

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

FEDERAL TRADE COMMISSION,)	
)	
Plaintiff,)	Case No. 12-cv-5743
)	
v.)	Judge Gary Feinerman
)	
FREEDOM COMPANIES MARKETING, INC.,)	Magistrate Judge Young B. Kim
a Minnesota corporation, also d/b/a Freedom)	
Companies, Freedom Financial Mortgage,)	
Advantage Solutions Group, <i>et al.</i> ,)	
)	
Defendants.)	

**STIPULATED PRELIMINARY INJUNCTION WITH ASSET FREEZE
AND OTHER EQUITABLE RELIEF AS TO DEFENDANT DANIEL HUNGRIA**

Plaintiff Federal Trade Commission (“FTC”), pursuant to Sections 13(b) and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, and the 2009 Omnibus Appropriations Act, Public Law 111-8, Section 626, 123 Stat. 524, 678 (Mar. 11, 2009) (“Omnibus Act”), as clarified by the Credit Card Accountability Responsibility and Disclosure Act of 2009, Public Law 111-24, Section 511, 123 Stat. 1734, 1763-64 (May 22, 2009) (“Credit Card Act”), and amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111-203, Section 1097, 124 Stat. 1376, 2102-03 (July 21, 2010) (“Dodd-Frank Act”), filed a Complaint for Permanent Injunction and Other Equitable Relief, for Defendants’ acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the Mortgage Assistance Relief Services Rule, 16 C.F.R. Part 322 (effective December 29, 2010, except for Section 322.5, which became effective on January 31, 2011), recodified as Mortgage Assistance Relief Services (Regulation O), 12 C.F.R. Part 1015 (“Regulation O”) (effective

December 30, 2011) (“MARS Rule”), in connection with the marketing and sale of mortgage assistance relief services. The FTC also moved *ex parte* for a Temporary Restraining Order With Asset Freeze, Other Equitable Relief, and Order to Show Cause Why a Preliminary Injunction Should Not Issue (“Temporary Restraining Order”), which the Court granted on July 23, 2012. On July 31, 2012, the Court entered a Stipulated Preliminary Injunction With Asset Freeze and Other Equitable Relief.

On August 10, 2012, pursuant to Federal Rule of Civil Procedure 15(a)(1)(A), Fed. R. Civ. P. 15(a)(1)(A), the FTC filed a First Amended Complaint adding Daniel Hungria as a defendant. The Commission and Hungria (“Stipulating Defendant”) have consented to entry of this Stipulated Preliminary Injunction With Asset Freeze and Other Equitable Relief as to Defendant Daniel Hungria (“Stipulated Preliminary Injunction”). This Court, having considered the Stipulated Preliminary Injunction and for other cause appearing, finds that:

1. This Court has jurisdiction over the subject matter of this case and over the Stipulating Defendant.
2. Venue, process, and service of process are proper.
3. There is good cause to believe that the Stipulating Defendant has engaged in, and is likely to engage in the future in, acts and practices that violate Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the MARS Rule, 16 C.F.R. Part 322, recodified as Regulation O, 12 C.F.R. Part 1015 (effective December 30, 2011), and that the Commission is therefore likely to prevail on the merits of this action.
4. There is good cause to believe that immediate and irreparable harm will result from the Stipulating Defendant’s ongoing violations of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the MARS Rule, 16 C.F.R. Part 322, recodified as Regulation O, 12 C.F.R. Part

1015 (effective December 30, 2011), unless the Stipulating Defendant is restrained and enjoined by Order of this Court.

5. There is good cause to believe that immediate and irreparable damage to the Court's ability to grant effective final relief for consumers in the form of monetary restitution will occur from the sale, transfer, assignment or other disposition or concealment by the Stipulating Defendant of his assets or corporate records unless the Stipulating Defendant is immediately restrained and enjoined by Order of this Court. Therefore, there is good cause for the entry of the ancillary relief contained in this Stipulated Preliminary Injunction, including freezing the Stipulating Defendant's assets and prohibiting him from destroying records.

