

THE STATE OF TEXAS,
Plaintiff,

V.

JOHN STRANGE D/B/A
USASKIPTRACE.COM,
AMS RESEARCH SERVICES, INC.,
WORLDWIDE INVESTIGATIONS, INC.
D/B/A USA SKIPTRACE, AND
AMANDA STRANGE
Defendants.

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IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS

250th JUDICIAL DISTRICT

Filed in The District Court
of Travis County, Texas

JL SEP 25 2008
At 9:08 AM
Amalia Rodriguez-Mendoza, Clerk

AGREED FINAL JUDGMENT AND PERMANENT INJUNCTION

Plaintiff, the State of Texas (“State”), by and through Greg Abbott, the Attorney General of Texas (“Attorney General”), and Defendants, JOHN STRANGE d/b/a USASKIPTRACE.COM, AMS RESEARCH SERVICES, INC., WORLDWIDE INVESTIGATIONS, INC. d/b/a USA SKIPTRACE, AND AMANDA STRANGE (collectively referred to as “Defendants”), consent to the entry of this Agreed Final Judgment and Permanent Injunction, as evidenced by their signatures herein below. The Court, after considering the agreement of the parties, the parties’ stipulations, the pleadings and attached exhibits, and the supporting authorities, is of the opinion that said agreement should be in all things approved. Accordingly, the Court hereby enters and renders this Agreed Final Judgment and Permanent Injunction.

I. STIPULATIONS

1.1 The Court, by stipulation of the parties through their respective attorneys, makes the following findings:

a. The parties have compromised and settled the State's claims for civil penalties and damages, investigative costs and attorney's fees, and injunctive relief.

b. This Court has jurisdiction over the subject matter of this case and over all parties to this action.

c. Venue of this matter is proper in Travis County.

d. Plaintiff's Original Petition, states a claim upon which relief can be granted against Defendants, and Plaintiff has authority to seek the relief it has requested.

e. Defendants have engaged in false, misleading, and deceptive trade practices in violation of sections 17.46(a) and (b) of the DTPA. TEX. BUS. & COM. CODE ANN. § 17.46.

f. The civil fines and penalties awarded to the State of Texas constitute claims payable to, and for the benefit of, a governmental unit, as defined under 11 U.S.C. §101(27), and are not compensation for actual pecuniary loss.

g. Defendants waive any rights that they may have to appeal from this Order.

h. Defendants or their corporate representatives have read this Order and agree to its entry, as reflected by their signatures below.

i. Defendants have provided Plaintiff State of Texas with sworn affidavits regarding their assets, financial status, and the solvency of the Defendants. Further, Defendants represent and understand that Plaintiff has relied upon the sworn affidavits made by Defendants in approving this Agreed Final Judgment and Permanent Injunction.

j. This Agreed Final Judgment and Permanent Injunction in no way affects, preempts, precludes, or resolves any matters with respect to any private claimants or other governmental agencies or departments.

II. DEFINITIONS

2.1. The term “confidential telephone records” means (a) information that relates to the quantity, technical configuration, type, destination, location, and amount of use of a telecommunications service or Internet protocol enabled voice service (e.g. VoIP) subscribed to by any customer of a telecommunications carrier or Internet voice service provider, and said information is made available to the carrier or provider by the customer solely by virtue of the carrier / provider-customer relationship; and (b) information contained in the bills pertaining to telephone exchange service or telephone toll service received by a customer of a carrier or provider, which includes, but is not limited to, telephone call detail records.

III. INJUNCTION

3.1 **IT IS THEREFORE RENDERED, ORDERED, ADJUDGED AND DECREED** that Defendants JOHN STRANGE d/b/a USASKIPTRACE.COM, AMS RESEARCH SERVICES, INC., WORLDWIDE INVESTIGATIONS, INC. d/b/a USA SKIPTRACE, AND AMANDA STRANGE, individually and by their officers, agents, servants, spouses, relatives, employees, attorneys, or by any entity or department owned, operated, controlled, or managed by any Defendant as well as any predecessor, successor, employee, agent, representative, affiliate, or subsidiary thereof, and any other persons in active concert or participation with any Defendant, who receive actual notice of this order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other devise, shall be immediately and permanently enjoined from engaging in the following acts or practices,

- a. Obtaining, causing others to obtain, requesting others to obtain, marketing, or selling confidential telephone records relating to any person or entity;

