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UNITED STATES DISTRICT COURT

DISTRICT OF ARIZONA

CV 12-2521-PHX-JAT

)	
Federal Trade Commission)	STIPULATED
)	PRELIMINARY INJUNCTION
Plaintiff,)	WITH ASSET FREEZE,
)	APPOINTMENT OF RECEIVER,
v.)	LIMITED EXPEDITED DISCOVERY,
)	AND OTHER EQUITABLE RELIEF
National Card Monitor LLC, also)	
d/b/a Nationwide Card Monitor; and)	
James Eric Cox,)	
)	
Defendants.)	
)	

On November 27, 2011, Plaintiff Federal Trade Commission (“Commission” or “FTC”), filed a Complaint for a permanent injunction and other equitable relief in this matter 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 Telemarketing and Consumer Fraud and Abuse Prevention Act (“Telemarketing Act”), 15 U.S.C. §§ 6101-6108. Also on November 27, 2012, the Court issued a TRO with asset freeze against all Defendants, including an Order to Show Cause (“OSC”) why a preliminary injunction should not issue and a permanent receiver should not be appointed over

1 Defendant National Card Monitor LLC. The Court scheduled a hearing on the
2 OSC for December 11, 2012.

3 Plaintiff and Defendants have stipulated (Doc. 27) to entry of a
4 Preliminary Injunction with Asset Freeze, Appointment of Receiver, Limited
5 Expedited Discovery, and Other Equitable Relief. As a result of this
6 stipulation, the pending request for a preliminary injunction (part of Doc. 3) is
7 denied as moot. Additionally, the hearing on Plaintiff's request for a
8 preliminary injunction set for December 3, 2011 is vacated. Plaintiff shall
9 immediately provide a copy of this Order to Defendants.

10 **BASED ON THE STIPULATION, IT IS ORDERED:**

11 **FINDINGS OF FACT**

12 1. This Court has jurisdiction over the subject matter of this case,
13 pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a),
14 53(b), 57b, 6102(c), and 6105(b). The Court also has jurisdiction over the
15 parties.

16 2. Venue is proper in this district under 28 U.S.C. § 1391(b) and (c),
17 and 15 U.S.C. § 53(b).

18 3. There is good cause to believe that Defendants National Card
19 Monitor LLC, sometimes doing business as Nationwide Card Monitor, and
20 James Eric Cox have engaged in and are likely to engage in acts that violate
21 Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the Telemarketing Sales
22 Rule ("TSR"), 16 C.F.R. Part 310, and that the Commission is likely to prevail
23 on the merits of this action.

24 4. There is good cause to believe that immediate and irreparable
25 harm will result from Defendants' ongoing violations of the FTC Act and the
26 TSR unless Defendants are restrained and enjoined by Order of this Court.

27 5. There is good cause to believe that immediate and irreparable
28 damage to the Court's ability to grant effective final relief for

1 consumers—including refunds, rescission and restitution, disgorgement or
2 other equitable monetary relief—will occur from the sale, transfer, or other
3 disposition or concealment by Defendants of assets or records unless the
4 Defendants are immediately restrained and enjoined by Order of this Court.

5 6. Good cause exists for the appointment of a Permanent Receiver
6 over Defendant National Card Monitor LLC.

7 7. Considering Plaintiff’s likelihood of ultimate success and
8 weighing the equities, a Preliminary Injunction with an asset freeze, the
9 appointment of a Permanent Receiver, and other equitable relief is in the
10 public interest.

11 8. The Commission is an independent agency of the United States of
12 America and no security is required of any agency of the United States of
13 America for issuance of a preliminary injunction under Fed. R. Civ. P. 65(c).

14
15 **ORDER**

16 **DEFINITIONS**

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

18 1. “**Assets**” means any legal or equitable interest in, right to, or
19 claim to, any real or personal property, including, without limitation, chattels,
20 goods, instruments, equipment, fixtures, general intangibles, leaseholds, mail
21 or other deliveries, inventory, checks, notes, accounts, credits, contracts,
22 receivables, shares of stock, and all cash, wherever located.

23 2. “**Assisting others**” means knowingly providing any of the
24 following goods or services to another person or entity:

- 25 a. performing customer service functions, including, but not
26 limited to, receiving or responding to consumer
27 complaints; or
28 b. formulating or providing, or arranging for the formulation

1 or provision of, any telephone sales script or any other
2 marketing material; or

3 c. providing names of, or assisting in the generation of,
4 potential customers; or

5 d. performing marketing services of any kind.

6 3. **“Credit-related good or service”** means any good or service that
7 is purported directly or indirectly to (a) provide to consumers, arrange for
8 consumers to receive, or assist consumers in receiving grants, loans, financing,
9 credit or debit cards, or other extensions of credit; or (b) provide consumers,
10 arrange for consumers to receive, or assist consumers in receiving, debt
11 consolidation, debt relief, or other credit counseling.

12 4. **“Defendants”** means National Card Monitor LLC, sometimes
13 doing business as Nationwide Card Monitor, and James Eric Cox, and each of
14 them, by whatever names each might be known by, as well as their successors
15 and assigns, whether acting directly or through any corporation, subsidiary,
16 division, or other device, including, but not limited to, fictitious business
17 names.

18 5. The term **“document”** includes writings, drawings, graphs,
19 charts, photographs, sound recordings, video recordings, images, e-mails,
20 computer files, other electronically stored information, and other data or data
21 compilations stored in any medium from which information can be obtained.
22 A draft or non-identical copy is a separate document within the meaning of the
23 term.

24 6. **“Individual Defendant”** refers to Defendant James Eric Cox.

25 7. **“Material fact”** means any fact that is likely to affect a person’s
26 choice of, or conduct regarding, goods or services.

27 8. **“NCM”** refers to Defendant National Card Monitor LLC, by
28 whatever name it might be known by, as well as its successors and assigns,

1 whether acting directly or through any corporation, subsidiary, division, or
2 other device, including, but not limited to, Nationwide Card Monitor or any
3 other trade names or fictitious business names.

4 9. “**Person**” means a natural person, organization, or other legal
5 entity, including a corporation, partnership, proprietorship, association,
6 cooperative, or any other group or combination acting as an entity.

7 10. “**Plaintiff**” means the Federal Trade Commission.

8 11. “**Receivership Defendants**” refers to Defendant National Card
9 Monitor LLC as well as any successors, assigns, affiliates, and subsidiaries
10 that conduct any business related to **NCM**’s credit-related good or services
11 and which the Receiver has reason to believe are owned or controlled in
12 whole or in part by any of the **Defendants**.

13 12. “**Telemarketing**” means a plan, program, or campaign, whether
14 or not covered by the Telemarketing Sales Rule, 16 C.F.R. Part 310, that is
15 conducted to induce the purchase of products or services or a charitable
16 contribution by use of one or more telephones and that involves more than one
17 interstate telephone call.

18 **I.**

19 **PROHIBITED REPRESENTATIONS**

20 **IT IS THEREFORE ORDERED** that each of the **Defendants**, and
21 their successors, assigns, officers, agents, servants, employees, and attorneys,
22 and those **persons** or entities in active concert or participation with any of
23 them who receive actual notice of this Order by personal service or otherwise,
24 whether acting directly or through any corporation, subsidiary, division, or
25 other device, in connection with the advertising, marketing, promotion,
26 offering for sale or sale of any **credit-related good or service**, are hereby
27 **restrained and enjoined** from the following:

28 A. Misrepresenting, or **assisting others** who are misrepresenting,

1 expressly or by implication, that consumers will receive, or are likely to
2 receive, a low rate credit card;

3 B. Representing, expressly or by implication, that consumers will
4 receive, or are likely to receive, a low rate credit card, unless the Defendant
5 possesses and relies upon a reasonable basis to substantiate the representation
6 at the time the representation is made;

7 C. Misrepresenting, or **assisting others** who are misrepresenting,
8 expressly or by implication, that consumers will receive, or are likely to
9 receive, a credit card with an interest rate that is substantially lower than the
10 rate the consumer is currently required to pay;

11 D. Representing, expressly or by implication, that consumers will
12 receive, or are likely to receive, a credit card with an interest rate that is
13 substantially lower than the rate the consumer is currently required to pay,
14 unless the Defendant possesses and relies upon a reasonable basis to
15 substantiate the representation at the time the representation is made;

16 E. Misrepresenting, or **assisting others** who are misrepresenting,
17 expressly or by implication, that consumers will receive, or are likely to
18 receive, an extension of credit that will allow the consumer to pay off any
19 existing credit card debt and which will have a lower interest rate or a lower
20 payment than the consumer is currently required to pay;

21 F. Representing, expressly or by implication, that consumers will
22 receive, or are likely to receive, an extension of credit that will allow the
23 consumer to pay off any existing credit card debt and which will have a lower
24 interest rate or a lower payment than the consumer is currently required to pay,
25 unless the Defendant possesses and relies upon a reasonable basis to
26 substantiate the representation at the time the representation is made;

27 G. Misrepresenting, or **assisting others** who are misrepresenting,
28 expressly or by implication, that **Defendants** or anyone else will provide, or

1 that consumers will receive, any other service or product that will lower the
2 consumer's credit card interest rate, the monthly payment for any outstanding
3 debt, the total amount that the consumer will have to pay to any creditor, or the
4 balance on any of the consumer's credit card accounts;

5 H. Representing, expressly or by implication, that **Defendants** or
6 anyone else will provide, or that consumers will receive, any other service or
7 product that will lower the consumer's credit card interest rate, the consumer's
8 monthly payment for any outstanding debt, the total amount that the consumer
9 will have to pay any creditor, or the balance on any of the consumer's credit
10 card accounts, unless the Defendant possesses and relies upon a reasonable
11 basis to substantiate the representation at the time the representation is made;

12 I. Misrepresenting, or **assisting others** who are misrepresenting,
13 expressly or by implication, that **Defendants** or anyone else will provide, or
14 that consumers will receive, refunds if consumers do not receive the credit
15 cards, extension of credit, or other **credit-related good or service** being
16 offered or marketed to the consumer, or if consumers are dissatisfied for any
17 other reason; or

18 J. Misrepresenting any other **material fact**.

19 **II.**

20 **PROHIBITIONS ON VIOLATING**
21 **THE TELEMARKETING SALES RULE**

22 **IT IS FURTHER ORDERED** that **Defendants** and their successors,
23 assigns, officers, agents, servants, employees, and attorneys, and those persons
24 or entities in active concert or participation with any of them who receive
25 actual notice of this Order by personal service or otherwise, whether acting
26 directly or through any corporation, subsidiary, division, or other device, in
27 connection with the **telemarketing** of any good or service, are **hereby**
28 **restrained** and enjoined from violating any provision of the Telemarketing

