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FILED
 CLERK, U.S. DISTRICT COURT
 MAR 16 2015
 CENTRAL DISTRICT OF CALIFORNIA
 BY

UNITED STATES DISTRICT COURT
 CENTRAL DISTRICT OF CALIFORNIA

CV 15-01921-DDP(PJW)

17 FEDERAL TRADE COMMISSION,
 18)
 19 Plaintiff,
 20 v.
 21 FIRST TIME CREDIT SOLUTION,
 22 CORP., a California Corporation, also
 23 doing business as FTC CREDIT
 24 SOLUTIONS, 1st CONSUMER
 25 CREDIT USA, and DOCTOR de
 CRÉDITO;
 26
 27 GUILLERMO LEYES, individually
 and as an officer or manager of First
 28 Time Credit Solution, Corp.;

) Case No.
) [Proposed] EX PARTE
) TEMPORARY RESTRAINING
) ORDER WITH ASSET FREEZE,
) APPOINTMENT OF A
) TEMPORARY RECEIVER, AND
) OTHER EQUITABLE RELIEF, AND
) ORDER TO SHOW CAUSE WHY A
) PRELIMINARY INJUNCTION
) SHOULD NOT ISSUE
) (FILED UNDER SEAL)

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15 UNITED STATES DISTRICT COURT
 16 CENTRAL DISTRICT OF CALIFORNIA

17 FEDERAL TRADE COMMISSION,
 18)

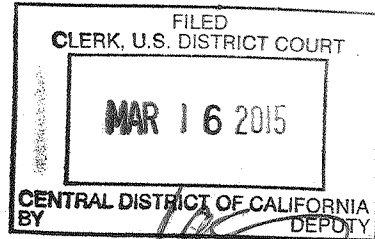
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20 v.

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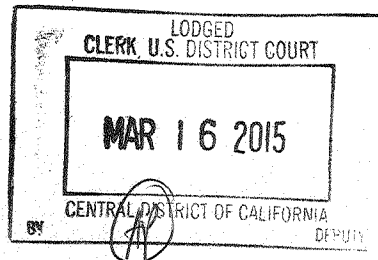
CY 15 - 01921 - DDP (PJW)



Case No.

) ~~Proposed~~ EX PARTE
) TEMPORARY RESTRAINING
) ORDER WITH ASSET FREEZE,
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) OTHER EQUITABLE RELIEF, AND
) ORDER TO SHOW CAUSE WHY A
) PRELIMINARY INJUNCTION
) SHOULD NOT ISSUE

) (FILED UNDER SEAL)



1 JIMENA PEREZ, individually and as)
 an officer or manager of First Time)
 2 Credit Solution, Corp.;)
 3)
 4 MARIA BERNAL, individually and)
 as an officer or manager of First Time)
 5 Credit Solution, Corp.; and)
 6)
 7 FERMIN CAMPOS, individually and)
 as an officer or manager of First Time)
 8 Credit Solution, Corp.,)
 9)
 Defendants.)

10
 11 Plaintiff, the Federal Trade Commission (“Commission”), has filed its
 12 Complaint for Permanent Injunction and Other Equitable Relief pursuant to
 13 Sections 13(b) and 19 of the Federal Trade Commission Act (“FTC Act”), 15
 14 U.S.C. §§ 53(b) and 57b, and Section 410(b) of the Credit Repair Organizations
 15 Act (“CROA”), 15 U.S.C. § 1679h(b) (Docket No. ____), and has moved, pursuant
 16 to Fed. R. Civ. P. 65(b), for a temporary restraining order, asset freeze, other
 17 equitable relief, and an order to show cause why a preliminary injunction should
 18 not issue against Defendants First Time Credit Solution, Corp., also doing business
 19 as FTC Credit Solutions, 1st Consumer Credit USA, and Doctor De Crédito;
 20 Guillermo Leyes, Jimena Perez; Maria Bernal; and Fermin Campos (Docket No.
 21 ____.)

22
 23 **FINDINGS OF FACT**

24 The Court, having considered the Complaint, the *ex parte* Motion for a
 25 Temporary Restraining Order, declarations, exhibits, and the memorandum of
 26 points and authorities filed in support thereof, and being otherwise advised, finds
 27 that:
 28

