



collectively the "Defendants"). On October 11, 2007, upon stipulation of the parties, the court entered a Temporary Restraining Order with Asset Freeze, Appointing of Temporary Receiver and Other Equitable Relief and an Order to Show Cause Why a Preliminary Injunction Should Not Issue ("Temporary Restraining Order"). The FTC and the Defendants having met and discussed the terms of this Stipulated Order for Preliminary Injunction ("Order") have agreed to the entry of this Order, with the following findings of fact and order:

1. This Court has jurisdiction of the subject matter of this case, and there is good cause to believe it will have jurisdiction over all parties.
2. There is good cause to believe that venue lies properly in this Court.
3. The FTC asserts there is good cause to believe the Defendants' activities as alleged in the FTC's complaint are in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.
4. The FTC asserts there is good cause to believe that the Defendants Edge Solutions, Inc., a Delaware corporation, Edge Solutions, Inc., a New York corporation, Money Cares, Inc., a Florida corporation, all also known as The Debt Settlement Company, and all also known as The Debt Elimination Center, Pay Help, Inc., Miriam Lovinger, and Robert Lovinger have engaged in and are likely to engage in acts and practices that violate Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and that the Commission is therefore likely to prevail on the merits of this action.
5. The FTC asserts there is good cause to order an asset freeze on the Defendants and re-appoint a Temporary Receiver for the Receivership Defendants.

6. Weighing the equities and considering the Plaintiff's likelihood of ultimate success in its cause of action, the entry of this Order as set forth below is in the public interest.
7. No security is required of any agency of the United States for issuance of a preliminary injunction. Fed. R. Civ. P. 65(c).
8. By this stipulation, Defendants waive their right to a Preliminary Injunction hearing before this Court.
9. Defendants do not concede that they have violated the law but nevertheless consent to this preliminary injunction.

#### DEFINITIONS

For purposes of this Order, the following definitions shall apply:

1. **"Asset"** means any legal or equitable interest in, right to, or claim to, any real and personal property including, but not limited to, chattel, goods, instruments, equipment, fixtures, general intangibles, effects, leaseholds, premises, mail or other deliveries, shares of stock, lists of consumer names, inventory, checks, notes, accounts, credits, receivables, funds, and all cash, wherever located.
2. **"Assisting"** means providing any of the following goods or services to another person:
  - a. serving as an officer, director, or consultant;
  - b. performing customer service functions including, but not limited to, receiving or responding to customer complaints;

- c. formulating or providing, or arranging for the formulation or provision of any script or any other material for communicating with customers or potential customers;
  - d. providing the names of, or assisting in the generation of, potential customers including, but not limited to, arranging for the automated delivery of messages to potential customers;
  - e. performing marketing services of any kind; or
  - f. providing any other substantial help or aid while knowing or consciously avoiding knowing that the person receiving assistance is engaged in an act or practice that is prohibited by this Order.
3. **“Consumer”** means any person, including any individual, group, unincorporated association, limited or general partnership, corporation, or other business entity.
4. **“Debtor”** means any consumer indebted to a creditor or creditors.
5. **“Debt negotiation” or “Debt settlement”** means:
- a. the business or practice of receiving, in return for consideration, the scheduled receipt of a debtor’s monies, or evidences thereof, for the purpose of distribution among certain specified creditors in payment, or partial payment, of the debtor’s obligations; or
  - b. the business or practice of acting or offering or attempting to act as an intermediary between a debtor and his creditors for the purpose of settling, negotiating, consolidating, managing, reducing or in any way altering the terms of payment of, any debt of a debtor.

6. **“Defendants”** means Defendants Edge Solutions, Inc., a Delaware corporation, Edge Solutions, Inc., a New York corporation, and Money Cares, Inc., a Florida corporation, each also known as The Debt Settlement Company or as The Debt Elimination Center, Pay Help, Inc., a New York corporation, Miriam Lovinger, and Robert Lovinger, and each of them, by whatever names each might be known.
7. **“Document”** is synonymous in meaning and equal in scope to the usage of the term in Federal Rule of Civil Procedure 34(a), and includes writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, and other data compilations from which information can be obtained and translated, if necessary, through detection devices into reasonably usable form. A draft or non-identical copy is a separate document within the meaning of the term “document.”
8. **“Individual Defendants”** means Miriam Lovinger and Robert Lovinger.
9. **“Receivership Defendants”** means Edge Solutions, Inc., a Delaware corporation, Edge Solutions, Inc., a New York corporation, and Money Cares, Inc., a Florida corporation, each also known as The Debt Settlement Company, or as The Debt Elimination Center, Pay Help, Inc., and each of them, by whatever names each might be known.
10. The terms **“and”** and **“or”** shall be construed conjunctively or disjunctively as necessary, and to make the applicable phrase or sentence inclusive rather than exclusive.

