

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
MIAMI DIVISION**

**CASE NO. 12-23065-CIV-ALTONAGA**

**FEDERAL TRADE COMMISSION,**

Plaintiff,

v.

**FITNESS BRANDS, INC.; FITNESS BRANDS  
INTERNATIONAL, INC.; TARA PRODUCTIONS,  
INC.; NEW U, INC.; DIRECT HOLDINGS  
AMERICAS, INC.; DIRECT ENTERTAINMENT  
MEDIA GROUP, INC.; JNL, INC.; JNL  
WORLDWIDE, INC.; corporations; MICHAEL CASEY;  
DAVID BRODESS; individually and as officers of  
FITNESS BRANDS INTERNATIONAL, INC.;  
FITNESS BRANDS, INC.; TARA BORAKOS, individually  
and as an officer of TARA PRODUCTIONS, INC.; NEW  
U, INC.; JENNIFER NICOLE LEE, individually and as an  
officer of JNL, INC.; and JNL WORLDWIDE, INC.,**

Defendants, and

**THE READER'S DIGEST ASSOCIATION, INC.,**

Relief Defendant.

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**STIPULATED FINAL JUDGMENT AND ORDER FOR PERMANENT INJUNCTION  
AND OTHER EQUITABLE RELIEF AGAINST DEFENDANTS  
TARA PRODUCTIONS, INC., NEW U, INC., and TARA BORAKOS**

Plaintiff, the Federal Trade Commission ("FTC" or "Commission"), pursuant to Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b), filed its Complaint for Permanent Injunction and Other Equitable Relief ("Complaint") against Defendants Fitness Brands, Inc., Fitness Brands International, Inc., Tara Productions, Inc., New U, Inc., Direct Holdings Americas, Inc., Direct Entertainment Media Group, Inc., JNL, Inc., JNL Worldwide, Inc., Michael Casey, David Brodess, Tara Borakos, and Jennifer Nicole Lee and Relief Defendant

CASE NO. 12-23065-CIV-ALTONAGA

The Reader's Digest Association, Inc. alleging deceptive acts or practices and false advertisements in violation of Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) and 52.

Defendants Tara Productions, Inc., New U, Inc., and Tara Borakos (collectively, the "Tara Defendants"), having been represented by counsel, and acting by and through counsel, have consented to the entry of this Stipulated Final Judgment and Order for Permanent Injunction and Other Equitable Relief ("Order") without a trial or adjudication of any issue of law or fact herein.

**NOW THEREFORE**, the Plaintiff and the Tara Defendants, having requested the Court to enter this Order, and the Court having considered the Order reached between the parties, **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** as follows:

**FINDINGS**

This is an action by the Commission instituted under Section 13(b) of the FTC Act, 15 U.S.C. § 53(b). The Commission has the authority to seek the relief contained herein.

1. The Commission's Complaint states claims upon which relief may be granted under Sections 5(a), 12, and 13(b) of the FTC Act, 15 U.S.C. §§ 45(a), 52, and 53(b).
2. This Court has jurisdiction over the subject matter of this case and personal jurisdiction over the Tara Defendants.
3. Venue in the United States District Court for the Southern District of Florida is proper pursuant to 15 U.S.C. § 53(b) and 28 U.S.C. § 1391(b) and (c).
4. The alleged activities of the Tara Defendants are "in or affecting commerce" as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.
5. This Order is for settlement purposes and does not constitute, and shall not be interpreted to

CASE NO. 12-23065-CIV-ALTONAGA

constitute, an admission by the Tara Defendants or a finding that the law, including but not limited to the FTC Act, has been violated as alleged in the Commission's Complaint.