1 Sales Rule, 16 C.F.R. Part 310, including, but not limited to:

2 A. violating Section 310.3(a)(2)(iii) of the TSR, 16 C.F.R.
3 310.3(a)(2)(iii), by misrepresenting, directly or by implication, any material
4 aspect of the performance, efficacy, nature, or central characteristics of such
5 goods or services, including, but not limited to, misrepresenting that
6 consumers who purchase credit card interest rate reduction services will
7 receive a low rate credit card or will have their credit card rates reduced
8 substantially;

9 B. violating Section 310.3(a)(2)(iv) of the TSR, 16 C.F.R.
10 § 310.3(a)(2)(iv), by misrepresenting any material aspect of the nature or
11 terms of any seller's refund, cancellation, exchange, or repurchase policies,
12 including but not limited to misrepresenting, directly or by implication, that
13 any **Defendant** will provide full refunds if consumers do not receive the low
14 interest rate credit cards that they were told they would receive;

15 C. violating Section 310.4(b)(1)(iii)(B) of the TSR, 16 C.F.R.
16 § 310.4(b)(1)(iii)(B), by initiating any outbound telephone call to any
17 telephone number on the National Do Not Call Registry maintained by the
18 Federal Trade Commission;

19 D. violating Section 310.8 of the TSR, 16 C.F.R. § 310.8, by calling
20 any telephone number within a given area code unless the seller on whose
21 behalf the call is made has paid the annual fee for access to the telephone
22 numbers that are within that area code and are included in the National Do Not
23 Call Registry; and

24 E. violating Section 310.4(a)(4) of the TSR, 16 C.F.R. § 310.4(a)(4),
25 by requesting or receiving payment of a fee or consideration in advance of
26 consumers obtaining an extension of credit when **Defendants** have guaranteed
27 or represented a high likelihood of success in obtaining or arranging an
28 extension of credit for such consumers.

1 **III.**

2 **ASSET FREEZE**

3 **IT IS FURTHER ORDERED** that each of the **Defendants** is hereby
4 **restrained and enjoined**, until further order of this Court, from:

5 A. Transferring, encumbering, selling, concealing, pledging,
6 hypothecating, assigning, spending, withdrawing, disbursing, conveying,
7 gifting, dissipating, or otherwise disposing of any funds, property, coins, lists
8 of consumer names, shares of stock, or other **assets**, wherever located, that are
9 (1) owned or controlled by any of the **Defendants**, in whole or in part; (2) in
10 the actual or constructive possession of any of the **Defendants**; (3) held by an
11 agent of any of the **Defendants**, as a retainer for the agent's provision of
12 services to a Defendant; or (4) owned, controlled by, or in the actual or
13 constructive possession of, or otherwise held for the benefit of, any
14 corporation, partnership, or other entity directly or indirectly owned or
15 controlled by any of the **Defendants**. This provision specifically applies to,
16 but is not limited to, funds held in account numbers ending in 2433, 2561,
17 3394, and 2159 at JPMorgan Chase Bank;

18 B. Opening or causing to be opened any safe deposit boxes titled in
19 the name of any of the **Defendants**, or subject to access by any of the
20 **Defendants**;

21 C. Incurring charges or cash advances on any credit or debit card
22 issued in the name, singly or jointly, of any of the **Defendants**, or any
23 corporation, partnership, or other entity directly or indirectly owned or
24 controlled by any of the **Defendants**; and

25 D. Failing to disclose to **Plaintiff** (to the extent not previously
26 disclosed), immediately upon service of this Order, information that fully
27 identifies each **asset** of the **Defendants**, and each entity holding such asset,
28 including, without limitation, the entity's name, address, and telephone

1 number, the number of the account, and the name under which the account is
2 held.

3 E. Provided, that the freeze imposed in this Section shall apply to
4 **assets** that any of the **Defendants** acquires following service of this Order
5 only if such **assets** are derived from activity prohibited by this Order.

6 **IV.**

7 **REPATRIATION OF ASSETS**

8 **IT IS FURTHER ORDERED** that within five business days following
9 service of this Order, Defendant Cox shall:

10 A. Provide to **Plaintiff** (and, with respect to **assets** and **documents**
11 of Defendant **NCM**, to the Receiver) a full accounting of all funds,
12 **documents**, and **assets** outside of the territory of the United States held either:
13 (1) by the Defendant; (2) for the Defendant's benefit; or (3) under the
14 Defendant's direct or indirect control, jointly or singly, unless he has already
15 provided such an accounting pursuant to the TRO;

16 B. Repatriate to the United States all funds, **documents**, or **assets** in
17 foreign countries held: (1) by the Defendant; (2) for the Defendant's benefit;
18 or (3) under the direct or indirect control of the Defendant;

19 C. The same business day as any repatriation under paragraph B
20 above,

21 1. notify **Plaintiff** (and, if applicable, the Receiver) of the
22 name and location of the financial institution or other entity
23 that is the recipient of such funds, **documents**, or **assets**;

24 and

25 2. serve this Order on any such financial institution or other
26 entity; and

27 D. Hold and retain all repatriated funds, **documents**, and **assets** and
28 prevent any transfer, disposition, or dissipation whatsoever of any such **assets**

1 or funds.

2 **V.**

3 **FINANCIAL REPORTS**

4 **IT IS FURTHER ORDERED** that within forty-eight (48) hours after
5 service of this Order, Defendant Cox shall (unless he has already done so
6 pursuant to the TRO):

7 A. Accurately complete, sign and deliver to **Plaintiff** the Financial
8 Statement titled “Financial Statement of Individual Defendant,” a copy of
9 which is attached hereto as Attachment 1;

10 B. Accurately complete, sign and deliver to **Plaintiff** and to the
11 Receiver for **NCM** the Financial Statement titled “Financial Statement of
12 Business Entity Defendant,” a copy of which is attached hereto as Attachment
13 2;

14 C. Accurately complete, sign and deliver to **Plaintiff**, on behalf of
15 each business entity of which he is the majority owner or otherwise controls,
16 other than **NCM**, a separate copy of the Financial Statement titled “Financial
17 Statement of Business Entity Defendant,” a copy of which is attached hereto
18 as Attachment 2.

19 **VI.**

20 **PRESERVATION OF DOCUMENTS**

21 **A. Preservation By Defendants**

22 **IT IS FURTHER ORDERED** that **Defendants**, and their agents,
23 servants, employees, and attorneys, and all **persons** or entities directly or
24 indirectly under the control of any of them, and all other **persons** or entities in
25 active concert or participation with any of them who receive actual notice of
26 this Order by personal service or otherwise, and each such person, are **hereby**
27 **restrained and enjoined** from destroying, erasing, mutilating, concealing,
28 altering, transferring or otherwise disposing of, in any manner, directly or

1 indirectly, any **documents** that relate to the business practices or finances of
2 any of the **Defendants**, including, but not limited to, such **documents** as any
3 contracts, accounting data, correspondence, advertisements, e-mails, computer
4 tapes, discs or other computerized records, books, written or printed records,
5 personnel files, handwritten notes, telephone logs, telephone scripts, receipt
6 books, ledgers, personal and business canceled checks and check registers,
7 bank statements, appointment books, copies of federal, state, or local business
8 or personal income or property tax returns.

9 Without limitation, this Section specifically applies to all **documents**
10 that have been or are displayed on, or have been or are accessible from, any
11 and all Internet websites owned or controlled by any Defendant, including but
12 not limited to the websites with the following domain names:

13 (1) nationalcardmonitor.com; or (2) nationwidecardmonitor.com. This Section
14 also specifically applies to (1) all e-mails sent to or from
15 <NCM.customerservice@gmail.com> or <nationalcardmonitor@gmail.com>,
16 and (2) all e-mails sent to or from <jeri12@cox.net> that refer or otherwise
17 relate to the business of National Card Monitor LLC or Nationwide Card
18 Monitor.

19 **B. Preservation By Third Parties**

20 1. **IT IS FURTHER ORDERED** that any person, business, or
21 other entity (e.g., Google, Go Daddy, HostMonster, Facebook or
22 Rackspace) that is hosting, storing, or otherwise maintaining e-
23 mails or other electronic data related to National Card Monitor
24 LLC or Nationwide Credit Monitor shall preserve and retain
25 within its control all such data and prevent the deletion or
26 modification of such data. Without limitation, this subpart
27 specifically applies to all e-mails sent to or from
28 <NCM.customerservice@gmail.com>; to all e-mails sent to or

1 from <nationalcardmonitor@gmail.com>; to all e-mails sent to
2 or from <jeric12@cox.net>; and to all **documents** that have been
3 or are displayed on or have been or are accessible from the
4 websites with the following domain names:

5 (1) nationalcardmonitor.com; or (2) nationwidedcardmonitor.com.

6 Any person, business, or other entity that is hosting any website
7 used by Defendants for the advertising, marketing, promotion,
8 offering for sale, or sale of any **credit-related good or service**,
9 including, but not limited to nationalcardmonitor.com and
10 nationwidedcardmonitor.com, shall prevent the destruction or
11 erasure of any such website by preserving such website in the
12 format in which it was maintained as of the date of receipt of this
13 Order.

- 14 2. **IT IS FURTHER ORDERED** that any person, business or other
15 entity (including without limitation any storage company, private
16 mail-box operator, accounting firm or income-tax preparer) that
17 has in its possession, custody or control any non-electronic
18 documents that belong to, are in the name of, are held for the
19 benefit of, or are under the direct or indirect control of National
20 Card Monitor LLC, Nationwide Card Monitor, or James Eric
21 Cox, shall preserve and retain within its control all such
22 **documents** and deny access to such **documents**, unless access is
23 specifically authorized in writing by counsel for **Plaintiff**, by the
24 Receiver (with respect to **documents** of any of the **Receivership**
25 **Defendants**), or by further order of this Court; provided,
26 however, that nothing in this paragraph shall be construed as
27 prohibiting delivery of receivership property to the Receiver in
28 accordance with Section XVI.A of this Order, below.

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VII.

ACCESS BY PLAINTIFF
TO DEFENDANTS' RECORDS

IT IS FURTHER ORDERED that:

A. **Defendants** and their successors, assigns, officers, agents, servants, employees, and attorneys, and those **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 corporation, subsidiary, division, or other device, and the Receiver, shall allow **Plaintiff's** representatives, agents, and assistants access to the business premises, mail drops, storage facilities, and all other business locations owned, controlled, or used by **Defendants**, including, but not limited to, business premises at 500 West Southern Ave., Suites 15-17, Mesa, Arizona 85210. The purpose of the access shall be to inspect and copy materials relevant to this action.

