

**UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

FEDERAL TRADE COMMISSION,	)	
	)	
Plaintiff,	)	Case No. 07 C 5597
	)	
v.	)	Judge Wayne R. Andersen
	)	
SPEAR SYSTEMS, INC., a	)	Magistrate Judge Michael T. Mason
Wyoming corporation, <i>et al.</i> ,	)	
	)	
Defendants.	)	

**MOTION FOR ENTRY OF DEFAULT AGAINST DEFENDANTS ABARAGIDAN  
GNANENDRAN, 9151-1154 QUEBEC, INC., 9064-9252 QUEBEC, INC., AND HBE, INC.**

Pursuant to Rule 55(a) of the Federal Rules of Civil Procedure, Plaintiff Federal Trade Commission (“Commission” or “FTC”) hereby moves for entry of default against Defendants Abaragidan Gnanendran, 9151-1154 Quebec, Inc., 9064-9252 Quebec, Inc., and HBE, Inc.

In support of its motion, the FTC states as follows:

1. On October 3, 2007, the FTC filed a Complaint for Injunctive and Other Equitable Relief.<sup>1</sup> On May 8, 2008, the FTC filed a motion to amend its complaint to add the following four defendants: Abaragidan Gnanendran, 9151-1154 Quebec, Inc., 9064-9252 Quebec, Inc., and HBE, Inc. The Court granted the FTC’s motion to amend on May 15, 2008. On May 19, 2008, the Clerk’s Office for the Northern District of Illinois issued summonses as to Abaragidan Gnanendran, 9151-1154 Quebec, Inc., 9064-9252 Quebec, Inc., and HBE, Inc. (*See* 5/19/2008 Docket Entry.)

---

<sup>1</sup> The original Complaint named four defendants: Spears Systems, Inc., Bruce Parker, Lisa Kimsey, and Xavier Ratelle. Spear Systems, Parker, and Kimsey agreed to a Stipulated Order for Permanent Injunction, which was signed by this Court on May 23, 2008. The FTC is continuing its attempts to serve Ratelle.

2. On July 14, 2008, Abaragidan Gnanendran was personally served with copies of the summons and Amended Complaint. (*See Exhibit A*). On or about July 18, 2008, the FTC also received a letter from counsel for Gnanendran, acknowledging that his client was served with the FTC's Amended Complaint on July 14, 2008. (*See Exhibit B*).

3. Abaragidan Gnanendran has failed to file any response, answer, or pleading within twenty days of service as required by Rule 12(a) of the Federal Rules of Civil Procedure. Furthermore, on or about August 26, 2008, counsel for Gnanendran informed the FTC by letter that his client does not intend to participate in this matter. (*See Exhibit C*).

4. On June 16, 2008, 9151-1154 Quebec, Inc. and 9064-9252 Quebec, Inc. were both properly served with copies of the summons and Amended Complaint. (*See Exhibit D*).

5. Both 9151-1154 Quebec, Inc. and 9064-9252 Quebec, Inc. have failed to file any response, answer, or pleading within twenty days of service as required by Rule 12(a) of the Federal Rules of Civil Procedure.

6. On July 7, 2008, HBE, Inc. was properly served with copies of the summons and Amended Complaint. (*See Exhibit E*).

7. HBE, Inc. has failed to file any response, answer, or pleading within twenty days of service as required by Rule 12(a) of the Federal Rules of Civil Procedure.

For the foregoing reasons, the FTC requests that this Court enter default against Defendants Abaragidan Gnanendran, 9151-1154 Quebec, Inc., 9064-9252 Quebec, Inc., and HBE, Inc., pursuant to Rule 55(a) of the Federal Rules of Civil Procedure.