6. The Tara Defendants waive: (a) all rights to seek appellate review or otherwise challenge or contest the validity of this Order; (b) any claim that they may have against the Commission, its employees, representatives, or agents; (c) all claims under the Equal Access to Justice Act, 28 U.S.C. § 2412, *as amended by* Pub. L. 104-121, 110 Stat. 847, 863-64 (1996); and (d) any rights to attorney's fees that may arise under said provision of law. The Commission and the Tara Defendants shall each bear their own costs and attorney's fees incurred in this action.
7. This Order is in addition to, and not in lieu of, any other civil or criminal remedies that may be provided by law.
8. Entry of this Order is in the public interest.
9. This Order reflects the negotiated agreement of the parties. The Commission and the Tara Defendants have agreed that entry of this Order settles and resolves all matters of dispute between them arising from the conduct alleged in the Commission's Complaint as of the date of entry of this Order.

**DEFINITIONS**

For the purposes of this Order, the following definitions shall apply:

1. The "Ab Circle Pro" means the Ab Circle Pro exercise device described in the Commission's Complaint and any related accessories or supplies.
2. "Corporate Defendants" means Tara Productions, Inc. and New U, Inc., and their

CASE NO. 12-23065-CIV-ALTONAGA

successors and assigns, individually, collectively, or in any combination.

3. "Tara Borakos" means Tara Borakos, individually and as an officer and director of Tara Productions, Inc. and New U, Inc.
4. "Tara Defendants" means all of the Corporate and Individual Defendants, individually, collectively, or in any combination.
5. "Commerce" means as defined in Section 4 of the FTC Act, 15 U.S.C. § 44.
6. "Adequate and Well-Controlled Human Clinical Study" shall mean a human clinical study conducted by persons qualified by training and experience to conduct such study. Such study shall be randomized, and, unless it can be demonstrated that blinding or placebo control cannot be effectively or ethically implemented given the nature of the intervention, shall be double-blind and placebo-controlled.
7. "Covered Product" means any exercise equipment, or any food, drug, or device, as the terms "food," "drug," and "device" are defined in Section 15 of the FTC Act, 15 U.S.C. § 55.
8. "Essentially Equivalent Product" means any product that contains the identical ingredients, except for inactive ingredients (*e.g.*, binders, colors, fillers, excipients), in the same form and dosage, and with the same route of administration (*e.g.*, orally, sublingually); *provided that* it may contain additional ingredients if reliable scientific evidence generally accepted by experts in the field demonstrates that the amount and combination of additional ingredients is unlikely to impede or inhibit the effectiveness of the ingredients in the Essentially Equivalent Product.

CASE NO. 12-23065-CIV-ALTONAGA

9. "Substantially Similar Device" means an abdominal exercise device that is substantially similar in function, appearance, and design to the Ab Circle Pro device.
10. "Document" or "Documents" means any materials listed in Federal Rule of Civil Procedure 34(a) and includes writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, and other data compilations from which information can be obtained and translated, if necessary, into reasonably usable form through detection devices. A draft or nonidentical copy is a separate Document within the meaning of the term.
11. "Endorsement" or "Testimonial" means endorsement as defined in 16 C.F.R. § 255.0(b). The two terms shall be treated identically in this Order, pursuant to 16 C.F.R. § 255.0(c).
12. "Plaintiff" means the Federal Trade Commission.
13. A requirement that any defendant "notify," "furnish," "submit to," or "provide to" the Commission means that the defendant must send the necessary information via email to DEbrief@ftc.gov or by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: FTC v. Fitness Brands, Inc. (S.D. Fla.).
14. The term "including" in this order shall mean "without limitation."
15. The terms "and" and "or" in this Order shall be construed conjunctively or disjunctively as necessary, to make the applicable phrase or sentence inclusive rather than exclusive.

CASE NO. 12-23065-CIV-ALTONAGA

**PROHIBITED REPRESENTATIONS**

**I.**

**IT IS HEREBY ORDERED** that the Tara Defendants, and their officers, agents, servants, and employees, and other persons in active concert and participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any person, business entity, trust, corporation, partnership, limited liability company, subsidiary, division, or other device, or any of them, in connection with the advertising, promotion, offering for sale, sale, or distribution of the Ab Circle Pro or any Substantially Similar Device, in or affecting commerce, are hereby permanently restrained and enjoined from making, or assisting others in making, directly or indirectly, expressly or by implication, including through the use of a product name, endorsement, depiction, or illustration, any representation:

- A. That such device causes or is likely to cause rapid and substantial weight, inch, or fat loss;
- B. That such device causes or is likely to cause rapid and substantial weight, inch, or fat loss in specific, desired areas of the body, such as the abdominal area, hips, thighs, and buttocks;
- C. That if used for three minutes a day, such device:
  - 1. Will cause users to lose ten pounds in two weeks;
  - 2. Is equal to 100 sit-ups; or
  - 3. Provides weight or fat loss benefits that are equivalent or superior to significantly longer workouts on other exercise devices or gym equipment;

CASE NO. 12-23065-CIV-ALTONAGA

- D. That such device makes a material contribution to any system, program, or plan that produces the results referenced in Subsections A through C of this Section;
- E. That consumers who use such device are likely to obtain the rapid and substantial weight or fat loss obtained by consumers who give testimonials concerning such device; and
- F. That any particular testimonialist achieved specific weight loss, fat loss, or other fitness benefits unless such representation is true and not misleading.

**II.**

**IT IS FURTHER ORDERED** that the Tara Defendants and their officers, agents, servants, and employees, and other persons in active concert and participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any person, business entity, trust, corporation, partnership, limited liability company, subsidiary, division, or other device, or any of them, in connection with the advertising, promotion, offering for sale, sale, or distribution of any Covered Product, in or affecting commerce, are hereby permanently restrained and enjoined from representing, or assisting others in representing, directly or indirectly, expressly or by implication, including through the use of a product name, endorsement, depiction, or illustration, that:

- A. Such Covered Product causes or is likely to cause rapid and substantial loss of weight, inches, or fat;
- B. Such Covered Product causes or is likely to cause weight, inch, or fat loss primarily in specific, desired areas of the body, such as the abdominal area, hips, thighs, and

CASE NO. 12-23065-CIV-ALTONAGA

- buttocks;
- C. Use of such Covered Product for any period of time provides weight, inch, or fat loss benefits that are equivalent or superior to any form of exercise, including but not limited to exercising on specific devices or equipment;
- D. Such Covered Product makes a material contribution to any system, program, or plan that produces the results referenced in Subsections A through C of this Section; unless such representation is non-misleading, and, at the time of making such representation, the Tara Defendants possess and rely upon competent and reliable scientific evidence that is sufficient in quality and quantity based on standards generally accepted in the relevant scientific fields, when considered in light of the entire body of relevant and reliable scientific evidence, to substantiate that the representation is true.

For purposes of this Section, for any Covered Product that is a food or drug, competent and reliable scientific evidence shall consist of at least two Adequate and Well-Controlled Human Clinical Studies of such food or drug, or of an Essentially Equivalent Product, conducted by different researchers, independently of each other, that conform to acceptable designs and protocols and whose results, when considered in light of the entire body of relevant and reliable scientific evidence, are sufficient to substantiate that the representation is true.

For purposes of this Section, for any Covered Product that is exercise equipment, competent and reliable scientific evidence shall consist of at least one human clinical study that conforms to acceptable designs and protocols, is randomized, controlled, blinded to the maximum extent practicable, of at least six weeks duration, uses appropriate measuring tools, is conducted by



CASE NO. 12-23065-CIV-ALTONAGA

persons qualified by training and experience to conduct and measure compliance with such a study, and whose results, when considered in light of the entire body of relevant and reliable scientific evidence, are sufficient to substantiate that the representation is true.

For purposes of this Section, for any Covered Product that is not a food, drug, or exercise equipment, competent and reliable scientific evidence shall consist of tests, analyses, research, or studies that have been conducted and evaluated in an objective manner by qualified persons and are generally accepted in the profession to yield accurate and reliable results.

*Provided, however,* that in instances where any Tara Defendant, on behalf of a client, creates or develops advertising, or participates or assists in the creation or development of advertising, for a Covered Product, including but not limited to drafting all or part of an infomercial script or producing an infomercial, and does not have an ownership interest in such Covered Product or own or license the right to advertise such Covered Product, it shall be a defense hereunder for such Tara Defendant if it can establish that, after reasonable inquiry, it neither knew nor had reason to know that any representation listed in Subsection II.A, II.B, II.C, or II.D of this Section was not supported by competent and reliable scientific evidence as required under this Section.