1. **Plaintiff** shall have the right to remove **documents** from **Defendants'** premises in order that they may be inspected, inventoried, and copied. **Plaintiff** shall return any such removed **documents** within three (3) business days after removal, or such other time-period that is agreed upon by **Plaintiff** and **Defendants**.

2. **Defendants** shall provide **Plaintiff** with the means necessary to access **documents** relating to the business and finances of **NCM**, including without limitation keys and combinations to locks, computer access codes, passwords (including without limitation passwords to business-related e-mail accounts), and storage-area access information.

B. The Receiver shall allow the Commission's representatives and

1 **Defendants** and their representatives reasonable access to the business
2 premises of the **Receivership Defendants**. The purpose of this access shall be
3 to inspect and copy any and all books, records, accounts, and other property
4 owned by or in the possession of the Receivership Defendant. The Receiver
5 shall have the discretion to determine the time and manner of this access;

6 C. If, at the time of service of this Order, any records or property
7 relating to **NCM** or to any **Defendant's assets** are located in the personal
8 residence of Defendant Cox, or in any other non-business location under the
9 personal control of Defendant Cox, then Defendant Cox shall immediately so
10 advise the Commission's representatives and the Receiver, and, within
11 forty-eight (48) hours of service of this Order, produce to **Plaintiff**, at a
12 location designated by **Plaintiff**, the following:

13 1. All contracts, accounting data, written or electronic
14 correspondence, advertisements, computer tapes, discs, or other
15 computerized or electronic records, books, written or printed
16 records, handwritten notes, telephone logs, telephone scripts,
17 telephone bills, receipt books, ledgers, customer records and lists,
18 refund records, receipts, ledgers, bank records (including personal
19 and business monthly statements, canceled checks, records of
20 wire transfers, and check registers), appointment books, copies of
21 federal, state, and local business or personal income or property
22 tax returns, 1099 forms, title records, and other **documents** or
23 records of any kind that relate to **Defendants'** business and
24 **assets**; and

25 2. All computers and data in whatever form, used by **Defendants**, in
26 whole or in part, relating to **Defendants'** business and **assets**;

27 D. **Defendants** shall provide the Commission access, and cooperate
28 in obtaining access for the Commission, to records and **documents** pertaining

1 to **assets** of any of the **Defendants** that are held by financial institutions
2 outside the territory of the United States, including but not limited to
3 cooperating by signing a Consent to Release of Financial Records if requested
4 by **Plaintiff**;

5 E. Within one (1) day of service of this Order, Defendants shall:

- 6 1. notify counsel for the Commission of the name and location of
7 any person or entity (e.g., Google, Go Daddy, HostMonster,
8 Facebook or Rackspace) that is hosting, storing, or otherwise
9 maintaining electronic data related to **NCM** or to any other of
10 **Defendants' credit-related goods or services**;
- 11 2. serve this Order on any such person or entity;
- 12 3. cooperate in providing access to such data to the Commission and
13 its attorneys and agents, including but not limited to executing
14 any documents necessary to facilitate this access; and
- 15 4. identify for **Plaintiff** all mobile computing devices (e.g.,
16 cellphone, smartphone, iphone, blackberry) that may contain data
17 related to **NCM** or to any other of **Defendants' credit-related**
18 **goods or services**;

19 F. To the extent that any Defendant owns or has control over any e-
20 mail account (including without limitation
21 <NCM.customerservice@gmail.com>, <nationalcardmonitor@gmail.com>,
22 and <jeric12@cox.net>) that Defendant Cox, any employee of **NCM**, or any
23 other person has used for purposes relating to the business of **NCM**, including
24 but not limited to communicating with any of **NCM's** employees, customers,
25 suppliers, banks, or credit-card processors, **Defendants** shall, within two
26 business days after service of this Order, provide **Plaintiff** with electronic
27 copies, or the means to access electronic copies, of all business-related e-mails
28 (unless previously provided pursuant to the TRO), and shall cooperate with

1 **Plaintiff** to ensure that the form in which such emails are produced is
2 reasonably accessible by **Plaintiff**; and

3 G. The FTC's access to the **Defendants' documents** pursuant to this
4 Section shall not provide grounds for any Defendant to object to any
5 subsequent request for **documents** served by the FTC under Fed.R.Civ.P. 34.

6 **VIII.**

7 **RESPONSIBILITIES OF FINANCIAL INSTITUTIONS AND OTHER**
8 **ENTITIES HOLDING DEFENDANTS' ASSETS**

9 **IT IS FURTHER ORDERED** that any financial or brokerage
10 institution, any business entity, or any other person having possession,
11 custody, or control of any account, safe deposit box, funds, property, coins, list
12 of consumer names, stock certificates, or any other **asset** owned by or titled in
13 the name of any of the **Defendants**, either individually or jointly or held for
14 the benefit of any of the **Defendants**, or which has maintained any such
15 account, safe deposit box, or other **asset** at any time since **December 1, 2010**,
16 shall:

17 A. Hold and retain within its control and prohibit the transfer,
18 encumbrance, pledge, assignment, removal, withdrawal, dissipation, sale, or
19 other disposal of any such account or other **asset**, except for transfers or
20 withdrawals authorized in writing by counsel for **Plaintiff**, by the Receiver
21 (with respect to **assets** of any of the **Receivership Defendants**), or by further
22 order of this Court. This provision specifically applies to, but is not limited to,
23 funds held in account numbers ending in 2433, 2561, 3394, and 2159 at
24 JPMorgan Chase Bank;

25 B. Deny access to any safe deposit box titled individually or jointly
26 in the name of, or otherwise subject to access by, any of the **Defendants**;

27 C. Provide to **Plaintiff** and to the Receiver, within three (3) business
28 days of receiving notice of this Order (unless already provided pursuant to the

1 TRO), a sworn statement setting forth:

- 2 1. The identification of each account or **asset**;
- 3 2. The balance of each account or a description of the nature and
4 value of each **asset** as of the close of business on the day
5 notification of this Order is received, and, if the account or **asset**
6 has been closed or moved, the balance or value removed and the
7 person or entity to whom it was transferred; and
- 8 3. The identification of any safe deposit box titled in the name of or
9 subject to access by any of the **Defendants**;

10 D. With respect to any bank account or other financial account for
11 which online account access has been available to the **Receivership**
12 **Defendants**, provide to the Receiver, within one (1) business day of receiving
13 notice of this Order and a request from the Receiver, the means or ability to
14 sign on to the bank's (or other financial institution's) website and view
15 account activity, account balances, and all other information that was available
16 to the Defendant as of the date of the Order;

17 E. Upon request by counsel for **Plaintiff** (or by the Receiver, with
18 respect to **assets** held for any of the **Receivership Defendants**), promptly
19 provide **Plaintiff** (or, if applicable, the Receiver) with copies of all records or
20 other documentation pertaining to such account or **asset**, including but not
21 limited to originals or copies of account applications, account statements,
22 signature cards, checks, drafts, deposit tickets, transfers to and from the
23 accounts, all other debit and credit instruments or slips, currency transaction
24 reports, 1099 forms, and safe deposit box logs; and

25 F. At the direction of **Plaintiff** (or the Receiver, with respect to
26 **assets** held for any of the **Receivership Defendants**), and without further
27 order of this Court, convert any stocks, bonds, options, mutual funds, or other
28 securities to their cash equivalents.

1 **IX.**

2 **PROHIBITION ON RELEASE OF**
3 **CUSTOMER INFORMATION OR CUSTOMERS LISTS**

4 **IT IS FURTHER ORDERED** that **Defendants**, and officers, agents,
5 directors, servants, employees, salespersons, and attorneys of **Defendants**, as
6 well as all other **persons** or entities in active concert or participation with
7 them, who receive actual notice of this Order by personal service or otherwise,
8 whether acting directly or through any trust, corporation, subsidiary, division,
9 or other device, or any of them, are hereby **restrained and enjoined** from
10 selling, renting, leasing, transferring, or otherwise disclosing the name,
11 address, telephone number, credit card number, bank account number, e-mail
12 address, or other identifying information of any person who paid money to any
13 of the **Defendants** for the purchase of any good or service or who were
14 contacted or are on a list to be contacted by any of the **Defendants**; provided
15 that **Defendants** may disclose such identifying information to a law
16 enforcement agency or as required by any law, regulation, or court order.

17 **X.**

18 **RECORD KEEPING**

19 **IT IS FURTHER ORDERED** that Defendant Cox is hereby
20 **restrained and enjoined** from failing to make and keep, and to provide to
21 **Plaintiff**'s counsel promptly upon request, an accurate accounting that, in
22 reasonable detail, accurately, fairly, and completely reflects Defendant Cox's
23 incomes, disbursements, transactions, and use of money, beginning
24 immediately upon service or actual notice of this Order, and continuing daily
25 until otherwise ordered by the Court. Income to be accounted for shall
26 include, without limitation, all receipts from any source, including gifts, loan
27 proceeds, wages or any other income resulting from any services, activity, or
28 efforts rendered by Defendant, and any income that is paid to any trust,

1 business, or other entity or device that is directly or indirectly under the
2 control of Defendant Cox, to any family member, or to any other person or
3 entity for the benefit of Defendant Cox.

4 **XI.**

5 **NOTIFICATION OF BUSINESS ACTIVITIES**

6 **IT IS FURTHER ORDERED** that:

7 A. Defendant Cox is hereby **restrained and enjoined** from directly
8 or indirectly creating, operating, or exercising any control over any business
9 entity, including any partnership, limited partnership, joint venture, sole
10 proprietorship or corporation, unless and until he has served on counsel for the
11 Commission a written statement disclosing the following: (1) the name of the
12 business entity; (2) the address and telephone number of the business entity;
13 (3) the names of the business entity's officers, directors, principals, managers
14 and employees; and (4) a detailed description of the business entity's intended
15 or actual activities; and

16 B. Defendant Cox shall notify the Commission at least seven (7)
17 days prior to affiliating with, becoming employed by, or performing any work
18 for any business that is not a named Defendant in this action. Each notice
19 shall include the Defendant's new business address and a statement of the
20 nature of the business or employment and the nature of his or her duties and
21 responsibilities in connection with that business or employment.

22 **XII.**

23 **APPOINTMENT OF RECEIVER**

24 **IT IS FURTHER ORDERED** that: Peter Davis of Simon Consulting,
25 LLC, is appointed Receiver for Defendant National Card Monitor LLC, as
26 well as for any successors, assigns, affiliates, and subsidiaries that conduct any
27 business related to the **Defendants'** credit-related services and which the
28 Receiver has reason to believe are owned or controlled in whole or in part by

1 either of the **Defendants** (hereinafter referred to as the “**Receivership**
2 **Defendants**”), with the full power of an equity receiver. The Receiver shall
3 be the agent of this Court and solely the agent of this Court in acting as
4 Receiver under this Order. The Receiver shall be accountable directly to this
5 Court. The Receiver shall comply with all Local Rules of this Court
6 governing receivers.

