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13 **UNITED STATES DISTRICT COURT**
14 **CENTRAL DISTRICT OF CALIFORNIA**
15 **SOUTHERN DIVISION**

16 FEDERAL TRADE COMMISSION,
17 Plaintiff,
18 v.
19 ROEX, INC.,
20 RODNEY H. BURRESON, and
MARK ALEXANDER,
21 Defendants.

SACV09-0266 AG

Hon.
CV-

**STIPULATION FOR FINAL
ORDER FOR PERMANENT
INJUNCTION AND
SETTLEMENT OF CLAIMS
FOR MONETARY RELIEF**

23 Plaintiff, the Federal Trade Commission ("FTC" or "Commission") has
24 commenced this action by concurrently filing its Complaint, this Stipulation for
25 Final Order for Permanent Injunction and Settlement of Claims for Monetary
26 Relief, and the [Proposed] Final Order for Permanent Injunction and Settlement of
27 Claims for Monetary Relief. The Complaint seeks a permanent injunction and
28 other equitable relief against Defendants Roex, Inc., Rodney H. Burreson, and

1 Mark Alexander, pursuant to Section 13(b) of the Federal Trade Commission Act
2 (“FTC Act”), 15 U.S.C. § 53(b), alleging deceptive acts or practices and false
3 advertisements in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C.
4 §§ 45(a) and 52.

5 Defendants Roex, Inc. (“Roex”), Rodney H. Burreson (“Burreson”), and
6 Mark Alexander (“Alexander”) (collectively, “Defendants”) deny the allegations in
7 the Complaint, except jurisdictional facts, but are willing to agree to entry of the
8 following Stipulation for Final Order for Permanent Injunction and Settlement of
9 Claims for Monetary Relief (“Order”), without adjudication of any issues of fact
10 or law. Defendants have waived service of the Summons and Complaint.

11 The Commission and Defendants hereby stipulate to the entry of the
12 accompanying [Proposed] Final Order for Permanent Injunction and Settlement of
13 Claims for Monetary Relief, which contains the following findings and order
14 provisions.

15 FINDINGS

16 1. This Court has jurisdiction over the subject matter of this case and
17 jurisdiction over all parties. Venue in the Central District of California is proper.

18 2. The Complaint states a claim upon which relief can be granted, and
19 the Commission has the authority to seek the relief it has requested.

20 3. The acts and practices of Defendants are in or affecting commerce, as
21 defined in 15 U.S.C. § 44.

22 4. Defendants waive all rights to seek judicial review or otherwise
23 challenge or contest the validity of this Order. Defendants also waive any claims
24 that they may have held under the Equal Access to Justice Act, 28 U.S.C. § 2412,
25 concerning the prosecution of this action to the date of this Order.

26 5. Each party shall bear its own costs and attorneys’ fees.

27 6. Entry of this Order is in the public interest.

28 7. This Order reflects the negotiated agreement of the parties.

1 6. “Assisting others” means knowingly providing any of the following
2 services to any person or entity: (a) performing customer service for any person or
3 entity, including, but not limited to, outbound or inbound telemarketing, upselling,
4 cross-selling, handling customer complaints, credit card or debit card processing,
5 refund processing, web design and marketing, continuity program development, or
6 designing, preparing, or assisting in the preparation of product labeling or
7 packaging; (b) formulating or providing, or arranging for the formulation or
8 provision of, any sales script or any other advertising or marketing material for any
9 such person or entity; (c) leasing, renting, selling, or servicing customer lists; or (d)
10 performing advertising or marketing services or consulting services of any kind for
11 any such person or entity.

12 7. “Commerce” means as defined in Section 4 of the FTC Act, 15 U.S.C.
13 § 44.

14 8. “Competent and reliable scientific evidence” means tests, analyses,
15 research, studies, or other evidence based on the expertise of professionals in the
16 relevant area, that has been conducted and evaluated in an objective manner by
17 persons qualified to do so, using procedures generally accepted in the profession to
18 yield accurate and reliable results.