- 1 1. This Court has jurisdiction over the subject matter of this case, and there is
2 good cause to believe that it will have jurisdiction over all parties hereto and
3 that venue in this district is proper.
- 4 2. There is good cause to believe that Defendants have engaged in and are
5 likely to engage in acts or practices that violate Section 5(a) of the FTC Act,
6 15 U.S.C. § 45(a), and Section 404 of CROA, 15 U.S.C. § 1679b, and that
7 the Commission is therefore likely to prevail on the merits of this action.
- 8 3. Based on evidence set forth by the Commission, the Commission has
9 established a likelihood of success in showing that Defendants have violated
10 Section 5(a) of the FTC Act by making the following material
11 misrepresentations: (1) Defendants are affiliated with the Commission;
12 (2) Defendants can lawfully remove accurate, non-obsolete negative
13 information from consumers' credit reports; and (3) Defendants can
14 guarantee consumers a credit score of 700 or above within six months or
15 less.
- 16 4. The evidence also demonstrates that the Commission has established a
17 likelihood of success in showing that Defendants have violated Section
18 404(a)(3) of CROA by making the misrepresentations set forth in the
19 paragraph directly above in connection with Credit Repair Services, and also
20 violated Section 404(b) of CROA by charging or receiving money for Credit
21 Repair Services that Defendants agreed to perform before such services were
22 fully performed.
- 23 5. There is good cause to believe that immediate and irreparable harm will
24 result from Defendants' ongoing violations of the FTC Act and CROA
25 unless Defendants are restrained and enjoined by order of this Court.
- 26 6. There is good cause to believe that immediate and irreparable damage to the
27 Court's ability to grant effective final relief for consumers (including
28 monetary restitution, rescission, disgorgement or refunds) will occur from

1 the sale, transfer, destruction or other disposition or concealment by
2 Defendants of their Assets or records, if Defendants are provided with
3 advance notice of this Order. Therefore, in accordance with Fed. R. Civ. P.
4 65(b), the interests of justice require that this Order be granted without prior
5 notice to Defendants. Thus, there is good cause for relieving the
6 Commission of the duty to provide Defendants with prior notice of the its
7 Motion for a Temporary Restraining Order.

- 8 7. Good cause also exists for the appointment of a temporary receiver over the
9 Corporate Defendant First Time Credit Solution, Corp., also d/b/a FTC
10 Credit Solutions, 1st Consumer Credit USA, and Doctor De Crédito; the
11 freezing of Defendants' Assets; and the ancillary relief ordered below.
- 12 8. Weighing the equities and considering the Commission's likelihood of
13 ultimate success on the merits, a temporary restraining order with an asset
14 freeze, the appointment of a temporary receiver, and other equitable relief is
15 in the public interest.
- 16 9. No security is required of any agency of the United States for issuance of a
17 temporary restraining order. Fed. R. Civ. P. 65(c).

18 **DEFINITIONS**

19 For the purpose of this Order, the following definitions shall apply:

- 20 1. "Asset" means any legal or equitable interest in, right to, or claim to, any
21 real, personal, or intellectual property including, but not limited to, chattel,
22 goods, instruments, equipment, fixtures, general intangibles, effects,
23 leaseholds, contracts, mail or other deliveries, shares of stock, securities,
24 inventory, checks, notes, accounts, credits, receivables (as those terms are
25 defined in the Uniform Commercial Code), insurance policies, lines of
26 credit, cash, trusts (including asset protection trusts), lists of consumer
27 names and reserve funds or any other accounts associated with any payments
28 processed by, or on behalf of, any Defendant, including such reserve funds

1 held by payment processors, credit card processors, banks or other financial
2 institutions.

3 2. **“Corporate Defendant”** means First Time Credit Solution, Corp., also
4 d/b/a FTC Credit Solutions, 1st Consumer Credit USA, and Doctor De
5 Crédito, and its subsidiaries, affiliates, successors, and assigns.

6 3. **“Credit Repair Services”** means any service, in return for payment of
7 money or other valuable consideration, for the express or implied purpose
8 of: (1) improving any consumer’s credit record, credit history, or credit
9 rating; or (2) providing advice or assistance to any consumer with regard to
10 any activity or service the purpose of which is to improve a consumer’s
11 credit record, credit history, or credit rating.

12 4. **“Defendant(s)”** means the Corporate Defendant, Guillermo Leyes, Jimena
13 Perez, Maria Bernal, and Fermin Campos, individually, collectively, or in
14 any combination.

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

- 1 6. **“Person”** means a natural person, organization, or other legal entity,
2 including a corporation, limited liability company, partnership,
3 proprietorship, association, cooperative, government or governmental
4 subdivision or agency, or any other group or combination acting as an entity.
- 5 7. **“Commission”** means the Federal Trade Commission.
- 6 8. **“Receiver”** means the temporary receiver appointed in Section XII of this
7 Order and any deputy receivers that shall be named by the temporary
8 receiver.