7 **XIII.**

8 **RECEIVERSHIP DUTIES**

9 **IT IS FURTHER ORDERED** that the Receiver is directed and
10 authorized to perform and accomplish the following:

11 A. Assume full control of the **Receivership Defendants** by
12 removing, as the Receiver deems necessary or advisable, any manager,
13 independent contractor, employee, or agent of the **Receivership Defendants**,
14 including Defendant Cox, from control of, management of, or participation in,
15 the affairs of the **Receivership Defendants**;

16 B. Take exclusive custody, control and possession of all **assets** and
17 **documents** of, or in the possession, custody, or under the control of, the
18 **Receivership Defendants**, wherever situated. The Receiver shall have full
19 power to divert mail and to sue for, collect, receive, take in possession, hold,
20 and manage all **assets** and **documents** of the **Receivership Defendants** and
21 other **persons** or entities whose interests are now held by or under the
22 direction, possession, custody, or control of the **Receivership Defendants**;

23 C. Take all steps necessary to secure all premises owned, rented,
24 leased, or otherwise controlled by the **Receivership Defendants**, including but
25 not limited to all such premises located at 500 West Southern Ave., Suites 15-
26 17, Mesa, Arizona 85210. Such steps may include, but are not limited to, the
27 following, as the Receiver deems necessary or advisable: (1) serving and filing
28 this Order; (2) completing a written inventory of all receivership **assets**; (3)

1 obtaining pertinent information from all employees and other agents of the
2 **Receivership Defendants**, including, but not limited to, the name, home
3 address, social security number, job description, method of compensation, and
4 all accrued and unpaid commissions and compensation of each such employee
5 or agent; (4) photographing and video taping all portions of the location; (5)
6 securing the location by changing the locks and disconnecting any computer
7 modems or other means of access to the computer or other records maintained
8 at that location; or (6) requiring any **persons** present on the premises at the
9 time this Order is served or thereafter to leave the premises, to provide the
10 Receiver with proof of identification, or to demonstrate to the satisfaction of
11 the Receiver that such persons are not removing from the premises **documents**
12 or **assets** of the **Receivership Defendants**;

13 D. Conserve, hold, and manage all receivership **assets**, and perform
14 all acts necessary or advisable to preserve the value of those **assets**, in order to
15 prevent any irreparable loss, damage, or injury to consumers or to creditors of
16 the **Receivership Defendants**, including, but not limited to, obtaining an
17 accounting of the **assets** and preventing transfer, withdrawal, or misapplication
18 of **assets**;

19 E. Enter into contracts and purchase insurance as advisable or
20 necessary;

21 F. Prevent the inequitable distribution of **assets** and to determine,
22 adjust, and protect the interests of consumers and creditors who have
23 transacted business with the **Receivership Defendants**;

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

28 H. Choose, engage, and employ attorneys, accountants, appraisers,

1 and other independent contractors and technical specialists, as the Receiver
2 deems advisable or necessary in the performance of his or her duties and
3 responsibilities under the authority granted by this Order;

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

11 J. Determine and implement the manner in which the **Receivership**
12 **Defendants** will comply with, and prevent violations of, this Order and all
13 other applicable laws;

14 K. Institute, compromise, adjust, appear in, intervene in, or become
15 party to such actions or proceedings in state, federal or foreign courts that the
16 Receiver deems necessary and advisable to preserve or recover the **assets** of
17 the **Receivership Defendants** or that the Receiver deems necessary and
18 advisable to carry out the Receiver's mandate under this Order;

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

25 M. Issue subpoenas to obtain **documents** and records pertaining to
26 the receivership, and conduct discovery in this action on behalf of the
27 receivership estate;

28 N. Open one or more bank accounts as designated depositories for

1 funds of the **Receivership Defendants**. The Receiver shall deposit all funds
2 of the **Receivership Defendants** in such a designated account and shall make
3 all payments and disbursements from the receivership estate from such an
4 account; and

5 O. Maintain accurate records of all receipts and expenditures that he
6 makes as Receiver.

7 **XIV.**

8 **REPORTING BY RECEIVER**

9 **IT IS FURTHER ORDERED** that the Receiver shall:

10 A. Prepare and submit periodic reports, observations, and
11 recommendations to the Court, upon reasonable notice to the parties, and seek
12 guidance and instructions from this Court as necessary. The first report
13 (beyond any report that was filed pursuant to the TRO) shall be filed, with no
14 further notice required, by no later than 45 days after the date of entry of this
15 Order. The first report shall describe the efforts and activities that the
16 Receiver has undertaken pursuant to this Order, and any other information that
17 the Receiver believes is relevant to the Court. If the Receiver has any reason
18 to believe that the report would reveal any trade secrets or similarly sensitive
19 business information, the Receiver is granted leave to file his report under
20 seal, or, alternatively, to redact the report and to file a key to the sensitive
21 information under seal (if any portion of the report is filed under seal, the
22 Receiver must still serve it, unredacted, on Defendants); and

23 B. Prepare and submit such additional reports as the Court directs.

24 **XV.**

25 **COOPERATION WITH THE RECEIVER**

26 **IT IS FURTHER ORDERED** that **Defendants**, and their agents,
27 servants, employees, and attorneys, and all **persons** or entities directly or
28 indirectly under the control of any of them, and all other **persons** or entities in

1 active concert or participation with any of them who receive actual notice of
2 this Order by personal service or otherwise, and each such person, shall fully
3 cooperate with and assist the Receiver. Such cooperation and assistance shall
4 include, but not be limited to, providing any information to the Receiver that
5 the Receiver deems necessary to exercising the authority and discharging the
6 responsibilities of the Receiver under this Order; providing any username and
7 password required to access any computer or electronic files, in any medium;
8 providing any key required to gain access to any and all offices, rooms,
9 storage facilities, mail boxes, or other physical locations at which **documents**
10 or **assets** belonging to **NCM** may be found; or advising all persons who owe
11 money to the **Receivership Defendants** that all debts should be paid directly
12 to the Receiver.

13 **Defendants** are hereby **restrained and enjoined** from directly or
14 indirectly:

15 A. Transacting any of the business of the **Receivership Defendants**,
16 or transacting business under the name National Card Monitor LLC,
17 Nationwide Card Monitor, or any substantially similar name;

18 B. Destroying, concealing, defacing, transferring, or otherwise
19 altering or disposing of any **documents** of the **Receivership Defendants**,
20 including, but not limited to, books, records, accounts, or any other papers of
21 any kind or nature;

22 C. Transferring, receiving, altering, selling, encumbering, pledging,
23 assigning, liquidating, or otherwise disposing of any **assets** owned, controlled,
24 or in the possession or custody of, or in which an interest is held or claimed
25 by, the **Receivership Defendants**, or the Receiver;

26 D. Excusing debts owed to the **Receivership Defendants**;

27 E. Failing to notify the Receiver (unless the Defendant so notified
28 the Temporary Receiver pursuant to the TRO) of any asset, including

1 accounts, of any Receivership Defendant held in any name other than the
2 name of any Receivership Defendant, or by any person or entity other than the
3 **Receivership Defendants**, or failing to provide any assistance or information
4 requested by the Receiver in connection with obtaining possession, custody, or
5 control of such **assets**;

6 F. Failing to:

- 7 1. inform the Receiver of all addresses (unless the Defendant so
8 informed the Temporary Receiver pursuant to the TRO),
9 including Post Office boxes and commercial mail boxes, at which
10 mail addressed to National Card Monitor or Nationwide Card
11 Monitor, or mail relating to the business or finances of **NCM** or
12 Nationwide, is received; and
- 13 2. cooperate in providing the Receiver access to all such mail and
14 ensuring that the Receiver is able to divert and obtain such mail
15 from the Post Office or other mail box provider; or

16 G. Doing any act or refraining from any act whatsoever to interfere
17 with the Receiver's taking custody, control, possession, or managing of the
18 **assets** or **documents** subject to this receivership; or to harass or interfere with
19 the Receiver in any way; or to interfere in any manner with the exclusive
20 jurisdiction of this Court over the **assets** or **documents** of the **Receivership**
21 **Defendants**; or to refuse to cooperate with the Receiver or the Receiver's duly
22 authorized agents in the exercise of their duties or authority under any Order
23 of this Court.

24 **XVI.**

25 **DELIVERY OF RECEIVERSHIP PROPERTY**

26 **IT IS FURTHER ORDERED** that:

27 A. Immediately upon service of this Order upon them, or within a
28 period permitted by the Receiver, **Defendants** and all other **persons** and

1 entities in possession, custody, and control of **assets** or **documents** of the
2 **Receivership Defendants** shall transfer or deliver possession, custody, and
3 control of the following to the Receiver:

- 4 1. All **assets** of the **Receivership Defendants**;
- 5 2. All **documents** of the **Receivership Defendants**, including, but
6 not limited to, books and records of accounts, all financial and accounting
7 records, balance sheets, income statements, bank records (including monthly
8 statements, canceled checks, records of wire transfers, and check registers),
9 client lists, title **documents** and other papers;
- 10 3. All **assets** belonging to members of the public now held by the
11 **Receivership Defendants**; and
- 12 4. To the extent not provided pursuant to the TRO, all keys and
13 codes necessary to gain or to secure access to any **assets** or **documents** of the
14 **Receivership Defendants**, including, but not limited to, access to their
15 business premises, mail, means of communication, accounts, computer
16 systems, Receivership-Defendant-related e-mails (including but not limited to
17 e-mails sent to or from <NCM.customerservice@gmail.com> or
18 <nationalcardmonitor@gmail.com>) or other property.

19 B. In the event any person or entity fails to deliver or transfer any
20 asset or otherwise fails to comply with any provision of this Section, the
21 Receiver may file, on an *ex parte* basis, an Affidavit of Non-Compliance
22 regarding the failure. Upon filing of the affidavit, the Court may authorize,
23 without additional process or demand, Writs of Possession or Sequestration or
24 other equitable writs requested by the Receiver. The writs shall authorize and
25 direct the United States Marshal or any sheriff or deputy sheriff of any county
26 to seize the asset, document, or other thing and to deliver it to the Receiver.

27 ///

28

1 **XVII.**

2 **BANKRUPTCY PETITIONS**

3 **IT IS FURTHER ORDERED** that, in light of the asset freeze and
4 appointment of the Receiver, **Defendants** are hereby prohibited from filing, or
5 causing to be filed, on behalf of any Receivership Defendant, a petition for
6 relief under the United States Bankruptcy Code, 11 U.S.C. § 101 *et seq.*,
7 without prior permission from this Court.