**III.**

**IT IS FURTHER ORDERED** that the Tara Defendants, and their officers, agents, servants, and employees, and other persons in active concert and participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any person, business entity, trust, corporation, partnership, limited liability company,

CASE NO. 12-23065-CIV-ALTONAGA

subsidiary, division, or other device, or any of them, in connection with the advertising, promotion, offering for sale, sale, or distribution of any food, drug, or device, as those terms are defined in Section 15 of the FTC Act, 15 U.S.C. § 55, in or affecting commerce, are hereby permanently restrained and enjoined from making, or assisting others in making, directly or indirectly, expressly or by implication, including through the use of a product name, endorsement, depiction, or illustration, any representation, other than representations covered under Section II of this Order, about the health, weight-loss, or fitness-related performance or benefit of such food, drug, or device unless the representation is non-misleading, and, at the time of making such representation, the Tara Defendants possess and rely upon competent and reliable scientific evidence that is sufficient in quality and quantity based on standards generally accepted in the relevant scientific fields, when considered in light of the entire body of relevant and reliable scientific evidence, to substantiate that the representation is true. For purposes of this Section, competent and reliable scientific evidence shall consist of tests, analyses, research, or studies that have been conducted and evaluated in an objective manner by qualified persons and are generally accepted in the profession to yield accurate and reliable results.

*Provided, however,* that in instances where any Tara Defendant, on behalf of a client, creates or develops advertising, or participates or assists in the creation or development of advertising, for a Covered Product, including but not limited to drafting all or part of an infomercial script or producing an infomercial, and does not have an ownership interest in such food, drug, or device or own or license the right to advertise such food, drug, or device, it shall be a defense hereunder for such Tara Defendant if it can establish that, after reasonable inquiry, it neither knew nor had reason

CASE NO. 12-23065-CIV-ALTONAGA

to know that any representation about the performance, efficacy, or safety of such food, drug, or device was not supported by competent and reliable scientific evidence as required under this Section.

**IV.**

**IT IS FURTHER ORDERED** that the Tara Defendants, and their officers, agents, servants, and employees, and other persons in active concert and participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any person, business entity, trust, corporation, partnership, limited liability company, subsidiary, division, or other device, or any of them, in connection with the advertising, promotion, offering for sale, sale, or distribution of any Covered Product, in or affecting commerce, shall not represent, or assist others in representing, in any manner, directly or indirectly, expressly or by implication, including through the use of a product name, endorsement, depiction, or illustration, that members of the public who use the Covered Product can generally expect to achieve the results represented by an endorser of such Covered Product unless:

- A. Such representation is non-misleading; and
- B. At the time of making such representation, the Tara Defendants possess and rely upon competent and reliable scientific evidence that is sufficient in quality and quantity based on standards generally accepted in the relevant scientific fields, when considered in light of the entire body of relevant and reliable scientific evidence, to substantiate that the representation is true. For purposes of this Section, competent and reliable scientific evidence shall consist of tests, analyses, research, or studies that have been

CASE NO. 12-23065-CIV-ALTONAGA

conducted and evaluated in an objective manner by qualified persons and are generally accepted in the profession to yield accurate and reliable results.

*Provided, however,* that for purposes of this Section IV, in instances where any Tara Defendant, on behalf of a client, creates or develops advertising, or participates or assists in the creation or development of advertising, for a Covered Product, including but not limited to drafting all or part of an infomercial script or producing an infomercial, and does not have an ownership interest in such Covered Product or own or license the right to advertise such Covered Product, such Tara Defendant will have complied with the substantiation requirement of this Subsection IV.B if it can establish that, after reasonable inquiry, it neither knew nor had reason to know that any representation covered under this Section was not supported by competent and reliable scientific evidence as required under this Section.

