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LOGGED  
CLERK, U.S. DISTRICT COURT  
SEP 13 2007  
CENTRAL DISTRICT OF CALIFORNIA  
DEPUTY

FILED  
CLERK, U.S. DISTRICT COURT  
SEP 19 2007  
CENTRAL DISTRICT OF CALIFORNIA  
BY DEPUTY

**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

FEDERAL TRADE COMMISSION,  
Plaintiff,  
v.  
GROUP C MARKETING, INC., et  
al.  
Defendants.

CV 06-6019 GHK (JCx)

**STIPULATED FINAL JUDGMENT  
AND ORDER AGAINST ALL  
DEFENDANTS**

WHEREAS Plaintiff, the Federal Trade Commission ("Commission" or "FTC"), has commenced this action by filing the Complaint herein; Defendants Group C Marketing, Inc. and Satinderjit Singh Chadha have been served with the Summons and Complaint; the parties have been represented by the attorneys whose names appear hereafter; and the parties have agreed to settlement of this action upon the following terms and conditions, without adjudication of any issue of fact or law and without Defendants admitting liability for any of the matters alleged in the Complaint;

THEREFORE, upon stipulation of Plaintiff and Defendants, it is hereby ORDERED, ADJUDGED, and DECREED as follows:

1 **FINDINGS**

2 A. This Court has jurisdiction over the subject matter of  
3 this case and jurisdiction over all parties.

4 B. Venue in the Central District of California is proper  
5 under 15 U.S.C. § 53(b) and 28 U.S.C. § 1391(b) and (c).

6 C. The activities of Defendants are in or affecting  
7 commerce, as defined in the FTC Act, 15 U.S.C. § 44.

8 D. The Complaint states a claim upon which relief can be  
9 granted against the Defendants under Sections 5(a) and 13(b) of  
10 the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 45(a)  
11 and 53(b).

12 E. Defendants waive all rights to seek judicial review or  
13 otherwise challenge or contest the validity of this Order.  
14 Defendants also waive any claims that they may have held under  
15 the Equal Access to Justice Act, 28 U.S.C. § 2412, concerning the  
16 prosecution of this action to the date of this Order.

17 F. Each party shall bear its own costs and attorneys'  
18 fees.

19 G. Entry of this Order is in the public interest.  
20

21 **DEFINITIONS**

22 1. "Assisting Others" means knowingly providing any of the  
23 following goods or services to another entity: (A)  
24 performing customer service functions, including, but not  
25 limited to, receiving or responding to consumer complaints;  
26 (B) formulating or providing, or arranging for the  
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1 formulation or provision of, any marketing material; (C)  
2 providing names of, or assisting in the generation of,  
3 potential customers; (D) hiring, recruiting or training  
4 personnel; (E) advising acting as a consultant to others on  
5 the commencement or management of a business venture; or (F)  
6 performing marketing services of any kind.

7 2. "Business Venture" means any written or oral business  
8 arrangement, however denominated, whether or not covered by  
9 the FTC's Franchise Rule, 16 C.F.R. Part 436, which consists  
10 of the payment of any consideration for:

11 a. The right or means to offer, sell, or distribute goods  
12 or services (whether or not identified by a trademark,  
13 service mark, trade name, advertising, or other  
14 commercial symbol); and

15 b. The promise or provision of assistance to any person in  
16 connection with: (1) the establishment, maintenance, or  
17 operation of a new business; or (2) the entry by an  
18 existing business into a new line or type of business.

19 3. "Defendants" means Defendants Group C Marketing, Inc. and  
20 Satinderjit Singh Chadha, and each of them by whatever name  
21 each might be known.

22 4. "Material" means likely to affect a person's choice of, or  
23 conduct regarding, goods, or services.

24 5. "Work-At-Home Opportunity" means any program, plan, product,  
25 or service represented to enable a purchaser thereof to earn  
26 money exclusively or primarily by working at home.

1                   **I. BAN ON SALE OF WORK-AT-HOME OPPORTUNITIES**

2                   **IT IS THEREFORE ORDERED** that Defendants are hereby  
3 permanently restrained and enjoined from engaging, participating,  
4 or assisting others in any manner or in any capacity whatsoever,  
5 whether directly or indirectly, in concert with others, or  
6 through an intermediary, third party, business entity, or device,  
7 in the marketing, advertising, promotion, offering for sale, or  
8 sale of Work-At-Home Opportunities.

