BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Initiation of show cause proceedings against U.S. Republic Communications, Inc. for unlawful billing practices in violation of Section 364.10(1) and Section 364.604(2), F.S.

DOCKET NO. 991402-TI ORDER NO. PSC-99-2447-AS-TI ISSUED: December 15, 1999

The following Commissioners participated in the disposition of this matter:

JOE GARCIA, Chairman J. TERRY DEASON SUSAN F. CLARK E. LEON JACOBS, JR.

ORDER APPROVING OFFER OF SETTLEMENT

BY THE COMMISSION:

On April 2, 1997, U.S. Republic Communications, Inc. (U.S. Republic) received Certificate Number 4836 to provide intrastate interexchange telecommunications service in Florida. On January 29, 1999, U.S. Republic reported gross intrastate revenues of \$1,012,971.46 on its 1998 regulatory assessment fee form.

On May 11, 1998, the Commission's Division of Consumer Affairs (CAF) received its first unauthorized billing complaint for internet website design against U.S. Republic. Through October 29, 1999, CAF received and closed a total of 269 similar consumer complaints against U.S. Republic as apparent unauthorized billing infractions. Accordingly, on September 16, 1999, we opened this docket to investigate the apparent unlawful billing practices of U.S. Republic.

The apparent unauthorized charges were initiated through a telemarketing call which solicited internet website design and hosting services. Monthly charges of approximately \$24.95 each were billed on the consumers' local telephone bills. Through our investigation, we determined that the consumers did not authorize these charges.

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In response to the consumer complaints, U.S. Republic states that it received authorization for the internet website design charges via third party verifications. Nevertheless, U.S. Republic issued full credits to consumers for the charges incurred. On September 20, 1999, we requested copies of the third party verifications, but U.S. Republic declined to provide the information.

In an effort to resolve this matter, U.S. Republic, by letter dated November 10, 1999, submitted an offer of settlement, which is appended as Attachment A and incorporated herein by reference (Attachment A, Pages 5-6)¹. In its settlement offer, U.S. Republic offers the following:

- U.S. Republic agrees to transfer its entire long distance customer base in Florida to an unaffiliated carrier that is already certified to provide long distance services and is in good standing in Florida. U.S. Republic states that it expects the transfer of its customer base to be complete within 180 days from the date of a purchase agreement.
- U.S. Republic would ensure that all reasonable and necessary steps were taken, including obtaining the applicable regulatory approvals, to facilitate this transfer.
- U.S. Republic would voluntarily request cancellation of its interexchange telecommunications certificate once the transfer of its customer base is complete.
- U.S. Republic would not conduct any further business in the State of Florida, and states that it intends to permanently cease doing business in Florida.

¹ In addition to this proposed settlement, U.S. Republic has already entered into a stipulation with the Federal Trade Commission pertaining to U.S. Republic's webpage design offering. See Attachment B, Pages 7-23.

- U.S. Republic agrees to continue to work with Commission staff in order to promptly resolve consumer complaints. U.S. Republic will continue its practice of giving refunds or credits as applicable to consumers with legitimate complaints on a "no questions asked" basis.
- U.S. Republic will submit monthly reports regarding the status of the customer base transfer beginning on January 31, 2000 and continuing until the transfer of its customer base is complete.

We accept the terms of U.S. Republic's offer of settlement as summarized above. The company has satisfactorily addressed each of our concerns, and has been very cooperative in resolving all issues. Therefore, we believe the settlement offer to be fair and reasonable and do hereby accept it.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the offer of settlement by U.S. Republic Communications, Inc., which is appended as Attachment A and incorporated herein by reference, is hereby approved. It is further

ORDERED that this docket shall remain open pending the transfer of U.S. Republic Communications, Inc.'s entire long distance customer base in Florida to an unaffiliated carrier that is already certified to provide long distance services and is in good standing in Florida, U.S. Republic Communications, Inc.'s remittance of monthly reports regarding the status of the customer base transfer beginning on January 31, 2000 and continuing until the transfer of its customer base is complete, and U.S. Republic Communications, Inc.'s request for cancellation interexchange telecommunications certificate. Upon completion of customer base transfer and the cancellation of interexchange telecommunications certificate, this docket shall be closed administratively.

