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**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA**

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Federal Trade Commission,

No. CV-08-908-PHX-DGC

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Plaintiff,

ORDER

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vs.

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Handicapped & Disabled Workshops,
Inc., also formerly known as Handi-Tech
Company; Handi-Hope Industries, Inc.;
Handi-Ship, LLC; Bruce D. Peoples;
George Thomas; and Joshua D.
Abramson,

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Defendants.

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Plaintiff Federal Trade Commission (“FTC”) filed a complaint alleging that Defendants engaged in a fraudulent telemarketing scheme by, among other things, selling common household products at exorbitant prices based on false statements that the sales would help handicapped employees of Defendants, shipping unordered products to consumers and subsequently mailing invoices demanding payment from the consumers, harassing consumers through repeated and threatening phone calls and letters, and charging consumers’ credit cards and bank accounts without authorization. Dkt. #3. The complaint asserts violations of the Federal Trade Commission Act, the Telemarketing and Consumer Fraud and Abuse Prevention Act, the FTC’s Telemarketing Sales Rules, and the Unordered Merchandise Statute. Dkt. ##3, 48. The FTC seeks injunctive relief, rescission or reformation of contracts, restitution, and disgorgement of ill-gotten monies. *Id.*

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1 The Court entered stipulated final judgments in favor of the FTC and against
2 individual Defendants Bruce Peeples, George Thomas, and Joshua Abramson. Dkt. ##52,
3 53, 54.

4 The Court entered a stipulated preliminary injunction appointing attorney Matthew
5 Callister as the permanent receiver (“Receiver”) over Corporate Defendants Handicapped &
6 Disabled Workshops, Inc., Handi-Hope Industries, Inc., and Handi-Ship, LLC. Dkt. #29.
7 Following the entry of default judgment against Corporate Defendants (Dkt. #47), the Court
8 issued an order directing the Receiver to wind down Corporate Defendants and discharge the
9 receivership (Dkt. #55).

10 The Receiver filed a final report, accounting, and recommendations on March 25,
11 2009. Dkt. #56. Pursuant to certain orders (Dkt. ##58, 63, 66), the Receiver has filed a first
12 status report (Dkt. #64), a second status report (Dkt. #67), and a supplement to the second
13 status report (Dkt. #69). The Receiver also has filed an application for approval of receiver
14 fees (Dkt. #61) and a supplement to that application (Dkt. #68). On the basis of these filings
15 and the record as a whole, and for good cause appearing:

16 **IT IS HEREBY ORDERED:**

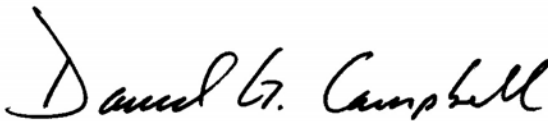
- 17 1. Due to its minimal monetary value, the remaining inventory held by the
18 Receiver shall be donated to appropriate charities.
- 19 2. From the \$419,300.10 held in the Receivership Trust Account, the Receiver
20 may retain \$10,000.00 (i) for the purpose of paying any future unemployment
21 tax liability relating to the filing of the 2008 unemployment tax returns for
22 Corporate Defendants, and (ii) for the purpose of paying CPA Charles Estes
23 for preparing said tax returns.
- 24 3. The Receiver’s application for receiver fees and costs (Dkt. ##61, 68) is
25 approved. The Receiver is awarded a total of \$44,398.98. This amount shall
26 be paid from funds held in the Receivership Trust Account.
- 27 4. The remaining \$364,901.12 in the Receivership Trust Account, and any
28 unused portion of the \$10,000 retained by the Receiver for tax-related

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purposes, shall be provided to the FTC for ultimate satisfaction of claims. Affected consumers and/or victims of Defendants' misconduct shall be repaid prior to the repayment of any trade creditors or other debts and liabilities incurred by Corporate Defendants before May 15, 2008.

5. The Clerk is directed to terminate this action.

DATED this 28th day of October, 2009.



David G. Campbell
United States District Judge