**V.**

**EQUITABLE MONETARY RELIEF**

**IT IS FURTHER ORDERED** that:

- A. The Commission's agreement to this Order is expressly premised upon the truthfulness, accuracy, and completeness of the following documents and sworn financial statements, along with all attachments, exhibits, schedules, forms, and statements attached thereto, submitted to the Commission by the Tara Defendants:
1. Financial Statement for Tara B. Borakos, signed 11/01/2011;
  2. Financial Statement for Tara Productions Inc., signed 11/01/2011 by Tara Borakos,

CASE NO. 12-23065-CIV-ALTONAGA

President;

3. Financial Statement for New U, Inc., signed by Tara Borakos, President (no date; faxed 11/05/2011);
4. A one-page sworn statement by Tara Borakos, dated January 26, 2012;
5. Form 1120S, U.S. Income Tax Return for an S Corporation, for Tara Productions, Inc., calendar year 2008;
6. Form 1120S, U.S. Income Tax Return for an S Corporation, for Tara Productions, Inc., calendar year 2009;
7. Form 1120S, U.S. Income Tax Return for an S Corporation, for Tara Productions, Inc., calendar year 2010;
8. Form 1120S, U.S. Income Tax Return for an S Corporation, for New U., Inc., for calendar year 2008;
9. Form 1120S, U.S. Income Tax Return for an S Corporation, for New U., Inc., for calendar year 2009;
10. Form 1120S, U.S. Income Tax Return for an S Corporation, for New U., Inc., for calendar year 2010;
11. Form 1120S, U.S. Income Tax Return for an S Corporation, for Dating Chemistry, Inc., for calendar year 2008;
12. Form 1120S, U.S. Income Tax Return for an S Corporation, for Dating Chemistry, Inc., for calendar year 2009;
13. Form 1120S, U.S. Income Tax Return for an S Corporation, for Dating Chemistry, Inc.,

CASE NO. 12-23065-CIV-ALTONAGA

for calendar year 2010;

14. A Profit & Loss Statement January through December 2011 for New U, Inc.; and

15. A Balance Sheet as of December 31, 2011, for New U, Inc.

The Tara Defendants stipulate that all of the materials referenced above are truthful, accurate, and complete in all material respects as of the date of such information. These documents contain material information upon which the Commission relied in negotiating and agreeing to the terms of this Order.

- B. If, upon motion by the Commission, a Court determines that, with respect to any of the materials referenced above, any Tara Defendant made a material misrepresentation or omitted material information concerning its financial condition, a judgment in the amount of one million, seventy three thousand, three hundred nineteen dollars (\$1,073,319), which represents the amount of royalties that the Tara Defendants received from Ab Circle Pro sales and the fees they received for producing the Ab Circle Pro infomercials, shall be entered by the Court against the Tara Defendants and, upon entry, shall immediately become due and payable. Interest computed at the rate prescribed under 28 U.S.C. § 1961, as amended, shall immediately begin to accrue on the unpaid balance.

*Provided* that proceedings instituted under this provision would be in addition to, and not in lieu of, any other civil or criminal remedies, as may be provided by law, including but not limited to contempt proceedings, or any other proceedings that the Commission may initiate to enforce this Order.

- C. Any funds paid pursuant to this Order shall be deposited into an account administered by

CASE NO. 12-23065-CIV-ALTONAGA

the Commission or its agents to be used for equitable relief, including, but not limited to, consumer redress, and any attendant expenses for the administration of such equitable relief. If the Commission determines, in its sole discretion, that direct redress to consumers is wholly or partially impracticable, or funds remain after the 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 the Tara Defendants' practices alleged in the Complaint. Any funds not used for such equitable relief shall be deposited in the United States Treasury as disgorgement. The Tara Defendants shall have no right to challenge the Commission's choice of remedies under this Section. The Tara Defendants shall have no right to contest the manner of distribution chosen by the Commission. This judgment for equitable monetary relief is solely remedial in nature and is not a fine, penalty, punitive assessment, or forfeiture.