By ORDER of the Florida Public Service Commission this <u>15th</u> day of <u>December</u>, <u>1999</u>.

BLANCA S. BAYÓ, Director Division of Records and Reporting

(SEAL)

DMC

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of Records and reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

ATTACHMENT A

US Republic

November 10, 1999

VIA FACSIMILE (850) 413-6547 AND REGULAR MAIL

Ms. Kelli Biegalski Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850

Re: Docket No. 99104-TI; U.S. Republic Communications, Inc.

Dear Ms. Biogalski:

This is to confirm our discussions this morning that U.S. Republic Communications, Inc. ("US Republic") is prepared to enter into good faith settlement negotiations with the Florida Public Service Commission (the "Florida PSC"). While we are not yet prepared to make an unconditional offer, we are able to make a tentative proposal, based upon the following facts and conditions.

It is important to first note a few facts, some of which you are already aware. The two senior managers that oversaw the day-to day operations at US Republic were replaced effective upon the closing of US Republic's sale to Prodigy Communications Corporation of its entire web-hosting tuniness and related assets on October 5, 1999. US Republic has since been out of the web-hosting tuniness in both Florida and throughout the nation, making any discussion of an ongoing web-hosting business unnecessary. As part of the asset sale to Prodigy, US Republic retains responsibility for liabilities arising prior to the sale, including the complaints underlying the Staff's current recommendation, and stands ready to take all appropriate steps promptly and fairly resolve any unresolved complaints.

The sale also leaves US Republic with only one line of business, the provision of resold long distance services. US Republic currently has approximately 4,300 long distance customers in Florida. There are no solicitations for long distance customers, in Florida or anywhere. Additionally, US Republic has not solicited customers in Florida since the summer of 1998. US Republic is currently seeking a buyer for its long distance customer base nationwide, including Florida. When a sales agreement is reached, as we anticipate, US Republic would like to propose the following terms to resolve this matter.

 US Republic would agree to transfer its entire long distance customer base in Florida to another unaffiliated carrier that is already certified to provide long distance services and is

ATTACHMENT A

in good standing in Florida;

- US Republic would ensure that all reasonable and necessary steps were taken, including
 obtaining the applicable regulatory approvals, to facilitate this transfer;
- Once the transfer is accomplished, US Republic would voluntarily withdraw its Florida long distance certificate¹;
- 4. US Republic would not conduct any further business in the State of Plorida.
- Submit mouthly reports regarding the status of the transition to the attention of Kelli Biegalski

It is anticipated that once such an asset sale is completed, the corporate entity of US Republic will be liquidated and dissolved. It will most likely take 180 days from execution of a purchase agreement to fully perform under such an agreement, and we will take all reasonable steps to expedite the process.

Independent of the above tentative proposal, US Republic unconditionally agrees to continue working with the Florida PSC during this interim period to promptly and fairly resolve any remaining consumer complaints, as has always been US Republic's regular practice. US Republic will continue its practice of giving refunds or credits as applicable to consumers with legitimate complaints on a "no questions saled" basis. Thus, US Republic intends to permanently cause doing business in the state, while at the same time, consinuing to work diligantly to resolve autstanding issues. Since US Republic has taken such an unequivocal approach to making customers whole and is in the process of falfilling the terms of the FTC Agreement at its own expense, it is our understanding that no fines or other penalties would be assessed in conjunction with this arrangement.

US Republic respectfully requests that this proposal be given consideration as soon as is practical, so that it can quickly move forward with its tentative proposal. Again, US Republic appreciates the PSC's willingness to work with us in attempting to resolve this matter. We are willing to meet and/or confer with the PSC regarding these issues at any mutually convenient time.

// Lukipa

Meliese A. Smith Litigation Counsel

cc: Jennifer Goldston

¹Certificate to operate as an interexchange telecommunications service company, Docket No. 961492-TI; Order No. PSC-97-0268-POF-TI; Auth. No. T-96-1123; Company Code TI607.

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ATTACHMENT B

IN THE UNITED STATES DISTRICT COURT.
FOR THE SOUTHERN DISTRICT OF TEXAS

STANSON ME BY THERE OF COURT

FEDERAL TRADE COMMISSION,

Plaintiff.