#### **I. PROHIBITED MISREPRESENTATIONS**

**IT IS HEREBY ORDERED** that the Defendants their successors, assigns, officers, agents, directors, servants, employees, salespersons, independent contractors, attorneys, corporations, subsidiaries, affiliates, divisions, sales entities, related entities, and all other

persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division or other device, including, but not limited to, fictitious business names, in connection with the advertising, promotion, offering, or sale of any services or program providing debt negotiation or debt settlement by telephone, on or through the Internet, the World Wide Web, any website, or otherwise in commerce, the Defendants, are hereby restrained and enjoined from:

- A. Making, or assisting in the making of, expressly or by implication, orally or in writing, any statement or representation of material fact that is false or misleading, including but not limited to, any misrepresentation that:
  1. Consumers who purchase Defendants' debt settlement services will be able to pay off all of their debts referred to Defendants' program for a substantially reduced amount;
  2. Defendants will contact all of consumers' creditors referred into Defendants' program to negotiate settlements and will begin paying such creditors, within several weeks after consumers join Defendants' program;
  3. Defendants will provide personalized one-on-one financial consulting to assist consumers; and
- B. Making, or assisting in the making of, expressly or by implication, orally or in writing, any other statement or representation of material fact that is false or misleading, including but not limited to, any misrepresentation about any other

fact material to a consumer's decision to purchase any service providing debt negotiation or debt settlement.

## II. WEBSITES /WEBPAGES

**IT IS FURTHER ORDERED** that in connection with the advertising, promotion, offering for sale of any service or program providing debt negotiation or debt settlement, the Defendants, their successors, assigns, officers, agents, directors, servants, employees, salespersons, independent contractors, attorneys, corporations, subsidiaries, affiliates, divisions, sales entities, related entities, and all other persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division or other device, including, but not limited to, fictitious business names, are hereby restrained and enjoined from:

- A. Owning, operating, managing, or editing a debt negotiation or debt settlement website or webpage;
- B. Inserting any type of code or command in any webpage or on any website that automatically redirects a consumer to any other webpage or website;
- C. Advertising or promoting debt negotiation or debt settlement services on any webpage or website;
- D. Misrepresenting the contents of their webpages or websites through the use of meta tags, or by any other means;
- E. Overriding the normal functioning of a consumer's Internet browser; and
- F. Registering any new domain names, either directly or through any third party, without notifying counsel for the FTC within 24 hours of such action. Such

notice shall include the true identity of the domain name registrant, his or her mailing address, e-mail address, and telephone number.

### III. WEB HOSTING

**IT IS FURTHER ORDERED** that, pending final resolution of this matter, any party hosting any webpages or websites for Defendants, their successors, assigns, officers, agents, directors, servants, employees, salespersons, independent contractors, attorneys, corporations, subsidiaries, affiliates, divisions, sales entities, related entities, and all other persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division or other device, including, but not limited to, fictitious business names, shall:

- A. Immediately take all steps necessary to ensure that webpages or websites operated, in whole or in part, under the names [www.edgesolutions.com](http://www.edgesolutions.com), [www.idebthelp.com](http://www.idebthelp.com), [www.moneycares.com](http://www.moneycares.com), and [www.ontrackmpower.com](http://www.ontrackmpower.com) cannot be accessed by the public;
- B. Prevent the destruction, or erasure of webpages or websites operated, in whole or in part, under the names [www.edgesolutions.com](http://www.edgesolutions.com), [www.idebthelp.com](http://www.idebthelp.com), [www.moneycares.com](http://www.moneycares.com), and [www.ontrackmpower.com](http://www.ontrackmpower.com) by preserving such documents in the format in which they are currently maintained; and
- C. Immediately notify counsel for the FTC of any other webpage or website operated or controlled by any defendant relating to the advertising, promotion, offering for sale of any service or program providing debt negotiation or debt settlement..