19 9. “Covered product or service” means any dietary supplement, food,
20 drug, or device, including, but not limited to, B-Complex Combination, Beta-
21 Sitosterol, Cell Talk, Chicken Sternal Collagen Type II, Coconut Oil, Colostrum,
22 the Daily Solutions Package, DHA, Essential Fatty Acids, the Far Infrared Sauna,
23 For Your Eyes Only, Hyaluronic Acid, MSM, Oleuropein, PC-95, Vitamin C
24 Mineral Ascorbates or any other health-related product, service, or program,
25 whether sold individually, in any combination, or as part of a program or package.

26 10. “Specified products” means B-Complex Combination, Beta-Sitosterol,
27 Cell Talk, Chicken Sternal Collagen Type II, Coconut Oil, Colostrum, the Daily
28 Solutions Package, DHA, Essential Fatty Acids, the Far Infrared Sauna, For Your

1 Eyes Only, Hyaluronic Acid, MSM, Oleuropein, PC-95, and Vitamin C Mineral
2 Ascorbates.

3 11. "Endorsement" means as defined in 16 C.F.R. § 255.0(b).

4 12. "Food," "drug," and "device" mean as defined in Section 15 of the
5 FTC Act, 15 U.S.C. § 55.

6 13. The term "including" in this Order means "without limitation."

7 14. The terms "and" and "or" in this Order shall be construed
8 conjunctively or disjunctively as necessary, to make the applicable phrase inclusive
9 rather than exclusive.

10 **PROHIBITED REPRESENTATIONS**

11 **I.**

12 **IT IS HEREBY ORDERED** that Defendants, directly or through any
13 corporation, partnership, subsidiary, division, trade name, or other device, and their
14 officers, agents, servants, representatives, employees, and all persons or entities in
15 active concert or participation with them who receive actual notice of this Order by
16 personal service or otherwise, in connection with the manufacturing, labeling,
17 advertising, promotion, offering for sale, sale, or distribution of any covered
18 product or service, in or affecting commerce, are hereby permanently restrained
19 and enjoined from making any representation, in any manner, expressly or by
20 implication, including through the use of product names or endorsements, that:

21 A. Such product or service is effective in treating AIDS, Alzheimer's
22 disease, arthritis, asthma, autoimmune disorders, cancer, diabetes,
23 glaucoma, herpes, HIV, lupus, multiple sclerosis, rheumatoid arthritis,
24 tumors, or ulcers;

25 B. Such product or service reduces the risk of breast cancer, heart attack,
26 or stroke; or

27 C. Such product or service is effective in preventing Alzheimer's disease,
28 cancer, or Parkinson's disease,

1 unless the representation is true, non-misleading, and, at the time it is made,
2 Defendants possess and rely upon competent and reliable scientific evidence that
3 substantiates the representation.

4 **II.**

5 **IT IS FURTHER ORDERED** that Defendants, directly or through any
6 corporation, partnership, subsidiary, division, trade name, or other device, and their
7 officers, agents, servants, representatives, employees, and all persons or entities in
8 active concert or participation with them who receive actual notice of this Order by
9 personal service or otherwise, in connection with the manufacturing, labeling,
10 advertising, promotion, offering for sale, sale, or distribution of any covered
11 product or service, in or affecting commerce, are hereby permanently restrained
12 and enjoined from making, or assisting others in making, any representation, in any
13 manner, expressly or by implication, including through the use of product names or
14 endorsements, about the absolute or comparative benefits, performance, efficacy,
15 safety, or side effects of such product or service unless the claim is true, non-
16 misleading, and, at the time it is made, Defendants possess and rely upon
17 competent and reliable scientific evidence that substantiates the representation.

18 **MISREPRESENTATION OF TESTS OR STUDIES**

19 **III.**

20 **IT IS FURTHER ORDERED** that Defendants, directly or through any
21 corporation, partnership, subsidiary, division, trade name, or other device, and their
22 officers, agents, servants, representatives, employees, and all persons or entities in
23 active concert or participation with them who receive actual notice of this Order by
24 personal service or otherwise, in connection with the manufacturing, labeling,
25 advertising, promotion, offering for sale, sale, or distribution of any covered
26 product or service, in or affecting commerce, are hereby permanently restrained
27 and enjoined from misrepresenting, or assisting others in misrepresenting, in any
28 manner, expressly or by implication, including through the use of any product

1 names or endorsements, the existence, contents, validity, results, conclusions, or
2 interpretations of any test, study, or research.