8 **IT IS FURTHER ORDERED** that, in light of the asset freeze,
9 Defendant Cox must give 21 days' notice to **Plaintiff** prior to filing, or
10 causing to be filed, on his own behalf, a petition for relief under the United
11 States Bankruptcy Code, 11 U.S.C. § 101 *et seq.*

12 **XVIII.**

13 **TRANSFER OF FUNDS TO THE RECEIVER**

14 **IT IS FURTHER ORDERED** that, upon service of a copy of this
15 Order, all banks, broker-dealers, savings and loans, escrow agents, title
16 companies, commodity trading companies, or other financial institutions shall
17 cooperate with all reasonable requests of the Receiver relating to
18 implementation of this Order, including transferring funds at his or her
19 direction and producing records related to the **assets** of the **Receivership**
20 **Defendants**.

21 **XIX.**

22 **STAY OF ACTIONS**

23 **IT IS FURTHER ORDERED** that:

24 A. Except by leave of this Court, during pendency of the
25 receivership ordered herein, **Defendants** and all other persons and entities
26 (except for **Plaintiff** and the Receiver) are hereby stayed from taking any
27 action to establish or enforce any claim, right, or interest for, against, on behalf
28 of, in, or in the name of National Card Monitor LLC or Nationwide Credit

1 Monitor, in the name of any of **NCM's assets**, or in the name of the Receiver
2 or the Receiver's duly authorized agents acting in their capacities as such,
3 including, but not limited to, the following actions:

- 4 1. Commencing, prosecuting, continuing, entering, or enforcing any
5 suit or proceeding, except that such actions may be filed to toll
6 any applicable statute of limitations;
- 7 2. Accelerating the due date of any obligation or claimed obligation;
8 filing or enforcing any lien; taking or attempting to take
9 possession, custody, or control of any asset; attempting to
10 foreclose, forfeit, alter, or terminate any interest in any asset,
11 whether such acts are part of a judicial proceeding, are acts of
12 self-help, or otherwise;
- 13 3. Executing, issuing, serving, or causing the execution, issuance or
14 service of, any legal process, including, but not limited to,
15 attachments, garnishments, subpoenas, writs of replevin, writs of
16 execution, or any other form of process whether specified in this
17 Order or not; or
- 18 4. Doing any act or thing whatsoever to interfere with the Receiver
19 taking custody, control, possession, or management of the **assets**
20 or **documents** subject to this receivership, or to harass or interfere
21 with the Receiver in any way, or to interfere in any manner with
22 the exclusive jurisdiction of this Court over the **assets** or
23 **documents** of the **Receivership Defendants**.

24 B. Paragraph (A) of this Section does not stay:

- 25 1. The commencement or continuation of a criminal action or
26 proceeding;
- 27 2. The commencement or continuation of an action or proceeding by
28 a governmental unit to enforce such governmental unit's police or

- 1 regulatory power;
- 2 3. The enforcement of a judgment, other than a money judgment,
- 3 obtained in an action or proceeding by a governmental unit to
- 4 enforce such governmental unit's police or regulatory power;
- 5 4. The commencement of any action by the Secretary of the United
- 6 States Department of Housing and Urban Development to
- 7 foreclose a mortgage or deed of trust in any case in which the
- 8 mortgage or deed of trust held by the Secretary is insured or was
- 9 formerly insured under the National Housing Act and covers
- 10 property, or combinations of property, consisting of five or more
- 11 living units; or
- 12 5. The issuance to a Receivership Defendant of a notice of tax
- 13 deficiency.

14 C. Except as otherwise provided in this Order, all persons and

15 entities in need of documentation from the Receiver shall in all instances first

16 attempt to secure such information by submitting a formal written request to

17 the Receiver, and, if such request has not been responded to within thirty (30)

18 days of receipt by the Receiver, any such person or entity may thereafter seek

19 an order of this Court with regard to the relief requested.

20 **XX.**

21 **COMPENSATION OF RECEIVER**

22 **IT IS FURTHER ORDERED** that the Receiver and all personnel hired

23 by the Receiver as herein authorized, including counsel to the Receiver and

24 accountants, are entitled to reasonable compensation for the performance of

25 duties pursuant to this Order and for the cost of actual out-of-pocket expenses

26 incurred by them, from the **assets** now held by or in the possession or control

27 of or which may be received by the **Receivership Defendants**. The Receiver

28 shall file with the Court and serve on the parties periodic requests for the

1 payment of such reasonable compensation, with the first such request filed no
2 more than sixty days after the date of this Order. The Receiver shall not
3 increase the hourly rates used as the bases for such fee applications without
4 prior approval of the Court.

5 **XXI.**

6 **RECEIVER'S BOND**

7 **IT IS FURTHER ORDERED** that the Receiver shall file with the
8 Clerk of this Court a bond in the sum of \$50,000, with sureties to be approved
9 by the Court, conditioned that the Receiver will well and truly perform the
10 duties of the office and abide by and perform all acts the Court directs. This
11 bond is in lieu of, and not in addition to, the temporary bond previously posted
12 (Doc. 26).

13 **XXII.**

14 **DISTRIBUTION OF ORDER**

15 **IT IS FURTHER ORDERED** that Defendant Cox shall immediately
16 provide a copy of this Order to each of NCM's affiliates, franchises,
17 subsidiaries, divisions, successors, assigns, directors, officers, members,
18 managing agents, employees, representatives, and independent contractors and
19 shall, within three (3) business days from the date of service of this Order,
20 serve on **Plaintiff** affidavits identifying the names, titles, addresses, and
21 telephone numbers of the persons and entities whom he has served pursuant to
22 this provision.

23 **XXIII.**

24 **CREDIT REPORTS**

25 **IT IS FURTHER ORDERED** that **Plaintiff** may obtain credit reports
26 concerning any of the **Defendants** pursuant to Section 604(a)(1) of the Fair
27 Credit Reporting Act, 15 U.S.C. § 1681b(a)(1), and that, upon written request,
28 any credit reporting agency from which such reports are requested shall

1 provide them to **Plaintiff**.

2 **XXIV.**

3 **LIMITED EXPEDITED DISCOVERY**

4 **IT IS FURTHER ORDERED** that:

5 A. The Commission is granted leave at any time after service of this
6 Order to:

7 1. Take the deposition of any person or entity, demand the
8 production of documents from of any person or entity, or
9 propound up to ten (10) interrogatories to each Defendant, for the
10 purpose of:

- 11 a. discovering the nature, location, status, and extent of assets
12 of any of the Defendants, including Receivership
13 Defendants, or of their affiliates or of their subsidiaries,
14 b. discovering the nature, location, status and extent of
15 documents reflecting the business transactions of any of the
16 Defendants;
17 c. discovering the nature and extent of Defendants' business
18 activities;

19 B. Thirty-six (36) hours notice shall be deemed sufficient for any
20 such deposition and forty-eight (48) hours notice shall be deemed sufficient
21 for the production of any such documents. Defendants shall serve answers and
22 objections to interrogatories by no later than the close of the third business
23 day after service of the interrogatories, or by such later date as **Plaintiff** may
24 specify.

25 C. The limitations and conditions set forth in Fed. R. Civ. P. 30(a)(2)
26 and 31(a)(2) shall not apply to depositions taken pursuant to this Section. Any
27 such depositions taken pursuant to this Section shall not be counted toward the
28 ten-deposition limit set forth in Fed. R. Civ. P. 30(a)(2)(A) and 31(a)(2)(A).

1 D. Any interrogatories that **Plaintiff** propounds pursuant to this
2 Section shall not be counted toward the 25-interrogatory limit set forth in Fed.
3 R. Civ. P. 33(a)(1).

4 E. Service of discovery taken pursuant to this Section shall be
5 sufficient if made by facsimile or by overnight delivery by a commercial
6 delivery service.

7 **XXV.**

8 **CORRESPONDENCE**

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

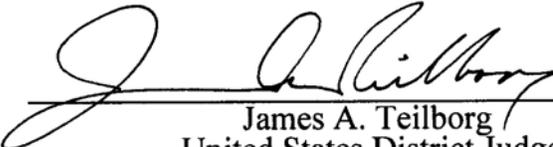
11
12 Barbara Y.K. Chun
13 John D. Jacobs
14 Federal Trade Commission
15 10877 Wilshire Blvd., #700
16 Los Angeles, CA 90024
17 Fax: (310) 824-4380
18 E-mail: bchun@ftc.gov; jjacobs@ftc.gov

19 **XXVIII.**

20 **SERVICE OF THIS ORDER**

21 **IT IS FURTHER ORDERED** that copies of this Order may be served
22 by any means, including facsimile transmission, upon any financial institution
23 or other entity or person that may have possession, custody, or control of any
24 **documents** or **assets** of any Defendant, or that may be subject to any
25 provision of this Order.

26 DATED this 5th day of December, 2012.

27
28

James A. Teilborg
United States District Judge

FEDERAL TRADE COMMISSION

FINANCIAL STATEMENT OF INDIVIDUAL DEFENDANT

Definitions and Instructions:

1. Complete all items. Enter "None" or "N/A" ("Not Applicable") in the first field only of any item that does not apply to you. If you cannot fully answer a question, explain why.
2. "Dependents" include your spouse, live-in companion, dependent children, or any other person, whom you or your spouse (or your children's other parent) claimed or could have claimed as a dependent for tax purposes at any time during the past five years.
3. "Assets" and "Liabilities" include ALL assets and liabilities, located within the United States or any foreign country or territory, whether held individually or jointly and whether held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.
4. Attach continuation pages as needed. On the financial statement, state next to the Item number that the Item is being continued. On the continuation page(s), identify the Item number(s) being continued.
5. Type or print legibly.
6. Initial each page in the space provided in the lower right corner.
7. Sign and date the completed financial statement on the last page.

Penalty for False Information:

Federal law provides that any person may be imprisoned for not more than five years, fined, or both, if such person:

(1) "in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or devise a material fact; makes any materially false, fictitious or fraudulent statement or representation; or makes or uses any false writing or document knowing the same to contain any materially false, fictitious or fraudulent statement or entry" (18 U.S.C. § 1001);

(2) "in any . . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code, willfully subscribes as true any material matter which he does not believe to be true" (18 U.S.C. § 1621); or

(3) "in any (. . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code) in any proceeding before or ancillary to any court or grand jury of the United States knowingly makes any false material declaration or makes or uses any other information . . . knowing the same to contain any false material declaration" (18 U.S.C. § 1623).

