

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

FEDERAL TRADE COMMISSION,	)	
	)	
Plaintiff,	)	Civil Action No. 05 C 5389
	)	
v.	)	Judge Ronald A. Guzman
	)	
OLEG OKS, et al.,	)	Magistrate Judge Martin C. Ashman
	)	
Defendants.	)	
	)	

**ORDER FOR PERMANENT INJUNCTION AND FINAL JUDGMENT  
AGAINST OLEG OKS AND ALEKSANDR OKS AND ORDER FOR PERMANENT  
INJUNCTION AND FINAL DEFAULT JUDGMENT AGAINST  
PHILIP NEMIROVSKY, BORIS PEKAR, 1585392 ONTARIO INC., 1485635 ONTARIO  
INC., 1530605 ONTARIO INC., 1559927 ONTARIO INC., 1565205 ONTARIO INC.,  
1629930 ONTARIO INC., 1619264 ONTARIO INC., AND 1620142 ONTARIO INC.**

Plaintiff, the Federal Trade Commission ("FTC" or "the Commission"), commenced this action by filing its Complaint for injunctive and other equitable relief pursuant to Sections 13(b) and 19 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b) and 57b, and the Telemarketing and Consumer Fraud and Abuse Prevention Act ("Telemarketing Act"), 15 U.S.C. §§ 6101, *et seq.*, charging that the Defendants engaged in deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the FTC's Trade Regulation Rule entitled "Telemarketing Sales Rule," 16 C.F.R. Part 310.

The FTC, having filed its motion for summary judgment against Defendants Oleg Oks and Aleksandr Oks on all counts of the Complaint and its motion for default judgment against Defendants Philip Nemirovsky, Boris Pekar, and 1585392 Ontario Inc., 1485635 Ontario Inc., 1530605 Ontario Inc., 1559927 Ontario Inc., 1565205 Ontario Inc., 1629930 Ontario Inc., 1619264 Ontario Inc., and 1620142 Ontario Inc. (collectively referred to as "Defendants"), and

this Court having considered the submissions of the parties, and having granted the FTC's motion, it is therefore **ORDERED, ADJUDGED, AND DECREED** as follows:

### FINDINGS

1. This is an action by the Commission instituted under Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b, the Telemarketing Act, 15 U.S.C. §§ 6101, *et seq.*, and the FTC's Telemarketing Sales Rule, 16 C.F.R. Part 310. Pursuant to these statutes and regulations, the Commission has the authority to seek the relief contained herein.
2. The Commission's Complaint states a claim upon which relief may be granted under Sections 5, 13(b), and 19 of the FTC Act, 15 U.S.C. §§ 45, 53(b) and 57b, the Telemarketing Act, 15 U.S.C. §§ 6101, *et seq.*, and the FTC's Telemarketing Sales Rule, 16 C.F.R. Part 310.
3. This Court has jurisdiction over the subject matter of this case and all parties hereto.
4. Venue in the United States District Court for the Northern District of Illinois is proper pursuant to 15 U.S.C. § 53(b) and 28 U.S.C. § 1391(b), (c), and (d).
5. The activities of Defendants are in or affecting commerce, as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.
6. The Court entered default against Defendants Philip Nemirovsky, Boris Pekar, 1585392 Ontario Inc., 1485635 Ontario Inc., 1530605 Ontario Inc., 1559927 Ontario Inc., 1565205 Ontario Inc., 1629930 Ontario Inc., 1619264 Ontario Inc., and 1620142 Ontario Inc. ("Defaulting Defendants") on January 26, 2006.
7. The Defaulting Defendants failed to file any response to the FTC's motion for entry of final default judgment despite proper notice.

8. Defendants Oleg Oks and Aleksandr Oks failed to respond to the FTC's motion for summary judgment despite proper notice, and therefore all material facts set forth in the FTC's *Statement of Material Facts as to Which There is No Genuine Issue pursuant to Local Rule 56.1(a)(3)* are deemed admitted pursuant to Local Rule 56.1(b)(3).