3 **FDA APPROVED CLAIMS**

4 **IV.**

5 **IT IS FURTHER ORDERED** that:

6 A. Nothing in this Order shall prohibit Defendants from making any
7 representation for any drug that is permitted in labeling for such drug under any
8 tentative or final standard promulgated by the Food and Drug Administration, or
9 under any new drug application approved by the Food and Drug Administration;
10 and

11 B. Nothing in this Order shall prohibit Defendants from making any
12 representation for any product that is specifically permitted in labeling for such
13 product by regulations promulgated by the Food and Drug Administration pursuant
14 to the National Labeling and Education Act of 1990.

15 **LIST OF CONSUMERS**

16 **V.**

17 **IT IS FURTHER ORDERED** that:

18 A. Defendants Roex and Burreson shall, no later than twenty (20)
19 calendar days after the date of entry of this Order, deliver to the Commission a list,
20 in the form of a sworn affidavit, of all customers who purchased the specified
21 products, on or after January 1, 2004 through the date of entry of this Order, to the
22 extent that such purchasers are known to Defendants Roex and Burreson through a
23 diligent search of their records, including but not limited to computer files, sales
24 records, and inventory lists. Such list shall include each consumer's name and
25 address, the product(s) purchased, the total amount of moneys paid less any
26 amount credited for returns or refunds, and, if available, the consumer's telephone
27 number and e-mail address; and

1 B. Except as provided in this Order, Defendants Roex and Burreson, and
2 their officers, agents, servants, employees, and all other persons or entities in active
3 concert or participation with them who receive actual notice of this Order by
4 personal service or otherwise, are permanently restrained and enjoined from
5 selling, renting, leasing, transferring, or otherwise disclosing the name, address,
6 telephone number, credit card number, bank account number, e-mail address, or
7 other identifying information of any person who paid any money to either
8 Defendant Roex or Defendant Burreson, at any time prior to entry of this Order, in
9 connection with the purchase of any specified product. *Provided, however,* that
10 Defendants Roex and Burreson may disclose such identifying information as
11 required in Subparagraph V.A above, or to any law enforcement agency, or as
12 required by any law, regulation, or court order.

13 **MONETARY JUDGMENT AND REDRESS TO CONSUMERS**

14 **VI.**

15 **IT IS FURTHER ORDERED** that:

16 A. Judgment is hereby entered in favor of the Commission and against
17 Defendants, jointly and severally, in the amount of Twenty-Nine Million Dollars
18 and No Cents (\$29,000,000.00) for redress to consumers. In addition, judgment is
19 hereby entered in favor of the Commission and against Defendants Roex and
20 Burreson, jointly and severally, in the amount of Five Million Six Hundred
21 Thousand Dollars and No Cents (\$5,600,000.00) for redress to consumers.
22 *Provided, however,* that the judgment against Defendant Alexander shall be
23 suspended until further order of the Court, and *provided further,* that upon the
24 fulfillment of the payment obligations of Subparagraph VI.B of this Order by
25 Defendants Roex and Burreson, the judgments against Defendants Roex and
26 Burreson shall be suspended until further order of the Court. The judgments
27 provided for herein shall be subject to reinstatement under the conditions set forth
28 in Paragraph VII of this Order.

1 B. Defendants Roex and Burreson shall pay to the Commission the
2 amount of Three Million Dollars and No Cents (\$3,000,000.00). Such funds shall
3 be deposited by Defendants Roex and Burreson into the escrow or client trust
4 account of attorney Marc S. Ullman no later than December 5, 2008. Payment
5 shall be made to the Commission within five (5) days of the date of entry of this
6 Order by wire transfer in accord with instructions that will be provided by the
7 Commission. Defendants Roex and Burreson are jointly and severally liable for
8 the payment provided for herein.

9 C. In the event of default on any obligation to make payment under this
10 Order, interest, computed pursuant to 28 U.S.C. § 1961(a), shall accrue from the
11 date of default to the date of payment. In the event such default continues for ten
12 (10) calendar days beyond the date the payment is due, the judgments against
13 Defendants Roex and Burreson, jointly and severally, together with interest, shall
14 immediately become due and payable by Defendants Roex and Burreson.
15 Defendant Alexander shall not be liable for any obligation in the event of default
16 by Defendants Roex and Burreson.