For a felony conviction under the provisions cited above, federal law provides that the fine may be not more than the greater of (i) \$250,000 for an individual or \$500,000 for a corporation, or (ii) if the felony results in pecuniary gain to any person or pecuniary loss to any person other than the defendant, the greater of twice the gross gain or twice the gross loss. 18 U.S.C. § 3571.

BACKGROUND INFORMATION**Item 1. Information About You**

Full Name	Social Security No.		
Current Address of Primary Residence	Driver's License No.		State Issued
	Phone Numbers Home: ()	Date of Birth: / / (mm/dd/yyyy)	
	Fax: ()	Place of Birth	
<input type="checkbox"/> Rent <input type="checkbox"/> Own From (Date): / / (mm/dd/yyyy)	E Mail Address		
Internet Home Page			

Previous Addresses for past five years (if required, use additional pages at end of form)

Address	From: / / (mm/dd/yyyy)	Until: / / (mm/dd/yyyy)
	<input type="checkbox"/> Rent <input type="checkbox"/> Own	
Address	From: / /	Until: / /
	<input type="checkbox"/> Rent <input type="checkbox"/> Own	
Address	From: / /	Until: / /
	<input type="checkbox"/> Rent <input type="checkbox"/> Own	

Identify any other name(s) and/or social security number(s) you have used, and the time period(s) during which they were used:

Item 2. Information About Your Spouse or Live-In Companion

Spouse/Companion's Name	Social Security No.	Date of Birth / / (mm/dd/yyyy)
Address (if different from yours)	Phone Number ()	Place of Birth
	<input type="checkbox"/> Rent <input type="checkbox"/> Own From (Date): / / (mm/dd/yyyy)	

Identify any other name(s) and/or social security number(s) you have used, and the time period(s) during which they were used:

Employer's Name and Address	Job Title	
	Years in Present Job	Annual Gross Salary/Wages \$

Item 3. Information About Your Previous Spouse

Name and Address	Social Security No.
	Date of Birth / / (mm/dd/yyyy)

Item 4. Contact Information (name and address of closest living relative other than your spouse)

Name and Address	Phone Number ()
------------------	---------------------

Initials: _____

Item 5. Information About Dependents (whether or not they reside with you)		
Name and Address	Social Security No.	Date of Birth / / (mm/dd/yyyy)
	Relationship	
Name and Address	Social Security No.	Date of Birth / / (mm/dd/yyyy)
	Relationship	
Name and Address	Social Security No.	Date of Birth / / (mm/dd/yyyy)
	Relationship	
Name and Address	Social Security No.	Date of Birth / / (mm/dd/yyyy)
	Relationship	

Item 6. Employment Information/Employment Income
 Provide the following information for this year to date and for each of the previous five full years, for each business entity of which you were a director, officer, member, partner, employee (including self employment), agent, owner, shareholder, contractor, participant or consultant at any time during that period. "Income" includes, but is not limited to, any salary, commissions, distributions, draws, consulting fees, loans, loan payments, dividends, royalties, and benefits for which you did not pay (e.g., health insurance premiums, automobile lease or loan payments) received by you or anyone else on your behalf.

Company Name and Address	Dates Employed		Income Received: This year to date	
	From (Month/Year) /	To (Month/Year) /	Year	Income
Ownership Interest? <input type="checkbox"/> Yes <input type="checkbox"/> No			20	\$
Positions Held	From (Month/Year) /	To (Month/Year) /		\$
	/	/		\$
	/	/		\$
	/	/		\$

Company Name and Address	Dates Employed		Income Received: This year to date	
	From (Month/Year) /	To (Month/Year) /	Year	Income
Ownership Interest? <input type="checkbox"/> Yes <input type="checkbox"/> No			20	\$
Positions Held	From (Month/Year) /	To (Month/Year) /		\$
	/	/		\$
	/	/		\$
	/	/		\$

Company Name and Address	Dates Employed		Income Received: This year to date	
	From (Month/Year) /	To (Month/Year) /	Year	Income
Ownership Interest? <input type="checkbox"/> Yes <input type="checkbox"/> No			20	\$
Positions Held	From (Month/Year) /	To (Month/Year) /		\$
	/	/		\$
	/	/		\$
	/	/		\$

Initials: _____

Item 7. Pending Lawsuits Filed By or Against You or Your Spouse

List all pending lawsuits that have been filed by or against you or your spouse in any court or before an administrative agency in the United States or in any foreign country or territory. **Note:** At Item 12, list lawsuits that resulted in final judgments or settlements in your favor. At Item 21, list lawsuits that resulted in final judgments or settlements against you.

Caption of Proceeding	Court or Agency and Location	Case No.	Nature of Proceeding	Relief Requested	Status or Disposition

Item 8. Safe Deposit Boxes

List all safe deposit boxes, located within the United States or in any foreign country or territory, whether held individually or jointly and whether held by you, your spouse, or any of your dependents, or held by others for the benefit of you, your spouse, or any of your dependents.

Name of Owner(s)	Name & Address of Depository Institution	Box No.	Contents

Initials: _____

FINANCIAL INFORMATION

REMINDER: When an item asks for information regarding your "assets" and "liabilities" include ALL assets and liabilities, located within the United States or in any foreign country or territory, or institution, whether held individually or jointly, and whether held by you, your spouse, or any of your dependents, or held by others for the benefit of you, your spouse, or any of your dependents. In addition, provide all documents requested in Item 24 with your completed Financial Statement.

ASSETS

Item 9. Cash, Bank, and Money Market Accounts

List cash on hand (as opposed to cash in bank accounts or other financial accounts) and all bank accounts, money market accounts, or other financial accounts, including but not limited to checking accounts, savings accounts, and certificates of deposit. The term "cash on hand" includes but is not limited to cash in the form of currency, uncashed checks, and money orders.

a. Amount of Cash on Hand \$		Form of Cash on Hand	
b. Name on Account	Name & Address of Financial Institution	Account No.	Current Balance
			\$
			\$
			\$
			\$
			\$

Item 10. Publicly Traded Securities

List all publicly traded securities, including but not limited to, stocks, stock options, corporate bonds, mutual funds, U.S. government securities (including but not limited to treasury bills and treasury notes), and state and municipal bonds. Also list any U.S. savings bonds.

Owner of Security	Issuer	Type of Security	No. of Units Owned
Broker House, Address	Broker Account No.		
	Current Fair Market Value \$	Loan(s) Against Security \$	
Owner of Security	Issuer	Type of Security	No. of Units Owned
Broker House, Address	Broker Account No.		
	Current Fair Market Value \$	Loan(s) Against Security \$	
Owner of Security	Issuer	Type of Security	No. of Units Owned
Broker House, Address	Broker Account No.		
	Current Fair Market Value \$	Loan(s) Against Security \$	

Initials: _____

Item 11. Non-Public Business and Financial Interests

List all non public business and financial interests, including but not limited to any interest in a non public corporation, subchapter S corporation, limited liability corporation ("LLC"), general or limited partnership, joint venture, sole proprietorship, international business corporation or personal investment corporation, and oil or mineral lease.

Entity's Name & Address	Type of Business or Financial Interest (e.g., LLC, partnership)	Owner (e.g., self, spouse)	Ownership %	If Officer, Director, Member or Partner, Exact Title

Item 12. Amounts Owed to You, Your Spouse, or Your Dependents

Debtor's Name & Address	Date Obligation Incurred (Month/Year) /	Original Amount Owed \$	Nature of Obligation (if the result of a final court judgment or settlement, provide court name and docket number)
	Current Amount Owed \$	Payment Schedule \$	
Debtor's Telephone	Debtor's Relationship to You		
Debtor's Name & Address	Date Obligation Incurred (Month/Year) /	Original Amount Owed \$	Nature of Obligation (if the result of a final court judgment or settlement, provide court name and docket number)
	Current Amount Owed \$	Payment Schedule \$	
Debtor's Telephone	Debtor's Relationship to You		

Item 13. Life Insurance Policies

List all life insurance policies (including endowment policies) with any cash surrender value.

Insurance Company's Name, Address, & Telephone No.	Beneficiary	Policy No.	Face Value \$
	Insured	Loans Against Policy \$	Surrender Value \$
Insurance Company's Name, Address, & Telephone No.	Beneficiary	Policy No.	Face Value \$
	Insured	Loans Against Policy \$	Surrender Value \$

Item 14. Deferred Income Arrangements

List all deferred income arrangements, including but not limited to, deferred annuities, pensions plans, profit sharing plans, 401(k) plans, IRAs, Keoghs, other retirement accounts, and college savings plans (e.g., 529 Plans).

Trustee or Administrator's Name, Address & Telephone No.	Name on Account		Account No.
	Date Established / / (mm/dd/yyyy)	Type of Plan	Surrender Value before Taxes and Penalties \$
Trustee or Administrator's Name, Address & Telephone No.	Name on Account		Account No.
	Date Established / /	Type of Plan	Surrender Value before Taxes and Penalties \$

Initials: _____

Item 15. Pending Insurance Payments or Inheritances

List any pending insurance payments or inheritances owed to you.

Type	Amount Expected	Date Expected (mm/dd/yyyy)
	\$	/ /
	\$	/ /
	\$	/ /

Item 16. Vehicles

List all cars, trucks, motorcycles, boats, airplanes, and other vehicles.

Vehicle Type	Year	Registered Owner's Name	Purchase Price	Original Loan Amount	Current Balance
			\$	\$	\$
Make		Registration State & No.	Account/Loan No.	Current Value	Monthly Payment
				\$	\$
Model		Address of Vehicle's Location			
		Lender's Name and Address			
			\$	\$	\$
Make		Registration State & No.	Account/Loan No.	Current Value	Monthly Payment
				\$	\$
Model		Address of Vehicle's Location			
		Lender's Name and Address			
			\$	\$	\$
Make		Registration State & No.	Account/Loan No.	Current Value	Monthly Payment
				\$	\$
Model		Address of Vehicle's Location			
		Lender's Name and Address			
			\$	\$	\$
Make		Registration State & No.	Account/Loan No.	Current Value	Monthly Payment
				\$	\$
Model		Address of Vehicle's Location			
		Lender's Name and Address			

Item 17. Other Personal Property

List all other personal property not listed in Items 9-16 by category, whether held for personal use, investment or any other reason, including but not limited to coins, stamps, artwork, gemstones, jewelry, bullion, other collectibles, copyrights, patents, and other intellectual property.