9  
10                   **II. PROHIBITION AGAINST MISREPRESENTATIONS**

11                   **IT IS FURTHER ORDERED** that Defendants, and their agents,  
12 servants, and employees, and all other persons or entities in  
13 active concert or participation with them who receive actual  
14 notice of this Order by personal service or otherwise, whether  
15 acting directly or through any entity, corporation, subsidiary,  
16 division, affiliate, or other device, in connection with the  
17 advertising, offering for sale, or sale of goods or services in  
18 or affecting commerce, are hereby permanently restrained and  
19 enjoined from making, or assisting others in making, any express  
20 or implied representation or omission of material fact that is  
21 false or misleading, in any manner, including, but not limited  
22 to, any false or misleading statement:

23                   A. That consumers are likely to earn a substantial amount  
24 of money;

25                   B. Concerning the amount of earnings, income, sales  
26 volume, or profits that a consumer is likely to  
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1 achieve;

2 C. Concerning the amount of earnings, income, sales  
3 volume, or profits that consumers have achieved in the  
4 past;

5 D. Concerning the length of time that it may or will take  
6 to recoup the purchase price or investment;

7 E. That Defendants will reimburse consumers any expenses  
8 incurred by purchasing or participating in Defendants'  
9 offered goods or services;

10 F. Concerning the nature of any business venture offered  
11 or sold; and

12 G. Concerning any material term, condition, or limitation  
13 of the transaction or about the use of any offered good  
14 or service.

15  
16 **III. MONETARY JUDGMENT**

17 **IT IS FURTHER ORDERED** that:

18 A. Judgment in the amount of \$1,710,511 (one million seven  
19 hundred ten thousand five hundred eleven dollars) is hereby  
20 entered against Defendants, jointly and severally, as  
21 equitable monetary relief, in favor of the Commission;  
22 *provided* that this judgment amount, except such amounts  
23 specified in this Section, shall be suspended upon  
24 Defendants' fulfillment of the payment obligations set forth  
25 in this Section.

26 B. Defendants shall pay \$287,500 (two hundred eighty-seven  
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1 thousand five hundred dollars) to the FTC, by certified  
2 check, or other guaranteed funds payable to and delivered to  
3 the FTC, or by wire transfer in accordance with directions  
4 provided by the FTC, as follows:

5 1. Upon signing this Order, Defendants and Plaintiff  
6 will stipulate to transfer \$80,000 (eighty thousand  
7 dollars) from the East West Bank to the attorney trust  
8 account of Defendants' Attorney William I. Rothbard at  
9 Bank of America.

10 2. Within seven (7) business days after receiving  
11 notice of the entry of this Final Judgment, Defendants'  
12 Attorney, William I. Rothbard, shall transfer the sum  
13 of \$80,000 (eighty thousand dollars) from his attorney  
14 trust account at Bank of America in the form of a  
15 certified or cashier's check made payable to the FTC or  
16 by wire transfer to the FTC.

17 3. Within one year from the entry of this Order,  
18 Defendants shall pay to the FTC the remaining balance  
19 of \$207,500 (two hundred seven thousand five hundred  
20 dollars).

21 4. *Provided, however,* that in the event that  
22 Defendant Chadha does not fulfill, or only partially  
23 fulfills, the conditions set forth in this Section  
24 III.B: (1) the suspension of the judgment amount set  
25 forth in Section III.A shall be vacated, and the full  
26 amount of the judgment shall immediately become due,  
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1 less any payments or transfers already made to the FTC,  
2 plus interest from the date of the entry of this Order  
3 pursuant to 28 U.S.C. § 1961, and (2) Defendants agree  
4 that the facts as alleged in the Complaint filed in  
5 this action shall be taken as true, without further  
6 proof, in any subsequent litigation filed by or on  
7 behalf of the FTC to collect any unpaid amount or  
8 otherwise enforce its rights pursuant to this Order,  
9 including a nondischargeability complaint filed in any  
10 bankruptcy case; *provided, however, further that in the*  
11 *event that Defendants do not comply with any provision*  
12 *of this Order, including any provision set forth in*  
13 *this Section III, this Subsection III.B.4 does not*  
14 *prevent the FTC from seeking an order to show cause why*  
15 *all or any of them should not be held in contempt for*  
16 *failure to comply with the Order provision.*

17 C. All funds paid pursuant to this Order shall be deposited  
18 into a fund administered by the Commission or its agent to  
19 be used for equitable relief, including but not limited to  
20 consumer redress and any attendant expenses for the  
21 administration of any redress funds. In the event that  
22 direct redress to consumers is wholly or partially  
23 impracticable or funds remain after redress is completed,  
24 the Commission may apply any remaining funds for such other  
25 equitable relief (including consumer information remedies)  
26 as it determines to be reasonably related to the Defendants'

1 practices alleged in the Complaint. Any funds not used for  
2 such equitable relief shall be deposited to the United  
3 States Treasury as disgorgement. Defendants shall have no  
4 right to challenge the Commission's choice of remedies or  
5 manner of distribution under this Section.

