

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

FEDERAL TRADE COMMISSION,)
STATE OF HAWAII, STATE OF MARYLAND,))
STATE OF MICHIGAN, STATE OF NEVADA))
STATE OF NORTH CAROLINA,))
COMMONWEALTH OF PENNSYLVANIA,))
STATE OF TENNESSEE, COMMONWEALTH))
OF VIRGINIA,))

Plaintiffs,)

) CV-S-99-0969-KJD(---)

v.)

EQUINOX INTERNATIONAL CORP.,)
ADVANCED MARKETING SEMINARS,)
INC., BG MANAGEMENT, INC., and)
WILLIAM GOULDD,)

Defendants.)

GLENN LOWRANCE, ANNETTE)
REAGOR, ANNE KEHLER, MARTIN)
KEHLER, and LISA FUOG,)

Intervenors,)

v.)

EQUINOX INTERNATIONAL CORP.,)
ADVANCED MARKETING SEMINARS,)
INC., and WILLIAM GOULDD,)

Defendants.)

**ORDER GRANTING FINAL
APPROVAL OF CLASS SETTLEMENT**

The Court has before it Class Plaintiffs' Motion for Final Approval of Settlement ("Motion for Final Approval"). Finding the Motion for Final Approval to have merit, the Court will grant it in all respects.

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On April 20, 2000, the Court granted Class Plaintiffs' Motion for Preliminary Approval of Stipulated Final Judgment and Class Action Settlement and for Setting of Fairness Hearing. The Court accordingly signed and filed an Order Preliminarily Approving Stipulated Final Judgment and Class Action Settlement and Setting Fairness Hearing (the "Preliminary Approval Order"). The Preliminary Approval Order provided, among other things, for the settlement of all claims by the government plaintiffs and class action plaintiffs against defendants, amendment of the definition of the class certified in this action in February 2000 to include all but a few of the current and former distributors of Equinox International Corporation ("Equinox"), and conversion of the class action from an opt-out class action under Rule 23(b)(3) of the Federal Rules of Civil Procedure into a mandatory class action under Rule 23(b)(1). The Preliminary Approval Order also required the sending of notice of the settlement and the proposed entry of final judgment (the "Notice") to all class members at their last-known addresses and the publication of a summary notice in a weekday edition of *USA Today*.

In accordance with the Preliminary Approval Order and subsequent orders modifying it in certain procedural respects, class counsel caused the dissemination of Notice to 481,657 addresses on July 14, 2000 and publication of the summary notice in the July 24, 2000 edition of *USA Today*. The Notice, which was in a form agreed upon by all parties, described the terms of the settlement and proposed final judgment and advised class members of their right to object to the settlement and any application of class counsel or the state plaintiffs for attorneys' fees.

No class member has formally objected to the settlement or the proposed final judgment. Nor did any class member appear at the final approval hearing on December 14, 2000, to express any objection to or disapproval of the settlement or the proposed final judgment.

Having considered the Motion for Final Approval and consulted the relevant authorities, the Court finds and concludes pursuant to Rule 23(e) of the Federal Rules of Civil Procedure that the settlement and proposed final judgment are "fundamentally fair, adequate, and reasonable." *Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1026 (9th Cir. 1998). The Court specifically affirms the certification of the mandatory settlement class in the Preliminary Approval Order and finds and concludes that the contents and means of disseminating the Notice and the summary notice satisfied the requirements of Rule 23(e) and due process.

The Court additionally finds and concludes pursuant to Rule 23(b)(1) as follows:

- a. The limited funds available for distribution to members of the class, the role of the Receiver and creation of the Receivership Estate, and the winding-up of the Corporate Defendants contemplated by the Preliminary Approval Order "would as a practical matter be dispositive of the interests of the other members not parties to the adjudications or substantially impair or impede their ability to protect their interests." Fed. R. Civ. P. 23(b)(1)(B); *see Ortiz v. Fibreboard Corp.*, 119 S. Ct. 2295 (1999) (discussing criteria for mandatory settlement class in "limited fund" cases).
- b. The prosecution of equitable claims by individual members of the class, including claims for the rescission of their distributorship agreements, would create a risk of "inconsistent or varying adjudications . . . which would establish incompatible standards of conduct" for defendants. Fed. R. Civ. P. 23(b)(1)(A).

The Court accordingly ORDERS, ADJUDGES, and DECREES that the settlement embodied in the Preliminary Approval Order shall be and is hereby given final approval.