9. Defendants Oleg Oks and Aleksandr Oks failed to respond to the FTC's First Request for Admissions and therefore those requests are admitted and conclusively established pursuant to Fed. R. Civ. P. 36.

10. The FTC also submitted considerable additional evidence supporting the Complaint allegations.

11. There is no genuine issue as to any material fact concerning the Complaint allegations, the amount of consumer loss caused by Defendants' deceptive acts or practices, or the liability of Defendants Oleg Oks and Aleksandr Oks for those deceptive acts or practices.

12. In numerous instances, in connection with the telemarketing of advance fee credit cards, Defendants or their employees or agents have:

a. misrepresented, directly or by implication, that, after paying Defendants a fee, consumers will, or are highly likely to, receive an unsecured major credit card, such as a Visa or MasterCard credit card, as alleged in Counts I and III of the Complaint; and

b. requested and received payment of a fee in advance of consumers obtaining a credit card when Defendants have guaranteed or represented a high likelihood of success in obtaining or arranging for the acquisition of an unsecured major credit card, such as a Visa or MasterCard credit card, for such consumers, as alleged in Count IV of the Complaint.

13. In numerous instances, in connection with the telemarketing of computers, Defendants or their employees or agents have:

a. misrepresented, directly or by implication, that, after paying Defendants a fee, consumers will receive a specified brand-name computer, as alleged in Counts II and VII of the Complaint;

b. failed to disclose, in a clear and conspicuous manner, before a customer pays for the goods or services offered, the total costs to receive the computer, as alleged in Count V of the Complaint; and

c. misrepresented, directly or by implication, the total costs to purchase or receive the computers, as alleged in Count VI of the Complaint.

14. Collectively, 1585392 Ontario Inc., 1485635 Ontario Inc., 1530605 Ontario Inc., 1559927 Ontario Inc., 1565205 Ontario Inc., 1629930 Ontario Inc., 1619264 Ontario Inc., and 1620142 Ontario Inc. ("Corporate Defendants") operated a common enterprise while engaging in the false and deceptive acts or practices alleged in the Complaint, and therefore are jointly and severally liable for said acts or practices.

15. Defendants Oleg Oks and Aleksandr Oks actively participated in, and had control over, the deceptive acts or practices of the Corporate Defendants, including the acts or practices alleged in the Complaint.

16. Defendants Oleg Oks and Aleksandr Oks were aware of the deceptive acts or practices of the Corporate Defendants, including the acts or practices alleged in the Complaint.

17. Defendants Oleg Oks and Aleksandr Oks are liable for the acts or practices of the Corporate Defendants, including the acts or practices alleged in the Complaint.

18. Defendants Aleksandr Oks, Oleg Oks, and the Corporate Defendants are jointly and severally liable for the false or deceptive acts or practices alleged in the Complaint.

19. Uncontroverted and uncontested evidence establishes that Defendants violated Section 5 of the FTC Act, 15 U.S.C. § 45, the Telemarketing Consumer Fraud and Abuse Prevention Act ("Telemarketing Act"), 15 U.S.C. §§ 6101-6108, and the Telemarketing Sales Rule, 16 C.F.R. Part 310, in particular, 16 C.F.R. §§ 310.3(a)(2)(iii), 310.4(a)(4), 310.3(a)(1)(i), and 310.3(a)(2)(i).

20. Plaintiff is entitled to judgment, as a matter of law, pursuant to Rule 56 of the Federal Rules of Civil Procedure, against Defendants Oleg Oks and Aleksandr Oks, and default judgment against Philip Nemirovsky, Boris Pekar, and the Corporate Defendants pursuant to Fed. R. Civ. P. 55(b)(2).

21. Defendants' total net sales amounted to at least \$4,997,695.60 USD from the conduct alleged in the FTC's Complaint.

22. Plaintiff is therefore entitled to equitable monetary relief against the Defendants in the amount of \$4,997,695.60 USD, for which all Defendants are jointly and severally liable.

