

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

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FEDERAL TRADE COMMISSION,

Plaintiff,

vs.

HEALTH FORMULAS, LLC, a California limited liability company also dba SIMPLE PURE NUTRITION; **PURE VITAMINS, LLC**, a Nevada limited liability company; **LONGHORN MARKETING, LLC**, a Nevada limited liability company also dba MEN’S HEALTH FORMULAS, LLC, LIFE VITAMINS, and UNLEASH THE THUNDER; **METHOD DIRECT, LLC**, a Nevada limited liability company also dba EXTAMAX, LLC, VITAMAN LABS, INC., VITAFIT, and PLAYBOY OFFER/DVD ENTERTAINMENT; **WEIGHT LOSS DOJO, LLC**, a Nevada limited liability company also dba FITNESS DVDS; **VIP SAVINGS, LLC**, a Nevada limited liability company; **DJD Distribution, LLC**, a California limited liability company; **MDCC, LLC**, a Nevada limited liability company also dba METHOD DIRECT CALL CENTER; **CHAPNICK, SMUKLER & CHAPNICK, INC.**, a California corporation; **BRANDON CHAPNICK; KEITH SMUKLER; DANELLE MILLER** aka Danelle Folta and Danelle Kenealy; and **JASON MILLER**,

Defendants.

2:14-cv-1649-JAD-GWF

**ORDER GRANTING EX PARTE
MOTION FOR TEMPORARY
RESTRAINING ORDER [#5] AND
APPOINTING RECEIVER [#9]**

[FILED UNDER SEAL]

The Federal Trade Commission has filed a Complaint for Permanent Injunction and Other Equitable Relief (“Complaint”) pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), and moved both for a temporary restraining order with asset freeze and for an order to show cause why a preliminary injunction should not issue pursuant to Rule 65(b) of the Federal Rules of Civil Procedure. Having reviewed the FTC’s papers, including its supporting exhibits, I grant the ex parte motion for temporary restraining order with asset freeze, appointment of a receiver and other equitable relief [#5], appoint Robb Evans & Associates as temporary receiver for the Receivership Defendants [#9], and direct the defendants

1 to appear before the Court on October 23, 2014, at 2:00 p.m. to show cause why a preliminary
2 injunction should not issue.

3 **FINDINGS OF FACT**

4 After reviewing the complaint [#1], the ex parte application for temporary restraining
5 order, declarations and exhibits, and memorandum of points and authorities filed in support [##5,
6 8], and the receivership recommendation [#9], I find the following:

- 7 1. I have jurisdiction over the subject matter of this case, and there is good cause to
8 believe that I will have jurisdiction of all the parties
- 9 2. Venue in this district is proper.
- 10 3. There is good cause to believe that Defendants Health Formulas, LLC, a California
11 limited liability company, also doing business as Simple Pure Nutrition; Pure Vitamins, LLC, a
12 Nevada limited liability company; Longhorn Marketing, LLC, a Nevada limited liability
13 company, also doing business as Men's Health Formulas, LLC, Life Vitamins, and Unleash the
14 Thunder; Method Direct, LLC, a Nevada limited liability company, also doing business as
15 Extamax, LLC, Vitamin Labs, Inc., Vitafit, and Playboy Offer/DVD Entertainment; Weight Loss
16 Dojo, LLC, a Nevada limited liability company, also doing business as Fitness DVDs; VIP
17 Savings, LLC, a Nevada limited liability company; DJD Distribution, LLC, a California limited
18 liability company; MDCC, LLC, a Nevada limited liability company, also doing business as
19 Method Direct Call Center; Chapnick, Smukler & Chapnick, Inc., a California corporation;
20 Brandon Chapnick, individually and as an officer or manager of Chapnick, Smukler & Chapnick
21 Inc., Method Direct, LLC, Pure Vitamins, LLC, Weight Loss Dojo, LLC, and MDCC, LLC;
22 Keith Smukler, individually and as an officer or manager of Chapnick, Smukler & Chapnick, Inc.,
23 Health Formulas, LLC, Method Direct, LLC, VIP Savings, LLC, MDCC, LLC, Longhorn
24 Marketing, LLC, Pure Vitamins, LLC, Weight Loss Dojo, LLC, and DJD Distribution, LLC;
25 Danelle Miller, also known as Danelle Folta and Danelle Kenealy, individually and as an officer
26 or manager of Method Direct, LLC, Health Formulas, LLC, MDCC, LLC, Pure Vitamins, LLC,
27 and Weight Loss Dojo, LLC; and Jason Miller, individually and as an officer or manager of
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1 Weight Loss Dojo, LLC, Health Formulas, LLC, Method Direct, LLC, Pure Vitamins, LLC, and
2 MDCC, LLC (collectively “Defendants”) have engaged in and are likely to engage in acts and
3 practices that violate Sections 5(a) and 12 of the FTC Act, 15 U.S.C. §§ 45(a) & 52; Section
4 907(a) of the Electronic Fund Transfer Act (“EFTA”), 15 U.S.C. § 1693e(a); Section 4 of the
5 Restore Online Shoppers’ Confidence Act (“ROSCA”), 15 U.S.C. § 8403; Section 205.10(b) of
6 Regulation E (“Regulation E”), 12 C.F.R. § 205.10(b); and the FTC’s Trade Regulation Rule
7 entitled Telemarketing Sales Rule (“TSR”), 16 C.F.R. Part 310, and that the FTC is therefore
8 likely to prevail on the merits of this action;

9 4. Section 13(b) of the FTC Act allows a district court to grant the FTC a temporary
10 restraining order or a preliminary injunction when there is a proper showing that “weighing the
11 equities and considering the [FTC’s] likelihood of ultimate success, such action would be in the
12 public interest.”¹ In other words, Section 13 (b) “places a lighter burden on the [FTC] than that
13 imposed on private litigants by the traditional equity standard; the FTC need not show irreparable
14 harm to obtain a preliminary injunction.”² Under this more lenient standard, “a court must (1)
15 determine the likelihood that the [FTC] will ultimately succeed on the merits and (2) balances the
16 equities.”³

17 5. There is good cause to believe that the FTC is likely to prevail on the merits of the
18 action. The evidence set forth demonstrates that the Defendants have likely violated Section 5(a)
19 and Section 12 of the FTC Act by, among other things, failing to disclose the material terms and
20 conditions of the their “free trial” offers and of their refund and cancellation policy; that they
21 have likely violated the Electronic Fund Transfer Act (EFTA) and Regulation E by debiting
22 money from consumer accounts without the consent of these consumers; that they have likely
23 violated the Restore Online Shoppers’ Confidence Act (ROSCA) by charging consumers, without
24 their permission, through a “negative option,” which is where a consumer receives a charge
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26 ¹ 15 U.S.C. § 53(b).