#### IV. ASSET FREEZE

**IT IS FURTHER ORDERED** that the Defendants and their successors, assigns, officers, agents, directors, servants, employees, salespersons, independent contractors, attorneys, and all persons or entities directly or indirectly in control of any of them, including any financial institution, and all other persons in active concert or participation with any of them who receive actual notice of this Order by personal service, facsimile, email or otherwise, are hereby restrained and enjoined from:

A. Transferring, liquidating, converting, encumbering, selling, concealing, dissipating, disbursing, assigning, spending, withdrawing, pledging, loaning, granting a lien or security interest or other interest in, or otherwise disposing of any funds, credit instruments, real or personal property, accounts, contracts, lists of consumer names, shares of stock, or other assets, wherever located, including outside the United States, other than to make transfers to any Temporary Receiver for the Receivership Defendants re-appointed herein, or otherwise in accordance with the provisions below, that are:

1. Owned or controlled by the Defendants, in whole or in part, including but not limited to any assets held by, for, or in the name of the Defendants at any bank or savings and loan institution, or with any broker-dealer, escrow agent, title company, commodity trading company, precious metal dealer, or other financial institution, depository of any kind, or business entity, including but not limited to, The Bancorp Bank, Inc., J.P. Morgan Chase,

North Fork Bank, National Penn Bank, Washington Mutual Bank, The Bank of Smithtown, and EPX Bank.

2. In the actual or constructive possession of Defendants; or
  3. Owned, controlled by, or in the actual or constructive possession of any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by or under common control with Defendants.
- B. Opening or causing to be opened any safe deposit boxes, titled, singly or jointly, in the name of any Defendant, or subject to access by any of these Defendants.
- C. Incurring charges or cash advances on any credit card issued in the name, singly or jointly, of any Defendant, except as specified below.
- D. Collecting, opening, or causing to be collected or opened, any mail, received by or on behalf of the Receivership Defendants, at any address, including but not limited to the following: 356 Middle Country Rd., Coram, New York 11727 and 3249 Route 112, Suite 3, Medford, New York 11763, and failing to turn over any such mail to the Temporary Receiver.
- E. Obtaining a personal or secured loan.
- F. Incurring liens or other encumbrances on real property, including but not limited to the real property located at 5 Liberty Lane, Miller Place, New York, 11764, and 13573 Kiltie Court, Delray Beach, Florida 33446, personal property or other assets of the Defendants in the name of Defendants, singly or jointly.

The assets affected by this Paragraph shall include both (1) existing assets; and (2) assets acquired after the effective date of this Order only if such assets are derived from the activity

prohibited by this Order or derived from any other violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

*Provided further*, however, that the following assets are specifically excluded from the asset freeze as provided in this Paragraph:

1. The remainder of the \$9,000 allowance provided in Paragraph V.G.1. of the Temporary Restraining Order, for reasonable living expenses;
2. Any personal Individual Retirement Account (“IRA”) of the Individual Defendants which is disclosed in the Certified Financial Statement provided to counsel for the FTC on October 16, 2007;
3. Any funds deposited into a Qualified Tuition Program, as defined under Section 529 of the Internal Revenue Code, 26 U.S.C. § 529 (“529 Plan”), which are disclosed in the Certified Financial Statement provided to counsel for the FTC on October 16, 2007; and
4. Any proceeds from the sale of the book entitled “The Financial Life System,” so long as any offer for sale or sale of the book is not in connection with the advertising, promotion, offering for sale of any service or program providing debt negotiation or debt settlement.

*Provided further*, nothing in this Paragraph shall restrict, curtail, or otherwise limit the ability of the Individual Defendants to make charges of no more than \$5,000 per month combined on any or all of their personal credit or charge cards to the extent that any such charges do not relate to the advertising, promotion, offering for sale of any service or program providing debt negotiation or debt settlement.

## V. CUSTOMER LISTS

**IT IS FURTHER ORDERED** that the Defendants, their successors, assigns, officers, agents, directors, servants, employees, salespersons, independent contractors, attorneys, corporations, subsidiaries, affiliates, divisions, sales entities, related entities, and all other persons or entities directly or indirectly, in whole or in part, under their control, and all other persons in active concert or participation with them who receive actual notice of this Order by person service, facsimile, email, or otherwise, are hereby restrained and enjoined from selling, renting, leasing, transferring, or otherwise disclosing the name, address, telephone number, social security number, credit card number, debit card number, bank account number, e-mail address, or other identifying information of any person who paid any money to any Defendant, at any time prior to entry of this Order, in connection with the telemarketing, advertising, promoting, offering for sale, and selling of debt negotiation or debt settlement services. Provided, however, that the Defendants may disclose such identifying information to a law enforcement agency or as required by any law, regulation, or court order. The Defendants are also hereby restrained and enjoined from making any use of their own customer lists in any business, whether or not related to the present action.

## VI. RETENTION OF ASSETS AND RECORDS HELD BY THIRD PARTIES

**IT IS FURTHER ORDERED** that any financial or brokerage institution, business entity, or person served with a copy of this Order, that holds, controls or maintains custody of any account or asset of any Defendant, or has held, controlled or maintained custody of any such account or asset at any time since January 2003 shall:

