

KAPLAN  
AUG 23 2007  
JUDGE KAPLAN'S CHAMBER

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

<b>FEDERAL TRADE COMMISSION,</b>	)	
	)	Civ. No. 00 Civ. 7422 (LAK)
Plaintiff,	)	
	)	
v.	)	<b>STIPULATED FINAL</b>
	)	<b>MONETARY JUDGMENT</b>
	)	<b>ON REMAND</b>
<b>VERITY INTERNATIONAL, LTD.,</b>	)	
	)	
<b>AUTOMATIC COMMUNICATIONS LIMITED,</b>	)	
	)	
<b>ROBERT GREEN and</b>	)	
	)	
<b>MARILYN SHEIN,</b>	)	
	)	
Defendants.	)	

This matter comes before the Court by stipulation of Plaintiff Federal Trade Commission ("Commission" or "FTC"), Verity International, Ltd., Automatic Communications, Ltd., Robert Green, and Marilyn Shein (collectively, "Defendants").

On October 2, 2000, the Commission filed a Complaint for injunctive and other equitable relief in this matter pursuant to Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b), charging Defendants Verity International, Ltd., Integretel, Inc., eBillit, Inc., Robert Green, and Marilyn Shein with violations of Section 5 of the FTC Act, 15 U.S.C. § 45(a). The Commission subsequently amended its Complaint to add Automatic Communications, Ltd. as a defendant. On November 21, 2000, the Commission and Defendants Integretel and eBillit ("Integretel Defendants") stipulated to entry by the Court of a Stipulated Final Judgment and Order ("Integretel Order") in which the Integretel Defendants agreed to release all claims to

\$1,599,869.52 collected by the Integretel Defendants from consumers on behalf of Defendants (herein "Integretel Receipts"). The Integretel Defendants initially transferred the Integretel Receipts by wire transfer to the Commission, which were held by the Commission in a non-interest bearing escrow account during the pendency of this litigation. On or about September 13, 2006, the Court granted the Commission's request to deposit the Integretel Receipts into the Court Registry in an interest-bearing escrow account (Docket #193).

After considering a stipulated trial record consisting of declarations, exhibits, and other evidence, on October 26, 2004 the Court issued a Memorandum Opinion and entered a Final Judgment and Order for Permanent Injunction ("Final Order") against Defendants in this matter. The Final Order contains conduct prohibitions, including provisions permanently banning Defendants from billing for or offering audiotext or videotext services to U.S. consumers, and compliance reporting obligations. Section IV of the Final Order awarded the Commission monetary judgments representing all of the money collected from consumers by the Integretel Defendants and AT&T for Defendants' videotext services.

Defendants timely appealed the Final Order, as well as a May 2, 2001 order of the Court which held Defendants in contempt of the Court's preliminary judgment order, imposed coercive fines on Defendants and made them subject to civil commitment. In a written opinion issued on March 27, 2006, the Court of Appeals for the Second Circuit "affirm[ed] all components of the district Court's October 26, 2004 final order of relief except for the monetary judgment contained therein," but vacated the Court's May 2, 2001 contempt order. *FTC v. Verity Int'l*, 443 F.3d 48, 70 (2d Cir. 2006). The Court of Appeals remanded this case for further proceedings to determine the appropriate amount of disgorgement award against Defendants. In order to resolve the Court

of Appeals' remand, the Commission and Defendants, by and through their counsel, have agreed and stipulated to the entry by this Court of a Stipulated Final Monetary Judgment on Remand ("Final Monetary Judgment") in this case.