27 ² *FTC v. Warner Communications, Inc.*, 742 F.2d 1156, 1159 (9th Cir. 1984).

28 ³ *Id.* at 1160.

1 unless she affirmatively opts out of a consumer contract; and that they have likely violated
2 various Telemarketing Sales Rules (TSR) by failing to disclose the material terms and conditions
3 of the negative-option feature when they impose it on consumers and by repeatedly calling
4 consumers even after consumers have asked Defendants to stop.

5 6. There is good cause to believe that immediate and irreparable harm will result
6 from the Defendants' ongoing violations of the FTC Act, the EFTA, the ROSCA, Regulation E,
7 and the TSR unless Defendants are restrained and enjoined by Order of this Court;

8 7. There is good cause to believe that immediate and irreparable damage to my
9 ability to grant effective final relief for consumers, including monetary restitution, rescission or
10 refunds, will occur from the sale, transfer, or other disposition or concealment by Defendants of
11 their Assets or records if Defendants are provided with advance notice of this Order, and that
12 therefore in accordance with Fed. R. Civ. P. 65(b), the interests of justice require that this Order
13 be granted without prior notice to Defendants. There is thus good cause for relieving the FTC of
14 the duty to provide Defendants with prior notice of the FTC's application;

15 8. Good cause exists for: (a) the appointment of a Temporary Receiver over
16 Defendants Health Formulas, LLC, also d/b/a Simple Pure Nutrition; Pure Vitamins, LLC;
17 Longhorn Marketing, LLC, also d/b/a Men's Health Formulas, LLC, Life Vitamins, and Unleash
18 the Thunder; Method Direct, LLC, also d/b/a Extamax, LLC, Vitaman Labs, Inc., VitaFit, and
19 Playboy Offer/DVD Entertainment; Weight Loss Dojo, LLC, also d/b/a Fitness DVDs; VIP
20 Savings, LLC; DJD Distribution, LLC; MDCC, LLC, also d/b/a Method Direct Call Center; (b)
21 the freezing of Defendants' Assets; and (c) ancillary relief;

22 9. Weighing the equities and considering Plaintiff's likelihood of ultimate success on
23 the merits, a temporary restraining order with an asset freeze, the appointment of a Temporary
24 Receiver, and other equitable relief is in the public interest.

25 10. The FTC is an independent agency of the United States of America and no
26 security is required of any agency of the United States for the issuance of a temporary restraining
27 order. Fed. R. Civ. P. 65(c).

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DEFINITIONS

For the purpose of this Temporary Restraining Order (“Order”), the following definitions shall apply:

1. “**Asset**” means any legal or equitable interest in, right to, or claim to, any real, personal, or intellectual property including chattel, goods, instruments, equipment, fixtures, general intangibles, effects, leaseholds, contracts, mail or other deliveries, shares of stock, securities, inventory, checks, notes, accounts, credits, receivables (as those terms are defined in the Uniform Commercial Code), cash, trusts, including asset protection trusts, and reserve funds or other accounts associated with any payments processed on behalf of any Defendant, including such reserve funds held by a payment processor, credit card processor, or bank, wherever any such asset is located, whether in the United States or abroad.

2. “**Clear and Conspicuous**” or “**Clearly and Conspicuously**” means as follows:

a. In print communications, the disclosure shall be presented in a manner that stands out from the accompanying text so that it is sufficiently prominent, because of its type size, contrast, location, or other characteristics, for consumers to notice, read, and comprehend it;

b. In communications made through an electronic medium (such as television, video, radio, and interactive media such as the Internet, online services, and software), the disclosure shall be presented simultaneously in both the audio and visual portions of the communication. In any communication presented solely through visual or audio means, the disclosure shall be made through the same means through which the communication is presented. In any communication disseminated by means of an interactive electronic medium such as software, the Internet, or online services, the disclosure must be unavoidable. Any audio disclosure shall be delivered in a volume and cadence sufficient for consumers to hear and comprehend it. Any visual disclosure shall be presented in a manner that stands out in the context in which it is presented so that it is sufficiently prominent,

1 due to its size and shade, contrast to the background against which it appears, the
2 length of time it appears on the screen, and its location, for consumers to notice,
3 read, and comprehend it; and

4 c. Regardless of the medium used to disseminate it, the disclosure shall be in
5 understandable language and syntax. Nothing contrary to, inconsistent with, or in
6 mitigation of the disclosure shall be used in any communication.

7 3. **“Continuity Plans”** means any plan, arrangement, or system under which a
8 consumer is periodically charged for products or services, including access to exclusive websites,
9 without prior notification by the seller before each charge, regardless of any trial or approval
10 period allowing the consumer to cancel the program.

11 4. **“Corporate Defendants”** means Health Formulas, LLC, also d/b/a Simple Pure
12 Nutrition; Pure Vitamins, LLC; Longhorn Marketing, LLC, also d/b/a Men’s Health Formulas,
13 LLC, Life Vitamins, and Unleash the Thunder; Method Direct, LLC, also d/b/a Extamax, LLC,
14 Vitaman Labs, Inc., Vitafit, and Playboy Offer/DVD Entertainment; Weight Loss Dojo, LLC,
15 also d/b/a Fitness DVDs; VIP Savings, LLC; DJD Distribution, LLC; MDCC, LLC, also d/b/a
16 Method Direct Call Center; Chapnick, Smukler & Chapnick, Inc.; and by whatever other names
17 each may be known, and their successors, assigns, affiliates, or subsidiaries, individually,
18 collectively, or in any combination.

19 5. **“Defendants”** means the Corporate Defendants and the Individual Defendants,
20 individually, collectively, or in any combination.

21 6. **“Document”** includes writing, drawings, graphs, charts, photographs, sound and
22 video recordings, images, Internet sites, Web pages, Web sites, electronic correspondence,
23 including e-mail and instant messages, contracts, accounting data, advertisements (including
24 advertisements placed on the World Wide Web), FTP Logs, Server Access Logs, USENET
25 Newsgroup postings, World Wide Web pages, books, written or printed records, handwritten
26 notes, telephone logs, telephone scripts, receipt books, ledgers, personal and business canceled
27 checks and check registers, bank statements, appointment books, computer records, and any other
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1 electronically stored information, and other data or data compilations from which information can
2 be obtained directly or, if necessary, after translation into a reasonably usable form. A draft or
3 non-identical copy is a separate document within the meaning of the term.