Respectfully Submitted,

William Blumenthal  
General Counsel

/s/ Marissa J. Reich

Steven M. Wernikoff

Marissa J. Reich

Attorneys for Plaintiff

Federal Trade Commission

55 West Monroe Street, Suite 1825

Chicago, Illinois 60603

(312) 960-5634 [Telephone]

(312) 960-5600 [Facsimile]

Dated: October 24, 2008

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS

SUMMONS IN A CIVIL CASE

Federal Trade Commission

CASE NUMBER: 07 C 5597

V.

ASSIGNED JUDGE: Wayne R. Andersen

Spear Systems, Inc.; Bruce Parker; Lisa Kimsey; Xavier  
Ratelle; Abaragidan Gnanendran; 9151-1154 Quebec, Inc.  
d/b/a Q Web; 9064-9252 Quebec, Inc.; and HBE, Inc.

DESIGNATED  
MAGISTRATE JUDGE: Michael T. Mason

TO: (Name and address of Defendant)

Abaragidan Gnanendran  
230 Chemin Du Golf, Apt. 508  
Montreal, QC H3E 2A8  
CANADA

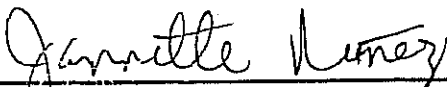
**YOU ARE HEREBY SUMMONED** and required to serve upon PLAINTIFF'S ATTORNEY (name and address)

Steven Wernikoff  
Federal Trade Commission  
55 W. Monroe, Suite 1825  
Chicago, IL 60603

an answer to the complaint which is herewith served upon you, within 20 days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint. You must also file your answer with the Clerk of this Court within a reasonable period of time after service.

NOTE: When the print dialogue box appears, be sure to uncheck the Annotations option.

MICHAEL W. DOBBINS, CLERK

  
\_\_\_\_\_  
(By) DEPUTY CLERK

MAY 19 2008

\_\_\_\_\_  
DATE

AO 440 (Rev. 05/00) Summons in a Civil Action

**RETURN OF SERVICE**

Service of the Summons and complaint was made by me <sup>(1)</sup>	DATE 2008-07-14 at 11h00
NAME OF SERVER (PRINT) STEPHAN CRETE	TITLE DET. SGT

Check one box below to indicate appropriate method of service

Served personally upon the defendant. Place where served: 220 Boul. Labelle  
SFE-MERISE, suite 200 (Place of Business)  
G5551-150584-09 GNANENRAN A PARAGIRAN

Left copies thereof at the defendant's dwelling house or usual place of abode with a person of suitable age and discretion then residing therein.

Name of person with whom the summons and complaint were left: \_\_\_\_\_

Returned unexecuted: \_\_\_\_\_

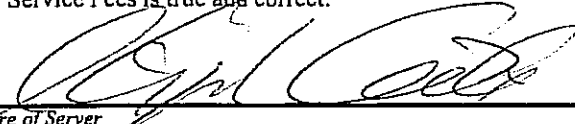
Other (specify): \_\_\_\_\_

**STATEMENT OF SERVICE FEES**

TRAVEL	SERVICES	TOTAL

**DECLARATION OF SERVER**

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Return of Service and Statement of Service Fees is true and correct.

Executed on 2008-07-14 Date  Signature of Server

1701, Rte. Parthenais, Montreal, QC Address of Server

(1) As to who may serve a summons see Rule 4 of the Federal Rules of Civil Procedure.

**DANIEL K. SIRHAN**

AVOCAT  
BARRISTER & SOLICITOR

**“WITHOUT PREJUDICE”  
(VIA FAX: 1-312-960-5600)**

Montreal, July 18<sup>th</sup>, 2008

**FEDERAL TRADE COMMISSION**  
55, W. Monroe, Suite 1825  
Chicago, IL  
60603

**ATTENTION: MR. STEVEN WERNIKOFF**

<b>RE:</b>	<b>FEDERAL TRADE COMMISSION VS. SPEARS SYSTEM INC, ABARAGIDAN GNANENDRAN ETAL;</b>
<b>CASE #:</b>	<b>07 C 5597;</b>
<b>RE:</b>	<b>AMENDED COMPLAINT FOR AN INJUNCTIVE AND OTHER EQUITABLE RELIEF;</b>
<b>O/F:</b>	<b>3311</b>

Dear Mr. Wernikoff,

Please note that we are acting as general counsel for **Mr. Abaragidan Gnanendran**, who was served with the amended complaint for injunctive and other equitable relief proceeding on July 14<sup>th</sup>, 2008, by Bailiff.

