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6 **UNITED STATES DISTRICT COURT**  
7 **DISTRICT OF ARIZONA**

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9 Federal Trade Commission,  
10 Plaintiff,  
11 v.  
12 Handicapped & Disabled  
Workshops, Inc., *et al.*,  
13 Defendants.

**Case No. CV-08-0908-PHX-DGC**

**STIPULATED FINAL JUDGMENT  
AND ORDER FOR PERMANENT  
INJUNCTION AND OTHER  
EQUITABLE RELIEF AGAINST  
BRUCE PEEPLES**

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15 This matter comes before the Court on the stipulation of Plaintiff, the Federal  
16 Trade Commission (“FTC” or “Commission”), and Defendant Bruce D. Peeples. On May  
17 13, 2008, the Commission filed a Complaint for a permanent injunction and other  
18 equitable relief in this matter pursuant to Sections 13(b) and 19(a) of the Federal Trade  
19 Commission Act (“FTC Act”), 15 U.S.C. § 53(b) and 57b(a). The FTC charged  
20 defendants Handicapped & Disabled Workshop, Inc., Handi-Hope Industries, Inc., Handi-  
21 Ship, LLC, Bruce D. Peeples, George Thomas, and Joshua D. Abramson with engaging in  
22 deceptive acts or practices in connection with the telemarketing and sale of various  
23 household products, in violation of: Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), the  
24 Commission’s Telemarketing Sales Rule, 16 C.F.R. Part 310, and the Unordered  
25 Merchandise Statute, 39 U.S.C. § 3009. The Commission and Defendant Bruce D.  
26 Peeples have agreed to the entry of this Stipulated Order for Permanent Injunction and  
27 Other Equitable Relief (“Order”) and to the entry of the First Amended Complaint to  
28 resolve all matters of dispute between them with respect to the conduct alleged in this

1 action. Accordingly, by stipulation of the parties to this Order, it is hereby **ORDERED,**  
2 **ADJUDGED, AND DECREED:**

3 **FINDINGS**

4 1. This Court has jurisdiction of the subject matter of this case and the parties  
5 hereto. Venue is proper as to all parties in the District of Arizona.

6 2. The activities of Defendant Bruce D. Peeples are in or affecting commerce,  
7 as defined in the FTC Act, 15 U.S.C. § 44.

8 3. The First Amended Complaint states a claim upon which relief may be  
9 granted against Defendant Bruce D. Peeples.

10 4. Defendant Bruce D. Peeples waives all rights to seek judicial review or  
11 otherwise challenge or contest the validity of this Order. Defendant Bruce D. Peeples  
12 further waives any claims that may arise under the Equal Access to Justice Act, 28 U.S.C.  
13 § 2412, and any claims he may have against the Commission, its employees,  
14 representatives, or agents.

15 5. Defendant Bruce D. Peeples enters into this Order freely and without  
16 coercion and acknowledges that he has read, understands, and is prepared to abide by, the  
17 provisions of this Order.

18 6. By entering into this Order, Defendant Bruce D. Peeples does not admit to  
19 the allegations set forth in the First Amended Complaint, other than the jurisdictional  
20 facts. Defendant Bruce D. Peeples's consent to entry of this Order shall not be  
21 interpreted to constitute an admission by him that he has engaged in any violations of any  
22 law or regulation.

23 7. This Order is in addition to, and not in lieu of, other remedies that may be  
24 provided by law, including both civil and criminal remedies.

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

26 **DEFINITIONS**

27 For the purpose of this Order, the following definitions shall apply:

28 1. "Assets" means any legal or equitable interest in, right to, or claim to, any

1 real and personal property, including, but not limited to chattel, goods, instruments,  
2 equipment, fixtures, general intangibles, inventory, checks, notes, leaseholds, effects,  
3 contracts, mail or other deliveries, shares of stock, lists of consumer names, accounts,  
4 credits, premises, receivables, funds, and cash, wherever located, whether in the United  
5 States or abroad.

6 2. “Defendant Peeples” means Bruce D. Peeples.