4 7. **“Electronic Fund Transfer”** means any transfer of funds, other than a transaction
5 originated by check, draft, or similar paper instrument, which is initiated through an electronic
6 terminal, telephonic instrument, or computer or magnetic tape so as to order, instruct, or authorize
7 a financial institution to debit or credit an account. Such term includes point-of-sale transfers,
8 automated teller machine transactions, direct deposits or withdrawals of funds, and transfers
9 initiated by telephone. Such term does not include:

10 a. Any check guarantee or authorization service which does not directly result
11 in a debit or credit to a consumer’s account;

12 b. Any transfer of funds, other than those processed by automated
13 clearinghouse, made by a financial institution on behalf of a consumer by means of
14 a service that transfers funds held at either Federal Reserve banks or other
15 depository institutions and which is not designed primarily to transfer funds on
16 behalf of a consumer;

17 c. Any transaction the primary purpose of which is the purchase or sale of
18 securities or commodities through a broker-dealer registered with or regulated by
19 the Securities and Exchange Commission;

20 d. Any automatic transfer from a savings account to a demand deposit
21 account pursuant to an agreement between a consumer and a financial institution
22 for the purpose of covering an overdraft or maintaining an agreed upon minimum
23 balance in the consumer’s demand deposit account; or

24 e. Any transfer of funds which is initiated by a telephone conversation
25 between a consumer and an officer or employee of a financial institution which is
26 not pursuant to a prearranged plan and under which periodic or recurring transfers
27 are not contemplated.
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1 8. **“Individual Defendants”** means Brandon Chapnick; Keith Smukler; Danelle
2 Miller; and Jason Miller, individually, collectively, or in any combination.

3 9. **“Material”** means likely to affect a person’s choice of, or conduct regarding,
4 goods or services.

5 10. **“Negative Option feature”** means, in an offer or agreement to sell or provide any
6 good or service, a provision under which the consumer’s silence or failure to take an affirmative
7 action to reject a good or service or to cancel the agreement is interpreted by the seller or provider
8 as acceptance or continuing acceptance of the offer or agreement.

9 11. **“Outbound Telephone Call”** means a telephone call initiated by a telemarketer to
10 induce the purchase of goods or services or to solicit a charitable contribution.

11 12. **“Person”** means a natural person, organization, or other legal entity, including a
12 corporation, limited liability company, partnership, proprietorship, association, cooperative,
13 government or governmental subdivision or agency, or any other group or combination acting as
14 an entity.

15 13. **“Plaintiff”** or **“Commission”** or **“FTC”** means the Federal Trade Commission.

16 14. **“Preauthorized Electronic Fund Transfer”** means an electronic fund transfer
17 authorized in advance to recur at substantially regular intervals.

18 15. **“Temporary Receiver”** means the temporary receiver appointed in Section XIII
19 of this Order and any deputy receivers that shall be named by the temporary receiver.

20 16. **“Receivership Defendants”** means the Corporate Defendants.

21 17. **“Telemarketer”** means any person who, in connection with telemarketing,
22 initiates or receives telephone calls to or from a customer or donor.

23 18. **“Telemarketing”** means a plan, program, or campaign (whether or not covered by
24 the TSR, 16 C.F.R. Part 310), which is conducted to induce the purchase of goods or services or a
25 charitable contribution by use of one or more telephones.

26 19. **“Upsell”** means a solicitation for the purchase of any good or service following an
27 initial transaction during a single telephone call.

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ORDER

I.

PROHIBITED BUSINESS ACTIVITIES

IT IS THEREFORE ORDERED that Defendants and their officers, agents, servants, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with the sale of any good or service are **hereby temporarily restrained and enjoined from:**

A. Failing to disclose, or to disclose adequately, in a Clear and Conspicuous manner, all Material terms and conditions of their offer, including:

1. That Defendants will use consumers’ credit or debit card information to charge consumers for the initial full month’s supply of the products upon the expiration of a limited trial period;
2. That Defendants enroll consumers who order the products they sell into membership programs and other programs, including Continuity Plans, that consumers must cancel within a limited time period in order to avoid recurring charges;
3. That Defendants will use consumers’ credit or debit card information to periodically charge consumers for the membership programs and other programs, including Continuity Plans;
4. The cost of the membership programs and other programs, including Continuity Plans, and the frequency and duration of the recurring charges;
5. When consumers must cancel the trial and the membership programs and other programs, including Continuity Plans, to avoid further charges; and
6. The means consumers must use to cancel the trial and the membership programs and other programs, including Continuity Plans.

B. Failing to disclose, or disclose adequately, in a Clear and Conspicuous manner, all Material terms and conditions of their refund and cancellation policy, including that:

1 similarly authenticated by the consumer for any Preauthorized Electronic Fund Transfer from a
2 consumer's account.

3 **III.**

4 **PROHIBITIONS AGAINST UNFAIR AND DECEPTIVE**
5 **NEGATIVE-OPTION MARKETING PRACTICES ON THE INTERNET**

6 **IT IS FURTHER ORDERED** that Defendants and their officers, agents, servants,
7 employees, and attorneys, and all other persons in active concert or participation with any of
8 them, who receive actual notice of this Order, whether acting directly or indirectly, in connection
9 with the sale of any good or service are **hereby temporarily restrained and enjoined** from
10 engaging in, causing others to engage in, or attempting to engage in, any of the following
11 practices:

12 A. Charging any consumer in an Internet-based sale of a good or service sold through
13 a Negative Option feature without:

- 14 1. Providing text that Clearly and Conspicuously discloses all Material terms
15 of the transaction before obtaining the consumer's billing information;
- 16 2. Obtaining a consumer's express informed consent before making any
17 charge; and
- 18 3. Providing a simple mechanism for a consumer to stop recurring charges
19 from being placed on the consumer's credit card, debit card, bank account, or other
20 financial account.

21 B. Violating the Restore Online Shoppers Confidence Act, 15 U.S.C. §§ 8401-8405, a
22 copy of which is attached as **Attachment A**.

23 **IV.**

24 **PROHIBITIONS AGAINST DECEPTIVE AND ABUSIVE**
25 **TELEMARKETING PRACTICES**

26 **IT IS FURTHER ORDERED** that Defendants and their officers, agents, servants,
27 employees, and attorneys, and all other persons in active concert or participation with any of
28 them, who receive actual notice of this Order, whether acting directly or indirectly, in connection

1 with Telemarketing, are **hereby temporarily restrained and enjoined** from engaging in, causing
2 others to engage in, or assisting other persons to engage in, any of the following practices:

3 A. Failing to disclose truthfully, promptly, and in a Clear and Conspicuous manner,
4 before a consumer pays for the goods or services offered, all Material terms and conditions of the
5 Defendants' Negative Option feature for an Upsell good or service before a consumer incurs a
6 charge for that good or service including:

- 7 1. That consumers who order any of Defendants' Upsell goods or services
8 will be enrolled into membership program(s) and other program(s), including
9 Continuity Plans, that consumers must cancel within a limited time period in order
10 to avoid recurring charges;
- 11 2. That consumers who order any of Defendants' Upsell goods or services
12 will be charged on a recurring basis unless consumers take affirmative action to
13 avoid the charges;
- 14 3. The date(s) that the Defendants will submit charge(s) for payment; and
- 15 4. The specific steps consumers must take to avoid further charges.