23. Defendants are likely to continue to engage in the activities alleged in the Complaint unless they are permanently enjoined from such acts and practices.

24. This Order is in addition to, and not in lieu of, any other civil or criminal remedies that may be provided by law.

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

#### **DEFINITIONS**

A. "Plaintiff" means the Federal Trade Commission.

B. "Defendant" or "Defendants" means Oleg Oks, Aleksandr Oks, Philip Nemirovsky, Boris Pekar, individually, and as officers of the corporate defendants; 1530605 Ontario Inc., also d/b/a Pacific Liberty; 1559927 Ontario Inc., also d/b/a Pacific Liberty Group

and Pacific Liberty Liberty W Group; 1565205 Ontario Inc., also d/b/a Pacific Liberty and Pacific Liberty Liberty W; 1585392 Ontario Inc., also d/b/a Liberty Wide Info Services, Liberty Wide Info Services Group, Liberty Wide Services, and Liberty Wide; 1620142 Ontario Inc., also d/b/a Liberty Sun Info Services and Liberty Sun Info; 1619264 Ontario Inc., also d/b/a C & B Communications Group; 1629930 Ontario Inc., also d/b/a Atlantic One Info Services Grp and Atlantic One Info Services Group; 1485635 Ontario Inc. (dissolved), also d/b/a Nationwide Credit Service Inc., Nation Wide Information Services Group Inc., and Nationwide Information Services.

C. **“Corporate Defendant” or “Corporate Defendants”** means 1530605 Ontario Inc., also d/b/a Pacific Liberty; 1559927 Ontario Inc., also d/b/a Pacific Liberty Group and Pacific Liberty Liberty W Group; 1565205 Ontario Inc., also d/b/a Pacific Liberty and Pacific Liberty Liberty W; 1585392 Ontario Inc., also d/b/a Liberty Wide Info Services, Liberty Wide Info Services Group, Liberty Wide Services, and Liberty Wide; 1620142 Ontario Inc., also d/b/a Liberty Sun Info Services and Liberty Sun Info; 1619264 Ontario Inc., also d/b/a C & B Communications Group; 1629930 Ontario Inc., also d/b/a Atlantic One Info Services Grp and Atlantic One Info Services Group; 1485635 Ontario Inc., also d/b/a Nationwide Credit Service Inc., Nation Wide Information Services Group Inc., and Nationwide Information Services.

D. **“Account number”** means any credit or debit card number, bank account number, deposit account number, personal identification number (“PIN”), access code, or security code, needed to charge or debit a consumer’s account.

E. **“Asset” or “assets”** means any legal or equitable interest in, right to, or claim to, any real or personal property, including, but not limited to, goods, instruments, equipment, fixtures, general intangibles, effects, inventory, checks, notes, chattels, leaseholds, contracts,

mails or other deliveries, shares of stock, lists of consumer names, accounts, credits, receivables, funds, monies, and all cash, wherever located, and shall include both existing assets and assets acquired after the date of entry of this Order.

F. **“Assisting others”** means providing any of the following goods or services to any person or entity engaged in telemarketing, including, but not limited to: (a) providing for or arranging for the provision of mail or telephone lists that contain, incorporate, or utilize consumers’ account numbers; (b) preparing or providing, or causing to be prepared or provided, telephone sales scripts or other materials for use in connection with the promotion of products or services to consumers; (c) providing or arranging for the provision of telemarketing services; (d) performing or providing marketing services of any kind; (e) developing, providing, or arranging for the provision of names of potential customers; and (f) performing customer service functions, including, but not limited to, receiving or responding to consumer complaints, obtaining or receiving identifying and financial information from consumers, and communicating with consumers on behalf of the seller or telemarketer.

G. **“Credit-related products, programs, or services”** means any product, program, or service which is advertised, offered for sale, or sold to consumers as a method by which consumers may establish or obtain any extension of credit or credit device, including, but not limited to, credit cards, loans, or financing, or as a method to consolidate or liquidate debts.