Having read said proceeding on repetitive occasions and without going into specific detail as to the present issue, the link between the Federal Trade Commission and our client seems non-existent, at best.

Having therefore named Mr. Gnanendran as a defendant in the present file to us seems to be of no legal or factual basis.

With that being said and without commenting any further for the time being, would you kindly communicate to the undersigned the basis upon which you have issued the present complaint against our client, Mr. Gnanendran, since we find it difficult to ascertain via the specific allegations in support of your claim.

1117, STE-CATHERINE OUEST, SUITE 300-MONTREAL, QUÉBEC. H3B 1H9  
TEL : (514) 842-9090 justice\_dks@videotron.ca FAX : (514) 842-4400

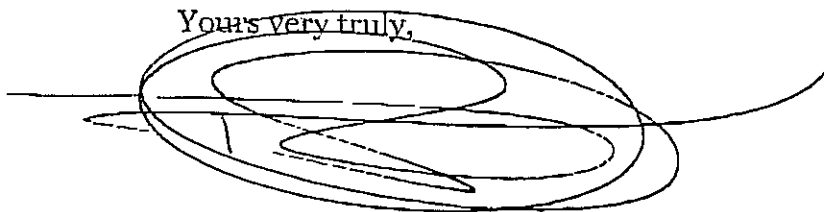
Kindly note that the present letter is submitted without prejudice to the rights and recourses of our client, and in a sole attempt to inform ourselves of the status of the file that exists in the State of Illinois.

Also, if necessary, a request for an extension may be foreseeable in the near future.

Notwithstanding the allegations of **paragraph 10** of said complaint, which are denied *prima facie*, by my client, we wish to hopefully amicably resolve this issue before it gets out of hand.

Thanking you in advance for your understanding, we remain,

Yours very truly,

A handwritten signature in black ink, appearing to be "Daniel K. Sirhan", enclosed within a large, loopy oval scribble.

Me Daniel K. Sirhan

DKS/vl

**DANIEL K. SIRHAN**

AVOCAT  
BARRISTER & SOLICITOR

**"WITHOUT PREJUDICE"**  
**(VIA FAX: 1-312-960-5600)**

Montreal, August 26<sup>th</sup>, 2008

**FEDERAL TRADE COMMISSION**  
55, W. Monroe, Suite 1825  
Chicago, IL  
60603

**ATTENTION: MR. STEVEN WERNIKOFF**

<b>RE:</b>	<b>FEDERAL TRADE COMMISSION VS. SPEARS SYSTEM INC, ABARAGIDAN GNANENDRAN ET AL;</b>
<b>CASE #:</b>	<b>07 C 5597;</b>
<b>RE:</b>	<b>REQUEST FOR EXTENSION (120 DAYS)</b>
<b>O/F:</b>	<b>3311</b>

Dear Mr. Wernikoff,

After having discussed the matter with our client, Mr. Abaragidan Gnanendran, kindly note that the undersigned hereby wishes to confirm that which follows.

To begin with, we are not mandated to represent our client in the territorial jurisdiction of the U.S.A. and are also aware of the fact that no other attorneys have been retained as concerns the file wherein our client has been named as a Defendant.

Given that fact, we have no reason to proceed any further on behalf of our client as concerns the file that exists on the present date.