16 B. Initiating any outbound telephone call to a person when that person has previously
17 stated that he or she does not wish to receive an outbound telephone call made by or on behalf of
18 Defendants.

19 C. Violating the Telemarketing Sales Rule, 16 C.F.R. Part 310, attached as
20 **Attachment B.**

21 **V.**

22 **ASSET FREEZE**

23 **IT IS FURTHER ORDERED** that Defendants and their officers, agents, servants,
24 employees, and attorneys, and all other persons in active concert or participation with any of
25 them, who receive actual notice of this Order are **hereby temporarily restrained and enjoined**
26 from directly or indirectly:

- 27 A. Transferring, liquidating, converting, encumbering, pledging, loaning, selling,
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1 concealing, dissipating, disbursing, assigning, spending, withdrawing, granting a lien or security
2 interest or other interest in, or otherwise disposing of any Assets, or any interest therein, wherever
3 located, including outside the United States, that are:

- 4 1. Owned or controlled, directly or indirectly, by any Defendant(s), in whole
5 or in part, or held, in whole or in part, for the benefit of any Defendant(s);
- 6 2. In the actual or constructive possession of any Defendant(s);
- 7 3. Owned, controlled by, or in the actual or constructive possession of any
8 corporation, partnership, or other entity directly or indirectly owned, managed, or
9 controlled by, or under common control with any Defendant(s), or any other entity
10 acting under a fictitious name owned by or controlled by any Defendant(s), and
11 any Assets held by, for, or under the name of any Defendant(s) at any bank or
12 savings and loan institution, or with any broker-dealer, escrow agent, title
13 company, commodity trading company, payment processing company, precious
14 metal dealer, or other financial institution or depository of any kind.

15 B. Opening or causing to be opened any safe deposit boxes titled in the name of any
16 Defendant(s), or subject to access by any Defendant(s);

17 C. Incurring charges or cash advances on any credit card, debit card, or checking card
18 issued in the name, singly or jointly, of any Defendant(s);

19 D. Obtaining a personal or secured loan;

20 E. Incurring liens or other encumbrances on real property, personal property, or other
21 Assets in the name, singly or jointly, of any Defendant(s); and

22 F. Cashing any checks or depositing any money orders or cash received from
23 consumers, clients, or customers of any Defendant(s).

24 The Assets affected by this Section shall include: (1) all Assets of Defendants as of the
25 time this Order is entered; and (2) for Assets obtained after the time this Order is entered, those
26 Assets of Defendants that are derived, directly or indirectly, from the Defendants' activities as
27 described in the Commission's Complaint, including the activities of any Receivership
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1 Defendant. This Section does not prohibit transfers to the Temporary Receiver, as specifically
2 required in Section XV (Delivery of Receivership Property), nor does it prohibit the repatriation
3 of foreign Assets, as specifically required in Section VIII (Repatriation of Foreign Assets and
4 Documents) of this Order.

5 **VI.**

6 **DUTIES OF ASSET HOLDERS**

7 **IT IS FURTHER ORDERED** that any financial or brokerage institution, credit card
8 processing company, payment processor, merchant bank, acquiring bank, business entity, or
9 person who receives actual notice of this Order (by personal service or otherwise) that (a) holds,
10 controls, or maintains custody of any account or asset of any Defendant, (b) holds, controls, or
11 maintains custody of any asset associated with credit or debit card charges made on behalf of any
12 Defendant, including reserve funds held by payment processors, or (c) has held, controlled, or
13 maintained custody of any such account or asset at any time since the date of entry of this Order
14 shall:

15 A. Hold and retain within its control and prohibit the withdrawal, removal,
16 assignment, transfer, pledge, encumbrance, disbursement, dissipation, relinquishing, conversion,
17 sale, or other disposal of any such asset except by further order of this Court;

18 B. Deny any person, except the Temporary Receiver acting pursuant to Section XIII
19 of this Order access to any safe deposit box that is:

- 20 1. Titled in the name of any Defendant, either individually or jointly; or
21 2. Otherwise subject to access by any Defendant;

22 C. Provide the FTC's counsel, within three (3) business days of receiving a copy of
23 this Order, a sworn statement setting forth:

- 24 1. The identification number of each account or asset:
25 a) Titled in the name, individually or jointly, of any of the Defendants;
26 b) Held on behalf of, or for the benefit of, any of the Defendants; or
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1 c) Associated with credit or debit card charges made on behalf of any
2 of the Defendants;

3 2. The balance of each such account, or a description of the nature and value
4 of each such asset as of the close of business on the day on which this Order is
5 served, and, if the account or other asset has been closed or removed, the date
6 closed or removed, the total funds removed in order to close the account, and the
7 name of the person or entity to whom such account or other asset was remitted;
8 and

9 3. The identification of any safe deposit box that is either titled in the name,
10 individually or jointly, of any of the Defendants, or is otherwise subject to access
11 by any of the Defendants; and

12 D. Upon the request of the FTC, promptly provide the FTC with copies of all records
13 or other documentation pertaining to such account or asset, including originals or copies of
14 account applications, account statements, signature cards, checks, drafts, deposit tickets, transfers
15 to and from the accounts, including wire transfers and wire transfer instructions, all other debit
16 and credit instruments or slips, currency transaction reports, 1099 forms, and safe deposit box
17 logs.

18 **VII.**

19 **FINANCIAL STATEMENTS**

20 **IT IS FURTHER ORDERED** that each Defendant, within two (2) days of service of this
21 Order upon them, shall prepare and deliver to counsel for the Commission and to the Temporary
22 Receiver completed financial statements on the forms attached to this Order as **Attachment C**
23 (Financial Statement of Individual Defendant) for themselves individually, and **Attachment D**
24 (Financial Statement of Corporate Defendant) for each business entity under which they conduct
25 business or of which they are an officer, and for each trust for which any Defendant is a trustee.
26 The financial statements shall be accurate as of the date of entry of this Order. Each Defendant
27 shall include in the financial statements a full accounting of all funds and Assets, whether located
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1 inside or outside of the United States, that are (a) titled in the name of such Defendant, jointly,
2 severally, or individually; (b) held by any person or entity for the benefit of such Defendant; or
3 (c) under the direct or indirect control of such Defendant.