- D. The Tara Defendants relinquish all dominion, control, and title to any funds paid, to the fullest extent permitted by law. The Tara Defendants shall make no claim to, or demand return of the funds, directly or indirectly, through counsel or otherwise.
- E. The Tara Defendants agree that the facts as alleged in the Complaint filed in this action shall be taken as true without further proof in any bankruptcy case or subsequent civil litigation pursued by the Commission to enforce its rights to any payment or money judgment pursuant to this Order, including, but not limited to, a nondischargeability complaint in any bankruptcy case. The Tara Defendants further stipulate and agree that the facts alleged in the Complaint establish all elements necessary to sustain an action by

CASE NO. 12-23065-CIV-ALTONAGA

the Commission pursuant to Section 523(a)(2)(A) of the Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A), and that this Order shall have collateral estoppel effect for such purposes.

- F. In accordance with 31 U.S.C. § 7701, the Tara Defendants are hereby required, unless they have done so already, to furnish to the Commission their taxpayer identifying numbers, which shall be used for the purposes of collecting and reporting on any delinquent amount arising out of the Tara Defendants' relationship with the government.
- G. Proceedings instituted under this Section are in addition to, and not in lieu of, any other civil or criminal remedies that may be provided by law, including any other proceedings the Commission may initiate to enforce this Order.

## VI.

### ORDER ACKNOWLEDGMENTS

**IT IS FURTHER ORDERED** that the Tara Defendants obtain acknowledgments of receipt of this Order:

- A. Each Tara Defendant, within seven (7) days of entry of this Order, must submit to the Commission an acknowledgment of receipt of this Order sworn under penalty of perjury.
- B. For five (5) years after entry of this Order, Tara Borakos, for any business in which she, individually or collectively with any other Defendant, is the majority owner or directly or indirectly controls and each Corporate Defendant, must deliver a copy of this Order to: (1) all principals, officers, directors, and managers with responsibilities with respect to the subject matter of this Order; (2) all employees, agents, and representatives who participate in conduct related to the subject matter of the Order; and (3) any business entity resulting



CASE NO. 12-23065-CIV-ALTONAGA

from any change in structure as set forth in the Section titled Compliance Reporting. Delivery must occur within seven (7) days of entry of this Order for current personnel. To all others, delivery must occur before they assume their responsibilities.

- C. From each individual or entity to which a Tara Defendant delivered a copy of this Order, that Defendant must obtain, within thirty (30) days, a signed and dated acknowledgment of receipt of this Order.

## VII.

### COMPLIANCE REPORTING

**IT IS FURTHER ORDERED** that the Tara Defendants make timely submissions to the Commission:

- A. One hundred eighty (180) days after entry of this Order, each Tara Defendant must submit a compliance report, sworn under penalty of perjury.
1. Each Tara Defendant must: (a) designate at least one telephone number and an email, physical, and postal address as points of contact, which representatives of the Commission may use to communicate with that Tara Defendant; (b) identify all of that Tara Defendant's businesses by all of their names, telephone numbers, and physical, postal, email, and Internet addresses; (c) describe the activities of each business, including the products and services offered, the means of advertising, marketing, and sales, and the involvement of any other defendant in this case (which Tara Borakos must describe if she knows or should know due to her own involvement); (d) describe in detail whether and how that Tara Defendant is in compliance with each Section of

CASE NO. 12-23065-CIV-ALTONAGA

this Order; and (e) provide a copy of each Order Acknowledgment obtained pursuant to this Order, unless previously submitted to the Commission;

2. Additionally, Tara Borakos must: (a) identify all telephone numbers and all email, Internet, physical, and postal addresses, including all residences; (b) identify all titles and roles in all business activities, including any business for which she performs services whether as an employee or otherwise and any entity in which she has any ownership interest; and (c) describe in detail her involvement in each such business, including title, role, responsibilities, participation, authority, control and any ownership.