Property Category (e.g., artwork, jewelry)	Name of Owner	Property Location	Acquisition Cost	Current Value
			\$	\$
			\$	\$
			\$	\$

Initials: _____

Item 18. Real Property			
List all real property interests (including any land contract)			
Property's Location	Type of Property	Name(s) on Title or Contract and Ownership Percentages	
Acquisition Date (mm/dd/yyyy) / /	Purchase Price \$	Current Value \$	Basis of Valuation
Lender's Name and Address		Loan or Account No.	Current Balance On First Mortgage or Contract \$
			Monthly Payment \$
Other Mortgage Loan(s) (describe)		Monthly Payment \$	<input type="checkbox"/> Rental Unit Monthly Rent Received \$
		Current Balance \$	
Property's Location	Type of Property	Name(s) on Title or Contract and Ownership Percentages	
Acquisition Date (mm/dd/yyyy) / /	Purchase Price \$	Current Value \$	Basis of Valuation
Lender's Name and Address		Loan or Account No.	Current Balance On First Mortgage or Contract \$
			Monthly Payment \$
Other Mortgage Loan(s) (describe)		Monthly Payment \$	<input type="checkbox"/> Rental Unit Monthly Rent Received \$
		Current Balance \$	

LIABILITIES

Item 19. Credit Cards			
List each credit card account held by you, your spouse, or your dependents, and any other credit cards that you, your spouse, or your dependents use, whether issued by a United States or foreign financial institution.			
Name of Credit Card (e.g., Visa, MasterCard, Department Store)	Account No.	Name(s) on Account	Current Balance
			\$
			\$
			\$
			\$
			\$

Item 20. Taxes Payable		
List all taxes, such as income taxes or real estate taxes, owed by you, your spouse, or your dependents.		
Type of Tax	Amount Owed	Year Incurred
	\$	
	\$	
	\$	

Initials: _____

Item 21. Other Amounts Owed by You, Your Spouse, or Your Dependents

List all other amounts, not listed elsewhere in this financial statement, owed by you, your spouse, or your dependents.

Lender/Creditor's Name, Address, and Telephone No.		Nature of Debt (if the result of a court judgment or settlement, provide court name and docket number)	
		Lender/Creditor's Relationship to You	
Date Liability Was Incurred / / (mm/dd/yyyy)	Original Amount Owed \$	Current Amount Owed \$	Payment Schedule
Lender/Creditor's Name, Address, and Telephone No.		Nature of Debt (if the result of a court judgment or settlement, provide court name and docket number)	
		Lender/Creditor's Relationship to You	
Date Liability Was Incurred / / (mm/dd/yyyy)	Original Amount Owed \$	Current Amount Owed \$	Payment Schedule

OTHER FINANCIAL INFORMATION

Item 22. Trusts and Escrows

List all funds and other assets that are being held in trust or escrow by any person or entity for you, your spouse, or your dependents. Include any legal retainers being held on your behalf by legal counsel. Also list all funds or other assets that are being held in trust or escrow by you, your spouse, or your dependents, for any person or entity.

Trustee or Escrow Agent's Name & Address	Date Established (mm/dd/yyyy)	Grantor	Beneficiaries	Present Market Value of Assets*
	/ /			\$
	/ /			\$
	/ /			\$

*If the market value of any asset is unknown, describe the asset and state its cost, if you know it.

Item 23. Transfers of Assets

List each person or entity to whom you have transferred, in the aggregate, more than \$5,000 in funds or other assets during the previous five years by loan, gift, sale, or other transfer (exclude ordinary and necessary living and business expenses paid to unrelated third parties). For each such person or entity, state the total amount transferred during that period.

Transferee's Name, Address, & Relationship	Property Transferred	Aggregate Value*	Transfer Date (mm/dd/yyyy)	Type of Transfer (e.g., Loan, Gift)
		\$	/ /	
		\$	/ /	
		\$	/ /	

*If the market value of any asset is unknown, describe the asset and state its cost, if you know it.

Initials: _____

Item 24. Document Requests

Provide copies of the following documents with your completed Financial Statement.

	Federal tax returns filed during the last three years by or on behalf of you, your spouse, or your dependents.
	All applications for bank loans or other extensions of credit (other than credit cards) that you, your spouse, or your dependents have submitted within the last two years, including by obtaining copies from lenders if necessary.
Item 9	For each bank account listed in Item 9, all account statements for the past 3 years.
Item 11	For each business entity listed in Item 11, provide (including by causing to be generated from accounting records) the most recent balance sheet, tax return, annual income statement, the most recent year-to-date income statement, and all general ledger files from account records.
Item 17	All appraisals that have been prepared for any property listed in Item 17, including appraisals done for insurance purposes. You may exclude any category of property where the total appraised value of all property in that category is less than \$2,000.
Item 18	All appraisals that have been prepared for real property listed in Item 18.
Item 21	Documentation for all debts listed in Item 21.
Item 24	All executed documents for any trust or escrow listed in Item 22. Also provide any appraisals, including insurance appraisals that have been done for any assets held by any such trust or in any such escrow.

SUMMARY FINANCIAL SCHEDULES

Item 25. Combined Balance Sheet for You, Your Spouse, and Your Dependents

Assets		Liabilities	
Cash on Hand (Item 9)	\$	Loans Against Publicly Traded Securities (Item 10)	\$
Funds Held in Financial Institutions (Item 9)	\$	Vehicles Liens (Item 16)	\$
U.S. Government Securities (Item 10)	\$	Real Property Encumbrances (Item 18)	\$
Publicly Traded Securities (Item 10)	\$	Credit Cards (Item 19)	\$
Non Public Business and Financial Interests (Item 11)	\$	Taxes Payable (Item 20)	\$
Amounts Owed to You (Item 12)	\$	Amounts Owed by You (Item 21)	\$
Life Insurance Policies (Item 13)	\$	Other Liabilities (Itemize)	
Deferred Income Arrangements (Item 14)	\$		\$
Vehicles (Item 16)	\$		\$
Other Personal Property (Item 17)	\$		\$
Real Property (Item 18)	\$		\$
Other Assets (Itemize)			\$
	\$		\$
	\$		\$
	\$		\$
Total Assets	\$	Total Liabilities	\$

Item 26. Combined Current Monthly Income and Expenses for You, Your Spouse, and Your Dependents

Provide the current monthly income and expenses for you, your spouse, and your dependents. Do not include credit card payments separately; rather, include credit card expenditures in the appropriate categories.

Income (State source of each item)		Expenses	
Salary After Taxes Source:	\$	Mortgage or Rental Payments for Residence(s)	\$
Fees, Commissions, and Royalties Source:	\$	Property Taxes for Residence(s)	\$
Interest Source:	\$	Rental Property Expenses, Including Mortgage Payments, Taxes, and Insurance	\$
Dividends and Capital Gains Source:	\$	Car or Other Vehicle Lease or Loan Payments	\$
Gross Rental Income Source:	\$	Food Expenses	\$
Profits from Sole Proprietorships Source:	\$	Clothing Expenses	\$
Distributions from Partnerships, S Corporations, and LLCs Source:	\$	Utilities	\$

Initials: _____

Item 27. Combined Current Monthly Income and Expenses for You, Your Spouse, and Your Dependents (cont.)			
Distributions from Trusts and Estates Source:	\$	Medical Expenses, Including Insurance	\$
Distributions from Deferred Income Arrangements Source:	\$	Other Insurance Premiums	\$
Social Security Payments	\$	Other Transportation Expenses	\$
Alimony/Child Support Received	\$	Other Expenses (Itemize)	
Gambling Income	\$		\$
Other Income (Itemize)			\$
	\$		\$
	\$		\$
	\$		\$
Total Income	\$	Total Expenses	\$

ATTACHMENTS

Item 28. Documents Attached to this Financial Statement	
List all documents that are being submitted with this financial statement.	
Item No. Document Relates To	Description of Document

I am submitting this financial statement with the understanding that it may affect action by the Federal Trade Commission or a federal court. I have used my best efforts to obtain the information requested in this statement. The responses I have provided to the items above are true and contain all the requested facts and information of which I have notice or knowledge. I have provided all requested documents in my custody, possession, or control. I know of the penalties for false statements under 18 U.S.C. § 1001, 18 U.S.C. § 1621, and 18 U.S.C. § 1623 (five years imprisonment and/or fines). I certify under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed on:

(Date)

Signature

FEDERAL TRADE COMMISSION

FINANCIAL STATEMENT OF BUSINESS ENTITY DEFENDANT

Instructions:

1. Complete all items. Enter "None" or "N/A" ("Not Applicable") where appropriate. If you cannot fully answer a question, explain why.
2. In completing this financial statement, "the business entity" refers not only to this business entity but also to each of its predecessors that are not named defendants in this action.
3. When an Item asks for information about assets or liabilities "held by the business entity," include ALL such assets and liabilities, located within the United States or elsewhere, held by the business entity or held by others for the benefit of the business entity.
4. Attach continuation pages as needed. On the financial statement, state next to the Item number that the Item is being continued. On the continuation page(s), identify the Item number being continued.
5. Type or print legibly.
6. An officer of the corporation must sign and date the completed financial statement on the last page and initial each page in the space provided in the lower right corner.

Penalty for False Information:

Federal law provides that any person may be imprisoned for not more than five years, fined, or both, if such person:

- (1) "in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry" (18 U.S.C. § 1001);
- (2) "in any . . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code, willfully subscribes as true any material matter which he does not believe to be true" (18 U.S.C. § 1621); or
- (3) "in any (. . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code) in any proceeding before or ancillary to any court or grand jury of the United States knowingly makes any false material declaration or makes or uses any other information . . . knowing the same to contain any false material declaration." (18 U.S.C. § 1623)

For a felony conviction under the provisions cited above, federal law provides that the fine may be not more than the greater of (i) \$250,000 for an individual or \$500,000 for a corporation, or (ii) if the felony results in pecuniary gain to any person or pecuniary loss to any person other than the defendant, the greater of twice the gross gain or twice the gross loss. 18 U.S.C. § 3571.

BACKGROUND INFORMATION

Item 1. General Information

Business Entity's Full Name _____

Primary Business Address _____ From (Date) _____

Telephone No. _____ Fax No. _____

E-Mail Address _____ Internet Home Page _____

All other current addresses & previous addresses for past five years, including post office boxes and mail drops:

Address _____ From/Until _____

Address _____ From/Until _____

Address _____ From/Until _____

All predecessor companies for past five years:

Name & Address _____ From/Until _____

Name & Address _____ From/Until _____

Name & Address _____ From/Until _____

Item 2. Legal Information

Federal Taxpayer ID No. _____ State & Date of Incorporation or Formation _____

State Tax ID No. _____ State _____ Profit or Not For Profit _____

Business Entity's Present Status: Active _____ Inactive _____ Dissolved _____

If Dissolved: Date dissolved _____ By Whom _____

Reasons _____

Fiscal Year-End (Mo./Day) _____ Business Entity's Business Activities _____

Item 3. Registered Agent

Name of Registered Agent _____

Address _____ Telephone No. _____

Item 4. Principal Stockholders, Members (if LLC) or Owners

List all persons and entities that own at least 5% of the business entity.

