

practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45, in connection with the advertising, marketing, and sale of employment goods or services.

Plaintiff FTC and Defendant Stafford hereby stipulate to the entry of this Final Order for Permanent Injunction and Settlement of Monetary Claims (“Order”).

FINDINGS

By stipulation of the parties, the Court finds as follows:

1. This is an action by the FTC instituted pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b). The Complaint seeks both permanent injunctive relief and consumer redress for Defendants’ alleged deceptive acts or practices in connection with the marketing and sale of employment goods or services programs.
2. The FTC has the authority pursuant to Section 13(b) of the FTC Act to seek the relief it has requested, and the Complaint states a claim upon which relief can be granted against Defendant Stafford.
3. This Court has jurisdiction over the subject matter of this case and has personal jurisdiction over Defendant Stafford. Venue in the Western District of Michigan is proper.
4. The activities of Defendant Stafford, as alleged in the Complaint, are in or affecting commerce, as defined in the FTC Act, 15 U.S.C. § 44.
5. Defendant Stafford waives all rights that may arise under the Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the prosecution of this action to the date of this Order. Each party shall bear its own costs and attorneys’ fees. Defendant Stafford also waives all rights to seek judicial review of, or otherwise challenge or contest the validity of, this Order.
6. By entering into this Order, Defendant Stafford does not admit to the allegations set forth in the Complaint, other than the jurisdictional facts.

7. This action and the relief awarded herein are in addition to, and not in lieu of, other remedies as may be provided by law, including both civil and criminal remedies.

8. Entry of this Order is in the public interest.

DEFINITIONS

For the purposes of this Order, the following definitions shall apply:

1. **“Defendants”** means Success Express, Inc., also d/b/a Success Express; Exam Resource Center, Inc., also d/b/a Exam Resource; Occupational Advancement Center, Inc., also d/b/a Occupational Advancement and OAC; Employment Resource, LLC, also d/b/a Employment Resources; David James Daniell a/k/a David James; Wanda J. Stafford; and Kathy L. Stafford.

2. **“Receivership Defendants”** means Success Express, Inc., also d/b/a Success Express; Exam Resource Center, Inc., also d/b/a Exam Resource; Occupational Advancement Center, Inc., also d/b/a Occupational Advancement and OAC; and Employment Resource, LLC, also d/b/a Employment Resources.

3. **“Defendant Stafford”** means Kathy L. Stafford, also known as Kathy L. Steepe.

4. **“Employment goods or services”** means any item, product, good or service represented to assist consumers in obtaining employment—including, but not limited to, preparation or other training for any employment examination.

5. **“Assets”** means any legal or equitable interest in, right to, or claim to, any real and personal property—including, but not limited to, chattel, goods, instruments, equipment, fixtures, general intangibles, effects, leaseholds, premises, contracts, mail or other deliveries, shares of stock, lists of consumer names, inventory, checks, notes, accounts, credits, receivables, funds, and all cash, wherever located.

6. **“Document”** is synonymous in meaning and equal in scope to the usage of the term in Federal Rule of Civil Procedure 34(a), and includes writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, and other data compilations from which information can be obtained and translated, if necessary, through detection devices into reasonably usable form. A draft or non-identical copy is a separate document within the meaning of the term.

7. **“Material”** means likely to affect a person’s choice of, or conduct regarding, goods or services.

8. **“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.

9. **“Plaintiff”** means the Federal Trade Commission (“Commission” or “FTC”).

10. **“Receiver or Permanent Receiver”** means Phillip S. Stenger pursuant to the orders of appointment including the Stipulated Preliminary Injunction with Appointment of Permanent Receiver, Asset Freeze and Accounting dated November 28, 2005.

11. **“Record”** means any document, as document is defined in definition 6, above, relating to the business or business practices of any Defendant.

12. The terms **“and”** and **“or”** shall be construed conjunctively or disjunctively as necessary to make the applicable phrase or sentence inclusive rather than exclusive.

O R D E R

I. BOND REQUIREMENT

IT IS THEREFORE ORDERED that Defendant Stafford, whether acting directly or through any person or entity, is permanently restrained and enjoined from marketing or selling

employment goods or services, unless Defendant Stafford first obtains a performance bond in the principal sum of ONE MILLION DOLLARS (\$1,000,000).

A. The bond required by this Paragraph I shall be conditioned upon compliance with Section 5 of the FTC Act, 15 U.S.C. § 45(a), and with this Order. The bond shall be deemed continuous and remain in full force and effect as long as Defendant Stafford continues to engage in conduct that requires the posting of the bond, and for at least three years after Defendant Stafford has ceased to engage in such conduct. The bond shall cite this Order as the subject matter of the bond, and shall provide surety thereunder against financial loss resulting from whole or partial failure of performance due, in whole or in part, to any violation of Section 5 of the FTC Act, the provisions of this Order, or to any other violation of law.