17 D. All funds paid pursuant to this Order shall be deposited into a fund
18 administered by the Commission or its agents to be used for equitable relief,
19 including, but not limited to, redress to consumers and any attendant expenses for
20 the administration of such equitable relief. In the event that direct redress to
21 consumers is wholly or partially impracticable or funds remain after the redress is
22 completed, the Commission may apply any remaining funds for such other
23 equitable relief (including consumer information remedies) as it determines to be
24 reasonably related to Defendants' practices alleged in the Complaint. Any funds
25 not used for such equitable relief shall be deposited to the United States Treasury
26 as disgorgement. Defendants shall have no right to challenge the Commission's
27 choice of remedies under this Paragraph. Defendants shall have no right to contest
28 the manner of distribution chosen by the Commission. No portion of any payment

1 under the Judgment herein shall be deemed a payment of any fine, penalty, or
2 punitive assessment.

3 E. Defendants relinquish all dominion, control, and title to the funds
4 paid, and all legal and equitable title to the funds vests in the Treasurer of the
5 United States and in the designated consumers. Defendants shall make no claim to
6 or demand for return of the funds, directly or indirectly, through counsel or
7 otherwise; and in the event of bankruptcy, Defendants acknowledge that the funds
8 are not part of the debtor's estate, nor does the estate have any claim or interest
9 therein.

10 F. Defendants agree that the facts as alleged in the Complaint filed in
11 this action shall be taken as true without further proof in any bankruptcy case or
12 subsequent civil litigation pursued by the Commission to enforce its rights to any
13 payment or money judgment pursuant to this Order, including but not limited to a
14 non-dischargeability complaint in any bankruptcy case. Defendants further
15 stipulate and agree that the facts alleged in the Complaint establish all elements
16 necessary to sustain an action pursuant to, and that this Order shall have collateral
17 estoppel effect for purposes of, Section 523(a)(2)(A) of the Bankruptcy Code, 11
18 U.S.C. § 523(a)(2)(A).

19 G. In accordance with 31 U.S.C. § 7701, Defendants are hereby required,
20 unless they have done so already, to furnish to the Commission their taxpayer
21 identifying numbers and/or social security numbers, which shall be used for the
22 purposes of collecting and reporting on any delinquent amount arising out of
23 Defendants' relationship with the government.

24 H. Proceedings instituted under this Paragraph are in addition to, and not
25 in lieu of, any other civil or criminal remedies that may be provided by law,
26 including any other proceedings the Commission may initiate to enforce this
27 Order.

1 **RIGHT TO REOPEN**

2 **VII.**

3 **IT IS FURTHER ORDERED** that:

4 A. The Commission's agreement to this Order and the Court's approval
5 are expressly premised upon the truthfulness, accuracy, and completeness of the
6 certified financial statements and supporting documents submitted to the
7 Commission as follows:

- 8 1. Certified financial disclosures for Defendant Roex and all
9 addenda thereto, signed and dated August 6, 2008;
10 2. Certified financial disclosures for Defendant Burreson and all
11 addenda thereto, signed and dated July 24, 2008;
12 3. Certified financial disclosures for Defendant Alexander and all
13 addenda thereto, signed and dated July 14, 2008; and
14 4. Supplemental financial disclosures and all addenda thereto,
15 submitted August 14, 2008, August 22, 2008, September 3,
16 2008, November 3, 2008, November 11, 2008, and November
17 17, 2008.

18 Each Defendant stipulates that all of the materials such Defendant submitted are
19 truthful, accurate, and complete. These documents contain material information
20 upon which the Commission relied in negotiating and agreeing to the terms of this
21 Order.

22 B. If, upon motion by the Commission, a Court determines that
23 Defendants Roex or Burreson made a material misrepresentation or omitted
24 material information concerning its or his financial condition, then the Court shall
25 reinstate the applicable suspended judgment amount (*i.e.*, \$34,600,000.00) entered
26 against Defendants Roex and Burreson in Subparagraph VI.A of this Order.