If ever, pursuant to a potential default judgement, a matter is instituted in the territorial jurisdiction of the province of Quebec, we shall thereafter notify you as to whether or not we appear and act on behalf of Mr. Gnanendran in that case.

However, in light of the above, and in light of the discussions that we have had in the past, it is obvious that the request for a settlement discussion and for a

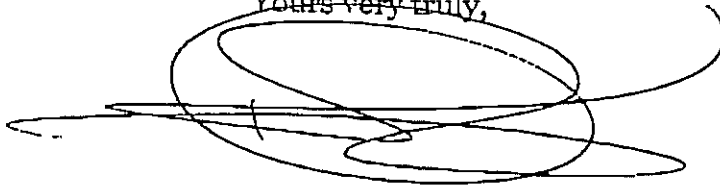
1117, STE-CATHERINE OUEST, SUITE 300-MONTREAL, QUEBEC. H3B 1H9  
TEL : (514) 842-9090 justice\_dks@videotron.ca FAX : (514) 842-4400

consent agreement to be entered into between the parties cannot take place at the present time.

We therefore obviously are not entitled to negotiate on behalf of our client as far as those discussions that concerned our client in the past, and have no other mandate to fulfil as far as that is concerned.

We trust that the above is satisfactory and remain,

Yours very truly,

A handwritten signature in black ink, appearing to be "Daniel K. Sirhan", written over a large, circular scribble or stamp.

Me Daniel K. Sirhan

DKS/vl  
cc. Abaragidan Gnanendran

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS

SUMMONS IN A CIVIL CASE

Federal Trade Commission

CASE NUMBER: 07 C 5597

V.

ASSIGNED JUDGE: Wayne R. Andersen

Spear Systems, Inc.; Bruce Parker; Lisa Kimsey; Xavier  
Ratelle; Abaragidan Gnanendran; 9151-1154 Quebec, Inc.  
d/b/a Q Web; 9064-9252 Quebec, Inc.; and HBE, Inc.

DESIGNATED  
MAGISTRATE JUDGE: Michael T. Mason

TO: (Name and address of Defendant)

9151-1154 Quebec, Inc.  
2348 Chemin Lucerne, Bur. 513  
Mont-Royal, Quebec H3R 2J8  
CANADA

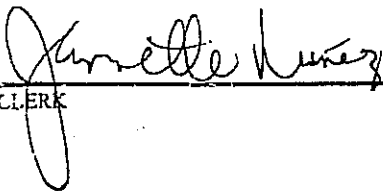
**YOU ARE HEREBY SUMMONED** and required to serve upon PLAINTIFF'S ATTORNEY (name and address)

Steven Wernikoff  
Federal Trade Commission  
55 W. Monroe, Suite 1825  
Chicago, IL 60603

an answer to the complaint which is herewith served upon you, within 20 days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint. You must also file your answer with the Clerk of this Court within a reasonable period of time after service.

NOTE: When the print dialogue box appears, be sure to uncheck the Annotations option.

MICHAEL W. DOBBINS, CLERK



(By) DEPUTY CLERK

MAY 19 2008

DATE

**RETURN OF SERVICE**

Service of the Summons and complaint was made by me<sup>(1)</sup>

DATE 2008/06/04

NAME OF SERVER (PRINT)

STEPHAN CRÊTE

TITLE

DETECTIVE SERGEANT

Check one box below to indicate appropriate method of service

Served personally upon the defendant. Place where served: \_\_\_\_\_

Left copies thereof at the defendant's dwelling house or usual place of abode with a person of suitable age and discretion then residing therein.  
 Name of person with whom the summons and complaint were left: \_\_\_\_\_

Returned unexecuted: \_\_\_\_\_

Other (specify): LEFT AT BUSINESS address

**STATEMENT OF SERVICE FEES**

TRAVEL	SERVICES	TOTAL

**DECLARATION OF SERVER**

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Return of Service and Statement of Service Fees is true and correct.