9 **ORDER**

10 **I. BAN REGARDING CREDIT REPAIR SERVICES**

11 **IT IS HEREBY ORDERED** that Defendants are temporarily restrained and
12 enjoined from advertising, marketing, promoting, or offering for sale, or assisting
13 in the advertising, marketing, promoting, or offering for sale Credit Repair
14 Services, whether directly or through an intermediary.

15 **II. PROHIBITED BUSINESS ACTIVITIES**

16 **IT IS FURTHER ORDERED** that Defendants, Defendants’ officers,
17 agents, employees, and attorneys, and all other Persons in active concert or
18 participation with them, who receive actual notice of this Order by personal service
19 or otherwise, whether acting directly or indirectly, in connection with the
20 advertising, marketing, promoting, or offering for sale of any goods or services, are
21 temporarily restrained and enjoined from misrepresenting or assisting others in
22 misrepresenting, expressly or by implication, any material fact, including, but not
23 limited to:
24

1 A. That any Defendant or any other Person is affiliated with, licensed or
2 sponsored by, or otherwise connected to any person or government entity;

3 B. That any Defendant or any other Person can lawfully remove negative
4 information, including accurate and non-obsolete information, from a consumer's
5 credit reports;

6 C. That any Defendant or any other Person can increase a consumer's
7 credit score, or otherwise substantially improve a consumer's credit score; and

8 D. Any other fact material to consumers concerning any good or service,
9 such as: the total costs; any material restrictions, limitations, or conditions; or any
10 material aspect of its performance, efficacy, nature, or central characteristics.

11 **III. PROHIBITION ON RELEASE OF CUSTOMER INFORMATION**

12 **IT IS FURTHER ORDERED** that Defendants, Defendants' officers,
13 agents, employees, and attorneys, and all other Persons in active concert or
14 participation with any of them, who receive actual notice of this Order, whether
15 acting directly or indirectly, are hereby temporarily restrained and enjoined from
16 selling, renting, leasing, transferring, disclosing, using, or otherwise benefitting
17 from the name, address, telephone number, email address, credit card number,
18 bank account number, social security number, or other financial or identifying
19 information of any Person that any Defendant obtained prior to entry of this Order
20 in connection with any activity that pertains to the subject matter of this Order.

21 *Provided, however,* that Defendants may disclose such identifying information
22 to a law enforcement agency or as required by any law, regulation, or court order.

23 **IV. ASSET FREEZE**

24 **IT IS FURTHER ORDERED** that Defendants, Defendants' officers,
25 agents, employees, and attorneys, and all other Persons in active concert or
26 participation with any of them, who receive actual notice of this Order, whether
27 acting directly or indirectly, are hereby temporarily restrained and enjoined from:
28

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

- 7 1. owned, controlled or held, in whole or in part, by any Defendant;
- 8 2. held, in whole or in part, for the direct or indirect benefit of, any
9 Defendant;
- 10 3. in the actual or constructive possession of any Defendant;
- 11 4. held by an agent of any Defendant as a retainer for the agent's
12 provision of services to any Defendant;
- 13 5. owned or controlled by, or in the actual or constructive possession
14 of, or otherwise held for the benefit of, any corporation,
15 partnership, asset protection trust, or other entity that is directly or
16 indirectly owned, managed or controlled by any Defendant, or of
17 which any Defendant is an officer, director, member, or manager.
18 This includes any Assets held by, for, or subject to access by, any
19 Defendant at any bank or savings and loan institution, or with any
20 broker-dealer, escrow agent, title company, insurance company,
21 commodity trading company, precious metal dealer, payment
22 processor, credit card processor, acquiring bank, merchant bank,
23 independent sales organization, third party processor, payment
24 gateway or other financial institution or depository of any kind; or
- 25 6. held in any account for which any Defendant is, or was on the date
26 that this Order was signed, an authorized signor.

27 B. Opening or causing to be opened any safe deposit boxes, commercial
28 mail boxes, or storage facilities titled in the name of any Defendant, either

1 individually or jointly, or subject to access by any Defendant, except as necessary
2 to comply with written requests from the Receiver acting pursuant to its authority
3 under this Order;

4 C. Obtaining a personal or secured loan encumbering the Assets of any
5 Defendant, or subject to access by any Defendant;

6 D. Incurring liens or other encumbrances on real property, personal
7 property, or other Assets in the name, individually or jointly, of any Defendant or
8 of any corporation, partnership, or other entity directly or indirectly owned,
9 managed, or controlled by any Defendant; or

10 E. Incurring charges or cash advances on any credit or bank card issued
11 in the name, individually or jointly, of any Corporate Defendant or any
12 corporation, partnership, or other entity directly or indirectly owned, managed, or
13 controlled by any Defendant or of which any Defendant is an officer, director,
14 member, or manager. This includes any corporate bankcard or corporate credit
15 card account for which any Defendant is, or was on the date that this Order was
16 signed, an authorized signor.