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

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

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

18 6. “Representatives” means Defendant Peeples’s successors, assigns, officers,  
19 agents, servants, employees, and those persons in active concert or participation with  
20 Defendant Peeples who receive actual notice of this Order, by personal service or  
21 otherwise.

22 7. “Telemarketing” means any plan, program or campaign (whether or not  
23 covered by the Telemarketing Sales Rule, 16 C.F.R. Part 310) that is conducted to induce  
24 the purchase of goods or services by means of the use of one or more telephones.

25 8. The terms “and” and “or” have both conjunctive and disjunctive meanings.  
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1 **ORDER**

2 **I.**

3 **BAN ON FUTURE TELEMARKETING**

4 **IT IS THEREFORE ORDERED** that Defendant Peeples is hereby permanently  
5 restrained and enjoined from engaging or participating in telemarketing, whether directly  
6 or indirectly, in concert with others, or through any business entity, and whether acting as  
7 an owner, trustee, officer, director, consultant, advisor, employee, employer, independent  
8 contractor, or otherwise. Nothing in this Order shall be read as an exception to this  
9 Section I.

10 **II.**

11 **PROHIBITED REPRESENTATIONS**

12 **IT IS FURTHER ORDERED** that Defendant Peeples and his Representatives are  
13 hereby permanently restrained and enjoined from making or assisting others in making,  
14 expressly or by implication, any false or misleading statement or representation or  
15 omission of Material fact in connection with the advertising, offering for sale, sale, or  
16 distribution of any good or service, including, but not limited to, misrepresenting any of  
17 the following:

18 A. That any consumer's purchase will significantly help handicapped or  
19 disabled people;

20 B. That the person soliciting any consumer's purchase is handicapped or  
21 disabled;

22 C. That all or most persons employed by or working on behalf of Defendant  
23 Peeples or his Representatives are handicapped or disabled;

24 D. That any handicapped or disabled person packages products;

25 E. That Defendant Peeples or his Representatives operate a charitable  
26 organization;

27 F. That any consumer ordered, purchased, or agreed to purchase goods or  
28 services, and therefore owes money to Defendant Peeples or his Representatives;

1 G. The total cost to purchase, receive, or use, and the quantity of, any goods or  
2 services that are subject to the sales offer;

3 H. Any material restrictions, limitations, or conditions to purchase, receive, or  
4 use the goods or services;

5 I. Any material aspect of the nature or terms of a refund, cancellation,  
6 exchange, or repurchase policy for the goods or services; and

7 J. Any material aspect of the performance, efficacy, nature, or central  
8 characteristics of goods or services that are the subject of the sale.

9 **III.**

10 **COMPLYING WITH THE UNORDERED MERCHANDISE STATUTE**

11 **IT IS FURTHER ORDERED** that Defendant Peeples and his Representatives, in  
12 connection with the advertising, offering for sale, sale, or distribution of any good or  
13 service, are hereby permanently restrained and enjoined from violating or assisting others  
14 in violating any of the provisions of the Unordered Merchandise Statute,  
15 39 U.S.C. § 3009, including, but not limited to:

16 A. Sending any merchandise without the prior expressed request or consent of  
17 the recipient unless such merchandise is clearly and conspicuously marked as a free  
18 sample and has attached to it a clear and conspicuous statement that the recipient may treat  
19 the merchandise as a gift and may retain, use, discard, or dispose of it in any manner  
20 without any obligation whatsoever to the sender; and

21 B. Sending any communication, including, but not limited to, bills, invoices,  
22 reminders, letters, notices, or dunning communications, that in any manner seek to obtain  
23 payment for any merchandise shipped without the prior expressed request or consent of the  
24 recipient.

1 IV.

2 MONETARY RELIEF

3 IT IS FURTHER ORDERED that:

4 A. Judgment is hereby entered against Defendant Peeples, jointly and severally  
5 with the other Defendants named in the First Amended Complaint in this case, in the  
6 amount of THIRTEEN MILLION FOUR HUNDRED ELEVEN THOUSAND NINE  
7 HUNDRED EIGHTEEN DOLLARS (\$13,411,918); *provided, however*, that this  
8 judgment, as to Defendant Peeples, shall be suspended upon receipt by the Commission of  
9 the monies as specified in Section IV.B. of this Order.