6 D. Defendants expressly waive their rights to litigate the  
7 issue of disgorgement;

8 E. Defendants acknowledge and agree that all money paid  
9 pursuant to this Order is irrevocably paid to the Commission  
10 for purposes of settlement between Plaintiff and Defendants;

11 F. The Commission and Defendants acknowledge and agree that  
12 this judgment for equitable monetary relief is solely  
13 remedial in nature and is not a fine, penalty, punitive  
14 assessment, or forfeiture.

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16 **IV. RIGHT TO REOPEN**

17 **IT IS FURTHER ORDERED** that the Commission's agreement to,  
18 and the Court's approval of, this Order is expressly premised  
19 upon the truthfulness, accuracy, and completeness of the  
20 financial condition of Defendants Group C Marketing, Inc. and  
21 Chadha, as represented in their respective financial statements,  
22 including attachments, dated October 5, 2006 and October 30,  
23 2006, and related documents, upon which the Commission relied in  
24 negotiating and agreeing to the terms of this Order. If, upon  
25 motion by the Commission to the Court, the Court finds that a  
26 Defendant, in its above-referenced financial statement and  
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1 information, failed to disclose any asset with a value in excess  
2 of \$1,000, materially misrepresented the value of any asset, or  
3 made any other material misrepresentation or omission, the Court  
4 shall enter judgment against Defendants, in favor of the  
5 Commission, for \$1,710,511 (one million seven hundred ten  
6 thousand five hundred eleven dollars) representing the  
7 approximate amount of consumer injury, which will become  
8 immediately due and payable, less any amount any Defendant has  
9 already paid. For purposes of this Section, Defendants agree  
10 that the facts as alleged in the Complaint filed in this action  
11 shall be taken as true, without further proof, in any subsequent  
12 litigation filed by or on behalf of the FTC to collect any unpaid  
13 amount or otherwise enforce its rights pursuant to this Order,  
14 including a nondischargeability complaint filed in any bankruptcy  
15 case, and waive any right to contest the \$1,710,511 (one million  
16 seven hundred ten thousand five hundred eleven dollars) judgment  
17 referenced above. Proceedings instituted under this Section are  
18 in addition to, and not in lieu of, any other civil or criminal  
19 remedies that may be provided by law, including any other  
20 proceedings the FTC may initiate to enforce this Order.

21  
22 **V. LIFTING OF ASSET FREEZE**

23 **IT IS FURTHER ORDERED** that the freeze on Defendants' assets,  
24 imposed in the Stipulated Preliminary Injunction, shall be lifted  
25 upon (A) the entry of this Final Judgment, and (B) Defendants'  
26 payment of the monies required by Section III.B.2 of this Final  
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1 Judgment. Entry of this Final Judgment and Order by the Court  
2 shall constitute consent by Defendants to allow Attorney William  
3 I. Rothbard to release from his Trust Account to the Commission  
4 the monies described in Section III.B.2 above.

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6 **VI. CUSTOMER LISTS**

7 **IT IS FURTHER ORDERED** that Defendants, as well as their  
8 successors, assigns, officers, agents, directors, servants,  
9 employees, salespersons, independent contractors, corporations,  
10 subsidiaries, branches or business divisions, and all other  
11 persons or entities in active concert or participation with them  
12 who receive actual notice of this Order by personal service or  
13 otherwise, whether acting directly or through any corporation,  
14 subsidiary, division, or other entity, are permanently restrained  
15 and enjoined from selling, renting, leasing, transferring, or  
16 otherwise disclosing the name, address, telephone number, social  
17 security number, credit card number, bank account number, e-mail  
18 address, or other identifying information of any person who paid  
19 any money to any Defendant, who was solicited to pay money to  
20 Defendants, or whose identifying information was obtained for the  
21 purpose of soliciting them to pay money to Defendants, in  
22 connection with the sale or offer for sale of any Work-At-Home  
23 Opportunity, at any time prior to the date this Order is entered.  
24 *Provided* that any party subject to this provision may disclose  
25 such identifying information to a law enforcement agency or as  
26 required by any law, regulation, or court order.