6. There is good cause for issuing this Stipulated Preliminary Injunction pursuant to Federal Rule of Civil Procedure 65(b), Fed. R. Civ. P. 65(b).

7. Weighing the equities and considering the Commission's likelihood of ultimate success, this Stipulated Preliminary Injunction with asset freeze and other equitable relief is in the public interest.

8. No security is required of any agency of the United States for issuance of a preliminary injunction. Fed. R. Civ. P. 65(c).

DEFINITIONS

For purposes of this Stipulated Preliminary Injunction ("Order"), the following definitions shall apply:

1. "Asset" or "Assets" means any legal or equitable interest in, right to, or claim to, any real or personal property, including, but not limited to, "goods," "instruments," "equipment," "fixtures," "general intangibles," "inventory," "checks," or "notes," (as these terms are defined in the Uniform Commercial Code), lines of credit, chattels, leaseholds, contracts,

mail or other deliveries, shares of stock, lists of consumer names, accounts, credits, premises, receivables, funds, and all cash, wherever located.

2. **“Corporate Defendants”** means Freedom Companies Marketing, Inc., Freedom Companies Lending, Inc., Freedom Companies, Inc., Freedom Information Services, Inc., Haiti Management, Inc., and Grupo Marketing Dominicana, by whatever other names each may be known, and their successors and assigns, as well as any subsidiaries, affiliates, and any fictitious business entities or business names created or used by these entities, or any of them, including Freedom Companies, Freedom Financial Mortgage, and Advantage Solutions Group.

3. **“Defendants”** means all of the Individual and the Corporate Defendants, individually, collectively, or in any combination.

4. **“Document”** or **“Documents”** means any materials listed 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, into reasonably usable form through detection devices. A draft or nonidentical copy is a separate Document within the meaning of the term.

5. **“Financial Institution”** means any bank, savings and loan institution, credit union, or any financial depository of any kind, including, but not limited to, any brokerage house, trustee, broker-dealer, escrow agent, title company, commodity trading company, or precious metal dealer.

6. **“Individual Defendants”** means David F. Preiner and Daniel Hungria, and by whatever other names each may be known.

7. **“Mortgage assistance relief product or service”** means any product, service, plan, or program, offered or provided to the consumer in exchange for consideration, that is

represented, expressly or by implication, to assist or attempt to assist the consumer with any of the following:

- A. stopping, preventing, or postponing any mortgage or deed of trust foreclosure sale for the consumer's dwelling, any repossession of the consumer's dwelling, or otherwise saving the consumer's dwelling from foreclosure or repossession;
- B. negotiating, obtaining, or arranging a modification of any term of a dwelling loan, including a reduction in the amount of interest, principal balance, monthly payments, or fees;
- C. obtaining any forbearance or modification in the timing of payments from any dwelling loan holder or servicer on any dwelling loan;
- D. negotiating, obtaining, or arranging any extension of the period of time within which the consumer may (i) cure his or her default on a dwelling loan, (ii) reinstate his or her dwelling loan, (iii) redeem a dwelling, or (iv) exercise any right to reinstate a dwelling loan or redeem a dwelling.
- E. obtaining any waiver of an acceleration clause or balloon payment contained in any promissory note or contract secured by any dwelling; or
- F. negotiating, obtaining, or arranging (i) a short sale of a dwelling, (ii) a deed-in-lieu of foreclosure, (iii) or any other disposition of a dwelling loan other than a sale to a third party that is not the dwelling loan holder.

The foregoing shall include any manner of claimed assistance, including, but not limited to, auditing or examining a consumer's mortgage or home loan application and offering to provide or providing legal services.

8. "Person" means a natural person, an organization or other legal entity, including

a corporation, partnership, sole proprietorship, limited liability company, association, cooperative, or any other group or combination acting as an entity.

9. **“Plaintiff”** means the Federal Trade Commission (“Commission” or “FTC”).

10. **“Stipulating Defendant”** means Daniel Hungria, and by whatever other names he may be known.

I.