17 F. Cashing any checks or depositing any money orders or cash received
18 from consumers, clients, or customers of any Defendant.

19 *Provided that* the Assets affected by this Section shall include: (1) all Assets
20 of Defendants as of the time this Order is entered; and (2) Assets obtained by
21 Defendants after this Order is entered if those Assets are derived from any activity
22 that is the subject of the Complaint in this matter or that is prohibited by this Order.

23 **V. DUTIES OF ASSET HOLDERS**

24 **IT IS FURTHER ORDERED** that any financial or brokerage institution,
25 credit card processor, payment processor, merchant bank, acquiring bank,
26 independent sales organization, third party processor, payment gateway, insurance
27 company, business entity, or Person served with a copy of this Order that (a) holds,
28 controls, or maintains custody of any account or Asset of any Defendant, (b) holds,

1 controls, or maintains custody of any Asset associated with credits, debits or
2 charges made on behalf of any Defendant, including reserve funds held by
3 payment processors, credit card processors, payment merchant banks, acquiring
4 banks, independent sales organizations, third party processors, payment gateways,
5 insurance companies, or other entities, or (c) has held, controlled, or maintained
6 custody of any such account or Asset at any time since the date of entry of this
7 Order shall:

8 A. Hold and retain within its control and prohibit the withdrawal,
9 removal, assignment, transfer, pledge, encumbrance, disbursement, dissipation,
10 relinquishment, conversion, sale, or other disposal of any such Assets, as well as
11 all Documents or other property related to such Assets, except by further order of
12 this Court;

13 B. Deny any Person, except the Receiver, access to any safe deposit box,
14 commercial mail box, or storage facility that is titled in the name of any Defendant,
15 either individually or jointly, or otherwise subject to access by any Defendant;

16 C. Provide Commission counsel and the Receiver, within five (5) days of
17 receiving a copy of this Order, a sworn statement setting forth:

- 18 1. The identification number of each account or Asset:
19 a) titled in the name, individually or jointly, of any Defendant;
20 b) held on behalf of, or for the benefit of, any Defendant; or
21 c) associated with credit or debit charges made on behalf of any
22 Defendant;
23 2. The balance of each such account, or a description of the nature
24 and value of each such Asset as of the close of business on the day
25 on which this Order is served, and, if the account or other Asset
26 has been closed or removed, the date closed or removed, the total
27 funds removed in order to close the account, and the name of the
28

1 Person or entity to whom such account or other Asset was
2 remitted; and

3 3. The identification of any safe deposit box, commercial mail box, or
4 storage facility that is either titled in the name, individually or
5 jointly, of any Defendant, or is otherwise subject to access by any
6 Defendant; and

7 D. Upon the request of Commission counsel or the Receiver, promptly
8 provide Commission counsel and the Receiver with copies of all records or other
9 Documents pertaining to such account or Asset, including originals or copies of
10 account applications, account statements, signature cards, checks, drafts, deposit
11 tickets, transfers to and from the accounts, including wire transfers and wire
12 transfer instructions, all other debit and credit instruments or slips, currency
13 transaction reports, 1099 forms, and all logs and records pertaining to safe deposit
14 boxes, commercial mail boxes, and storage facilities.

15 **VI. FINANCIAL DISCLOSURES**

16 **IT IS FURTHER ORDERED** that each Defendant, within five (5) days of
17 service of this Order upon them, shall prepare and deliver to Commission counsel
18 and the Receiver:

19 A. Completed financial statements on the forms attached to this Order as
20 **Attachment A** (Financial Statement of Individual Defendant) for themselves
21 individually, and **Attachment B** (Financial Statement of Corporate Defendant) for
22 each business entity under which they conduct business or of which they are an
23 officer, and for each trust for which any Defendant is a trustee. The financial
24 statements shall be accurate as of the date of entry of this Order and signed under
25 penalty of perjury. Each Defendant shall include in the financial statements a full
26 accounting of all funds and Assets, whether located inside or outside of the United
27 States, that are: (a) titled in the name of such Defendant, jointly, severally, or
28 individually; (b) held by any Person or entity for the benefit of such Defendant; or

1 (c) under the direct or indirect control of such Defendant. Defendants shall attach
2 to these completed financial statements copies of all local, state, provincial, and
3 federal income and property tax returns, with attachments and schedules, as called
4 for by the instructions to the financial statements; and

5 B. A completed IRS Form 4506, appended to this Order as **Attachment**
6 **C**, requesting tax returns for the past three years (2012-2014) be sent to
7 Commission counsel at the following address:

8 Dotan Weinman
9 Rhonda Perkins
10 Federal Trade Commission
11 600 Pennsylvania Avenue NW
12 Mail Stop CC-8528
13 Washington, DC 20580
14 Fax No.: (202) 326-3395

15 **VII. FOREIGN ASSET REPATRIATION**

16 **IT IS FURTHER ORDERED** that within five (5) days following the
17 service of this Order, each Defendant shall:

18 A. Provide Commission counsel and the Receiver with a full accounting,
19 verified under oath and accurate as of the date of this Order, of all funds,
20 Documents, and Assets outside of the United States which are: (1) titled in the
21 name, individually or jointly, of any Defendant; or (2) held by any person or entity
22 for the benefit of any Defendant; or (3) under the direct or indirect control, whether
23 jointly or singly, of any Defendant;

24 B. Provide Commission counsel and Receiver access to all records of
25 accounts or Assets of any Defendant held by financial institutions located outside
26 the territorial United States by signing the Consent to Release of Financial Records
27 appended to this Order as **Attachment D**.

28 C. Transfer to the territory of the United States and deliver to the
Receiver all funds, Documents, and Assets located in foreign countries which are:
(1) titled in the name individually or jointly of any Defendant; or (2) held by any

1 Person or entity, for the benefit of any Defendant; or (3) under the direct or indirect
2 control of any Defendant, whether jointly or singly; and

3 D. The same business day as any repatriation, (1) notify Commission
4 counsel of the name and location of the financial institution or other entity that is
5 the recipient of such funds, Documents, or Assets; and (2) serve this Order on any
6 such financial institution or other entity.

7 **VIII. INTERFERENCE WITH REPATRIATION**

8 **IT IS FURTHER ORDERED** that Defendants, Defendants' officers,
9 agents, employees, and attorneys, and all other Persons in active concert or
10 participation with any of them, who receive actual notice of this Order, whether
11 acting directly or indirectly, are hereby temporarily restrained and enjoined from
12 taking any action, directly or indirectly, which may result in the encumbrance or
13 dissipation of foreign Assets, or in the hindrance of the repatriation required by this
14 Order, including, but not limited to:

15 A. Sending any statement, letter, fax, email or wire transmission, or
16 telephoning or engaging in any other act, directly or indirectly, that results in a
17 determination by a foreign trustee or other entity that a "duress" event has occurred
18 under the terms of a foreign trust agreement until such time that all Defendants'
19 Assets have been fully repatriated pursuant to this Order; or

20 B. Notifying any trustee, protector or other agent of any foreign trust or
21 other related entities of either the existence of this Order, or of the fact that
22 repatriation is required pursuant to a court order, until such time that all
23 Defendants' Assets have been fully repatriated pursuant to this Order.

24 **IX. CONSUMER CREDIT REPORTS**

25 **IT IS FURTHER ORDERED** that any consumer reporting agency served
26 with this Order shall:
27
28

XI. REPORT OF NEW BUSINESS ACTIVITY

IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents, employees, and attorneys, and all other Persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, are hereby temporarily restrained and enjoined from creating, operating, or exercising any control over any new business entity, whether newly formed or previously inactive, including any partnership, limited partnership, joint venture, sole proprietorship, or corporation, without first providing Commission counsel with a written statement disclosing: (1) the name of the business entity; (2) the address and telephone number of the business entity; (3) the names of the business entity's officers, directors, principals, managers, and employees; and (4) a detailed description of the business entity's intended activities.

XII. APPOINTMENT OF TEMPORARY RECEIVER

IT IS FURTHER ORDERED that Stephen J. Donell is appointed Receiver for the Corporate Defendant and any of its affiliates, subsidiaries, divisions, or telephone sales or customer service operations, wherever located, with the full power of an equity receiver. The Receiver shall be the agent of this Court, and solely the agent of this Court, in acting as Receiver under this Order. The Receiver shall be accountable directly to this Court.