B. The performance bond required pursuant to this Paragraph I shall be in the form of an insurance agreement providing surety for financial loss issued by a surety company that is admitted to do business in each of the states in which Defendant Stafford does business and that holds a Federal Certificate of Authority As Acceptable Surety On Federal Bond and Reinsuring. Such performance bond shall be in favor of both: (1) the Federal Trade Commission for the benefit of any consumer injured as a result of any violation of Section 5 of the FTC Act or the provisions of this Order made by Defendant Stafford, her agents, or any persons acting in concert with her; and (2) any consumer so injured.

C. The bond required pursuant to this Paragraph I is in addition to, and not in lieu of, any other bond required by any other federal, state, or local law, or by any other court order not entered in this action.

D. At least ten business days before the commencement of any activity covered by subsection A above, Defendant Stafford shall provide the bond required by this Paragraph I to the Associate Director for Enforcement at the address specified in Paragraph XII of this Order.

E. Defendant Stafford shall not disclose the existence of the performance bond required by this Paragraph I to any consumer without also disclosing clearly and prominently, at the same time, the following phrase: "This bond is required by order of the U.S. District Court, in the case *FTC v. Success Express Inc., et al.*, Case No. 1:05CV0714 (W.D. Mich.), in settlement of allegations of false and misleading representations in the promotion and sale of employment goods or services." The disclosure shall be set forth in a clear and conspicuous manner, separated from all other text, in 100 percent black ink against a light background, in print at least as large as the main text of the sales material or document, and enclosed in a box containing only the required disclosure.

F. If, upon motion by the FTC, the Court finds that Defendant Stafford or any business in which Defendant Stafford engages or participates, has violated Section 5 of the FTC Act or this Order, the FTC may execute against the performance bond required by this Paragraph I. Proceedings instituted under this subsection F are in addition to, and not in lieu of, any other civil or criminal remedies as may be provided by law, including any other proceedings the FTC may initiate to enforce this Order.

II. PROHIBITED BUSINESS ACTIVITIES

IT IS FURTHER ORDERED that Defendant Stafford, and her officers, agents, employees, and all those persons or entities in active concert or participation with her who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any entity, corporation, subsidiary, division, or other device, in connection with the

advertising, promoting, marketing, offering for sale, sale, or distribution of any good or service, are hereby permanently restrained and enjoined from:

A. Misrepresenting or assisting others in misrepresenting, expressly or by implication, any material fact—including, but not limited to:

1. That Defendants are connected with or endorsed by the United States Postal Service (USPS).

2. That postal positions are currently available in the geographic areas where the Defendants' advertisements appear.

3. That Defendants assist consumers in registering for and obtaining employment with the USPS.

4. That consumers who obtain a score of 90 percent or above on the postal examination are assured a postal job.

III. CONSUMER LISTS

IT IS FURTHER ORDERED that Defendant Stafford and any person or entity through which she does business, and her successors, assigns, officers, agents, servants, employees, attorneys, and those other persons or entities 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. Selling, renting, leasing, transferring, or otherwise disclosing the name, address, telephone number, billing information (any data that enables any person to access another person's account, such as a credit card, checking, savings, share or similar account, utility bill, mortgage loan account, or debit card), e-mail address, or other identifying information of any

person who submitted such information to any Defendant, at any time prior to entry of this Order, in connection with the purchase of any employment good or service.

B. Using or benefitting from, for commercial purposes, the name, address, telephone number, billing information (any data that enables any person to access another person's account, such as a credit card, checking, savings, share or similar account, utility bill, mortgage loan account, or debit card), e-mail address, or other identifying information of any person who submitted such information to any Defendant, at any time prior to entry of this Order, in connection with the purchase of any employment good or service.

C. *Provided, however*, that Defendant Stafford may disclose such identifying information (i) with the express written consent of the person whose information is disclosed, (ii) to a law enforcement agency, or (iii) as required or authorized by any law, regulation, or court order.

IV. MONETARY RELIEF AS TO DEFENDANT STAFFORD

IT IS FURTHER ORDERED that:

A. Judgment is hereby entered in the amount of One Million Dollars (\$1,000,000) in favor of the FTC and against Defendant Stafford, who is jointly and severally liable with the other Defendants, for the payment of equitable monetary relief—including, but not limited to, consumer redress and or/disgorgement, and for paying any attendant expenses of administration of any redress fund.