PROHIBITED BUSINESS ACTIVITIES

IT IS THEREFORE ORDERED that the Stipulating Defendant, and his officers, agents, servants, employees, attorneys, and all other persons in active concert or participation with any of 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, or any of them, in connection with the advertising, marketing, promotion, offering for sale or sale of any mortgage assistance relief product or service, are hereby restrained and enjoined from engaging in, or assisting others in engaging in, the following conduct:

- A. Falsely representing, expressly or by implication, any of the following:
1. that any Defendant or any other person will obtain for consumers mortgage loan modifications that will make consumers’ payments substantially more affordable;
 2. the likelihood that any Defendant or any other person will obtain for consumers mortgage loan modifications that will make consumers’ payments substantially more affordable;
 3. that any Defendant or any other person is affiliated with, endorsed or approved by, or otherwise associated with the United States Government, a governmental homeowner assistance plan, or the maker, holder, or servicer of the consumers’ dwelling loan;

4. the nature of any Defendant's or any other person's relationship with any mortgage loan holder or servicer, or other secured or unsecured lender;

5. the degree of success that any Defendant or any other person has had in performing any mortgage assistance relief service;

6. the amount of time it will take or is likely to take to obtain or arrange a renegotiation, settlement, modification, or other alteration of the terms of any secured or unsecured debt, including but not limited to the modification of any term of a consumer's home loan, deed of trust, or mortgage, including any recapitalization or reinstatement agreement;

7. the consumer's obligation to make scheduled periodic payments or any other payments pursuant to the terms of the consumer's dwelling loan; or

8. the total cost of any Defendant's product or service;

B. Representing, expressly or by implication, that a consumer cannot or should not contact or communicate with his or her lender or servicer, in violation of 12 C.F.R. § 1015.3(a);

C. Asking for or receiving payment before consumers have executed a written agreement between the consumer and the loan holder or servicer that incorporates the offer obtained by Defendants.

II.

DISCLOSURES REQUIRED BY MARS RULE

IT IS FURTHER ORDERED that the Stipulating Defendant, and his officers, agents, servants, employees, attorneys, and all other persons in active concert or participation with any of 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, or any of them, in

connection with the advertising, marketing, promotion, offering for sale, sale, or performance of any mortgage assistance relief product or service, are hereby restrained and enjoined from engaging in, or assisting others in engaging in, the following conduct:

A. Failing to make the following disclosures in all consumer-specific commercial communications:

1. “You may stop doing business with us at any time. You may accept or reject the offer of mortgage assistance we obtain from your lender [or servicer]. If you reject the offer, you do not have to pay us. If you accept the offer, you will have to pay us [insert amount or method for calculating the amount] for our services.” For the purposes of this section, the amount “you will have to pay” shall consist of the total amount the consumer must pay to purchase, receive, and use all of the mortgage assistance relief services that are the subject of the sales offer, including but not limited to, all fees and charges, in violation of 12 C.F.R. § 1015.4(b)(1);

2. “[Name of Company] is not associated with the government, and our service is not approved by the government or your lender,” in violation of 12 C.F.R. § 1015.4(b)(2);

3. “Even if you accept this offer and use our service, your lender may not agree to change your loan,” in violation of 12 C.F.R. § 1015.4(b)(3);

B. Failing, in all general commercial communications, consumer-specific commercial communications, and other communications in cases where any Defendant or person has represented, expressly or by implication, in connection with the advertising, marketing, promotion, offering for sale, sale, or performance of any mortgage assistance relief service, that the consumer should temporarily or permanently discontinue payments, in whole or in part, on a

dwelling loan, to place clearly and prominently, and in close proximity to any such representation the following disclosure: "If you stop paying your mortgage, you could lose your home and damage your credit rating," in violation of 12 C.F.R. § 1015.4(c).

III.