B. For twenty (20) years following entry of this Order, each Tara Defendant must submit a compliance notice, sworn under penalty of perjury, within fourteen (14) days of any change in the following:

1. Each Tara Defendant must report any change in: (a) any designated point of contact; or (b) the structure of any Corporate Defendant or any entity of which the Tara Defendant has direct or indirect control that may affect compliance obligations arising under this Order, including: creation, merger, sale, or dissolution of the entity or any subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order.
2. Additionally, Tara Borakos must report any change in: (a) name, including aliases or fictitious name, or residence address; or (b) title or role in any business activity in or affecting commerce, including any business for which she performs services whether as an employee or otherwise and any entity in which she has any ownership interest,

CASE NO. 12-23065-CIV-ALTONAGA

and identify its name, physical address, and Internet address, if any.

- C. Each Tara Defendant must submit to the Commission notice of the filing of any bankruptcy petition, insolvency proceeding, or any similar proceeding by or against such Defendant within fourteen (14) days of its filing.
- D. Any submission to the Commission required by this Order to be sworn under penalty of perjury must be true and accurate and comply with 18 U.S.C. § 1746, such as by concluding: "I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on:\_\_\_\_\_" and supplying the date, signatory's full name, title (if applicable), and signature.
- E. Unless otherwise directed by a Commission representative in writing, all submissions to the Commission pursuant to this Order must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: FTC v. Fitness Brands, Inc. (S.D. Fla.).

### VIII.

#### RECORDKEEPING

**IT IS FURTHER ORDERED** that Tara Defendants must create certain records for twenty (20) years after entry of the Order, and retain each such record for five (5) years. Specifically, each Corporate Defendant, in connection with the advertising, promotion, offering for sale, sale, or distribution of any Covered Product, and Tara Borakos for any business in which she, individually

CASE NO. 12-23065-CIV-ALTONAGA

or collectively with any other defendant in this case, is a majority owner or directly or indirectly controls, must maintain the following records:

- A. Accounting records showing the revenues from all goods or services sold, all costs incurred in generating those revenues, and the resulting net profit or loss;
- B. Personnel records showing, for each person providing services, whether as an employee or otherwise, that person's: name, addresses, and telephone numbers; job title or position; dates of service; and, if applicable, the reason for termination;
- C. Customer files showing the names, addresses, telephone numbers, dollar amounts paid, and the quantity and description of goods or services purchased;
- D. Complaints and refund requests, whether received directly or indirectly, such as through a third party, and any response;
- E. All records necessary to demonstrate full compliance with each provision of this Order, including all submissions to the Commission; and
- F. A copy of each advertisement or other marketing material.

**IX.**

**COMPLIANCE MONITORING**

**IT IS FURTHER ORDERED** that, for the purpose of monitoring the Tara Defendants' compliance with this Order, including any failure to transfer any assets as required by this Order:

- A. Within fourteen (14) days of receipt of a written request from a representative of the Commission, each Tara Defendant must: submit additional compliance reports or other requested information, which must be sworn under penalty of perjury; appear for

CASE NO. 12-23065-CIV-ALTONAGA

depositions; and produce documents, for inspection and copying. The Commission is also authorized to obtain discovery, without further leave of court, using any of the procedures prescribed by Federal Rules of Civil Procedure 29, 30 (including telephonic depositions), 31, 33, 34, 36, 45, and 69.

- B. For matters concerning this Order, the Commission is authorized to communicate directly with each Tara Defendant. The Tara Defendants must permit representatives of the Commission to interview any employee or other person affiliated with any Tara Defendant who has agreed to such an interview. The person interviewed may have counsel present.
- C. The Commission may use all other lawful means, including posing, through its representatives, as consumers, suppliers, or other individuals or entities, to the Tara Defendants or any individual or entity affiliated with the Tara Defendants, without the necessity of identification or prior notice. Nothing in this Order limits the Commission's lawful use of compulsory process, pursuant to Sections 9 and 20 of the FTC Act, 15 U.S.C. §§ 49, 57b-1.


**X.**

**RETENTION OF JURISDICTION**

**IT IS FURTHER ORDERED** that this Court retains jurisdiction of this matter for purposes of construction, modification, and enforcement of this Order.

CASE NO. 12-23065-CIV-ALTONAGA

**DONE AN ORDERED** in Miami, Florida, this 27th day of August, 2012.

  
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**CECILIA M. ALTONAGA**  
**UNITED STATES DISTRICT JUDGE**