4 **VIII.**

5 **REPATRIATION OF FOREIGN ASSETS AND DOCUMENTS**

6 **IT IS FURTHER ORDERED** that within ten (10) days following the service of this
7 Order, each Defendant shall:

8 A. Provide the Commission and the Temporary Receiver with a full accounting of all
9 funds, Documents, and Assets outside of the United States that are: (1) titled in the name,
10 individually or jointly, of any Defendant; or (2) held by any person or entity for the benefit of any
11 Defendant; or (3) under the direct or indirect control, whether jointly or singly, of any Defendant;

12 B. Transfer to the territory of the United States and deliver to the Temporary Receiver
13 all funds, Documents, and Assets located in foreign countries that are: (1) titled in the name
14 individually or jointly of any Defendant; or (2) held by any person or entity for the benefit of any
15 Defendant; or (3) under the direct or indirect control, whether jointly or singly, of any Defendant;
16 and

17 C. Provide the Commission access to all records of accounts or Assets of any
18 Defendant held by financial institutions located outside the territorial United States by signing the
19 Consent to Release of Financial Records appended to this Order as **Attachment E**.

20 **IX.**

21 **NONINTERFERENCE WITH REPATRIATION**

22 **IT IS FURTHER ORDERED** that Defendants and their officers, agents, servants,
23 employees, and attorneys, and all other persons in active concert or participation with any of
24 them, who receive actual notice of this Order, whether acting directly or indirectly, are hereby
25 temporarily restrained and enjoined from taking any action, directly or indirectly, that may result
26 in the encumbrance or dissipation of foreign Assets, or in the hindrance of the repatriation
27 required by Section VIII of this Order, including:
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XII.

**PROHIBITION ON RELEASE OF CUSTOMER INFORMATION
OR CUSTOMER LISTS**

IT IS FURTHER ORDERED that Defendants and their officers, agents, servants, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, are hereby temporarily restrained and enjoined from selling, renting, leasing, transferring, or otherwise disclosing the name, address, telephone number, credit card number, bank account number, e-mail address, or other identifying information of any person who paid money to the Defendants for products or services, or who were contacted or are on a list to be contacted by the Defendants; provided that the Defendants may disclose such identifying information to a law enforcement agency or as required by any law, regulation, or court order.

XIII.

APPOINTMENT OF TEMPORARY RECEIVER

IT IS FURTHER ORDERED that Robb Evans & Associates is appointed temporary receiver for the Receivership Defendants. The Temporary Receiver shall be the agent of this Court, and solely the agent of this Court, in acting as Temporary Receiver under this Order. The Temporary Receiver shall be accountable directly to this Court.

XIV.

TEMPORARY RECEIVER'S DUTIES

IT IS FURTHER ORDERED that the Temporary Receiver is authorized and directed to accomplish the following:

- A. Assume full control of the Receivership Defendants by removing, as the Temporary Receiver deems necessary or advisable, any director, officer, independent contractor, employee, or agent of any of the Receivership Defendants, including any Defendant, from control of, management of, or participation in, the affairs of the Receivership Defendants;

1 B. Take exclusive custody, control, and possession of all Assets and Documents of, or
2 in the possession, custody, or under the control of, the Receivership Defendants, wherever
3 situated. The Temporary Receiver shall have full power to divert mail and to sue for, collect,
4 receive, take in possession, hold, and manage all Assets and Documents of the Receivership
5 Defendants and other persons or entities whose interests are now under the direction, possession,
6 custody, or control of, the Receivership Defendants. The Temporary Receiver shall assume
7 control over the income and profits therefrom and all sums of money now or hereafter due or
8 owing to the Receivership Defendants. Provided, however, that the Temporary Receiver shall not
9 attempt to collect any amount from a consumer if the Temporary Receiver believes the consumer
10 was a victim of the unfair or deceptive acts or practices or other violations of law alleged in the
11 Complaint in this matter, without prior Court approval;

12 C. Take all steps necessary to secure and take exclusive custody of each location from
13 which the Receivership Defendants operate their business. Such steps may include any of the
14 following, as the Temporary Receiver deems necessary or advisable: (1) serving this Order; (2)
15 completing a written inventory of all Receivership Assets; (3) obtaining pertinent information
16 from all employees and other agents of the Receivership Defendants, including the name, home
17 address, Social Security Number, job description, passwords or access codes, methods of
18 compensation, and all accrued and unpaid commissions and compensation of each such employee
19 or agent; (4) photographing and videotaping any or all portions of the location; (5) securing the
20 location by changing the locks and disconnecting any computer modems or other means of access
21 to the computer or other records maintained at that location; and (6) requiring any persons present
22 on the premises at the time this Order is served to leave the premises, to provide the Temporary
23 Receiver with proof of identification, or to demonstrate to the satisfaction of the Temporary
24 Receiver that such persons are not removing from the premises Documents or Assets of the
25 Receivership Defendants. Law enforcement personnel, including police or sheriffs, may assist
26 the Temporary Receiver in implementing these provisions in order to keep the peace and maintain
27 security. If requested by the Temporary Receiver, the United States Marshal will provide
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1 appropriate and necessary assistance to the Temporary Receiver to implement this Order and is
2 authorized to use any necessary and reasonable force to do so;

3 D. Conserve, hold, and manage all Assets of the Receivership Defendants, and
4 perform all acts necessary or advisable to preserve the value of those Assets in order to prevent
5 any irreparable loss, damage, or injury to consumers or creditors of the Receivership Defendants,
6 including obtaining an accounting of the Assets and preventing the unauthorized transfer,
7 withdrawal, or misapplication of Assets;

8 E. Enter into and cancel contracts, and purchase insurance as advisable or necessary;

9 F. Prevent the inequitable distribution of Assets and determine, adjust, and protect the
10 interests of consumers and creditors who have transacted business with the Receivership
11 Defendants;

12 G. Manage and administer the business of the Receivership Defendants until further
13 order of this Court by performing all incidental acts that the Temporary Receiver deems to be
14 advisable or necessary, which includes retaining, hiring, or dismissing any employees,
15 independent contractors, or agents;

16 H. Prevent the destruction or erasure of any web page or website registered to and
17 operated, in whole or in part, by Defendants;

18 I. Take all steps necessary to ensure that any of Defendants' web pages or websites
19 relating to dietary supplements, other health-related products, and Upsell products and services,
20 which include "Free Shipping Rewards" (and similar programs that offers "free shipping" on
21 Defendants' products and other products for a monthly fee), "Magazine Rewards Plus" (and
22 similar programs that offers consumers subscriptions to various magazines and publications for a
23 monthly or annual fee), "VIP Savings" (and similar programs that offers discounts and coupons
24 for stores, restaurants and other products or services for a monthly fee), "My Fitness DVDs" and
25 "My Exercise DVDs" (and similar programs that offer "free" exercise DVDs when a consumer
26 enrolls and agrees to pay monthly fees for additional DVDs), and "Playboy Offer" and "DVD
27 Entertainment" (and similar programs that offer "free" adult film DVDs when a consumer enrolls
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1 and agrees to pay monthly fees for additional DVDs), cannot be accessed by the public;