27 *Provided, however,* that Defendant Alexander shall not be liable for any material
28 misrepresentations or omitted material information concerning Defendant Roex's

1 or Defendant Burreson's financial conditions. Should the Court reinstate the
2 applicable suspended judgment amount entered against Defendants Roex and
3 Burreson in Subparagraph VI.A of this Order, Defendants Roex and Burreson shall
4 be entitled to offset this amount by any sums already paid under this Order. Any
5 such reinstated judgment shall become immediately due and payable by
6 Defendants Roex and Burreson, and interest computed at the rate prescribed under
7 28 U.S.C. § 1961(a) shall immediately begin to accrue on the unpaid balance.
8 *Provided, however,* that in all other respects this Order shall remain in full force
9 and effect unless otherwise ordered by the Court. For purposes of this Paragraph,
10 and any subsequent proceedings to enforce payment, including, but not limited to,
11 a nondischargeability complaint filed in a bankruptcy proceeding, Defendants
12 Roex and Burreson agree not to contest any of the allegations in the Commission's
13 Complaint.

14 C. If, upon motion by the Commission, a Court determines that
15 Defendant Alexander made a material misrepresentation or omitted material
16 information concerning his financial condition, then the Court shall reinstate the
17 applicable suspended judgment amount (*i.e.*, \$29,000,000.00) entered against him
18 in Subparagraph VI.A of this Order. Should the Court reinstate the applicable
19 suspended judgment amount entered against Defendant Alexander in Subparagraph
20 VI.A of this Order, Defendant Alexander shall be entitled to offset this amount by
21 any sums already paid by Defendants Roex and Burreson under this Order. Any
22 such reinstated judgment shall become immediately due and payable by Defendant
23 Alexander, and interest computed at the rate prescribed under 28 U.S.C. § 1961(a)
24 shall immediately begin to accrue on the unpaid balance. *Provided, however,* that
25 in all other respects this Order shall remain in full force and effect unless otherwise
26 ordered by the Court. For purposes of this Paragraph, and any subsequent
27 proceedings to enforce payment, including, but not limited to, a
28 nondischargeability complaint filed in a bankruptcy proceeding, Defendant

1 Alexander agrees not to contest any of the allegations in the Commission's
2 Complaint.

3 D. Proceedings instituted under this Paragraph are in addition to, and not
4 in lieu of, any other civil or criminal remedies that may be provided by law,
5 including any other proceedings the Commission may initiate to enforce this
6 Order.

7 COMPLIANCE MONITORING

8 VIII.

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

11 A. Within ten (10) calendar days of receipt of written notice from a
12 representative of the Commission, Defendants each shall submit additional written
13 reports, sworn to under penalty of perjury; produce documents for inspection and
14 copying; appear for deposition; and/or provide entry during normal business hours
15 to any business location in such Defendant's possession or direct or indirect
16 control to inspect the business operations;

17 B. In addition, the Commission is authorized to monitor compliance with
18 this Order by all lawful means, including, but not limited to the following:

- 19 1. Obtaining discovery from any person, without further leave of
20 the Court, using the procedures prescribed by Fed. R. Civ. P.
21 30, 31, 33, 34, 36, and 45;
- 22 2. Posing as customers and clients to any Defendant, employees of
23 any Defendant, or any other entity managed or controlled in
24 whole or in part by any Defendant, without the necessity of
25 identification or prior notice; and

26 C. Defendants shall permit representatives of the Commission to
27 interview any employer, consultant, independent contractor, representative, agent,
28

1 or employee who has agreed to such an interview, relating in any way to conduct
2 subject to this Order. The person interviewed may have counsel present.

3 *Provided, however,* that nothing in this Order shall limit the Commission's
4 lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act,
5 15 U.S.C. §§ 49, 57b-1, to obtain any documentary material, tangible things,
6 testimony, or information relevant to unfair or deceptive acts or practices in or
7 affecting commerce (within the meaning of 15 U.S.C. § 45(a)(1)).

8 **COMPLIANCE REPORTING BY DEFENDANTS**

9 **IX.**

10 **IT IS FURTHER ORDERED** that, in order that compliance with the
11 provisions of this Order may be monitored:

12 A. For a period of three (3) years from the date of entry of this Order,

13 1. Defendant Burreson and Defendant Alexander each shall notify
14 the Commission of the following:

15 a. Any changes in his residence(s), mailing address(es), and
16 telephone number(s) within ten (10) calendar days of the
17 date of such change;

18 b. Any changes in his employment status (including self-
19 employment) and any change in his ownership in any
20 business entity, within ten (10) calendar days of such
21 change. Such notice shall include the name and address
22 of each business that the Defendant is affiliated with,
23 employed by, creates or forms, or performs services for;
24 a statement of the nature of the business; and a statement
25 of the Defendant's duties and responsibilities in
26 connection with the business or employment; and