10 B. (1) Mountain America Credit Union, 7181 South Campus View Drive, West  
11 Jordan, Utah, 84084, shall transfer to the Commission the sum of THIRTY-ONE  
12 THOUSAND FOUR HUNDRED TWELVE DOLLARS (\$31,412) from the account  
13 ending in 5262; (2) Wells Fargo Bank, 2700 S. Price Road, Second Floor, Chandler,  
14 Arizona, 85276, shall transfer to the Commission the sum of ONE THOUSAND  
15 DOLLARS (\$1,000) from the account ending in 5012; (3) Desert Schools Federal Credit  
16 Union, 148 N. 48th Street, Phoenix, Arizona, 85034 shall transfer to the Commission the  
17 sum of TWO HUNDRED THIRTY-SIX DOLLARS AND EIGHTY-THREE CENTS  
18 (\$236.83) from accounts ending in 02-00, 02-80 and 0584; and (4) E\*Trade Financial,  
19 Ballston Tower, 671 North Glebe Road, Arlington, Virginia, 22201 shall transfer to the  
20 Commission the sum of SIX HUNDRED FORTY-ONE DOLLARS AND NINETY-  
21 FOUR CENTS (\$641.94) from the account ending in 9414. The funds identified above  
22 shall be remitted to the Commission within ten (10) days following the entry of this Order.  
23 The payments shall be made to the Commission by certified check(s) or other guaranteed  
24 funds payable to the Federal Trade Commission, Financial Management Office, or by wire  
25 transfer in accordance with directions provided by the Commission. The check(s) or  
26 written confirmation of the wire transfer(s) shall be delivered to: Associate Director,  
27 Division of Marketing Practices, 600 Pennsylvania Avenue, N.W., Room 286,  
28 Washington, D.C. 20580.

1 C. Any and all funds or assets transferred or paid pursuant to Section IV.B. of  
2 this Order shall be deposited into a fund administered by the Commission or its agent to be  
3 used for equitable relief, including, but not limited to, consumer redress and any attendant  
4 expenses for the administration of any redress fund. In the event that redress to consumers  
5 is wholly or partially impracticable, or any funds remain after redress is completed, the  
6 Commission may apply any remaining funds to such other equitable relief (including  
7 consumer information remedies) as it determines to be reasonably related to the acts and  
8 practices alleged in the First Amended Complaint. Any funds not used for such equitable  
9 relief shall be deposited in the United States Treasury as disgorgement. Defendant Peeples  
10 shall have no right to contest the manner of distribution or other disposition of funds  
11 chosen by the Commission. The Commission in its sole discretion may use a designated  
12 agent to administer consumer redress.

13 **V.**

14 **RIGHT TO REOPEN**

15 **IT IS FURTHER ORDERED** that:

16 A. The Commission's agreement to, and the Court's approval of, this Order is  
17 expressly premised upon the truthfulness, accuracy, and completeness of Defendant  
18 Peeples's deposition testimony of June 10 and 11, 2008, and Defendant Peeples's  
19 Financial Statement executed on May 18, 2008, and previously submitted by Defendant  
20 Peeples to the FTC ("Defendant's Financial Statement"), which contain material  
21 information relied upon by the Commission in negotiating and agreeing to the terms of this  
22 Order.

23 B. If, upon motion by the Commission, this Court finds that Defendant Peeples  
24 has (1) materially misstated, in his deposition testimony or in Defendant's Financial  
25 Statement, the value of any asset, (2) made any material misrepresentation or omitted  
26 material information concerning his financial condition by failing to disclose any assets  
27 that should have been disclosed in his deposition testimony or in Defendant's Financial  
28 Statement, or (3) made any other material misstatement or omission in Defendant's

1 Financial Statement or during his deposition testimony, then the suspended judgment  
2 entered in Section IV.A. shall become immediately due and payable. The Court, without  
3 further adjudication, shall enter a modified judgment holding Defendant Peeples liable to  
4 the Commission in the amount of THIRTEEN MILLION FOUR HUNDRED ELEVEN  
5 THOUSAND NINE HUNDRED EIGHTEEN DOLLARS (\$13,411,918) for consumer  
6 redress, less (1) any amounts turned over to the FTC pursuant to Section IV.B. of this  
7 Order and (2) any verified payments for consumer redress made by any of the other  
8 Defendants in this action. This amount shall become immediately due and payable, and  
9 interest computed at the rate prescribed under 28 U.S.C. § 1961, as amended, shall  
10 immediately begin to accrue on the unpaid balance.