H. **“Customer”** means any person who has paid or may be required to pay for goods or services.

I. **“Document”** or **“documents”** means any materials listed in Fed. R. Civ. P. 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, into reasonably usable form through detection devices. A draft or nonidentical copy is a separate document within the meaning of the term.

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

K. **“Person”** or **“persons”** means a natural person, an organization or other legal entity, including a corporation, partnership, sole proprietorship, limited liability company, association, cooperative, or any other group or combination acting as an entity.

L. **“Telemarketing”** means a plan, program, or campaign (whether or not covered by the Telemarketing Sales Rule, 16 C.F.R. Part 310) which is conducted to induce the purchase of goods or services or a charitable contribution, by use of one or more telephones.

I.

**PROHIBITED BUSINESS ACTIVITIES**

**IT IS THEREFORE ORDERED** that Defendants, and their officers, agents, directors, servants, employees, salespersons, independent contractors, attorneys, corporations, subsidiaries, affiliates, successors, and assigns, all other persons or entities in active concert or participation with them, who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other device, or any of them, are hereby restrained and enjoined from:

A. Misrepresenting, directly or by implication, that Defendants will provide consumers with, or arrange for consumers to receive, a major credit card, such as a Visa or MasterCard credit card;

B. Misrepresenting, directly or by implication, Defendants’ ability to provide consumers with any credit-related product, program, or service;



C. Misrepresenting, directly or by implication, that, after paying Defendants a fee, consumers will receive a specified brand-name computer;

D. Misrepresenting, directly or by implication, that, after paying Defendants a fee, consumers will receive specified brand-name goods or services;

E. Misrepresenting, directly or by implication, any fact material to a consumer's decision to purchase any product, program, good, or service;

F. Violating or assisting others to violate any provision of the Telemarketing Sales Rule, 16 C.F.R. Part 310, as currently promulgated or as may hereafter be amended, including, but not limited to:

1. Violating Section 310.3(a)(2)(iii) of the Telemarketing Sales Rule, 16 C.F.R. § 310.3(a)(2)(iii), by misrepresenting, directly or by implication, any material aspect of the performance, efficacy, nature, or central characteristics of goods or services that are the subject of a sales offer;

2. Violating Section 310.4(a)(4) of the Telemarketing Sales Rule, 16 C.F.R. § 310.4(a)(4), by requesting or receiving payment of any fee or consideration in advance of obtaining or arranging an extension of credit when they have guaranteed or represented a high likelihood of success in obtaining or arranging an extension of credit;

3. Violating Section 310.3(a)(1)(i) of the Telemarketing Sales Rule, 16 C.F.R. § 310.3(a)(1)(i), by failing to disclose, in a clear and conspicuous manner, before a customer pays for goods or services offered, the total costs to purchase, receive, or use, and the quantity of, any goods or services that are the subject of the sales offer; and

4. Violating Section 310.3(a)(2)(i) of the Telemarketing Sales Rule, 16 C.F.R. § 310.3(a)(2)(i), by misrepresenting, directly or by implication, the total costs to

purchase, receive, or use, and the quantity of, any goods or services that are the subject of the sales offer; and

G. Assisting others who violate any provision of Subsections A through F of this Section.

**II.**

**MONETARY JUDGMENT**

**IT IS FURTHER ORDERED** that:

A. Judgment is hereby entered against Defendants, jointly and severally, in the amount of four million, nine hundred ninety-seven, six hundred ninety-five dollars and sixty cents (\$4,997,695.60 USD) as equitable monetary relief for consumer injury. This monetary judgment shall become immediately due and payable by Defendants upon entry of this Order, and interest computed at the rate prescribed under 28 U.S.C. § 1961(a), as amended, shall immediately begin to accrue on the unpaid balance;

B. All payments under this Section shall be made by certified check or other guaranteed funds payable to and delivered to the Commission, or by wire transfer in accord with directions provided by the Commission; and

C. All funds paid pursuant to this Section shall be deposited into a fund administered by the Commission or its agent to be used for equitable relief, including, but not limited to, consumer redress and any attendant expenses for the administration of such equitable relief fund. If the Commission determines, in its sole discretion, that redress to consumers is wholly or partially impracticable or funds remain after redress is completed, the Commission may apply any remaining funds for such other equitable relief (including consumer information remedies) as it determines to be reasonably related to Defendants' practices alleged in the Complaint.

