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 IN THE UNITED STATES DISTRICT COURT
 FOR THE DISTRICT OF ARIZONA
 Phoenix Division
 DISTRICT OF ARIZONA
 BY _____ DEPUTY

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FEB 5 1997
 CLERK U.S. DISTRICT COURT
 DISTRICT OF ARIZONA
 BY _____ DEPUTY

FEDERAL TRADE COMMISSION,)	
)	CIV-96-2494 PHX RCB
Plaintiff,)	DEFAULT FINAL
)	JUDGMENT AND ORDER
v.)	FOR PERMANENT
)	INJUNCTION
GLOBAL ASSISTANCE NETWORK FOR)	AGAINST GLOBAL
CHARITIES aka GANC, an unincorporated organization,)	ASSISTANCE NETWORK
et al.,)	FOR CHARITIES
)	
Defendants.)	
)	

On November 5, 1996, Plaintiff Federal Trade Commission ("Commission"), filed a complaint for permanent injunction and other relief in this matter, pursuant to Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b), against Global Assistance Network for Charities aka GANC, Eileen Belcar, and Cedrick Robles ("Defendants"). Plaintiff alleged in its complaint that Defendants violated Section 5 of the FTC Act, 15 U.S.C. § 45 (a) by engaging in a fraudulent charity pyramid scheme whereby they misrepresented members' earnings potential and Defendants' refund ability.

The Commission, by and through counsel, has filed a Motion for Entry of Default Judgment against Defendant Global Assistance Network for Charities ("GANC"). This Court, having granted Plaintiff's Motion for Default Judgment hereby enters this Default Final Judgment and Order for Permanent Injunction Against Defendant Global Assistance Network for Charities ("GANC").

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that:

1. This Court has jurisdiction of the subject matter and of the parties hereto and venue is proper in this Court. The complaint states a claim upon which relief may be granted against GANC under Sections 13(b) of the FTC Act, 15 U.S.C. § 53(b), as amended;

2. Defendant GANC has engaged in acts and practices that violate Section 5(a) of the FTC Act, 15 U.S.C. § 45(a);

3. For purposes of this order, "Defendant" means Global Assistance Network for Charities and its successors, assigns, officers, agents, servants, employees, and those persons 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 corporation, subsidiary, division, or other device; and

4. Pursuant to Rule 55(b) of the Federal Rules of Civil Procedure, all the facts Plaintiff set forth in its complaint against GANC are admitted as matter of law, and based on those facts, the Court enters judgment against GANC as follows:

FINDINGS OF FACT

GANC is an unincorporated organization that markets memberships in a charitable donation pyramid sales scheme throughout the United States and in foreign countries and transacts business in the District of Arizona. Complaint ¶ 5. Its address is 11259 East Villa Linda, Suite 100-947, Scottsdale, Arizona, which is a mailbox at Mail Vault, a commercial receiving company. Id.

Since approximately March 1996, defendant GANC has operated an investment program that purports to raise money for charities and to which it sells memberships. In actuality, GANC ran what is commonly known as a "pyramid scheme." Complaint ¶ 9.

GANC advertises and markets its charity pyramid scheme in newspapers and on the Internet, using electronic home pages on the World Wide Web. GANC also uses telephones, faxes, and mail to distribute its promotional documents. Complaint ¶ 11. GANC claims that its primary goal is to fund charities and that by becoming a participant in its pyramid scheme, a participant ensures, not only that his or her favorite charity will receive funds but that the participant will also receive substantial income. Complaint ¶ 12. Through its promotional

materials, GANC has promised consumers that if consumers participate in GANC, they will ultimately earn a profit of \$89,700 a month for a \$70 initial investment and \$50 per month thereafter. Complaint ¶ 13. GANC has solicited consumers throughout the United States and in foreign countries to pay GANC a specific sum to join their pyramid charity scheme. Complaint ¶ 14.

In connection with the offer for sale and sale of memberships in its charity pyramid scheme, GANC has violated Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), by making false and misleading representations that constitute unfair or deceptive acts or practices. Complaint ¶¶ 16-18. Specifically, GANC misrepresented the level of earnings consumers could expect to receive if they joined GANC and paid GANC a specific sum. GANC also misrepresented the availability of full refunds for consumers. Complaint ¶ 17. GANC's misrepresentations have caused and continue to cause substantial injury to consumers. Absent injunctive relief, GANC is likely to continue to injure consumers. Complaint ¶ 18.

I.

IT IS THEREFORE ORDERED that defendant GANC and its agents, employees, officers, servants, and attorneys, 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 in connection with the promotion, advertising, offer for sale, or sale of any goods or services, from violating Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), by:

A. Making or assisting others in making, directly or by implication, orally or in writing (including electronically) any material misrepresentation about income or profitability, or the availability of refunds;

B. Making directly or by implication, orally or in writing (including electronically) any material misrepresentation; and

C. Failing to have any basis for substantiating representations relating to the income or profitability of any goods or services.

II.

IT IS FURTHER ORDERED that defendant GANC is hereby permanently enjoined from providing to any person, except agents of the Commission or other law enforcement authorities, the name, address, telephone number, or credit card or bank account number, of any person who purchased a membership in GANC.

III.

IT IS FURTHER ORDERED that defendant GANC is hereby permanently restrained and enjoined from advertising, promoting, offering for sale, or selling, directly or indirectly, any memberships or participation rights in GANC or any other multi-level investment, marketing, or charitable donation program or plan.

IV.

IT IS FURTHER ORDERED that defendant GANC and any successors or assigns shall, in connection with any multi-level investment, marketing, or charitable donation program or plan, for a period of five (5) years from the date of entry of this Order:

A. Make available to representatives of the Commission, upon reasonable notice, books, records, and accounts which, in reasonable detail, accurately and fairly reflect the income, disbursements, transactions, and use of money by defendant GANC; and

B. Provide representatives of the Commission, upon reasonable notice and without restraint or interference, access during normal business hours to the offices of defendant GANC to inspect and copy all documents relating in any way to any conduct subject to this Order and to interview the officers, directors or employees of any such business with regard to compliance with the terms of this Order.

V.

IT IS FURTHER ORDERED that this Court retains jurisdiction of this matter for all purposes.

DATED this 4th day of February, 19 .

ROBERT C. BROOMFIELD

ROBERT C. BROOMFIELD

United States District Judge