XIII. RECEIVER'S DUTIES AND AUTHORITIES

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

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

1 Corporate Defendant;

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

14 C. Take all steps necessary to secure and take exclusive custody of each
15 location from which the Corporate Defendant operate its businesses. Such steps
16 may include, but are not limited to, any of the following, as the Receiver deems
17 necessary or advisable: (1) serving this Order; (2) completing a written inventory
18 of all the Corporate Defendant's Assets; (3) obtaining pertinent information from
19 all employees and other agents of the Corporate Defendant, including the name,
20 home address, social security number, job description, company history, passwords
21 or access codes, method of compensation, and all accrued and unpaid commissions
22 and compensation of each such employee or agent; (4) photographing and
23 videotaping any or all portions of the location; (5) securing the location by
24 changing the locks and disconnecting any internet access or other means of access
25 to the computers, internet or records maintained at that location; and (6) requiring
26 any Persons present on the premises at the time this Order is served to leave the
27 premises, to provide the Receiver with proof of identification, or to demonstrate to
28

1 the satisfaction of the Receiver that such Persons are not removing from the
2 premises Documents or Assets of the Corporate Defendant;

3 D. Law enforcement personnel, including police, sheriffs, or U.S. postal
4 inspectors, may assist the Receiver in implementing these provisions in order to
5 keep the peace and maintain security. If requested by the Receiver, the United
6 States Marshal will provide appropriate and necessary assistance to the Receiver to
7 implement this Order and is authorized to use any necessary and reasonable force
8 to do so;

9 E. Conserve, hold, and manage all Assets of the Corporate Defendant,
10 and perform all acts necessary or advisable to preserve the value of those Assets in
11 order to prevent any irreparable loss, damage, or injury to consumers or creditors
12 of the Corporate Defendant, including determining the available Assets and
13 preventing the unauthorized transfer, withdrawal, or misapplication of Assets;

14 F. Enter into and cancel contracts, and purchase insurance as advisable
15 or necessary;

16 G. Prevent the inequitable distribution of Assets and determine, adjust,
17 and protect the interests of consumers and creditors who have transacted business
18 with the Corporate Defendant;

19 H. Manage and administer the business of the Corporate Defendant until
20 further order of this Court by performing all incidental acts that the Receiver
21 deems to be advisable or necessary, which includes retaining, hiring, or dismissing
22 any employees, independent contractors, or agents;

23 I. Suspend business operations of the Corporate Defendant if, in the
24 judgment of the Receiver, such operations cannot be continued legally or
25 profitably;

26 J. Prevent the destruction or erasure of any web page or website
27 registered to and operated, in whole or in part, by the Corporate Defendant;

28

1 K. Take all steps necessary to ensure that any of the Corporate
2 Defendant's web pages or websites relating to Credit Repair Services, including,
3 but not limited to, ftccreditsolutions.com, ftccreditsolutions.org, drdecredito.com,
4 and doctordecredito.org, cannot be accessed by the public;

5 L. Choose, engage, and employ attorneys, accountants, appraisers, and
6 other independent contractors and technical specialists, as the Receiver deems
7 advisable or necessary in the performance of duties and responsibilities under the
8 authority granted by this Order;

9 M. Make payments and disbursements from the receivership estate that
10 are necessary or advisable for carrying out the directions of, or exercising the
11 authority granted by, this Order. The Receiver shall apply to the Court for prior
12 approval of any payment of any debt or obligation incurred by the Corporate
13 Defendant prior to the date of entry of this Order, except payments that the
14 Receiver deems necessary or advisable to secure Assets of the Corporate
15 Defendant, such as rental payments;

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

22 O. Defend, compromise, adjust, or otherwise dispose of any or all actions
23 or proceedings instituted in the past or in the future against the Receiver in his role
24 as Receiver, or against the Corporate Defendant, as the Receiver deems necessary
25 and advisable to preserve the Assets of the Corporate Defendant, or as the Receiver
26 deems necessary and advisable to carry out the Receiver's mandate under this
27 Order;

28

1 P. Issue subpoenas to obtain Documents and records pertaining to the
2 receivership, and conduct discovery in this action on behalf of the receivership
3 estate;

4 Q. Open one or more bank accounts as designated depositories for funds
5 of the Corporate Defendant. The Receiver shall deposit all funds of the Corporate
6 Defendant in such a designated account and shall make all payments and
7 disbursements from the receivership estate from such an account. The Receiver
8 shall serve copies of monthly account statements on all parties;

9 R. Maintain accurate records of all receipts and expenditures incurred as
10 Receiver;

11 S. Cooperate with reasonable requests for information or assistance from
12 any state or federal law enforcement agency; and

13 T. File timely reports with the Court at reasonable intervals, or as
14 otherwise directed by the Court.

15 **XIV. TRANSFER OF RECEIVERSHIP PROPERTY TO RECEIVER**

16 **IT IS FURTHER ORDERED** that Defendants, Defendants' officers,
17 agents, employees, and attorneys, and all other Persons in active concert or
18 participation with any of them, who receive actual notice of this Order, and any
19 other Person with possession, custody or control of property or of records relating
20 to the Corporate Defendant shall upon notice of this Order by personal service or
21 otherwise immediately notify the Receiver of, and, upon receiving a request from
22 the Receiver, immediately transfer or deliver to the Receiver possession, custody,
23 and control of, the following:

24 A. All Assets of the Corporate Defendant;

25 B. All Documents of the Corporate Defendant, including books and
26 records of accounts, all financial and accounting records, balance sheets, income
27 statements, bank records (including monthly statements, canceled checks, records
28

1 of wire transfers, and check registers), client lists, title Documents and other
2 papers;

3 C. All computers, electronic devices, machines, and data in whatever
4 form used to conduct the business of the Corporate Defendant;

5 D. All Assets and Documents belonging to other Persons or entities
6 whose interests are under the direction, possession, custody, or control of the
7 Corporate Defendant; and

8 E. All keys, codes, user names and passwords necessary to gain or to
9 secure access to any Assets or Documents of the Corporate Defendant, including
10 access to their business premises, means of communication, accounts, computer
11 systems, or other property.

12 In the event that any Person or entity fails to deliver or transfer any Asset or
13 Document, or otherwise fails to comply with any provision of this Section, the
14 Receiver may file *ex parte* an Affidavit of Non-Compliance regarding the failure.
15 Upon filing of the affidavit, the Court may authorize, without additional process or
16 demand, Writs of Possession or Sequestration or other equitable writs requested by
17 the Receiver. The writs shall authorize and direct the United States Marshal or any
18 sheriff or deputy sheriff of any county, or any other federal or state law
19 enforcement officer, to seize the Asset, Document, or other item covered by this
20 Section and to deliver it to the Receiver.

21 **XV. PROVISION OF INFORMATION TO RECEIVER**

22 **IT IS FURTHER ORDERED** that Defendants shall provide to the
23 Receiver, immediately upon request, the following:

24 A. A list of all Assets and property, including accounts, of the Corporate
25 Defendant that are held in any name other than the name of the Corporate
26 Defendant, or by any Person or entity other than the Corporate Defendant; and
27
28

1 B. A list of all agents, employees, officers, or those Persons in active
2 concert and participation with Defendants, who have been associated with or done
3 business with the Corporate Defendant.

4 **XVI. COOPERATION WITH THE RECEIVER**

5 **IT IS FURTHER ORDERED** that Defendants, Defendants' officers,
6 agents, employees, and attorneys, and all other Persons in active concert or
7 participation with any of them, who receive actual notice of this Order, and any
8 other Person served with a copy of this Order shall fully cooperate with and assist
9 the Receiver in taking and maintaining possession, custody, or control of the
10 Assets of the Corporate Defendant. This cooperation and assistance shall include,
11 but is not limited to, providing information to the Receiver that the Receiver deems
12 necessary to exercise the authority and discharge the responsibilities of the
13 Receiver under this Order; providing any password required to access any
14 computer, electronic file, or telephonic data in any medium; advising all Persons
15 who owe money to the Corporate Defendant that all debts should be paid directly
16 to the Receiver; and transferring funds at the Receiver's direction and producing
17 records related to the Assets and sales of the Corporate Defendant. The entities
18 obligated to cooperate with the Receiver under this provision include, but are not
19 limited to, banks, broker-dealers, savings and loans, escrow agents, title
20 companies, commodity trading companies, precious metals dealers, credit card
21 processors, payment processors, merchant banks, acquiring banks, independent
22 sales organizations, third party processors, payment gateways, insurance
23 companies and other financial institutions and depositories of any kind, as well as
24 all common carriers, telecommunications companies and third-party billing agents.

25 **XVII. INTERFERENCE WITH THE RECEIVER**

26 **IT IS FURTHER ORDERED** that Defendants, Defendants' officers,
27 agents, employees, attorneys, and all other Persons in active concert or
28

1 participation with any of them, who receive actual notice of this Order, and their
2 corporations, subsidiaries, divisions, or affiliates, are hereby restrained and
3 enjoined from directly or indirectly:

4 A. Interfering with the Receiver's efforts to manage, or take custody,
5 control, or possession of, the Assets or Documents subject to the receivership;

6 B. Transacting any of the business of the Corporate Defendant;

7 C. Transferring, receiving, altering, selling, encumbering, pledging,
8 assigning, liquidating, or otherwise disposing of any Assets owned, controlled, or
9 in the possession or custody of, or in which an interest is held or claimed by, the
10 Corporate Defendant or the Receiver; and