ASSET FREEZE

IT IS FURTHER ORDERED that the Stipulating Defendant, and his officers, agents, servants, employees, attorneys, and all other persons in active concert or participation with any of 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, or any of them, except as provided herein, as stipulated by the parties, or as directed by further order of the Court, are hereby restrained and enjoined from:

A. Transferring, liquidating, converting, encumbering, pledging, loaning, selling, concealing, dissipating, disbursing, assigning, spending, withdrawing, granting a lien or security interest or other interest in, or otherwise disposing of any funds, real or personal property, accounts, contracts, shares of stock, lists of consumer names, or other assets, or any interest therein, wherever located, including outside the territorial United States, that are:

1. Owned, controlled, or held by, in whole or in part, for the benefit of, or subject to access by, or belonging to, any Defendant;
2. In the actual or constructive possession of any Defendant; or
3. In the actual or constructive possession of, or owned, controlled, or held by, or subject to access by, or belonging to, any other corporation, partnership, trust, or any other entity directly or indirectly owned, managed, or controlled by, or under common control with, any Defendant, including, but not limited to, any assets held by or for any Defendant in any

account at any bank or savings and loan institution, or with any credit card processing agent, automated clearing house processor, network transaction processor, bank debit processing agent, customer service agent, commercial mail receiving agency, or mail holding or forwarding company, or any credit union, retirement fund custodian, money market or mutual fund, storage company, trustee, or with any broker-dealer, escrow agent, title company, commodity trading company, precious metal dealer, or other financial institution or depository of any kind, either within or outside the territorial United States;

B. Opening or causing to be opened any safe deposit boxes, commercial mail boxes, or storage facilities titled in the name of any Defendant, or subject to access by any Defendant or under any Defendant's control, without providing the Commission prior notice and an opportunity to inspect the contents in order to determine that they contain no assets covered by this Section;

C. Cashing any checks or depositing or processing any payments from customers or clients of any Defendant;

D. Incurring charges or cash advances on any credit card issued in the name, singly or jointly, of any Defendant; or

E. Incurring liens or encumbrances on real property, personal property, or other assets in the name, singly or jointly, of any Defendant or of any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by any Defendant.

Notwithstanding the asset freeze provisions of Section III.A-E above, and subject to prior written agreement with the Commission, the Stipulating Defendant may, upon compliance with Section VIII (Financial Statements) *infra*, pay from his individual personal funds reasonable, usual, ordinary, and necessary living expenses.

The funds, property, and assets affected by this Section shall include both existing assets and assets acquired after the effective date of this Order.

IV.

DUTIES OF THIRD PARTIES HOLDING STIPULATING DEFENDANT'S ASSETS

IT IS FURTHER ORDERED that any financial institution, business entity, or person maintaining or having custody or control of any account or other asset of the Stipulating Defendant, or any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by, or under common control with the Stipulating Defendant, which is served with a copy of this Order, or otherwise has actual or constructive knowledge of this Order, shall:

A. Hold and retain within its control and prohibit the withdrawal, removal, assignment, transfer, pledge, hypothecation, encumbrance, disbursement, dissipation, conversion, sale, liquidation, or other disposal of any of the assets, funds, documents, or other property held by, or under its control:

1. On behalf of, or for the benefit of, the Stipulating Defendant or any other party subject to Section III above;
2. In any account maintained in the name of, or for the benefit of, or subject to withdrawal by, the Stipulating Defendant, or other party subject to Section III above; and
3. That are subject to access or use by, or under the signatory power of, the Stipulating Defendant, or other party subject to Section III above;

B. Deny the Stipulating Defendant access to any safe deposit boxes or storage facilities that are either:

1. Titled in the name, individually or jointly, of any Defendant, or other

party subject to Section III above; or

2. Subject to access by any Defendant, or other party subject to Section III above;

C. Within five (5) days of the date of entry of this Order, provide the Commission a sworn statement setting forth:

1. The identification number of each account or asset titled in the name, individually or jointly, of the Stipulating Defendant, or held on behalf of, or for the benefit of, the Stipulating Defendant, or other party subject to Section III above, including all trust accounts managed on behalf of the Stipulating Defendant or subject to the Stipulating Defendant's control;

2. The balance of each such account, or a description of the nature and value of such asset;

3. The identification and location of any safe deposit box, commercial mail box, or storage facility that is either titled in the name, individually or jointly, of the Stipulating Defendant, or is otherwise subject to access or control by the Stipulating Defendant, or other party subject to Section III above, whether in whole or in part; and