2 J. Choose, engage, and employ attorneys, accountants, appraisers, and other
3 independent contractors and technical specialists, as the Temporary Receiver deems advisable or
4 necessary in the performance of duties and responsibilities under the authority granted by this
5 Order;

6 K. Make payments and disbursements from the receivership estate that are necessary
7 or advisable for carrying out the directions of, or exercising the authority granted by, this Order.
8 The Temporary Receiver shall apply to the Court for prior approval of any payment of any debt
9 or obligation incurred by the Receivership Defendants prior to the date of entry of this Order,
10 except payments that the Temporary Receiver deems necessary or advisable to secure Assets of
11 the Receivership Defendants, such as rental payments;

12 L. Suspend business operations of the Receivership Defendants if in the judgment of
13 the Temporary Receiver such operations cannot be continued legally and profitably;

14 M. Institute, compromise, adjust, appear in, intervene in, or become party to such
15 actions or proceedings in state, federal or foreign courts or arbitration proceedings as the
16 Temporary Receiver deems necessary and advisable to preserve or recover the Assets of the
17 Receivership Defendants, or that the Temporary Receiver deems necessary and advisable to carry
18 out the Temporary Receiver's mandate under this Order, including actions challenging fraudulent
19 or voidable transfers;

20 N. Defend, compromise, adjust, or otherwise dispose of any or all actions or
21 proceedings instituted in the past or in the future against the Temporary Receiver in his role as
22 Temporary Receiver, or against the Receivership Defendants, as the Temporary Receiver deems
23 necessary and advisable to preserve the Assets of the Receivership Defendants, or as the
24 Temporary Receiver deems necessary and advisable to carry out the Temporary Receiver's
25 mandate under this Order;

26 O. Issue subpoenas to obtain Documents and records pertaining to the Receivership,
27 and conduct discovery in this action on behalf of the Receivership estate;

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1 P. Maintain accurate records of all receipts and expenditures incurred as Temporary
2 Receiver; and

3 Q. Cooperate with reasonable requests for information or assistance from any state or
4 federal law enforcement agency.

5 **XV.**

6 **DELIVERY OF RECEIVERSHIP PROPERTY**

7 **IT IS FURTHER ORDERED** that Defendants, their officers, agents, servants,
8 employees, and attorneys, and all other persons in active concert or participation with any of
9 them, who receive actual notice of this Order, and any other person with possession, custody or
10 control of property or of records relating to the Receivership Defendants shall upon notice of this
11 Order by personal service or otherwise immediately notify the Temporary Receiver of, and, upon
12 receiving a request from the Temporary Receiver, immediately transfer or deliver to the
13 Temporary Receiver possession, custody, and control of, the following:

14 A. All Assets of the Receivership Defendants;

15 B. All Documents of the Receivership Defendants, including books and records of
16 accounts, all financial and accounting records, balance sheets, income statements, bank records
17 (including monthly statements, canceled checks, records of wire transfers, and check registers),
18 client lists, title documents and other papers;

19 C. All computers and data in whatever form used to conduct the business of the
20 Receivership Defendants;

21 D. All Assets belonging to other persons or entities whose interests are not under the
22 direction, possession, custody, or control of, the Receivership Defendants; and

23 E. All keys, codes, and passwords necessary to gain or to secure access to any Assets
24 or Documents of the Receivership Defendants, including access to their business premises, means
25 of communication, accounts, computer systems, or other property.

26 In the event that any person or entity fails to deliver or transfer any asset or otherwise fails
27 to comply with any provision of this Section, the Temporary Receiver may file *ex parte* an
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1 Affidavit of Non-Compliance regarding the failure. Upon filing of the affidavit, the Court may
2 authorize, without additional process or demand, Writs of Possession or Sequestration or other
3 equitable writs requested by the Temporary Receiver. The writs shall authorize and direct the
4 United States Marshal or any sheriff or deputy sheriff of any county, or any other federal or state
5 law enforcement officer, to seize the asset, document, or other item covered by this Section and to
6 deliver it to the Temporary Receiver.

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8 **XVI.**

9 **PROVISION OF INFORMATION TO TEMPORARY RECEIVER**

10 **IT IS FURTHER ORDERED** that Defendants shall provide to the Temporary Receiver,
11 immediately upon request, the following:

12 A. A list of all Assets and property, including accounts, of the Receivership
13 Defendants that are held in any name other than the name of a Receivership Defendant, or by a
14 person or entity other than a Receivership Defendant; and

15 B. A list of all agents, employees, officers, servants or those persons in active concert
16 and participation with the Individual Defendants and Receivership Defendants, who have been
17 associated or done business with the Receivership Defendants.

18 **XVII.**

19 **COOPERATION WITH THE TEMPORARY RECEIVER**

20 **IT IS FURTHER ORDERED** that Defendants, their officers, agents, servants,
21 employees, and attorneys, and all other persons in active concert or participation with any of
22 them, who receive actual notice of this Order, and any other person served with a copy of this
23 Order shall fully cooperate with and assist the Temporary Receiver in taking and maintaining
24 possession, custody, or control of the Assets of the Receivership Defendants. This cooperation
25 and assistance shall include: providing information to the Temporary Receiver that the
26 Temporary Receiver deems necessary in order to exercise the authority and discharge the
27 responsibilities of the Temporary Receiver under this Order; providing any password required to
28 access any computer, electronic file, or telephonic data in any medium; advising all persons who

1 owe money to the Receivership Defendants that all debts should be paid directly to the
2 Temporary Receiver; and transferring funds at the Temporary Receiver's direction and producing
3 records related to the Assets and sales of the Receivership Defendants. The entities obligated to
4 cooperate with the Temporary Receiver under this provision include banks, broker-dealers,
5 savings and loans, escrow agents, title companies, commodity trading companies, precious metals
6 dealers and other financial institutions and depositories of any kind, and all common carriers,
7 third-party billing agents, including payment processors, and other telecommunications
8 companies, that have transacted business with the Receivership Defendants.

9 **XVIII.**

10 **INTERFERENCE WITH THE TEMPORARY RECEIVER**

11 **IT IS FURTHER ORDERED** that Defendants, their officers, agents, servants,
12 employees, attorneys, and all other persons in active concert or participation with any of them,
13 who receive actual notice of this Order, and their corporations, subsidiaries, divisions, or
14 affiliates, are hereby restrained and enjoined from directly or indirectly:

15 A. Interfering with the Temporary Receiver managing, or taking custody, control, or
16 possession of, the Assets or Documents subject to this Receivership;

17 B. Transacting any of the business of the Receivership Defendants;

18 C. Transferring, receiving, altering, selling, encumbering, pledging, assigning,
19 liquidating, or otherwise disposing of any Assets owned, controlled, or in the possession or
20 custody of, or in which an interest is held or claimed by, the Receivership Defendants, or the
21 Temporary Receiver; and

22 D. Refusing to cooperate with the Temporary Receiver or the Temporary Receiver's
23 duly authorized agents in the exercise of their duties or authority under any order of this Court.