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

20 D. Defendant Peeples acknowledges and agrees that: (1) this monetary  
21 judgment is equitable monetary relief, solely remedial in nature, and not a fine, penalty,  
22 punitive assessment or forfeiture; (2) any proceedings to lift the stay of the monetary  
23 judgment would be in addition to, and not in lieu of, any other civil or criminal remedies  
24 as may be provided by law, including any other proceedings that the FTC may initiate to  
25 enforce this Order; and (3) all money paid to satisfy the monetary judgment is irrevocably  
26 paid for purposes of settlement between the parties and Defendant Peeples relinquishes all  
27 interests, rights and title to such money to the fullest extent permitted by law.

28 E. Should this Order be modified pursuant to this Section V, this Order, in all



1 other respects, shall remain in full force and effect unless otherwise ordered by the Court.  
2 Any proceedings instituted under this Section V are in addition to, and not in lieu of, any  
3 other civil or criminal remedies as may be provided by law, including any other  
4 proceedings that the FTC may initiate to enforce this Order.

5 **VI.**

6 **LIFTING OF ASSET FREEZE**

7 **IT IS FURTHER ORDERED** that the freeze against the assets of Defendant  
8 Peeples pursuant to the Preliminary Injunction entered by this Court on May 27, 2008,  
9 shall be lifted upon entry of this Order. Defendant Peeples further stipulates and agrees to  
10 relinquish all interests, rights and title, to the fullest extent permitted by law, to any and all  
11 assets of Handicapped & Disabled Workshops, Inc., Handi-Hope Industries, Inc., and  
12 HandiShip, LLC.

13 **VII.**

14 **CUSTOMER LISTS**

15 **IT IS FURTHER ORDERED** that Defendant Peeples and his Representatives are  
16 permanently restrained and enjoined from selling, renting, leasing, transferring, or  
17 otherwise disclosing the name, address, telephone number, credit card number, bank  
18 account number, e-mail address, or other identifying information of any person who paid  
19 money to any of the Defendants at any time prior to the entry of this Order, in connection  
20 with the purchase of any products. Provided, however, that Defendant Peeples or his  
21 Representatives may disclose such identifying information to a law enforcement agency or  
22 as required by any law, regulation, or court order.

23 **VIII.**

24 **COOPERATION WITH FTC COUNSEL**

25 **IT IS FURTHER ORDERED** that Defendant Peeples shall, in connection with  
26 this action or any subsequent investigations related to or associated with the transactions  
27 or the occurrences that are the subject of the FTC's First Amended Complaint, cooperate  
28 in good faith with the FTC and appear at such places and times as the FTC shall

1 reasonably request, after written notice, for interviews, conferences, pretrial discovery,  
2 review of documents, and for such other matters as may be reasonably requested by the  
3 FTC. If requested in writing by the FTC, Defendant Peeples shall appear and provide  
4 truthful testimony in any trial, deposition, or other proceeding related to or associated with  
5 the transactions or the occurrences that are the subject of the First Amended Complaint,  
6 without the service of a subpoena.

7 **IX.**

8 **COMPLIANCE MONITORING**

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

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

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

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

20 2. posing as consumers and suppliers to: Defendant Peeples, Defendant  
21 Peeples's employees, or any other entity managed or controlled in whole or in part by  
22 Defendant Peeples, without the necessity of identification or prior notice; and

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

27 ***Provided, however,*** that nothing in this Order shall limit the Commission's lawful  
28 use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C.

1 §§ 49, 57b-1, to obtain any documentary material, tangible things, testimony, or  
2 information relevant to unfair or deceptive acts or practices in or affecting commerce  
3 (within the meaning of 15 U.S.C. § 45(a)(1)).