4. If the account, safe deposit box, storage facility, or other asset has been closed or removed, the date closed or removed and the balance on said date;

D. Within five (5) days of a request from the FTC, provide to the Commission copies of all records or other documentation pertaining to each such account or asset, including, but not limited to, originals or copies of account applications, account statements, corporate resolutions, signature cards, checks, drafts, deposit tickets, transfers to and from the accounts, all other debit and credit instruments or slips, currency transaction reports, 1099 forms, and safe deposit box

logs; and

E. This Section shall apply to existing accounts and assets, assets deposited or accounts opened after the effective date of this Order, and any accounts or assets maintained, held or controlled three years prior to the effective date of this Order. This Section shall not prohibit transfers in accordance with any provision of this Order, any further order of the Court, or by written agreement of the parties.

V.

DUTIES OF THIRD PARTIES TO WITHHOLD STIPULATING DEFENDANT'S MAIL

IT IS FURTHER ORDERED that:

A. Any third party with whom the Stipulating Defendant maintains an account and/or mail receiving box, upon being served with a copy of this Order, shall for the duration of this Order, retain and forward to Plaintiff all mail received that is addressed to the Stipulating Defendant, or any name used by the Stipulating Defendant to conduct business, including, but not limited to, "Freedom Companies Marketing," "Freedom Financial Mortgage," and "Advantage Solutions Group." This mail shall be forwarded to Plaintiff at the following address:

Joannie T. Wei
Federal Trade Commission
55 West Monroe Street, Suite 1825
Chicago, Illinois 60603

Plaintiff is authorized to open this mail. Plaintiff shall retain this mail for the duration of this Order, or until further order of the Court, or stipulation of the parties; and

B. Within three (3) business days of entry of this Order, the Stipulating Defendant shall provide to counsel for the Commission a complete list of all locations where the Stipulating

Defendant has received mail on behalf of any Defendant from January 1, 2009 through the date of entry of this Order. The Stipulating Defendant shall notify counsel for the Commission of any locations designated to receive mail by the Stipulating Defendant after the date of entry of this Order, within three (3) business days of such designation. Such notice shall include the name and address of the location, as well as a copy of any agreement or application creating the designation.

VI.

MAINTAIN RECORDS AND REPORT NEW BUSINESS ACTIVITY

IT IS FURTHER ORDERED that the Stipulating Defendant, and his officers, agents, servants, employees, attorneys, and all other persons in active concert or participation with any of 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, or any of them, are hereby restrained and enjoined from:

A. Failing to create and maintain books, records, accounts, bank statements, current accountants' reports, general ledgers, general journals, cash receipt ledgers, cash disbursement ledgers and source documents, documents indicating title to real or personal property, and any other data which, in reasonable detail, accurately, fairly and completely reflect the incomes, disbursements, transactions, dispositions, and uses of the Defendants' assets;

B. Destroying, erasing, mutilating, concealing, altering, transferring, or otherwise disposing of, in any manner, directly or indirectly, any documents, including electronically-stored materials, that relate in any way to the business practices or business or personal finances of Defendants; to the business practices or finances of entities directly or indirectly under the control of Defendants; or to the business practices or finances of entities directly or indirectly

under common control with any other Defendant; and

C. Creating, operating, or exercising any control over any new business entity, whether newly formed or previously inactive, including any partnership, limited partnership, joint venture, sole proprietorship, or corporation, without first providing Plaintiff with a written statement disclosing: (1) the name of the business entity; (2) the address, telephone number, email address, and website address of the business entity; (3) the names of the business entity's officers, directors, principals, managers, and employees; and (4) a detailed description of the business entity's intended activities.

VII.

PROHIBITION ON DISCLOSING CUSTOMER INFORMATION

IT IS FURTHER ORDERED that the Stipulating Defendant, and his officers, agents, servants, employees, attorneys, and all other persons in active concert or participation with any of 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, or any of them, are hereby restrained and enjoined from:

A. Selling, renting, leasing, transferring, or otherwise disclosing the name, address, birth date, telephone number, email address, Social Security number, Social Insurance number, credit card number, bank account number, or other financial or identifying personal information of any person from whom or about whom any Defendant obtained such information in connection with activities alleged in the FTC's First Amended Complaint; and

B. Benefitting from or using the name, address, birth date, telephone number, email address, Social Security number, Social Insurance number, credit card number, bank account number, or other financial or identifying personal information of any person from whom or

about whom any Defendant obtained such information in connection with activities alleged in the FTC's First Amended Complaint.