Defendants shall have no right to challenge the Commission's choice of remedies under this Section. This judgment for equitable monetary relief is solely remedial in nature and is not a fine, penalty, punitive assessment, or forfeiture.

**III.**

**ASSET FREEZE**

**IT IS FURTHER ORDERED** that, except for funds necessary for the payment of the monetary judgment required by Section II of this Order, the assets of Defendants shall remain frozen pursuant to Section II of the Order for Preliminary Injunction with Asset Freeze and Other Relief entered by the Court on October 19, 2005, and Section II of the Stipulated Order for Preliminary Injunction with Asset Freeze and Other Relief entered by the Court on October 25, 2005, except that the asset freeze set forth in Section II of the aforesaid preliminary injunctions is modified so that the assets affected by this Section shall include both existing assets and assets acquired after the issuance date of this Order, and shall not exclude any assets derived from any source. The asset freeze against the Defendants shall remain in effect until the Defendants have made full payment of the monetary judgment required by Section II of this Order.

**IV.**

**ASSETS HELD BY THIRD PARTIES**

**IT IS FURTHER ORDERED** that to satisfy partially the monetary judgment set forth in Section II above, any law firm, financial or brokerage institution, escrow agent, title company, commodity trading company, automated clearing house, network transaction processor, business entity, or person that holds, controls, or maintains custody of any account or asset of, on behalf of, or for the benefit of, Defendants, or has held, controlled, or maintained custody of any account or asset of, or for the benefit of, Defendants, shall turn over such account or asset to the

Commission, within ten (10) business days of receiving notice of this Order by any means, including, but not limited to, facsimile.

V.

**DISCLOSURE OF CUSTOMER INFORMATION**

**IT IS FURTHER ORDERED** that Defendants, and their officers, directors, agents, servants, employees, salespersons, independent contractors, corporations, subsidiaries, affiliates, successors, and assigns, and all other persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any person, trust, corporation, subsidiary, division, or other device, or any of them, are hereby permanently restrained and enjoined from:

A. Selling, renting, leasing, transferring, or otherwise disclosing the name, address, telephone number, Social Security number, account number, email address, or other identifying information of any person about whom any Defendant obtained such information in connection with the activities alleged in the Amended Complaint; and

B. Benefiting from or using the name, address, telephone number, Social Security number, account number, email address, or other identifying information of any person about whom any Defendant obtained such information in connection with the activities alleged in the Amended Complaint.

*Provided, however,* that Defendants may disclose identifying information to a law enforcement agency or as required by any law, regulation, or court order.

VI.

**MONITORING COMPLIANCE OF SALES PERSONNEL**

**IT IS FURTHER ORDERED** that, in connection with any business where (1) a Defendant is the majority owner of the business or directly or indirectly manages or controls the business; and where (2) the business is engaged in, or assists others engaged in, the promotion, offering for sale, or sale of any product or service to United States consumers, Defendants, and their agents, employees, officers, corporations, successors, and assigns, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, are hereby permanently restrained and enjoined from:

A. Failing to take reasonable steps sufficient to monitor and ensure that all employees and independent contractors engaged in sales or other customer service functions comply with Section I of this Order. These steps shall include adequate monitoring of sales presentations or other calls with consumers, and shall also include, at a minimum, the following: (1) listening to the oral representations made by persons engaged in sales or other customer service functions; (2) establishing a procedure for receiving and responding to consumer complaints; and (3) ascertaining the number and nature of consumer complaints regarding transactions in which each employee or independent contractor is involved;

B. Failing promptly to investigate fully any consumer complaint received by any business to which this Section applies; and

C. Failing to take adequate corrective action with respect to any employee or independent contractor whom such Defendant determines is not complying with this Order. This corrective action may include training, disciplining, and/or terminating such employee or independent contractor.