Executed on 2008-06-16  
 Date

[Signature]  
 Signature of Server

1701 Parthenon's, Monrovia, CA  
 Address of Server

(1) As to who may serve a summons see Rule 4 of the Federal Rules of Civil Procedure.

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS

SUMMONS IN A CIVIL CASE

Federal Trade Commission

CASE NUMBER: 07 C 5597

V.

ASSIGNED JUDGE: Wayne R. Andersen

Spear Systems, Inc.; Bruce Parker; Lisa Kimsey; Xavier Ratelle; Abaragidan Gnanendran; 9151-1154 Quebec, Inc. d/b/a Q Web; 9064-9252 Quebec, Inc.; and HBE, Inc.

DESIGNATED  
MAGISTRATE JUDGE: Michael T. Mason

TO: (Name and address of Defendant)

9064-9252 Quebec, Inc.  
2348 Chemin Lucerne, Bur. 513  
Mont-Royal, Quebec H3R 2J8  
CANADA

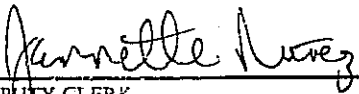
**YOU ARE HEREBY SUMMONED** and required to serve upon PLAINTIFF'S ATTORNEY (name and address)

Steven Wernikoff  
Federal Trade Commission  
55 W. Monroe, Suite 1825  
Chicago, IL 60603

an answer to the complaint which is herewith served upon you, within 20 days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint. You must also file your answer with the Clerk of this Court within a reasonable period of time after service.

NOTE: When the print dialogue box appears, be sure to uncheck the Annotations option.

MICHAEL W. DOBBINS, CLERK

  
\_\_\_\_\_  
(By) DEPUTY CLERK

MAY 19 2008  
DATE

RETURN OF SERVICE

Service of the Summons and complaint was made by me<sup>(1)</sup>

DATE

2008/06/04

NAME OF SERVER (PRINT)

STEPHAN CRÉTEA

TITLE

Sgt. DETECTIVE SERGEANT

Check one box below to indicate appropriate method of service

Served personally upon the defendant. Place where served:

Left copies thereof at the defendant's dwelling house or usual place of abode with a person of suitable age and discretion then residing therein.

Name of person with whom the summons and complaint were left:

Returned unexecuted:

Other (specify): LEFT AT BUSINESS ADDRESS

STATEMENT OF SERVICE FEES

TRAVEL	SERVICES	TOTAL

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Return of Service and Statement of Service Fees is true and correct.

Executed on

2008-06-16  
Date

Signature of Server

*[Handwritten Signature]*

Address of Server

1701 Parkmen's  
MONTREAL Qc

(1) As to who may serve a summons see Rule 4 of the Federal Rules of Civil Procedure.

AO 440 (Rev. 05/00) Summons in a Civil Action

**UNITED STATES DISTRICT COURT**  
NORTHERN DISTRICT OF ILLINOIS

**SUMMONS IN A CIVIL CASE**

Federal Trade Commission

CASE NUMBER: 07 C 5597

V.

ASSIGNED JUDGE: Wayne R. Andersen

Spear Systems, Inc.; Bruce Parker; Lisa Kimsey; Xavier  
Ratelle; Abaragidan Gnanendran; 9151-1154 Quebec, Inc.  
d/b/a Q Web; 9064-9252 Quebec, Inc.; and HBE, Inc.

DESIGNATED  
MAGISTRATE JUDGE: Michael T. Mason

TO: (Name and address of Defendant)

HBE, Inc.  
Suite #3785 Amory Building  
Victoria Road, Basseterre  
ST. KITTS

**YOU ARE HEREBY SUMMONED** and required to serve upon **PLAINTIFF'S ATTORNEY** (name and address)

Steven Wernikoff  
Federal Trade Commission  
55 W. Monroe, Suite 1825  
Chicago, IL 60603

an answer to the complaint which is herewith served upon you, within 20 days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint. You must also file your answer with the Clerk of this Court within a reasonable period of time after service.