Provided, however, that the Stipulating Defendant may disclose such financial or identifying personal information to a law enforcement agency or as required by any law, regulation, or court order.

VIII.

FINANCIAL STATEMENTS

IT IS FURTHER ORDERED that the Stipulating Defendant shall serve upon counsel for the Commission, no later than five (5) business days after entry of this Order, a completed financial statement accurate as of the date of entry of this Order, on the form served on the Stipulating Defendant with this Order, signed under penalty of perjury.

The financial statement shall include assets held outside the territory of the United States, shall be accurate as of the date of the entry of this Order, and shall be verified under oath. The Stipulating Defendant shall attach to this completed financial statement copies of all local, state, provincial, and federal income and property tax returns, with attachments and schedules, as called for by the instructions to the financial statement.

IX.

**REPATRIATION OF ASSETS AND DOCUMENTS
LOCATED IN FOREIGN COUNTRIES**

IT IS FURTHER ORDERED that the Stipulating Defendant shall:

A. Within three (3) business days following entry of this Order, take such steps as are necessary to repatriate to the territory of the United States of America all documents and assets that are located outside such territory and are held by or for the Stipulating Defendant or

are under the Stipulating Defendant's direct or indirect control, jointly, severally, or individually;

B. Within three (3) business days following entry of this Order, provide Plaintiff with a full accounting of all documents and assets that are located outside of the territory of the United States of America or that have been transferred to the territory of the United States of America pursuant to Subsection A above and are held by or for the Stipulating Defendant or are under the Stipulating Defendant's direct or indirect control, jointly, severally, or individually, including the addresses and names of any foreign or domestic financial institution or other entity holding the documents and assets, along with the account numbers and balances;

C. Hold and retain all such documents and assets and prevent any transfer, disposition, or dissipation whatsoever of any such documents or assets; and

D. Within three (3) business days following entry of this Order, provide Plaintiff access to the Stipulating Defendant's records and documents held by financial institutions or other entities outside the territorial United States, by signing and delivering to Plaintiff's counsel the Consent to Release of Financial Information attached to the Temporary Restraining Order as **Attachment A**.

X.

INTERFERENCE WITH REPATRIATION

IT IS FURTHER ORDERED that the Stipulating Defendant is hereby restrained and enjoined from taking any action, directly or indirectly, which may result in the encumbrance or dissipation of foreign assets, or in the hindrance of the repatriation required by the preceding Section IX of this Order, including, but not limited to:

A. Sending any statement, letter, facsimile, e-mail or wire transmission, or telephoning or engaging in any other act, directly or indirectly, that results in a determination by

a foreign trustee or other entity that a “duress” event has occurred under the terms of a foreign trust agreement, until such time that assets have been fully repatriated pursuant to the preceding Section of this Order; and

B. Notifying any trustee, protector or other agent of any foreign trust or other related entities of either the existence of this Order, or of the fact that repatriation is required pursuant to a Court Order, until such time as assets have been fully repatriated pursuant to the preceding Section of this Order.

XI.

EXPEDITED DISCOVERY

IT IS FURTHER ORDERED that pursuant to Federal Rules of Civil Procedure 30(a), 31(a), 34, and 45, and notwithstanding the provisions of Federal Rules of Civil Procedure 26(d) and (f), 30(a)(2)(A), and 31(a)(2)(A), the parties are granted leave, at any time after entry of this Order to:

A. Take the deposition of any person, whether or not a party, for the purpose of discovering the nature, location, status, and extent of the assets of Defendants, and Defendants’ affiliates and subsidiaries; the nature and location of documents reflecting the business transactions of Defendants, and Defendants’ affiliates and subsidiaries; the location of any premises where Defendants, directly or through any third party, conduct business operations; the Defendants’ whereabouts; and/or the applicability of any evidentiary privileges to this action; and

B. Demand the production of documents from any person, whether or not a party, relating to the nature, status, and extent of the assets of the Defendants, and Defendants’ affiliates and subsidiaries; the nature and location of documents reflecting the business

transactions of the Defendants, and Defendants' affiliates and subsidiaries; the location of any premises where Defendants, directly or through any third party, conduct business operations; the Defendants' whereabouts; and/or the applicability of any evidentiary privileges to this action.