1 days of service of this Order upon Defendant Chadha.  
2 For new personnel, delivery shall occur prior to them  
3 assuming their responsibilities.

4 **C. Individual Defendant as Employee or Non-Control Person:**

5 For any business where Defendant Chadha is not a  
6 controlling person of a business but otherwise engages  
7 in conduct related to the subject matter of this Order,  
8 Defendant Chadha must deliver a copy of this Order to  
9 each principal and manager of such business before  
10 engaging in such conduct.

11 D. Defendants must secure a signed and dated statement  
12 acknowledging the Order's receipt from all recipients  
13 of this Order pursuant to this Section within thirty  
14 (30) days of the Order's delivery.

15  
16 **VIII. COMPLIANCE MONITORING**

17 **IT IS FURTHER ORDERED** that, for the purpose of monitoring  
18 and investigating compliance with any provision of this Order:

19 A. Within ten (10) days of receipt of written notice from  
20 a representative of the Commission, Defendants each  
21 shall submit additional written reports, sworn to under  
22 penalty of perjury; produce documents for inspection  
23 and copying; appear for deposition; and/or provide  
24 entry during normal business hours to any business  
25 location in such Defendant's possession or direct or  
26 indirect control in order to inspect the business  
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1 operation;

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

5 1. Obtaining discovery from any person, without  
6 further leave of court, using the procedures  
7 prescribed by Fed. R. Civ. P. 30, 31, 33, 34, 36,  
8 and 45;

9 2. Posing as consumers or suppliers to Defendants,  
10 Defendants' employees, or any other entity managed  
11 or controlled in whole or in part by Defendants,  
12 without the necessity of identification or prior  
13 notice; and

14 C. Defendants shall permit representatives of the  
15 Commission to interview any employer, consultant,  
16 independent contractor, representative, agent, or  
17 employee who has agreed to such an interview, relating  
18 in any way to any conduct subject to this Order. The  
19 person interviewed may have counsel present.

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

1 IX. COMPLIANCE REPORTING BY DEFENDANTS

2 IT IS FURTHER ORDERED that, in order that compliance with  
3 the provisions of this Order may be monitored:

4 A. For a period of three (3) years from the date of entry  
5 of this Order:

6 1. Defendant Chadha shall notify the Commission of  
7 the following:

8 a. Any changes in residence, mailing addresses,  
9 and telephone numbers, within ten (10) days  
10 of the date of such change;

11 b. Any changes in employment status (including  
12 self-employment), and any changes in the  
13 ownership in any business entity, within ten  
14 (10) days of the date of such change. Such  
15 notice shall include the name and address of  
16 each business that Defendant Chadha is  
17 affiliated with, employed by, creates or  
18 forms, or performs services for; a statement  
19 of the nature of the business; and a  
20 statement of his duties and responsibilities  
21 in connection with the business or  
22 employment;

23 c. Any changes in Defendant Chadha's name or use  
24 of any aliases or fictitious names; and

25 2. Defendants shall notify the Commission of any  
26 changes in the corporate structure of Defendant  
27

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

20 B. One hundred eighty (180) days after the date of entry  
21 of this Order, Defendants each shall provide a written  
22 report to the FTC, sworn to under penalty of perjury,  
23 setting forth in detail the manner and form in which  
24 they have complied and are complying with this Order.  
25 This report must include, but not be limited to:

26 1. For Defendant Chadha:  
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- 1 a. His then-current residence address, mailing  
2 address, and telephone numbers;  
3 b. His then-current employment and business  
4 addresses and telephone numbers, a  
5 description of the business activities of  
6 each such employer or business, and his title  
7 and responsibilities for each such employer  
8 or business; and  
9 c. Any other changes required to be reported  
10 under Subsection A above; and

11 2. For all Defendants:

- 12 a. A copy of each acknowledgment of receipt of  
13 this Order obtained by Defendants pursuant to  
14 Section VI, "Distribution of Order by  
15 Defendants;" and  
16 b. Any other changes required to be reported  
17 under Subsection A above;

18 C. For the purposes of this Order, Defendants shall,  
19 unless otherwise directed by the Commission's  
20 authorized representatives, mail all written  
21 notifications to the Commission to: Associate Director,  
22 Division of Enforcement, Federal Trade Commission, 601  
23 New Jersey Avenue, N. W., Washington, D.C. 20580, RE:.  
24 Attn: FTC v. Group C Marketing; and

25 D. For purposes of the compliance reporting and monitoring  
26 required by this Order, the Commission is authorized to  
27

1 communicate directly with Defendants. Defendants may  
2 have counsel present.

3  
4 **X. RECORD KEEPING PROVISIONS**

5 **IT IS FURTHER ORDERED** that, for a period of six (6) years  
6 from the date of entry of this Order, Defendants and any business  
7 where Defendant Chadha is the majority owner or controls the  
8 business, and their agents, employees, officers, corporations,  
9 successors, and assigns, and those persons in active concert or  
10 participation with them who receive actual notice of this Order  
11 by personal service or otherwise, are hereby restrained and  
12 enjoined from failing to create and retain the following records:

13 A. Accounting records that reflect the cost of goods or  
14 services sold, revenues generated, and the disbursement  
15 of such revenues;

16 B. Personnel records accurately reflecting: the name,  
17 address, and telephone number of each person employed  
18 in any capacity by such business, including as an  
19 independent contractor; that person's job title or  
20 position; the date upon which the person commenced  
21 work; and the date and reason for the person's  
22 termination, if applicable;

23 C. Customer files containing the names, addresses,  
24 telephone numbers, dollar amounts paid, quantity of  
25 products or services purchased, and description of  
26 products or services purchased, to the extent such  
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1 information is obtained in the ordinary course of  
2 business;

3 D. Complaints and refund requests (whether received  
4 directly, indirectly, or through any third party) and  
5 any responses to those complaints or requests;

6 E. Copies of all advertisements, promotional materials,  
7 sales scripts, training materials, or other materials  
8 utilized in the advertising, labeling, promotion,  
9 offering for sale, distribution, or sale of any product  
10 or service;

11 F. All materials that were relied upon in making any  
12 representations contained in the materials identified  
13 in Subsection E;

14 G. All records and documents necessary to demonstrate full  
15 compliance with each provision of this Order, including  
16 but not limited to, copies of acknowledgments of  
17 receipt of this Order, required by Section VII, and all  
18 reports submitted to the FTC pursuant to Section IX.

19  
20 **XI. ACKNOWLEDGMENT OF RECEIPT OF ORDER**

21 **IT IS FURTHER ORDERED** that each Defendant, within five (5)  
22 business days of receipt of this Order as entered by the Court,  
23 must execute and submit to the Commission a truthful sworn  
24 statement acknowledging receipt of this Order.

25  
26 **XII. RETENTION OF JURISDICTION**



1 JUDGMENT IS THEREFORE ENTERED in favor of Plaintiff and  
2 against Defendants, pursuant to all the terms and conditions  
3 recited above.

4  
5 SO STIPULATED;

6  
7 DATED: 7/21, 2007

Satinderjit Singh Chadha  
SATINDERJIT SINGH CHADHA,  
individually and as an Officer of  
Defendant Group C Marketing, Inc.

8  
9  
10 DATED: 9/12, 2007

Barbara Y.K. Chun  
BARBARA Y.K. CHUN  
Attorney for Plaintiff FTC

11  
12 APPROVED AS TO FORM:

13  
14 DATED: 7/23, 2007

William I. Rothbard  
WILLIAM I. ROTHBARD  
Attorney for Defendants

15  
16 IT IS SO ORDERED:

17  
18 Dated: 9/17, 2007

**GEORGE H. KING**

GEORGE H. KING  
UNITED STATES DISTRICT JUDGE

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1 CERTIFICATE OF SERVICE

2 I, Barbara Y.K. Chun, certify as follows:

3 I am over the age of 18 and am employed by the Federal Trade  
4 Commission. My business address is 10877 Wilshire Boulevard,  
5 Suite 700, Los Angeles, California 90024. On September 12, 2007,

6 I caused the attached "**STIPULATED FINAL JUDGMENT AND ORDER**  
7 **AGAINST ALL DEFENDANTS**" to be served by pre-paid, first class  
8 U.S. mail to the following:

9 -William I. Rothbard  
10 Law Offices of William I. Rothbard  
11 1217 Yale St. Suite 104  
12 Santa Monica, CA 90404  
13 Counsel for Defendants Group C Marketing, Inc. &  
14 Satinderjit Singh Chadha

15 I declare under penalty of perjury that the foregoing is  
16 true and correct.

17 Dated: September 12, 2007

Barbara Y. K. Chun

18 Barbara Y.K. Chun