NOV - 2 1999

Civil Action No.

U.S. REPUBLIC COMMUNICATIONS, INC., a Texas Corporation,

and

T. GARY REMY.

individually and as an officer of U.S. Republic Communications, Inc.

Defendants.

UNITED STATES DISTRICT COUP. SOUTHERN DISTRICT OF TOYAS SATEBOOK

-99-3657

R" 2 : 1999

Michael N. Miny, Cont.

STIPULATED FINAL ORDER FOR PERMANENT INJUNCTION AND OTHER EQUITABLE RELIEF

Whereas: Plaintiff, the Federal Trade Commission ("FTC" or "Commission"), commenced this action by filing a Complaint on 10/21/97; Defendants waived service of the Summons and Complaint; the parties are represented by the attorneys whose names appear hereafter; and the parties are in agreement to settle the Complaint by entering into this Stipulated Final Judgment and Order for Permanent Injunction and other Equitable Relief ("Order") upon the following terms and conditions, without adjudication of any issue of fact or isw and without Defendants admitting liability for any of the matters alleged in the Complaint;

ATTACHMENT B

THEREFORE, on the joint motion of Plaintiff and Defendants, it is hereby ORDERED,

ADJUDGED, and DECREED as follows:

SECTION L

FINDINGS

- A. This Court has jurisdiction over the subject matter and the parties.
- B. The Complaint states a claim upon which relief may be granted against Defendant under §§

 5(a)(1) and 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 45(a)(1)

 and 53(b).
- C. The activities of Defendants are in or affecting commerce, as defined in the FTC Act, 15 U.S.C. § 44.
- D. Entry of this Order is in the public interest.
- B. Defendants have waived any and all rights that may arise under the Equal Access to Justice Act, 28 U.S.C. § 2412, amended by Pub. L. 104-121, 110 Stat. 847, 863-64 (1996).
- Plaintiff and Defendants, by and through their counsel, have agreed that the easy of this Order resolves all matters of dispute between them arising from the Complaint in this action, up to the date of easy of this Order.
- G. Plaintiff and Defendants waive all rights to seek appellate review or otherwise challengs or contest the validity of this Order. Defendants further waive and release any claim they may have against the Commission, its employees, agents, or representatives.

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H. This Order is for settlement purposes only and does not constitute and shall not be interpreted to constitute an admission by Defendants that they have engaged in violations of any law or regulations including but not limited to the Federal Trade Commission Act, or that the facts alleged in the Complaint, other than the jurisdictional facts, are true.

DEFINITIONS

- I. For the purposes of this Order, the following definitions shall apply:
 - "Defendant USRC" means defendant U.S. Republic Communications, Inc., its officers, agents, servants, attorneys, independent contractors and employees, and all other
 - persons in sotive concert or perticipation with them who receive actual notice of this
 order by personal service or otherwise.
 - "Defendant Ramy" means defendant T. Gary Ramy, his agents, servents, attorneys,
 independent contractors and employees, and all other persons in active concert or
 perticipation with them who receive actual notice of this order by personal service or
 otherwise.

SECTION IL

IT IS FURTHER ORDERED that Defendants USRC and Ramy are hereby permanently restrained and enjoined from participating or satisting, directly or through any corporation, subsidiary or other entity or intermediary, in the making of any false or misleading representation of material fact, or omitting material information, either expressly or by implication, orally or in writing, in connection with the promotion, marketing, offering for sale, or sale of services related to website design, webpage

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design, or the posting or promulgation of webpages, websites, advertisements or other materials on the
Internet, including but not limited to false or misleading representations that:

- A. Defendents will not charge consumers unless consumers take affirmative steps to suthorize charges during any free-trial period;
- B. Defendants will not assess a recurring monthly charge for website services until thirty days after Defendants have provided consumers with information that will enable the consumers to access and review the website and to cancel the services; and
- C. Consumers are legally obligated to pay charges for website services that have not been sutherized by the consumer that Defendants charge or cause to be charged.

SECTION III.