B. *Provided, however*, that the judgment described in Paragraph A shall be suspended:

1. Upon the timely transfer of the following assets to the FTC or its designated agent and the taking of the following actions:

a. Bank One, or J.P. Morgan Chase shall, within ten (10) business days of the date of entry of this Order, transfer to the FTC or its designated agent all assets held in Account #1, identified in the "Stafford Reference List" filed with the Court under seal.

b. Defendant Stafford shall, within twelve (12) months of the date of entry of this Order, transfer to the FTC or its designated agent cash in an amount equal to Ten Thousand Dollars (\$10,000).

c. Defendant Stafford shall, immediately liquidate and turn over all assets in Account #2, identified in the "Stafford Reference List" filed with the Court under seal, to the FTC. Defendant Stafford hereby forever waives, releases, discharges and disclaims all right, title and interest in the fund and/or assets contained in the account described in this section.

Defendant Stafford and the Court authorize Citibank to liquidate and immediately turn over all assets in these accounts to the FTC, after withholding appropriate taxes and penalties. Defendant Stafford shall provide full cooperation to the FTC to ensure that the assets in the above accounts are remitted to the FTC.

d. To secure the payment of the amounts as set forth in this Paragraph IV, Defendant Stafford and her spouse, William R. Steepe, shall execute a security and pledge agreement, in a form acceptable to counsel for the FTC, giving the FTC a lien in the property located at 3394 Child's Trail, Central Lake, Michigan 49622, to be effective as of the date of entry of this Order. The security and pledge agreement shall be attached to this Order as Appendix A. Within ten days of the final payment required by this Paragraph IV, the FTC shall cancel and return to Defendant Stafford the security and pledge agreement.

e. Defendant Stafford and William Steepe shall be responsible for any federal, state or local income tax on the sale or transfer of the property as set forth in this Paragraph IV, and

2. As long as the Court makes no finding, as provided in Paragraph VI of this Order, that Defendant Stafford (a) materially misrepresented or omitted the nature, existence, or value of any asset, or (b) failed to make the payments required by Paragraph IV.B. within the time periods specified therein.

C. Any monies collected under this paragraph are subject to the conditions described in Paragraph VIII.

V. ASSET FREEZE

IT IS FURTHER ORDERED that (1) upon entry of this Order the asset freeze of Defendant Stafford's assets pursuant to Paragraphs II and III of the Preliminary Injunction shall be lifted to permit the transfer of assets and property as contemplated by Paragraph IV.B above, and (2) upon payment of the amount set forth in Paragraph IV.B above, the freeze of the Defendant Stafford's assets pursuant to Paragraphs II and III of the Preliminary Injunction shall be dissolved.

VI. RIGHT TO REOPEN

IT IS FURTHER ORDERED that the Commission's agreement to this Order is expressly premised upon the truthfulness, accuracy and completeness of the financial statement and all attachments and supplemental financial records, including income tax returns, provided by Defendant Stafford to the Commission on October 28, 2005. Said financial statement contains material information upon which the FTC has relied in negotiating and agreeing to the terms of this Order. The Commission is authorized to verify all information provided in the financial

statement and with all appropriate third parties—including, but not limited to, financial institutions. If, upon motion by the Commission to the Court, the Court finds that Defendant Stafford failed to disclose any material asset, or materially misrepresented the value of any asset, or made any other material misrepresentation in or omission from her financial statement, the suspension of the monetary judgment will be terminated as to Defendant Stafford and the entire judgment amount of One Million Dollars (\$1,000,000), less any amounts paid to the Commission by the Defendant Stafford pursuant to Paragraph IV of this Order and any amounts paid to the Commission by the other Defendants, will be immediately due and payable by Defendant Stafford. For purposes of this Paragraph, and any subsequent proceedings to enforce payment—including, but not limited to, a non-dischargeability complaint filed in a bankruptcy proceeding, Defendant Stafford stipulates to all of the allegations in the Commission’s Complaint.

VII. RECEIVERSHIP

IT IS FURTHER ORDERED that:

A. The receivership imposed in the Preliminary Injunction entered in this proceeding shall be continued.

B. The corporate funds from any of the Receivership Defendants which may have been under Defendant Stafford’s ownership and/or control are hereby deemed permanently part of the estate of the Receivership Defendants subject to the Receiver’s control. These assets include, but are not limited to, Account #3, Account #4, and Account #5, or the proceeds thereof, in the name of Exam Resource Center and/or Kathy L. Stafford. The Accounts are identified in the “Stafford Reference List” filed with the Court under seal. Defendant Stafford hereby forever waives,