4 **X.**

5 **COMPLIANCE REPORTING**

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

8 A. For a period of seven (7) years from the date of entry of this Order,

9 1. Defendant Peeples shall notify the Commission of the following:

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

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

19 c. Any changes in Defendant Peeples's name or use of any  
20 aliases or fictitious names; and

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

1 proposed change in the corporation about which the Defendant Peeples learns less than  
2 thirty (30) days prior to the date such action is to take place, Defendant Peeples shall  
3 notify the Commission as soon as is practicable after obtaining such knowledge.

4 B. One hundred eighty (180) days after the date of entry of this Order,  
5 Defendant Peeples shall provide a written report to the FTC, sworn to under penalty of  
6 perjury, setting forth in detail the manner and form in which he has complied and is  
7 complying with this Order. This report shall include, but not be limited to:

8 1. The then-current residence address, mailing addresses, and telephone  
9 numbers of Defendant Peeples;

10 2. The then-current employment and business addresses and telephone  
11 numbers of Defendant Peeples, a description of the business activities of each such  
12 employer or business, and the title and responsibilities of Defendant Peeples, for each such  
13 employer or business;

14 3. Any other changes required to be reported under subsection A of this  
15 Section; and

16 4. A copy of each acknowledgment of receipt of this Order, obtained  
17 pursuant to Section XII.

18 C. For the purposes of this Order, Defendant Peeples shall, unless otherwise  
19 directed by the Commission's authorized Representatives, mail all written notifications to  
20 the Commission to:

21 Associate Director  
22 Division of Enforcement  
23 Re: FTC v. Handicapped & Disabled Workshops, Case No. 08-0908-PHX-DGC  
24 Federal Trade Commission  
600 Pennsylvania Ave., NW  
Washington, DC 20580.

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

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1 **XI.**

2 **RECORD KEEPING**

3 **IT IS FURTHER ORDERED** that, for a period of ten (10) years from the date of  
4 entry of this Order, Defendant Peeples and his Representatives in connection with any  
5 business where Defendant Peeples is the majority owner of the business or directly or  
6 indirectly controls the business, are hereby restrained and enjoined from failing to create,  
7 and from failing to retain the following records:

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

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

14 C. Customer files containing the names, addresses, phone numbers, dollar  
15 amounts paid, quantity of items or services purchased, and description of items or services  
16 purchased, to the extent such information is obtained in the ordinary course of business;

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

19 E. Copies of all sales scripts, training materials, advertisements, or other  
20 marketing materials; and

21 F. All records and documents necessary to demonstrate full compliance with  
22 each provision of this Order, including but not limited to, copies of acknowledgments of  
23 receipt of this Order, required by Section XII, and all reports submitted to the FTC  
24 pursuant to Section X.

25 **XII.**

26 **DISTRIBUTION OF ORDER**

27 **IT IS FURTHER ORDERED** that, for a period of seven (7) years from the date of  
28 entry of this Order, Defendant Peeples shall deliver copies of the Order as directed below:



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XV.

ENTRY OF ORDER

IT IS FURTHER ORDERED that, there being no just reason for delay, the Clerk is hereby directed to enter this judgment immediately.

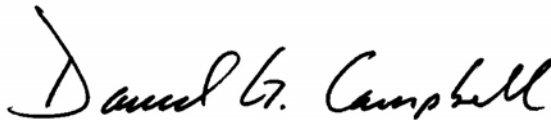
STIPULATED AND AGREED TO BY:

/s/ Kathleen Benway  
KATHLEEN BENWAY  
GARY L. IVENS  
Federal Trade Commission  
600 Pennsylvania Ave, NW, Room H-281  
Washington, D.C. 20580  
Phone: (202) 326-2024/(202) 326-3071  
Facsimile (202) 326-3395  
Email: [kbenway@ftc.gov](mailto:kbenway@ftc.gov)/  
[givens@ftc.gov](mailto:givens@ftc.gov)

COUNSEL FOR PLAINTIFF

/s/ Bruce D. Peeples  
BRUCE D. PEEPLES  
*DEFENDANT PRO SE*

DATED this 9th day of December, 2008.



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David G. Campbell  
United States District Judge