<u>Name & Address</u>	<u>% Owned</u>

Item 5. Board Members or Managers (if an LLC)

List all members of the Business Entity’s Board of Directors or Managers (if an LLC).

<u>Name & Address</u>	<u>% Owned</u>	<u>Term (From/Until)</u>

Item 6. Officers

List all of the business entity’s officers, including *de facto* officers (individuals with significant management responsibility whose titles do not reflect the nature of their positions).

<u>Name & Address</u>	<u>% Owned</u>

Item 7. Businesses Related to the Business Entity

List all corporations, partnerships, and other business entities in which this business entity has an ownership interest.

<u>Name & Address</u>	<u>Business Activities</u>	<u>% Owned</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

State which of these businesses, if any, has ever transacted business with the business entity _____

Item 8. Businesses Related to Individuals

List all corporations, partnerships, and other business entities in which the business entity’s principal stockholders, shareholders, owners, board members, managers, or officers (i.e., the individuals listed in Items 4 - 6 above) have an ownership interest.

<u>Individual’s Name</u>	<u>Business Name & Address</u>	<u>Business Activities</u>	<u>% Owned</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

State which of these businesses, if any, have ever transacted business with the business entity _____

Item 9. Related Individuals

List all related individuals with whom the business entity has had any business transactions during the three previous fiscal years and current fiscal year-to-date. A “related individual” is a spouse, sibling, parent, or child of the principal stockholders, shareholders, owners, board members, managers, and officers (i.e., the individuals listed in Items 4 - 6 above).

<u>Name and Address</u>	<u>Relationship</u>	<u>Business Activities</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

Item 10. Outside Accountants

List all outside accountants retained by the business entity during the last three years.

<u>Name</u>	<u>Firm Name</u>	<u>Address</u>	<u>CPA/PA?</u>

Item 11. Business Entity’s Recordkeeping

List all individuals within the business entity with responsibility for keeping the business entity’s financial books and records for the last three years.

<u>Name, Address, & Telephone Number</u>	<u>Position(s) Held</u>

Item 12. Attorneys

List all attorneys retained by the business entity during the last three years.

<u>Name</u>	<u>Firm Name</u>	<u>Address</u>

Item 13. Pending Lawsuits Filed by the Business Entity

List all pending lawsuits that have been filed by the business entity in court or before an administrative agency. (List lawsuits that resulted in final judgments or settlements in favor of the business entity in Item 25).

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Item 14. Current Lawsuits Filed Against the Business Entity

List all pending lawsuits that have been filed against the business entity in court or before an administrative agency. (List lawsuits that resulted in final judgments, settlements, or orders in Items 26 - 27).

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____
 Docket No. _____ Relief Requested _____ Nature of Lawsuit _____
 _____ Status _____

Item 15. Bankruptcy Information

List all state insolvency and federal bankruptcy proceedings involving the business entity.

Commencement Date _____ Termination Date _____ Docket No. _____
 If State Court: Court & County _____ If Federal Court: District _____
 Disposition _____

Item 16. Safe Deposit Boxes

List all safe deposit boxes, located within the United States or elsewhere, held by the business entity, or held by others for the benefit of the business entity. *On a separate page, describe the contents of each box.*

<u>Owner's Name</u>	<u>Name & Address of Depository Institution</u>	<u>Box No.</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

FINANCIAL INFORMATION

REMINDER: When an Item asks for information about assets or liabilities "held by the business entity," include **ALL** such assets and liabilities, located within the United States or elsewhere, held by the business entity or held by others for the benefit of the business entity.

Item 17. Tax Returns

List all federal and state business entity tax returns filed for the last three complete fiscal years. *Attach copies of all returns.*

<u>Federal/ State/Both</u>	<u>Tax Year</u>	<u>Tax Due Federal</u>	<u>Tax Paid Federal</u>	<u>Tax Due State</u>	<u>Tax Paid State</u>	<u>Preparer's Name</u>
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____

_____ \$ _____ \$ _____ \$ _____ \$ _____
 _____ \$ _____ \$ _____ \$ _____ \$ _____

Item 18. Financial Statements

List all financial statements that were prepared for the business entity’s last three complete fiscal years and for the current fiscal year-to-date. *Attach copies of all statements, providing audited statements if available.*

<u>Year</u>	<u>Balance Sheet</u>	<u>Profit & Loss Statement</u>	<u>Cash Flow Statement</u>	<u>Changes in Owner’s Equity</u>	<u>Audited?</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Item 19. Financial Summary

For each of the last three complete fiscal years and for the current fiscal year-to-date for which the business entity has not provided a profit and loss statement in accordance with Item 18 above, provide the following summary financial information.

	<u>Current Year-to-Date</u>	<u>1 Year Ago</u>	<u>2 Years Ago</u>	<u>3 Years Ago</u>
<u>Gross Revenue</u>	\$ _____	\$ _____	\$ _____	\$ _____
<u>Expenses</u>	\$ _____	\$ _____	\$ _____	\$ _____
<u>Net Profit After Taxes</u>	\$ _____	\$ _____	\$ _____	\$ _____
<u>Payables</u>	\$ _____			
<u>Receivables</u>	\$ _____			

Item 20. Cash, Bank, and Money Market Accounts

List cash and all bank and money market accounts, including but not limited to, checking accounts, savings accounts, and certificates of deposit, held by the business entity. The term “cash” includes currency and uncashed checks.

Cash on Hand \$ _____ Cash Held for the Business Entity’s Benefit \$ _____

<u>Name & Address of Financial Institution</u>	<u>Signator(s) on Account</u>	<u>Account No.</u>	<u>Current Balance</u>
_____	_____	_____	\$ _____

_____ \$

Item 21. Government Obligations and Publicly Traded Securities

List all U.S. Government obligations, including but not limited to, savings bonds, treasury bills, or treasury notes, held by the business entity. Also list all publicly traded securities, including but not limited to, stocks, stock options, registered and bearer bonds, state and municipal bonds, and mutual funds, held by the business entity.

Issuer _____ Type of Security/Obligation _____

No. of Units Owned _____ Current Fair Market Value \$ _____ Maturity Date _____

Issuer _____ Type of Security/Obligation _____

No. of Units Owned _____ Current Fair Market Value \$ _____ Maturity Date _____

Item 22. Real Estate

List all real estate, including leaseholds in excess of five years, held by the business entity.

Type of Property _____ Property's Location _____

Name(s) on Title and Ownership Percentages _____

Current Value \$ _____ Loan or Account No. _____

Lender's Name and Address _____

Current Balance On First Mortgage \$ _____ Monthly Payment \$ _____

Other Loan(s) (describe) _____ Current Balance \$ _____

Monthly Payment \$ _____ Rental Unit? _____ Monthly Rent Received \$ _____

Type of Property _____ Property's Location _____

Name(s) on Title and Ownership Percentages _____

Current Value \$ _____ Loan or Account No. _____

Lender's Name and Address _____

Current Balance On First Mortgage \$ _____ Monthly Payment \$ _____

Other Loan(s) (describe) _____ Current Balance \$ _____

Monthly Payment \$ _____ Rental Unit? _____ Monthly Rent Received \$ _____

Item 23. Other Assets

List all other property, by category, with an estimated value of \$2,500 or more, held by the business entity, including but not limited to, inventory, machinery, equipment, furniture, vehicles, customer lists, computer software, patents, and other intellectual property.

<u>Property Category</u>	<u>Property Location</u>	<u>Acquisition Cost</u>	<u>Current Value</u>
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____

Item 24. Trusts and Escrows

List all persons and other entities holding funds or other assets that are in escrow or in trust for the business entity.

<u>Trustee or Escrow Agent's Name & Address</u>	<u>Description and Location of Assets</u>	<u>Present Market Value of Assets</u>
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

Item 25. Monetary Judgments and Settlements Owed To the Business Entity

List all monetary judgments and settlements, recorded and unrecorded, owed to the business entity.

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Item 26. Monetary Judgments and Settlements Owed By the Business Entity

List all monetary judgments and settlements, recorded and unrecorded, owed by the business entity.

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Item 27. Government Orders and Settlements

List all existing orders and settlements between the business entity and any federal or state government entities.

Name of Agency _____ Contact Person _____
 Address _____ Telephone No. _____
 Agreement Date _____ Nature of Agreement _____

Item 28. Credit Cards

List all of the business entity's credit cards and store charge accounts and the individuals authorized to use them.

<u>Name of Credit Card or Store</u>	<u>Names of Authorized Users and Positions Held</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Item 29. Compensation of Employees

List all compensation and other benefits received from the business entity by the five most highly compensated employees, independent contractors, and consultants (other than those individuals listed in Items 5 and 6 above), for the two previous fiscal years and current fiscal year-to-date. "Compensation" includes, but is not limited to, salaries, commissions, consulting fees, bonuses, dividends, distributions, royalties, pensions, and profit sharing plans. "Other benefits" include, but are not limited to, loans, loan payments, rent, car payments, and insurance premiums, whether paid directly to the individuals, or paid to others on their behalf.

<u>Name/Position</u>	<u>Current Fiscal Year-to-Date</u>	<u>1 Year Ago</u>	<u>2 Years Ago</u>	<u>Compensation or Type of Benefits</u>
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____

Item 30. Compensation of Board Members, Officers, and Managers (if an LLC)

List all compensation and other benefits received from the business entity by each person listed in Items 5 and 6, for the current fiscal year-to-date and the two previous fiscal years. "Compensation" includes, but is not limited to, salaries, commissions, consulting fees, dividends, distributions, royalties, pensions, and profit sharing plans. "Other benefits" include, but are not limited to, loans, loan payments, rent, car payments, and insurance premiums, whether paid directly to the individuals, or paid to others on their behalf.

<u>Name/Position</u>	<u>Current Fiscal Year-to-Date</u>	<u>1 Year Ago</u>	<u>2 Years Ago</u>	<u>Compensation or Type of Benefits</u>
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____

Item 31. Transfers of Assets Including Cash and Property

List all transfers of assets over \$2,500 made by the business entity, other than in the ordinary course of business, during the previous three years, by loan, gift, sale, or other transfer.

<u>Transferee's Name, Address, & Relationship</u>	<u>Property Transferred</u>	<u>Aggregate Value</u>	<u>Transfer Date</u>	<u>Type of Transfer (e.g., Loan, Gift)</u>
_____	_____	\$ _____	_____	_____
_____	_____	\$ _____	_____	_____
_____	_____	\$ _____	_____	_____
_____	_____	\$ _____	_____	_____
_____	_____	\$ _____	_____	_____