VII.

COMPLIANCE MONITORING

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

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

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

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

2. posing as consumers and suppliers to: Defendants; their employees, or any other entity managed or controlled in whole or in part by any of them, without the necessity of identification or prior notice; and

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

*Provided, however,* that nothing in this Order shall limit the Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49 and 57b-1; to obtain any documentary material, tangible things, testimony, or information relevant to unfair

or deceptive acts or practices in or affecting commerce (within the meaning of 15 U.S.C. § 45(a)(1)).

**VIII.**

**COMPLIANCE REPORTING BY DEFENDANTS**

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

A. For a period of five (5) years from the date of entry of this Order,

1. Defendants Oleg Oks, Aleksandr Oks, Philip Nemirovsky, and Boris

Pekar each shall notify the Commission of the following:

- a. Any changes in residence, mailing addresses, and telephone numbers of such Defendant, within ten (10) days of the date of such change;
- b. Any changes in employment status (including self-employment) of such Defendant, and any change in the ownership interest of such Defendant in any business entity, within ten (10) days of the date of such change. Such notice shall include the name and address of each business that such Defendant is affiliated with, employed by, creates or forms, or performs services for; a statement of the nature of the business; and a statement of such Defendant's duties and responsibilities in connection with the business or employment; and
- c. Any changes in such Defendant's name or use of any aliases or fictitious names; and

2. The Corporate Defendants, Oleg Oks, Aleksandr Oks, Philip Nemirovsky, and Boris Pekar, shall notify the Commission of any changes in corporate structure of any Defendant or any business entity that Defendant Oleg Oks, Aleksandr Oks, Philip Nemirovsky, or Boris Pekar directly or indirectly control(s), or has an ownership interest in, that may affect

compliance obligations arising under this Order, including, but not limited to, a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor entity; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order; the filing of a bankruptcy petition; or a change in the corporate or business entity's name or address, at least thirty (30) days prior to such change, *provided that*, with respect to any proposed change in the corporation or business entity about which a Defendant learns less than thirty (30) days prior to the date such action is to take place, such Defendant shall notify the Commission as soon as is practicable after obtaining such knowledge.

B. One hundred eighty (180) days after the date of entry of this Order, each Defendant each shall provide a written report to the Commission, sworn to under penalty of perjury, setting forth in detail the manner and form in which such Defendant has complied and are complying with this Order. This report shall include, but not be limited to:

1. For Defendants Oleg Oks, Aleksandr Oks, Philip Nemirovsky, and Boris Pekar:
  - a. The then-current residence address, mailing addresses, and telephone numbers of such Defendant;
  - b. The then-current employment and business addresses and telephone numbers of such Defendant, a description of the business activities of each such employer or business, and the title and responsibilities of such Defendant for each such employer or business;
  - c. Any other changes required to be reported under Paragraph A of this Section.



2. For all Defendants:

a. A copy of each acknowledgment of receipt of this Order, obtained pursuant to Paragraph D of Section X; and

b. Any other changes required to be reported under Paragraph A of this Section.

C. For the purposes of this Order, Defendants shall, unless otherwise directed by the Commission's authorized representatives, mail all written notifications to the Commission to:

Associate Director for Enforcement  
Federal Trade Commission  
601 New Jersey Avenue N.W.  
Washington, D.C. 20580  
Re: *FTC v. Oks, et al.*  
Civil Action No. 05 C 5389 (N.D. Ill. 2005)

D. For purposes of the compliance reporting and monitoring required by this Order, the Commission is authorized to communicate directly with Defendants.