IT IS FURTHER ORDERED that

- A. In the event Defendants USIRC and Remy represent in the promotion, marketing or offering for sale of their services that they will submit websites to specific laternet search engines, they are hereby permanently restrained and enjoined, directly or through any corporation, subsidiary or other entity or intermediary, from failing to disclose that such submissions do not guarantee that the referenced search engines will index or list the websites; and
- B. In the event Defendants represent that they will submit websites to internst search engines, without identifying specific search engines, Defendants are hereby permanently restrained and enjoined, directly or through any corporation, subsidiary or other entity

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or intermediary, from failing to disclose that such submissions do not guarantee that all search engines will index or list the websites.

Provided, however, that Defendents are not required to make such disclosures if the submissions result in the websites being indexed or listed by all major search engines in all or nearly all instances ("major search engines" being defined so the eight most frequently used search engines). Provided further that in the event that the FTC issues a final rule in the future on this issue, Defendents' obligations shall be no greater than those imposed by such rule.

SECTION IV.

IT IS FURTHER ORDERED that Defendants USRC and Remy are hereby permanently enjoined, directly or through any corporation, subsidiary or other entity or intermediary, from sending a bill, or causing a bill to be sent, to any consumer for any product or service without first obtaining express, verifiable authorization that the person being charged has agreed to be charged for the good or service in the amount and in the meaner set firsth in the bill which Defendants have sent or caused to be sent to that consumer. Provided however, that this section shall not be construed to probabit

Defendants USRC and Ressy from billing charges to a credit card account number if: the credit card account number is disclosed by a consumer during the course of a call to purchase goods or services; the consumer gives express authorization to bill charges to that credit card account number; the credit card is subject to the dispute resolution requirements of the Fair Credit Billing Act and the Truth in Lending Act, as amended; and the credit card is the sole method used to pay for the charge.

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SECTION V.

IT IS FURTHER ORDERED that Defendants are hereby permanently restrained and enjoined from providing to any person, except Defendants' agents, affiliates, substidiaries, successors and assigns, agents of the Plaintiff or other law enforcement authorities, or as directed by Court Order, the name, address, telephone number, or credit card or bank account number of any consumer who, in response to Defendants' promotion of websits services, provided such information to or did business with Defendants, except that Defendants are permitted to post the name, address and telephone numbers of consumers that authorize Defendants' websits services on the Internst.

SECTION VI.

IT IS FURTHER ORDERED that:

- A. Defendants USRC and Ramy shall, within forty-five (45) days of the entry of this Order, mail a written notice and a claims application, in a form approved by the Commission, including approval of the savelope, to all customers that:
 - were being billed through local exphange carriers ("LECs") as of May 20, 1999, and
 new customers aigned up for LEC billing between that date and the date of entry of this
 Order;
 - have not previously converted to credit card billing in a manner consistent with Section.
 IV of the Order;
 - have not previously converted to payment by electronic transfer of funds in a manner that complies fully with the provisions set forth at 16 C.F.R. § 310(a)(3); and

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- have not previously received a full credit from either the defendants or the consumers! LECs for all charges related to defendants websits services.
- B. The notice described in paragraph A, above, shall clearly and complexously notify consumers that 1) they have been billed, and/or are being billed, for USRC's website services; 2) they have a right to cancel; 3) they have a right to request a full credit for all unauthorized charges, along with directions for doing so; and 4) they have the option to convert from LEC billing to direct invoice or credit card billing. Defendants USRC and Ramy shall take the necessary stops to have the appropriate LECs provide full credits to all consumers who, in response to the notice, submit a signed claims application stating that the consumer did not authorize the charges. Consumers shall have thirty (30) days from the date of their receipt of Defendants' notice to mail back a completed claims application to Defendants or to Credit Managers Association of California ("CMA").
- C. Defendants USRC and Ramy shall enter into a contract with CMA to provide the following saddling and reporting services related to Defendants' execution of the requirements contained in puragraph A of this Section:
 - Andit Defendants' mailing of notices, as required in paragraph A, through
 review of an affidavit or declaration to be submitted by Defendants to CMA
 within ten (10) business days of mailing all required notices. The affidavit or
 declaration shall, at a minimum, affirm the following:
 - a. the means used by Defendants to generate the list of consumers eligible to receive a notice:

ATTACHMENT B

- b. the means used by Defendants, including use of the National Change of
 Address registry, to assure that consumers' addresses are accurate;
- c. the number of notices sent and the dates on which they were sent; and
- d. a copy of the actual mailing sent;
- 2. Andit Defendants' mailing of notices, as required in paragraph A, through review of an affidavit or declaration to be submitted by Defendants to CMA within thirty (30) days of mailing all required notices. The affidavit or declaration shall, at a minimum, affirm the number of notices returned by the Post Office as undefiverable, and the ressonable afforts made by Defendants, such as calling the phone number that is billed and saking for a current address, to obtain valid addresses for those consumers and re-mail those notices;
- Request and review such documents as needed from Defendents or communers to verify that Defendants have sunt redress notices in compliance with this Section;
- 4. Receive completed claims applications directly from consumers, and compile a list of those consumers that state on their signed claims applications from that they were billed through a LEC for USEC services, and that the charges were not authorized by the consumer, along with the name of the LEC and the telephone zamber that was billed. Within ten days of receipt of an incomplete or unsigned claims application, contact consumers as necessary to obtain missing information, with the cooperation of Defendants;
- 5. Provide the list of consumers eligible for a credit to the Defendants and to the

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Commission, and then sudit the Defendants to assure that Defendants have taken the necessary steps to assure that the appropriate LECs provide full credits to all consumers that are on the list of consumers eligible for a credit; and

- 6. Provide a report to the Federal Trade Commission and to Defendants describing the efforts taken by CMA, the results of all audits, and outlining Defendants' compliance with this Section.
- D. Defendant USRC shall obtain and maintain an irrevocable letter of credit in the amount of One Million Right Hundred Thousand Dollars (\$1,800,000) from an FDIC-insured bank, payable solely to the Federal Trade Commission, which shall be used as accurity for Defendants' obligations under this Section. Defendant USRC shall provide a certified copy of this letter of credit to the FTC within five (5) business days of entry of this Order. This letter of credit shall only be redeemed or released pursuant to the following conditions:
 - 1. If Defendants have not either (1) complied fully with Paragraphs A, B and C of this Section, or (2) been granted an extension of time by the Court, within two-hundred and seventy (270) days of entry of this Order, plaintiff shall have the right to petition the Court to order that funds necessary to provide consumer redress consistent with Paragraphs A, B and C of this Section shall be paid directly to plaintiff through redemption of the letter of credit, in addition to whatever other legal remodies are available to plaintiff; or

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2. Plaintiff shall, within fifteen (15) business days of receipt of the report described in paragraph (C)(4) above, notify Defendants and the Court that the Commission either: (1) releases Defendants from their obligation to maintain a Letter of Credit; or (2) is moving the Court to require the Defendants to show cause why they should not be held in contempt for their failure to comply with this Section, in which case the Defendants shall be required to maintain the Letter of Credit until such time as the Court rules otherwise.

. SECTION VIL.

IT IS FURTHER ORDERED that Defendent Ramy shall, within five (5) business days after receipt of this Consent Decree as entered by the Court, submit to the Commission a truthful sworn statement, in the form shown on Appendix A, that shall acknowledge receipt of this Consent Decree.

SECTION VIII.

TI IS FURTHER ORDERED that Defendents USRC and Ramy, their successors, subsidiaries, affiliates and assigns, shall within thirty (30) days of the entry of this Consent Decree, provide an accurate summary of this Consent Decree that clearly communicates the injunctive provisions contained herein to each of their directors, officers, agents, servants, independent commotors, employees, collection agencies to which they assign accounts, and attorneys that are involved, in any way, with the telemerketing of any Internet-related service, and secure from each such person a signed statement acknowledging receipt of a copy of this summary, and shall within ten (10) business days of complying with this paragraph, provide

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the FTC with an affidavit setting forth the fact and manner of their compliance, including the name and title of each-person to whom a copy of the summary has been provided.

SECTION IX.