- b. Making false, misleading, or deceptive statements or representations to any person or entity, directly or by implication, including but not limited to impersonating any person or entity, in efforts to obtain confidential telephone records;
- c. Representing directly or indirectly that Defendants or their agents can lawfully obtain the confidential phone records of another person or entity without first obtaining either a lawfully issued subpoena or the consent of that person or entity;
- d. Advertising that Defendants can obtain confidential telephone records of another person or entity;
- e. Soliciting or accepting requests or orders to obtain confidential phone records of any person or entity;
- f. Contacting, or causing another person to contact, a telecommunications or VOIP provider and falsely representing to such provider, by implication or expressly, that the caller is an account holder with a right of access to an account holder's confidential phone records,
- g. Making false, misleading, or deceptive statements or representations to any person or entity, including but not limited to, telecommunications or VOIP providers, in order to obtain confidential phone records.
- h. Contacting or causing another person to contact a telecommunications provider for the purpose of requesting an account holder's confidential telephone records, and falsely representing to such provider, by implication or expressly, that the caller is an employee or agent of the telecommunications carrier;

- i. Accessing or causing another person to access an account holder's confidential telephone records via a provider's online computer network by falsely representing to such provider, by implication or expressly, that the person accessing the online account is actually an account holder who is accessing his/her own information;
- j. Controlling, possessing, or maintaining the confidential telephone records of any person or entity;
- k. Accepting payment or any consideration in exchange for obtaining confidential phone records of any person or entity; and
- l. Acting as an investigations company in Texas, offering to perform the services of an investigations company in Texas or engaging in business activity in Texas for which a license is required pursuant to Tex. Occ. Code §1702.

IV. COOPERATION WITH STATE OF TEXAS

4.1 **IT IS FURTHER ORDERED** that Defendant John Strange shall, in connection with this action or any subsequent investigations or litigation related to the subject of the Plaintiff's Original Petition, cooperate in good faith with the State of Texas and appear at such places and times as the State shall reasonably request, after written notice, for interviews, consultations, review of documents, and for such other matters as may be reasonably requested by the State. Defendant Strange, shall also appear and provide truthful testimony in any trial, deposition, or other proceeding related to or associated with the types of transaction that are the subject of Plaintiff's Original Petition, without the service of a subpoena.

V. RECORD KEEPING AND COMPLIANCE REPORTING

5.1 **IT IS FURTHER ORDERED** that Defendants shall maintain copies of all business records, including, but not limited to, e-mail or electronic communications for a period of not less than one year from the date the record is created.

5.2 For a period of five years after the entry of this Judgment, Defendant JOHN STRANGE shall notify Plaintiff of the following:

- a. Any changes in residence, mailing addresses, and telephone numbers, within fifteen days of the date of such change;
- b. Any changes in employment status, including self employment, and any change in his ownership in any business entity, within fifteen days of the date of such change. Such notice shall include the name and address of each business with which he is affiliated, employed by, creates or forms, or performs services for; a statement of the nature of the business; and a statement of his duties and responsibilities in connection with the business or employment; and
- c. Any changes in his name or use of any aliases or fictitious names.

5.3 DEFENDANTS shall notify the State of Texas of any changes in the corporate structure of WORLDWIDE INVESTIGATIONS, INC. and AMS RESEARCH SERVICES, INC. or any business entity that John Strange directly or indirectly controls or has an ownership interest in, that may affect compliance obligations arising under this Order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a

successor entity; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Order; the filing of a voluntary or involuntary bankruptcy petition; or a change in the corporate name or address, at least thirty days prior to such change or filing.

5.4 For a period of five years after the entry of this statement, Defendants shall forward to Plaintiff copies of all complaints or refund requests which they may receive from any person or business in Texas, together with their responses to those complaints or requests. Such reports shall be mailed by United States Postal Service via first class mail to the Attorney General of Texas, Consumer Protection and Public Health Division, P. O. Box 12548, Austin, Texas, 78711-2548, to the attention of ESTHER CHAVEZ.

5.5 For purposes of the compliance and reporting provisions required by this Order, the State of Texas is authorized to communicate directly with Defendants. In addition, the State is authorized to monitor compliance with this Order by all lawful means including posing as a consumer or member of the general public in communications with Defendants, Defendants' employees and agents, or any other entity managed or controlled in whole or in part by any Defendant, without the necessity of identification or prior notice.

VI. CIVIL PENALTIES AND ATTORNEY'S FEES

6.1 **IT IS FURTHER ORDERED** that the State of Texas have judgment and recover from DEFENDANTS AMS RESEARCH SERVICES, INC. AND WORLDWIDE INVESTIGATIONS, INC. the sum of One Hundred and Fifty Thousand Dollars and No/100 (\$150,000.00) for civil fines and penalties payable to or for the benefit of the State of Texas, a governmental unit, and such is not compensation for any actual or pecuniary loss. DEFENDANTS AMS RESEARCH SERVICES, INC. AND WORLDWIDE INVESTIGATIONS, INC are jointly

and severally liable for the \$150,000.00 amount. Such amount shall be due and payable to the State no later than 90 days after the entry of the Judgment by the Court.