## IX.

### RECORD KEEPING PROVISIONS

IT IS FURTHER ORDERED that, for a period of eight (8) years from the date of entry of this Order, for any business where (1) a Defendant is the majority owner of the business or directly or indirectly manages or controls the business, and where (2) the business is engaged in, or assists others engaged in, the promotion, offering for sale, or sale of any product or service to United States consumers, Defendants, and their agents, employees, officers, corporations, successors, and assigns, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, are hereby restrained and enjoined from failing to create and retain the following records:

- A. Accounting records that reflect the cost of goods or services sold, revenues generated, and the disbursement of such revenues;
- B. Personnel records accurately reflecting: the name, address, and telephone number of each person employed in any capacity by such business, including as an independent contractor; that person's job title or position; the date upon which the person commenced work; and the date and reason for the person's termination, if applicable;
- C. Customer files containing the names, addresses, telephone numbers, dollar amounts paid, quantity of items or services purchased, and description of items or services purchased, to the extent such information is obtained in the ordinary course of business;
- D. Complaints and refund requests (whether received directly, indirectly or through any third party) and any responses to those complaints or requests;
- E. Copies of all sales scripts, training materials, advertisements, or other marketing materials; and
- F. All records and documents necessary to demonstrate full compliance with each provision of this Order, including, but not limited to, copies of acknowledgments of receipt of this Order, required by Paragraph D of Section X, and all reports submitted to the FTC pursuant to Section VIII.

X.

**DISTRIBUTION OF ORDER BY DEFENDANTS**

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

- A. **Corporate Defendants:** The Corporate Defendants must deliver a copy of this Order to all of their principals, officers, members, and managers. The Corporate Defendants

also must deliver copies of this Order to all of their employees, agents, and representatives who engage in conduct related to the subject matter of the Order. For current personnel, delivery shall be within five (5) days of service of this Order upon Defendant. For new personnel, delivery shall occur prior to them assuming their responsibilities.

**B. Defendant Oleg Oks, Aleksandr Oks, Philip Nemirovsky, or Boris Pekar as Control Person:** For any business that Defendant Oleg Oks, Aleksandr Oks, Philip Nemirovsky, or Boris Pekar controls, directly or indirectly, or in which such Defendant has a majority ownership interest, where the business is engaged in, or is assisting others in, telemarketing to United States consumers, such Defendant must deliver a copy of this Order to all principals, officers, directors, and managers of that business. Defendant Oleg Oks, Aleksandr Oks, Philip Nemirovsky, or Boris Pekar must also deliver copies of this Order to all employees, agents, and representatives of that business who engage in conduct related to the subject matter of the Order. For current personnel, delivery shall be within five (5) days of service of this Order upon such Defendant. For new personnel, delivery shall occur prior to them assuming their responsibilities.

**C. Defendant Oleg Oks, Aleksandr Oks, Philip Nemirovsky, or Boris Pekar as Employee or Non-Control Person:** For any business where Defendant Oleg Oks, Aleksandr Oks, Philip Nemirovsky, or Boris Pekar is not a controlling person of a business but otherwise engages in conduct related to the subject matter of this Order, such Defendant must deliver a copy of this Order to all principals and managers of such business before engaging in such conduct; and

D. Defendants must secure a signed and dated statement acknowledging receipt of this Order, within thirty (30) days of delivery, from all persons receiving a copy of the Order pursuant to this Section.

**XI.**

**ACKNOWLEDGMENT OF RECEIPT OF ORDER BY DEFENDANTS**

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

**XII.**

**SEVERABILITY**

**IT IS FURTHER ORDERED** that the provisions of this Order are separate and severable from one another. If any provision is stayed or determined to be invalid, the remaining provisions shall remain in full force and effect.

**XIII.**

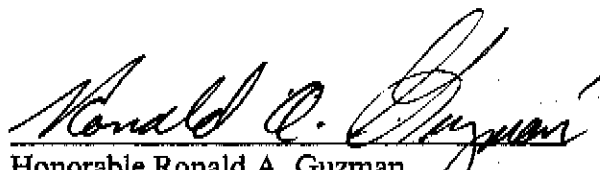
**RETENTION OF JURISDICTION**

**IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of this matter for purposes of construction, modification, and enforcement of this Order.

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

**IT IS SO ORDERED:**

Dated: 3/18, 2008

  
Honorable Ronald A. Guzman  
United States District Court Judge