IT IS FURTHER ORDERED that:

- A. For a period of five (5) years from the date of entry of this Consent Decree, Defendants

 USRC and Remy shall notify the Commission of the following:
 - Any changes in their residence, mailing addresses, and telephone numbers,
 within ten (10) business days of the date of such change;
 - 2. Any changes in their employment status (including self-employment) within ten (10) business days of such change. Such notice shall include the name and address of each business with which such defendant is affiliated or employed, a statement of the nature of the business, and a statement of the defendant's duties and responsibilities in connection with the business or employment, and
 - 3. Any change in the structure of Defendant USRC, such as creation, incorporation, dissolution, assignment, sale, merger, creation or dissolution of subsidiaries or affiliates, filing of a bankruptcy petition, or change in the corporate name or address, or any other change that may affect compliance obligations stising out of this Consent Decree, within ten (10) business days of any such change.
- B. One hundred eighty (180) days after the date of entry of this Consent Decree, Defendant Remy shall provide a written report to the FTC, sworn to under penalty of perjury, setting forth in

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detail the manner and form in which he has complied and is complying with this Consent

Decree. This report shall include, but not be limited to:

- The Defendant's then current residence address and telephone number;
- The Defendent's then current employment, business addresses and telephone numbers,
 a description of the business activities of such employer, and defendent's title and
 responsibilities for such employer;
- A statement describing the manner in which defendent has complied and is complying
 with the provisions of this Consent Decree.
- C. For a period of five (5) years from the date of entry of this Consent Decree, upon written request by a representative of the Commission, Defendants shall submit additional written reports (under cath, if requested) and produce documents on fifteen (1.5) business days' notice with respect to any conduct subject to this Consent Decree, subject to Defendants' right to seek relief from the court under Rule 26(c) of the Federal Rules of Civil Procedure or under any other appropriate provision of the rules.
- D. For a period of five (5) years from the data of entry of this Consent Decree, upon written request by a representative of the Commission, Defendants shall permit Commission staff to interview any employee of Defendants in the presence of counsel for Defendants, and subject to the same rights to occursel as set forth in 15 U.S.C. § 57b-1, and, should the interview not take place at Defendants' place of business or a similarly convenient location, the same rights to remainstation for travel expenses afforded to witnesses summoned before the Commission set forth in 15 U.S.C. § 49.

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

Associate Director
Division of Marketing Practices
Federal Trade Commission
600 Pennsylvania Ave. NW
Washington, DC 20580

SECTION X.

IT IS FURTHER ORDERED that the Commission is surfacized to monitor the Defendants' compliance with this Consent Decree by all lawful means, including but not limited to the following means:

- 1. The Commission is authorized, without further leave of court, to obtain discovery from any person in the manner provided by the Federal Rules of Civil Procedure, Fed. R. Civ. P. 26 34, 36 and 37, including the use of compulsory process pursuant to Fed. R. Civ. P. 45, for the purpose of monitoring and investigating the Defendants' compliance with any provision of this Consent Decree, subject to Rules 26(c), 45(c) and any other provisions of the Rules providing the person with the right to seek relief from the court;
- 2. Nothing in this Consent Decree shall limit the Commission's lawful use of compulsory process, pursuant to §§ 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1, to investigate whether Defendants have violated any provision of this Consent Decree, the Telemarketing Sales Rule, or Section 5 of the FTC Act, 15 U.S.C. § 45, subject to Defendants right to request relief from the courts.

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IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for the purposes of enabling any of the parties to this Consent Decree to apply to the Court at any time for such farther orders or directives as may be necessary or appropriate for the imarpretation or modification of this Consent Decree, for the enforcement of compliance therewith, related to the monitoring provisions therein, or for the punishment of violations thereof.

JUDGMENT IS THEREPORE ENTERED in favor of plaintiff and against Defendants, pursuent to all the terms and conditions recited above.

Dated this 25 day of October 1999

The parties, by their respective counsel, hereby consent to the terms and conditions of the Consent Decree as set forth above and consent to the entry thereof.

Dated: Cityhar 19

FOR THE DEFENDANTS:

U.S. REPUBLIC COMMUNICATIONS, INC.

FOR THE PROBRAL TRADE COMMISSION:

Roger P. Purey

Attorney for Defendents

Arter & Hadden 1801 K Street NW

Strite 400K

Washington, DC 20006-1301

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Individually and as Prosig U.S. Republic Communications, I Frank M. Gormen

Devid Fix

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Washington, DC 20580 (202) 326-3282