24 **XIX.**

25 **STAY OF ACTIONS AGAINST RECEIVERSHIP DEFENDANTS**

26 **IT IS FURTHER ORDERED** that, except by leave of this Court, during the pendency
27 of the Receivership ordered herein, Defendants, their officers, agents, servants, employees,
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1 attorneys, and all other persons in active concert or participation with any of them, who receive
2 actual notice of this Order, and their corporations, subsidiaries, divisions, or affiliates, and all
3 investors, creditors, stockholders, lessors, customers and other persons seeking to establish or
4 enforce any claim, right, or interest against or on behalf of Defendants, and all others acting for or
5 on behalf of such persons, are hereby enjoined from taking action that would interfere with the
6 exclusive jurisdiction of this Court over the Assets or Documents of the Receivership Defendants,
7 including:

8 A. Filing or assisting in the filing of a petition for relief under the Bankruptcy Code,
9 11 U.S.C. § 101 et seq., or of any similar insolvency proceeding.

10 B. Commencing, prosecuting, or continuing a judicial, administrative, or other action
11 or proceeding against the Receivership Defendants, including the issuance or employment of
12 process against the Receivership Defendants, except that such actions may be commenced if
13 necessary to toll any applicable statute of limitations;

14 C. Filing or enforcing any lien on any asset of the Receivership Defendants, taking or
15 attempting to take possession, custody, or control of any asset of the Receivership Defendants; or
16 attempting to foreclose, forfeit, alter, or terminate any interest in any asset of the Receivership
17 Defendants, whether such acts are part of a judicial proceeding, are acts of self-help, or otherwise;
18 or

19 D. Initiating any other process or proceeding that would interfere with the Temporary
20 Receiver managing or taking custody, control, or possession of, the Assets or Documents subject
21 to this receivership.

22 *Provided that*, this Order does not stay: (i) the commencement or continuation of a criminal
23 action or proceeding; (ii) the commencement or continuation of an action or proceeding by a
24 governmental unit to enforce such governmental unit's police or regulatory power; or (iii) the
25 enforcement of a judgment, other than a money judgment, obtained in an action or proceeding by
26 a governmental unit to enforce such governmental unit's police or regulatory power.

1 **XX.**

2 **COMPENSATION OF TEMPORARY RECEIVER**

3 **IT IS FURTHER ORDERED** that the Temporary Receiver and all personnel hired by
4 the Temporary Receiver are herein authorized, including counsel to the Temporary Receiver and
5 accountants, are entitled to reasonable compensation for the performance of duties pursuant to
6 this Order and for the cost of actual out-of-pocket expenses incurred by them, from the Assets
7 now held by, in the possession or control of, or which may be received by, the Receivership
8 Defendants. The Temporary Receiver shall file with the Court and serve on the parties periodic
9 requests for the payment of such reasonable compensation, with the first such request filed no
10 more than sixty (60) days after the date of entry of this order. The Temporary Receiver shall not
11 increase the hourly rates used as the bases for such fee applications without prior approval of the
12 Court.

13 **XXI.**

14 **TEMPORARY RECEIVER'S BOND**

15 **IT IS FURTHER ORDERED** that the Temporary Receiver shall file with the Clerk of
16 this Court a bond in the sum of \$10,000 with sureties to be approved by the Court, conditioned
17 that the Temporary Receiver will well and truly perform the duties of the office and abide by and
18 perform all acts the Court directs. 28 U.S.C. § 754.

19 **XXII.**

20 **ACCESS TO BUSINESS PREMISES AND RECORDS**

21 **IT IS FURTHER ORDERED** that:

22 A. The Commission and the Temporary Receiver, and their representatives, agents,
23 and assistants, shall have immediate access to the business premises and storage facilities, owned,
24 controlled, or used by any Receivership Defendant, including the offices and facilities at or in the
25 vicinity of: 16000 Ventura Boulevard, Suite 1102, Encino, California; 9601 Owensmouth
26 Avenue, Suite 29, Chatsworth, California; 4545 Spring Mountain Road, Suite 104, Las Vegas,
27 Nevada, and any offsite commercial mail boxes used by any Receivership Defendant. The
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1 Commission and the Temporary Receiver are authorized to employ the assistance of law
2 enforcement as they deem necessary to effect service and to implement peacefully this Order.
3 The Commission and the Temporary Receiver may exclude Receivership Defendants and their
4 employees from the business premises during the immediate access. The purpose of the
5 immediate access shall be to inspect and copy the business and financial records of the
6 Receivership Defendants, including forensic imaging of electronically stored information. Such
7 business records include correspondence, contracts, emails, and financial data.

8 B. The Commission and the Temporary Receiver and their representatives, agents,
9 and assistants, shall have the right to remove materials from the above-listed premises for
10 inspection, inventorying, and copying.

11 C. The Commission shall return any removed materials to the Temporary Receiver
12 within five (5) business days, or such time as is agreed upon by the Commission and the
13 Temporary Receiver.

14 D. Receivership Defendants and all employees or agents of Receivership Defendants
15 shall provide the Commission and the Temporary Receiver with any necessary means of access to
16 Documents and records, including, without limitation, the locations of the Receivership
17 Defendant's business premises, keys and combinations to locks, computer access codes, and
18 storage area access information.

19 E. If any Documents, computers, or electronic data storage devices containing
20 information related to the business practices or finances of the Receivership Defendant are at a
21 location other than those listed herein, including the personal residence(s) of the Defendants,
22 then, immediately upon notice of this Order, Defendants shall produce to the Temporary Receiver
23 all such Documents, computers, or electronic data storage devices. In order to prevent the
24 destruction of electronic data, upon service of this Order upon Receivership Defendant(s), any
25 computers or electronic data storage devices containing such information shall be powered down
26 (turned off) in the normal course for the operating systems used on such devices and shall not be
27 used until produced for copying and inspection, along with any codes needed for access.
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1 F. Within forty-eight (48) hours of service of this Order, the Receivership Defendants
2 shall produce to the Temporary Receiver a list of all agents, employees, officers, servants and
3 those persons in active concert and participation with it, who have been associated or done
4 business with the Receivership Defendant(s).