27 c. Any changes in the Defendant's name or use of any
28 aliases or fictitious names; and

1 2. Defendants Roex and Burreson shall notify the Commission of
2 any proposed change in the corporate structure of Defendant
3 Roex or any business entity that Defendants Roex or Burreson
4 directly or indirectly controls, or has an ownership interest in,
5 that may affect compliance obligations arising under this Order,
6 including but not limited to a dissolution, assignment, sale,
7 merger, or other action that would result in the emergence of a
8 successor entity; the creation or dissolution of a subsidiary,
9 parent, or affiliate that engages in any acts or practices subject
10 to this Order; the filing of a bankruptcy petition; or a change in
11 the corporate name or address, at least thirty (30) calendar days
12 prior to such change, *provided that*, with respect to any
13 proposed change in the business entity about which Defendants
14 Roex or Burreson learns less than thirty (30) calendar days
15 prior to the date such action is to take place, Defendants Roex
16 and Burreson shall notify the Commission as soon as is
17 practicable after obtaining such knowledge.

18 3. Defendant Alexander shall notify the Commission of any
19 business entity that he directly or indirectly controls, or has an
20 ownership interest in, or of any proposed change in such
21 business entity, that may affect compliance obligations arising
22 under this Order, including but not limited to a dissolution,
23 assignment, sale, merger, or other action that would result in the
24 emergence of a successor entity; the creation or dissolution of a
25 subsidiary, parent, or affiliate that engages in any acts or
26 practices subject to this Order; the filing of a bankruptcy
27 petition; or a change in the corporate name or address, at least
28 thirty (30) calendar days prior to such change, *provided that*,

1 with respect to any proposed change in the business entity
2 about which Defendant Alexander learns less than thirty (30)
3 calendar days prior to the date such action is to take place,
4 Defendant Alexander shall notify the Commission as soon as is
5 practicable after obtaining such knowledge.

6 B. Sixty (60) calendar days after the date of entry of this Order,
7 Defendants each shall provide a written report to the Commission, sworn to under
8 penalty of perjury, setting forth in detail the manner and form in which they have
9 complied and are complying with this Order. This report shall include, but not be
10 limited to:

- 11 1. For Defendant Burreson and Defendant Alexander:
 - 12 a. The then-current residence addresses, mailing addresses,
13 and telephone numbers of the Defendant;
 - 14 b. The then-current employment and business addresses and
15 telephone numbers of the Defendant, a description of the
16 business activities of each such employer or business,
17 and the title and responsibilities of the Defendant, for
18 each such employer or business. For purposes of this
19 Paragraph, "employment" includes the performance of
20 services as an employee, consultant, or independent
21 contractor; and "employers" include any individual or
22 entity for whom the Defendant performs services as an
23 employee, consultant, or independent contractor;
 - 24 c. A copy of each acknowledgment of receipt of this Order
25 obtained by the Defendant pursuant to Paragraph X; and
 - 26 d. Any other change required to be reported under
27 Subparagraph A of this Paragraph.

1 2. For Defendant Roex:

2 a. A copy of each acknowledgment of receipt of this Order
3 obtained by each Defendant pursuant to Paragraph X;

4 and

5 b. Any other changes required to be reported under
6 Subparagraph A of this Paragraph.

7 C. For the purposes of this Order, Defendants shall, unless otherwise
8 directed by the Commission's authorized representatives, send by overnight
9 courier all reports and notifications required by this Order to the Commission, to
10 the following address:

11 Associate Director for Enforcement
12 Federal Trade Commission
13 600 Pennsylvania Avenue, N.W.
14 Washington, D.C. 20580
15 Re: **FTC v. Roex, Inc., et al.**, Civil Action _____.

16 *Provided that*, in lieu of overnight courier, Defendants may send such reports or
17 notifications by first-class mail, but only if Defendants contemporaneously send an
18 electronic version of such report or notification to the Commission at:
19 DEBrief@ftc.gov.

20 D. For purposes of the compliance reporting required by this Paragraph,
21 the Commission is authorized to communicate directly with any Defendant.