NOTE: When the print dialogue box appears, be sure to uncheck the Annotations option.

MICHAEL W. DOBBINS, CLERK

JANNETTE REINEZ

MAY 19 2008

(By) DEPUTY CLERK

DATE

**AFFIDAVIT**

**Court: UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION**

**Re: FEDERAL TRADE COMMISSION, Plaintiff,  
v.  
SPEAR SYSTEMS, INC., et al., Defendants.**

**Case No: 07 C 5597**

St. Kitts )  
) ss.  
City of BASSETERRE )

I declare that I, ARCHIBALD N. S. LIBURD, am a judicial bailiff in St. Kitts, over the age of twenty-one, not a party nor an attorney for any party in this action, and that within the boundaries of the country where service was effected, I am authorized to, and did, perform the following:

Service upon **HBE, Inc.** was accomplished by delivering the Summons in a Civil Case and Amended Complaint for Injunctive and Other Equitable Relief (bearing Case Number 07 C 5597) personally and in person to HBE, Inc. by leaving with:

KISHMA HAMILTON EMPLOYEE  
NAME

At the address of: AMORY BUILDING VICTORIA ROAD  
FIDESCO TRUST CORPORATION CORPORATE SECRETARY OF HBE INC.

On the 7<sup>th</sup> day of JULY, 2008 at 10.20 a.m./p.m.

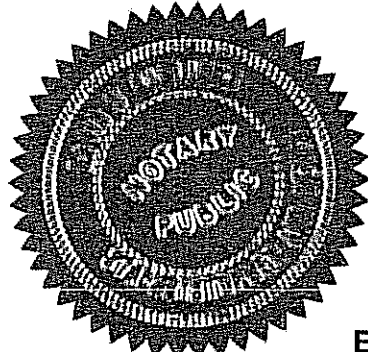
**Description of person served:**

\* ESTIMATED  
Race BLACK Hair color BLACK Height: 5.4" Weight 105 POUNDS Gender F Age 22 YEARS

Signature of Server *Archibald N. S. Liburd*

SUBSCRIBED AND SWORN to before me this 8 day of JULY, 2008.

Notary *[Signature]*



Case No.07 C 5597

**BETWEEN:**

**Federal Trade Commission**

**V.**

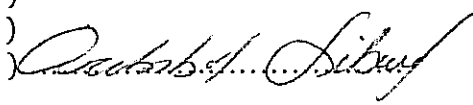
**Spear System, Inc.; Bruce Parker; Lisa Kimsey; Xavier Ratelle;  
Abaragidan Gnanendran; 9151-1154 Quebec, Inc. d/b/a/ QWeb;  
9064-9252 Quebec, Inc.; and HBE, Inc.**

**Affidavit of Service**

I ARCHIBALD LIBURD of Freeman's Village in the town of Basseterre in the island of St. Christopher (St. Kitts), Bailiff of the Magistrate's Court, St. Kitts hereby declare and affirm as follows:

1. I did on the 7<sup>th</sup> day of July, 2008 serve HBE Inc at its registered office of Fidesco Trust Corporation of Amory Building, Victoria Road, Basseterre, St. Kitts with a copy of a Summons in a Civil Case, Case No.07 C 5597 and an Amended Complaint for Injunctive and other Equitable Relief in Case No.07 C 5597 which were issued out of the United States District Court for the Northern District of Illinois East Division.
2. Service was effected by giving the above referred to documents to Kishma Hamilton an employee of the said Fidesco Trust Corporation, the Corporate Secretary of HBE Inc, at the above referred to registered office.

AFFIRMED by the within named )  
ARCHIBALD LIBURD at )  
Basseterre, St. Christopher )  
this 8<sup>th</sup> day of July 2008 )  
Before me )



.....  
NOTARY PUBLIC