5 **XXIII.**

6 **EXPEDITED DISCOVERY**

7 **IT IS FURTHER ORDERED** that, in anticipation of the preliminary injunction hearing
8 in this matter, the Commission and the Temporary Receiver are authorized to conduct expedited
9 discovery concerning Defendants' Assets, the products and services offered by Defendants'
10 businesses, and the nature and location of business records in accordance with the following
11 provisions:

12 A. The Commission and the Temporary Receiver may take the depositions of parties
13 and non-parties. Forty-eight (48) hours' notice shall be sufficient notice for such depositions;

14 B. The Commission and the Temporary Receiver may serve upon parties requests for
15 production of Documents or inspection that require production or inspection within five (5)
16 calendar days of service, and may serve subpoenas upon non-parties that direct production or
17 inspection within five (5) calendar days of service;

18 C. The Commission and the Temporary Receiver may serve deposition notices and
19 other discovery requests upon the parties to this action by facsimile or overnight courier, and
20 depositions may be taken by telephone, Skype, or other remote electronic means; and

21 D. Any Discovery taken pursuant to this Order is in addition to, and is not subject to,
22 the presumptive limits on discovery set forth in the Federal Rules of Civil Procedure and Local
23 Rules of this Court.

24 **XXIV.**

25 **NONINTERFERENCE WITH CONSUMER WITNESSES**

26 **IT IS FURTHER ORDERED** that:

27 A. Defendants and their officers, agents, servants, employees, and attorneys, and all
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1 other persons in active concert or participation with any of them, who receive actual notice of this
2 Order, whether acting directly or indirectly, are hereby temporarily restrained and enjoined from
3 taking any action, directly or indirectly, that may result in the intimidation and noncooperation of
4 consumer witnesses, or in the hindrance of the expedited discovery required by Section XXIII of
5 this Order, including:

- 6 1. Requiring consumers seeking a refund to sign an agreement preventing
7 them from providing information about Corporate Defendants or sharing their
8 experiences with Corporate Defendants;
- 9 2. Enforcing such agreements; and
- 10 3. Sending any statement, letter, fax, e-mail or wire transmission, or
11 telephoning or engaging in any other act, directly or indirectly, that results in the
12 intimidation or noncooperation of consumers or potential witnesses;

13 B. Consumers may cooperate with the FTC and the Temporary Receiver without
14 regard to any existing agreement preventing consumers from communicating with outside parties
15 about Corporate Defendants.

16 **XXV.**

17 **DISTRIBUTION OF ORDER BY DEFENDANTS**

18 **IT IS FURTHER ORDERED** that Defendants shall immediately provide a copy of this
19 Order to each affiliate, sales entity, successor, assign, member, officer, director, employee, agent,
20 independent contractor, client, servant, attorney, spouse, subsidiary, division, and representative
21 of any Defendant, and shall, within ten (10) days from the date of entry of this Order, provide the
22 FTC with a sworn statement that Defendants have complied with this provision of the Order,
23 which statement shall include the names and addresses of each such person or entity who received
24 a copy of this Order. Furthermore, Defendants shall not take any action that would encourage
25 officers, agents, members, directors, employees, salespersons, independent contractors, attorneys,
26 subsidiaries, affiliates, successors, assigns or other persons or entities in active concert or
27 participation with them to disregard this Order or believe that they are not bound by its
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1 provisions.

2 **XXVI.**

3 **SERVICE ON FINANCIAL INSTITUTIONS, ENTITIES OR PERSONS**

4 **IT IS FURTHER ORDERED** that copies of this Order may be served by any means,
5 including facsimile transmission, e-mail, and overnight delivery service, upon any financial
6 institution or other entity or person that may have possession, custody, or control of any
7 Documents or Assets of any Defendant, or that may otherwise be subject to any provision of this
8 Order. Service upon any branch or office of any financial institution shall effect service upon the
9 entire financial institution.

10 **XXVII.**

11 **GENERAL SERVICE OF ORDER**

12 **IT IS FURTHER ORDERED** that this Order and the initial papers filed in this matter
13 may be served on Defendants, upon the business premises of Defendants, and upon any financial
14 institution or other entity or person that may have possession, custody, or control of any
15 Documents or Assets of any Defendant, or that may be subject to any provision of this Order, by
16 employees of the FTC, by employees of any other law enforcement agency, by any agent of
17 Plaintiff or by any agent of any process service retained by Plaintiff.

18 **XXVIII.**

19 **CORRESPONDENCE**

20 **IT IS FURTHER ORDERED** that, for the purpose of this Order, all correspondence and
21 service of pleadings on Plaintiff shall be addressed to:

22 Shameka L. Walker
23 Danielle Estrada
24 Federal Trade Commission
25 600 Pennsylvania Avenue NW, Mail drop CC-8559
26 Washington, DC 20580
27 Fax: (202) 326-3395
28 Email: swalker@ftc.gov (Walker); destrada@ftc.gov (Estrada)

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XXIX.

ORDER TO SHOW CAUSE REGARDING PRELIMINARY INJUNCTION

IT IS FURTHER ORDERED that each Defendant shall appear before this Court on October 23, 2014, at 2:00 p.m. to show cause, if there is any, why this Court should not enter a preliminary injunction pending final ruling on the claims against Defendants, enjoining the violations of the law alleged in the Commission’s Complaint, continuing the freeze of their Assets, continuing the Receivership, and imposing such additional relief as may be appropriate. Unless otherwise ordered, this proceeding will not be an evidentiary hearing.

XXX.

DURATION OF TEMPORARY RESTRAINING ORDER

IT IS FURTHER ORDERED that except as ordered by this Court, this Temporary Restraining Order shall expire within fourteen (14) days from the date of entry noted below, as computed by Rule 6, Fed. R. Civ. P., unless within such time, the Order, for good cause shown, is extended for an additional period not to exceed fourteen (14) days or unless it is further extended pursuant to Federal Rule of Civil Procedure 65 or by stipulation of counsel.

XXXI.

RETENTION OF JURISDICTION

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for all purposes.

CONCLUSION

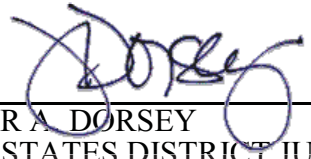
In sum, with good cause appearing, and for the foregoing reasons,

IT IS HEREBY ORDERED that the FTC’s Ex Parte Motion for a Temporary Restraining Order with Asset Freeze, Appointment of a Receiver, and other Equitable Relief **[Docs. 5, 9] is GRANTED**; Robb Evans & Associates is appointed as temporary receiver for the Receivership Defendants, and the Defendants shall appear in Courtroom 6D of the Lloyd D.

...

1 George U.S. Courthouse, 333 Las Vegas Blvd. South, Las Vegas, Nevada 89101, on October 23,
2 2014, at 2:00 p.m. to show cause why a preliminary injunction should not issue.

3 Dated: October 9, 2014.



4 _____
JENNIFER A. DORSEY
5 UNITED STATES DISTRICT JUDGE

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