Pursuant to agreement and stipulation by the parties, **IT IS HEREBY ORDERED, ADJUDGED AND DECREED** as follows:

**FINDINGS**

1. The parties consent to the entry of this Final Monetary Judgment.
2. The parties acknowledge that this Final Monetary Judgment addresses only monetary relief in this matter and does not alter or modify the findings, prohibitions, and non-monetary obligations of the parties contained in the Final Order, which were affirmed by the Court of Appeals' decision in this case.
3. The parties agree that entry of this Final Monetary Judgment resolves all matters in dispute between them in this action.
4. The FTC waives and releases any and all claims it may have arising from the events underlying this action against Defendants, their agents, or representatives;
5. Defendants waive any claim they may have under the Equal Access to Justice Act, 28 U.S.C. § 2412, as amended by Pub. L. No. 104-121, 110 Stat. 846, 863-64 (1996), concerning the prosecution of this action;
6. Defendants waive all rights to seek appeal of this Final Monetary Judgment, and further waive and release any claim they may have arising from this law enforcement action against the FTC and the employees, agents, or representatives of the FTC; and
7. Entry of this Final Monetary Judgment is in the public interest.

## MONETARY JUDGMENT

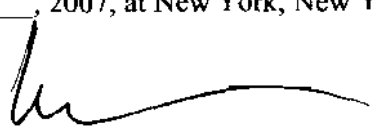
**IT IS FURTHER ORDERED** that:

- A. Defendants are jointly and severally liable to plaintiff in the amount of the Integretel Receipts currently held by the Court Registry Investment System in escrow and any interest that has accrued or will accrue while the Integretel Receipts are in escrow.
- B. All monies held by the Court Registry Investment System in an escrow account pursuant to the Integretel Order are to be used to satisfy this judgment.
- C. Within ten (10) days of entry of this order, the Clerk of the Court is directed to withdraw the funds on deposit with the Court Registry Investment System, referenced in Paragraph A, and draw a check for all funds on deposit, including any accrued interest. The Clerk shall remit to the Commission the funds, less applicable fees pursuant to Local Rule 67.1(b)(2). The payment shall be made payable to the Federal Trade Commission, Financial Management Office and mailed to: Associate Director, Division of Marketing Practices, 600 Pennsylvania Avenue, N.W., Room 286, Washington, D.C. 20580.
- D. Defendants shall release and hereby do release any claims they may have to any of the Integretel Receipts and interest accrued thereupon, currently held in the Court Registry Investment System in escrow.
- E. All funds paid to the FTC pursuant to Paragraph C, above, shall be used for equitable relief, including but not limited to consumer redress, and any attendant expenses for the administration of such equitable relief. In the event that direct 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. Any funds not used for such equitable relief shall be deposited to the United States Treasury as disgorgement. Defendants shall have no right to challenge the Commission's choice of remedies under this paragraph. Defendants shall have no right to contest the manner of distribution chosen by the Commission.

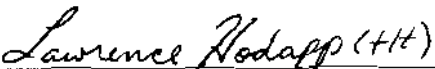
**IT IS FURTHER ORDERED** that there being no just reason for delay of entry of this judgment, and, pursuant to Federal Rule of Civil Procedure 54(b), the Clerk shall enter this Order immediately.

**SO ORDERED**, this 4 day of Sept, 2007, at New York, New York.


  
\_\_\_\_\_  
The Honorable Lewis A. Kaplan  
United States District Judge

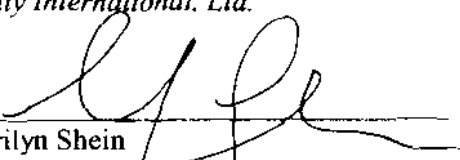
The parties hereby consent to the terms and conditions of the Final Order as set forth above and consent to entry thereof.


**FOR THE COMMISSION:**

  
\_\_\_\_\_  
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**FOR THE DEFENDANTS:**

  
\_\_\_\_\_  
Robert Green  
*Individually and as Principal of Defendants*  
*Automatic Communications, Ltd. and*  
*Verity International, Ltd.*

  
\_\_\_\_\_  
Marilyn Shein  
*Individually and as Principal of Defendants*  
*Automatic Communications, Ltd. and*  
*Verity International, Ltd.*



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