Three (3) days notice shall be deemed sufficient for any such deposition, five (5) days notice shall be deemed sufficient for the production of any such documents, and twenty-four (24) hours notice shall be deemed sufficient for the production of any such documents that are maintained or stored only as electronic data. The provisions of this Section shall apply both to parties to this case and to non-parties. The limitations and conditions set forth in Federal Rules of Civil Procedure 30(a)(2)(A)(ii) and 31(a)(2)(A)(ii) regarding subsequent depositions of an individual shall not apply to depositions taken pursuant to this Section. Any such depositions taken pursuant to this Section shall not be counted toward any limit on the number of depositions under the Federal Rules of Civil Procedure or the Local Rules of Civil Procedure for the United States District Court for the Northern District of Illinois, including those set forth in Federal Rules of Civil Procedure 30(a)(2)(A) and 31(a)(2)(A). Service of discovery upon a party, taken pursuant to this Section, shall be sufficient if made through the means described in Section XVII of this Order.

XII.

DISTRIBUTION OF ORDER BY STIPULATING DEFENDANT

IT IS FURTHER ORDERED that the Stipulating Defendant shall immediately provide a copy of this Order to each of his corporations, subsidiaries, affiliates, divisions, directors, officers, agents, partners, successors, assigns, employees, attorneys, agents, representatives, sales entities, sales persons, telemarketers, independent contractors, and any other persons in active concert or participation with them. Within five (5) calendar days following entry of this Order,

the Stipulating Defendant shall file with this Court and serve on Plaintiff, an affidavit identifying the names, titles, addresses, and telephone numbers of the persons that the Stipulating Defendant has served with a copy of this Order in compliance with this provision.

XIII.

SERVICE OF THIS ORDER

IT IS FURTHER ORDERED that copies of this Order may be distributed by U.S. First Class Mail, overnight delivery, facsimile, electronic mail, or personally, by agents or employees of Plaintiff, by any law enforcement agency, or by private process server, upon any person, financial institution, or other entity that may have possession or control of any property, property right, document, or asset of the Stipulating Defendant, or that may be subject to any provision of this Order. Service upon any branch or office of any financial institution or entity shall effect service upon the entire financial institution or entity.

XIV.

CONSUMER REPORTING AGENCIES

IT IS FURTHER ORDERED that, pursuant to Section 604 of the Fair Credit Reporting Act, 15 U.S.C. § 1681b, any consumer reporting agency may furnish a consumer or credit report concerning the Stipulating Defendant to Plaintiff.

XV.

CORRESPONDENCE WITH AND NOTICE TO PLAINTIFF

IT IS FURTHER ORDERED that for purposes of this Order, all correspondence and pleadings to the Commission shall be addressed to:

Joannie T. Wei
Matthew H. Wernz
Federal Trade Commission
55 West Monroe Street, Suite 1825
Chicago, Illinois 60603
(312) 960-5634 [Telephone]
(312) 960-5600 [Facsimile]

XVI.

JURISDICTION

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

SO ORDERED, this 20 day of August, 2012, at 4:00 p.m.


United States District Judge Gary Feinerman
Northern District of Illinois

SO STIPULATED:

WILLARD K. TOM
General Counsel



David A. O'Toole
Joannie T. Wei
Matthew H. Wernz
Federal Trade Commission
55 West Monroe Street, Suite 1825
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(312) 960-5634 [telephone]
(312) 960-5600 [facsimile]

Attorneys for Plaintiff
Federal Trade Commission



Daniel Hungria
Defendant