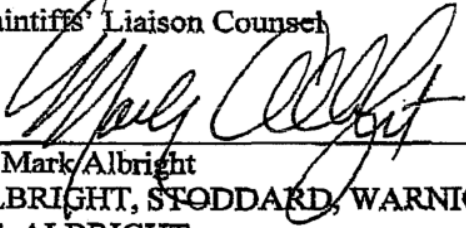
The Court shall separately enter a final judgment and shall retain jurisdiction for purposes of (1) awarding fees and expenses; (2) supervising the receivership; (3) determining the allowability of claims filed or to be filed in the Receivership Estate, including the claims of mandatory settlement class members and all other creditors of the Receivership Entities; (4) considering and approving any plan for distribution of the assets of the Receivership Estate; (5) hearing and determining actions brought by the Receiver pursuant to the Preliminary Approval Order or any other order entered in connection with the Preliminary Approval Order or which relate to the Receivership Estate; (6) hearing and determining actions brought by any person or entity which relate to the Preliminary Approval Order or any other order entered in connection with the Preliminary Approval Order or which relate to the Receivership Estate; and (7) otherwise enforcing the terms of the Preliminary Approval Order or any other order entered in connection with the Preliminary Approval Order, including but not limited to the Stipulated Order Regarding Distribution of Funds Pursuant to Stipulated Final Judgment and Letter Agreement.

SIGNED this 12th day of February, 2001.


UNITED STATES DISTRICT JUDGE

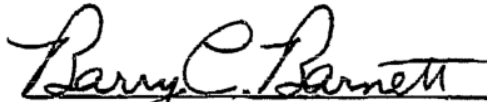
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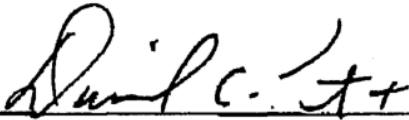
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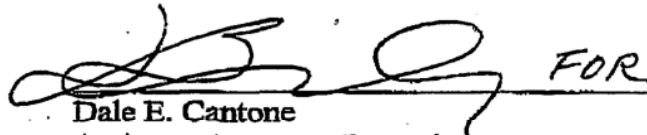
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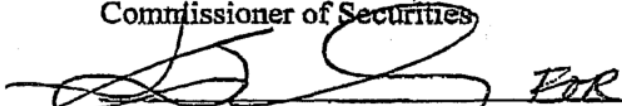
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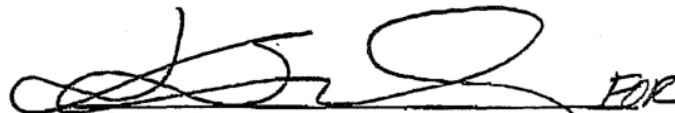
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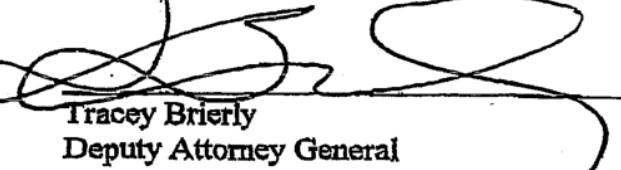
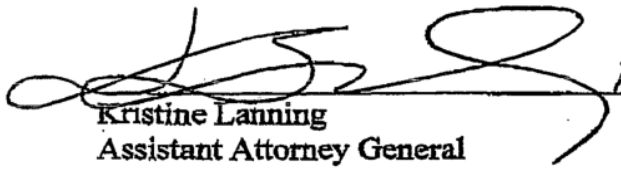
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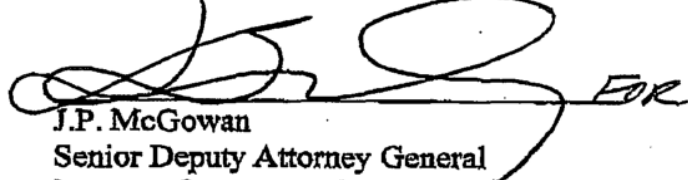
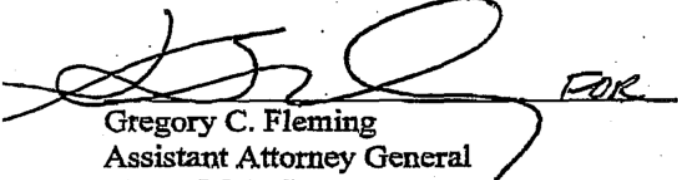


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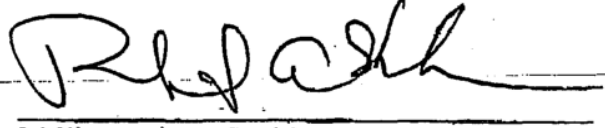
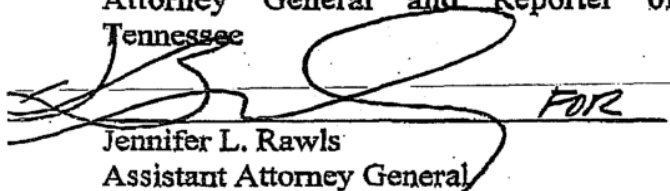


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