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9 **UNITED STATES DISTRICT COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION**

11 MANUELA ZERMENO, etc., et al.

12 Plaintiffs,

13 v.

14 PRECIS, INC., etc., et al.

15 Defendants.

16 **Case No. CV 03-6974 SJO (MANx)**
17 *(Consolidated with Case No. 03-6997*
18 *SJO (MANx) Dec. 9, 2003)*

19 **STIPULATED INJUNCTION**

20 Hon. S. James Otero

21 *Trial date: Nov. 9, 2004*
22 *Complaint Filed Aug. 14, 2003*
23 *Action Removed Sept. 26, 2003*

1 Whereas,

2 A. On or about Aug. 14, 2003, plaintiffs Manuela and Juan A.
3 Zermeno filed a complaint against Precis, Inc. dba Care Entrée (Precis) in Los
4 Angeles Superior Court. Defendant removed the action to U.S. District Court
5 on or about Sept. 26, 2003 and on or about Jan. 21, 2004 the Zermenos filed
6 their First Amended Complaint against Precis and The Capella Group dba Care
7 Entrée (Capella). The First Amended Complaint alleges that defendants' health
8 care savings business, Care Entrée, violates Cal. Health and Safety Code §445,
9 Cal. Civil Code §1812.100 et seq., and Cal. Business and Professions Code
10 §17200 et seq. On or about Feb. 13, 2004, defendants filed a motion to dismiss
11 the Zermenos' claims under Health and Safety Code §445 and Civil Code
12 §1812.100 et seq. pursuant to Federal Rule of Civil Procedure 12(b)(6). On
13 May 7, 2004, the court issued an order denying defendants' motion to dismiss.
14 Defendants filed an answer to the First Amended Complaint on or about May
15 25, 2004.

16 B. The parties have agreed to a Settlement Agreement and Release of
17 Claims (Agreement), which is subject to court approval and have, in connection
18 with that Agreement, also stipulated that the court will enter this injunction.

19 C. The court has reviewed the parties' Agreement, this stipulation,
20 and the terms of the injunction set forth herein.

21 Therefore, it is hereby stipulated by the parties, through their respective
22 counsel of record, and good cause appearing therefor, **IT IS HEREBY**
23 **ORDERED, ADJUDGED AND DECREED** that defendants Precis, Inc. and
24 The Capella Group, Inc. dba Care Entrée, and each of their agents, affiliates,
25 servants, assigns, and all those acting in concert with them, **SHALL**, effective
26 immediately and continuing until further order of this court, comply with the
27 following provisions of the California Discount Buying Service statutes, Cal.
28 Civil Code §1812.100 et seq.:

1 Cal. Civil Code §§1812.103, 1812.104, 1812.105, 1812.108, 1812.109,
2 1812.113, 1812.114, 1812.118, 1812.119, 1812.120, 1812.122, 1812.126,
3 1812.127, 1812.128, and 1812.129.

4 In addition, Defendants will not require that any buyer enter into a
5 contract that obligates the buyer to participate in the Care Entrée program for a
6 period longer than one year. Defendants will provide the buyer with a written
7 copy of the terms and conditions of his or her membership in the Care Entrée
8 program, including the terms governing cancellation and refunds, at the time the
9 buyer signs the enrollment form except when the buyer enrolls in the Care
10 Entrée program online. In that case, or if for any other reason it is impractical
11 to provide a copy of the terms and conditions at the time of enrollment,
12 Defendants will send a copy of it to the buyer with the buyer's other enrollment
13 materials no later than 30 days after enrollment. The terms and conditions will
14 disclose that a bond has been obtained by Care Entrée and that a copy of the
15 bond is on file with the Secretary of State of the state of California. All blank
16 spaces in the enrollment form will be filled in before the buyer signs it and any
17 provisions or terms written by hand will be legible.

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