6.2 **IT IS FURTHER ORDERED** that the State of Texas have judgment and recover from DEFENDANTS AMS RESEARCH SERVICES, INC. AND WORLDWIDE INVESTIGATIONS, INC. the sum of Forty Seven Thousand Five Hundred Dollars and No/100 (\$47,500.00) for attorneys' fees and costs payable to or for the benefit of the State of Texas. DEFENDANTS AMS RESEARCH SERVICES, INC. AND WORLDWIDE INVESTIGATIONS, INC are jointly and severally liable for the \$47,500.00 amount. Such amount shall be due and payable to the State no later than 90 days after the entry of the Judgment by the Court.

6.3 **IT IS FURTHER ORDERED** that the State of Texas have judgment and recover from DEFENDANT John Strange the sum of Two Thousand Five Hundred Dollars and No/100 (\$2,500.00) for civil fines and penalties payable to or for the benefit of the State of Texas, a governmental unit, and such is not compensation for any actual or pecuniary loss. Such amount shall be due and payable to the State no later than 90 days after the entry of the Judgment by the Court. Furthermore, the Court having concurrent jurisdiction with the Bankruptcy Court further finds that these civil fines and penalties are non-dischargeable pursuant to 11 U.S.C. § 523(a)(7).

VII. MISCELLANEOUS

7.1 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** by the Court that the Clerk of the above-entitled Court shall forthwith issue a permanent injunction in conformity with the law and the terms of this Order. This Order shall be effective from the date it is approved by the District Court without the execution and filing of a bond as Plaintiff, State of Texas, is exempt from such bond under section 17.47(b) of the DTPA, TEX. BUS. & COM. CODE ANN. §17.47(b), and section

6.001 of the Texas Civil Practice and Remedies Code, TEX. CIV. PRAC. & REM. CODE § 6.001. Defendants, by their individual signatures and the signatures of their corporate representatives as indicated below, hereby acknowledge notice of this permanent injunction and acceptance of same; therefore, no writ need be issued.

7.2 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** by the Court that the clerk of the Court is authorized to issue such writs of execution or other process necessary to collect and enforce this Judgment.

7.3 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** by the Court that this Court retains jurisdiction to enforce this Judgment.

7.4 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that any and all payments made pursuant to this Judgment shall be made by cashier's check or money order, made payable to the STATE OF TEXAS, and mailed to the Attorney General of Texas' Consumer Protection and Public Health Division, P.O. Box 12548, Austin, Texas 78711, referencing AG NO. 062281670.

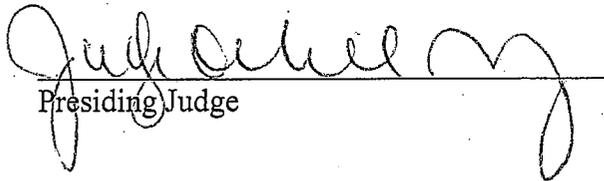
7.5 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that this Agreed Final Judgment and Permanent Injunction in no way affects, preempts, precludes, or resolves any matters with respect to any private claimants or other governmental agencies or departments.

7.6 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that it will not be considered a violation of the injunctive terms ordered in the preceding paragraph III for Defendants' to seek to obtain their own telephone records or to seek to obtain telephone records pursuant to law, regulation, or lawful court order or subpoena.

7.7 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that all costs herein shall be assessed against the Defendants.

7.8 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** all other relief not expressly granted herein is denied.

SIGNED on September 25, 2008.


Presiding Judge

APPROVED AS TO FORM AND ENTRY REQUESTED:

PLAINTIFF:

GREG ABBOTT
Attorney General of Texas

KENT C. SULLIVAN
First Assistant Attorney General

JEFF ROSE
Deputy First Assistant Attorney General

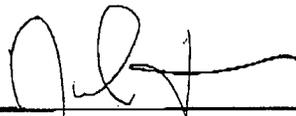
PAUL D. CARMONA
Chief, Consumer Protection and Public Health
Division



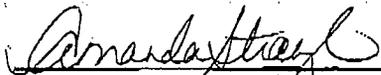
PEDRO PEREZ, JR.
State Bar No. 00788184
D. ESTHER CHAVEZ
State Bar No. 04162200
Assistant Attorneys General
Consumer Protection and Public
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P.O. Box 12548
Austin, Texas 78711
Telephone: (512) 475-4656
Facsimile: (512) 473-8301

ATTORNEYS FOR PLAINTIFF

APPROVED AS TO FORM ONLY:



JOHN STRANGE, Individually, and
as President of Worldwide
Investigations, Inc. d/b/a
USA Skiptrace.



AMANDA STRANGE, Individually and
as President of AMS Research Services, Inc.