Amended Complaint’s unfairness allegation and prohibits Defendants from suppressing the availability of truthful negative complaints, including through threats, intimidation, non-disparagement clauses, and suppression of online content.

II. Monetary Judgment

Sections IV and V of the Order impose a judgment of \$25,987,192—representing the consumer injury alleged in the Amended Complaint. The judgment is imposed on all Defendants,

jointly and severally, as equitable monetary relief. The Commission will collect \$1,055,000 of this judgment—representing the value of all of Defendants’ collectible assets.¹ The Commission will collect this amount in two parts: First, within seven days after entry of the Order, certain financial institutions are required to transfer to the Commission all funds held in frozen accounts for which Defendant Cooper had signatory authority (but which are not receivership estate assets), which total approximately \$78,670. Second, within seven months after entry of the Order, Defendant Cooper is required to pay \$976,330 to the Commission. Upon completion of the payments, the remainder of the judgment will be conditionally suspended based on Defendants’ sworn representations that they are unable to pay more.² All money paid to the Commission pursuant to the Order may be deposited into a fund administered by the Commission or its designee to be used for equitable relief, including consumer redress and any attendant expenses for the administration of any redress fund.

III. Other Provisions

Sections VI through XIII of the Order protect consumer information Defendants have obtained, ensure Defendants’ cooperation with the Commission and compliance with the Order, begin the process of closing the receivership in this case, and retain the Court’s jurisdiction over this matter for purposes of construction, modification, and enforcement of the Order.

IV. Conclusion

The parties have stipulated to the entry of the attached Proposed Order. The FTC respectfully requests that it be entered as an order of the Court.

¹ Analysis of Defendants’ bank records show that Defendants spent most of the money they obtained from consumers. Specifically, Defendants spent approximately \$9.9 million on payroll, \$6.7 million on credit card payments, \$2.2 million on marketing, \$1.6 million on other service providers, \$774,000 on office space leases, \$660,000 on payment processor fees and refunds and chargebacks paid through payment processors, \$442,000 on patent agent fees, \$340,000 on auto leases, \$123,000 on insurance, \$120,000 on equipment financing, and \$113,000 on legal fees from 2014 through the entry of the Temporary Restraining Order in this case.

² The suspension of the judgment is based on financial representations Defendants made under penalty of perjury. The suspension will be lifted as to any Defendant if, upon motion by the Commission, the Court finds that Defendant failed to disclose any material asset, materially misstated the value of any asset, or made any other material misstatement or omission in these financial representations.

Respectfully submitted,

Alden F. Abbott
Acting General Counsel

Dated: May 9, 2018

/s/ James Evans

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CERTIFICATE OF SERVICE

I hereby certify that on May 9, 2018, I electronically filed the foregoing Notice of Lodging Proposed Stipulated Order for Permanent Injunction and Monetary Judgment with the Clerk of the Court using CM/ECF, which will send a notice of electronic filing to counsel of record identified on the service list below:

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