22 **RECORD KEEPING PROVISIONS**

23 **X.**

24 **IT IS FURTHER ORDERED** that, for a period of six (6) years from the
25 date of entry of this Order, Defendant Roex and any business engaged in the sale of
26 any covered product or service in which Defendant Burreson or Defendant
27 Alexander is a majority owner or otherwise directly or indirectly controls the
28 business, and their agents, employees, officers, corporations, successors, and
 assigns, are hereby restrained and enjoined from failing to create and retain the
 following records:

1 A. Accounting records that reflect the cost of covered products or
2 services sold, revenues generated, and disbursement of such revenues;

3 B. Personnel records accurately reflecting: the name, address, and
4 telephone number of each person employed in any capacity by such business,
5 including as an independent contractor; that person's job title or position; the date
6 upon which the person commenced work; and the date and reason for the person's
7 termination, if applicable;

8 C. Customer files containing the names, addresses, telephone numbers,
9 dollar amounts paid, quantity of items or services purchased, and description of
10 items or services purchased, to the extent such information is obtained in the
11 ordinary course of business;

12 D. Complaints and refund requests (whether received directly, indirectly,
13 or through any third party) and all records showing any responses to those
14 complaints or requests;

15 E. Copies of all advertisements, promotional materials, sales scripts,
16 training materials, or other marketing materials utilized in the advertising,
17 marketing, promotion, offering for sale, distribution, or sale of any product,
18 service, package, or program covered by this Order;

19 F. All materials that were relied upon in making any representations
20 contained in the materials identified in Subparagraph X.E above, including all
21 documents evidencing or referring to the accuracy of any claim therein or to the
22 benefits, performance, efficacy, safety, or side effects of any product, service,
23 package, or program, including but not limited to all tests, reports, studies,
24 demonstrations, as well as evidence that confirms, contradicts, qualifies, or calls
25 into question the accuracy of such claims regarding the benefits, performance,
26 efficacy, safety, or side effects of such product, service, package, or program; and

27 G. All records and documents necessary to demonstrate full compliance
28 with each provision of this Order, including but not limited to, copies of

1 acknowledgments of receipt of this Order and all reports submitted to the
2 Commission pursuant to this Order.

3 **DISTRIBUTION OF ORDER**

4 **XI.**

5 **IT IS FURTHER ORDERED** that, for a period of three (3) years from the
6 date of entry of this Order, Defendants shall deliver copies of the Order as directed
7 below:

8 A. Defendant Roex shall deliver a copy of this Order to each of its
9 principals, officers, directors, and managers. Defendant Roex also shall deliver a
10 copy of the Order to all of its employees, agents, and representatives who engage
11 in conduct related to the subject matter of this Order. For current personnel,
12 delivery shall be within five (5) business days of service of this Order upon
13 Defendants. For new personnel, delivery shall occur prior to their assuming their
14 responsibilities.

15 B. For any business that Defendant Burreson or Defendant Alexander
16 controls, directly or indirectly, or in which such individual Defendant has a
17 majority ownership interest, such individual Defendant shall deliver a copy of this
18 Order to all of the principals, officers, directors, and managers of that business, and
19 to all employees, agents, and representatives of that business who engage in
20 conduct related to the subject matter of this Order. For current personnel, delivery
21 shall be within five (5) business days of service of this Order upon Defendants.
22 For new personnel, delivery shall occur prior to their assuming their
23 responsibilities.

24 C. For any business where Defendant Burreson or Defendant Alexander
25 is not a controlling person of the business but otherwise engages in conduct related
26 to the subject matter of this Order, such individual Defendant shall deliver a copy
27 of this Order to each of the principals and managers of such business before
28 engaging in such conduct.

1 D. Defendants shall secure a signed and dated statement acknowledging
2 receipt of this Order, within thirty (30) calendar days of delivery, from each person
3 receiving a copy of the Order pursuant to this Paragraph.

4 **ACKNOWLEDGMENT OF RECEIPT OF ORDER BY DEFENDANTS**

5 **XII.**

6 **IT IS FURTHER ORDERED** that each Defendant, within five (5) business
7 days of receipt of this Order as entered by the Court, shall submit to the
8 Commission a truthful sworn statement acknowledging receipt of this Order.

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10 **THE REST OF THIS PAGE IS INTENTIONALLY BLANK.**

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