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

14 **XVIII. STAY OF ACTIONS AGAINST CORPORATE DEFENDANT**

15 **IT IS FURTHER ORDERED** that, except by leave of this Court, during
16 the pendency of the receivership ordered herein, Defendants, Defendants' officers,
17 agents, employees, attorneys, and all other Persons in active concert or
18 participation with any of them, who receive actual notice of this Order, and their
19 corporations, subsidiaries, divisions, or affiliates, and all investors, creditors,
20 stockholders, lessors, customers and other Persons seeking to establish or enforce
21 any claim, right, or interest against or on behalf of Defendants, and all others
22 acting for or on behalf of such Persons, are hereby enjoined from taking action that
23 would interfere with the exclusive jurisdiction of this Court over the Assets or
24 Documents of the Corporate Defendant, including, but not limited to:

25 A. Filing or assisting in the filing of a petition for relief under the
26 Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, or of any similar insolvency proceeding
27 on behalf of the Corporate Defendant;

28 B. Commencing, prosecuting, or continuing a judicial, administrative, or

1 other action or proceeding against the Corporate Defendant, including the issuance
2 or employment of process against the Corporate Defendant, except that such
3 actions may be commenced if necessary to toll any applicable statute of
4 limitations;

5 C. Filing or enforcing any lien on any asset of the Corporate Defendant,
6 taking or attempting to take possession, custody, or control of any Asset of the
7 Corporate Defendant; or attempting to foreclose, forfeit, alter, or terminate any
8 interest in any Asset of the Corporate Defendant, whether such acts are part of a
9 judicial proceeding, are acts of self-help, or otherwise; or

10 D. Initiating any other process or proceeding that would interfere with
11 the Receiver managing or taking custody, control, or possession of, the Assets or
12 Documents subject to the receivership.

13 *Provided that*, this Order does not stay: (1) the commencement or
14 continuation of a criminal action or proceeding; (2) the commencement or
15 continuation of an action or proceeding by a governmental unit to enforce such
16 governmental unit's police or regulatory power; or (3) the enforcement of a
17 judgment, other than a money judgment, obtained in an action or proceeding by a
18 governmental unit to enforce such governmental unit's police or regulatory power.

19 **XIX. COMPENSATION OF RECEIVER**

20 **IT IS FURTHER ORDERED** that the Receiver and all personnel hired by
21 the Receiver as herein authorized, including counsel to the Receiver and
22 accountants, are entitled to reasonable compensation for the performance of duties
23 pursuant to this Order and for the cost of actual out-of-pocket expenses incurred by
24 them, from the Assets now held by, in the possession or control of, or which may
25 be received by, the Corporate Defendant. The Receiver shall file with the Court
26 and serve on the parties periodic requests for the payment of such reasonable
27 compensation, with the first such request filed no more than sixty (60) days after
28

1 the date of entry of this Order. The Receiver shall not increase the hourly rates
2 used as the bases for such fee applications without prior approval of the Court.

3 **XX. RECEIVER'S BOND**

4 **IT IS FURTHER ORDERED** that the Receiver shall file with the Clerk of
5 this Court a bond in the sum of \$ 50,000.00 with sureties to be approved
6 by the Court, conditioned that the Receiver will well and truly perform the duties
7 of the office and abide by and perform all acts the Court directs. 28 U.S.C. § 754.

8 **XXI. ACCESS TO BUSINESS PREMISES AND RECORDS**

9 **IT IS FURTHER ORDERED** that:

10 A. In order to allow the Commission and the Receiver to preserve Assets
11 and evidence relevant to this action and to expedite discovery, the Commission and
12 the Receiver, and their representatives, agents, contractors, and assistants, shall
13 have immediate access to the business premises and storage facilities, owned,
14 controlled, or used by the Corporate Defendant. Such locations include, but are
15 not limited to, 4255 E. Florence Avenue, Bell, California 90201, and any offsite
16 location or commercial mailbox used by the Corporate Defendant;

17 B. The Commission and the Receiver, and their representatives, agents,
18 contractors, and assistants, are authorized to remove Documents from the
19 Corporate Defendant's premises in order that they may be inspected, inventoried,
20 and copied for the purpose of preserving discoverable material in connection with
21 this action. The Commission shall return any removed materials to the Receiver
22 within five (5) business days of completing inventorying and copying, or such time
23 as is agreed upon by the Commission and the Receiver;

24 C. The Commission and the Receiver, and their representatives, agents,
25 contractors, and assistants, are authorized to obtain the assistance of the U.S.
26 Marshal's office, U.S. Postal Inspection Service, and other federal, state and local
27

1 law enforcement officers as they deem necessary to effect service and to
2 implement peacefully the provisions of this Order;

3 D. The Receiver shall allow Defendants reasonable access to the
4 premises and business records of the Corporate Defendant within his possession
5 for the purpose of inspecting and copying materials relevant to this action. The
6 Receiver shall have the discretion to determine the time, manner, and reasonable
7 conditions of such access; and

8 E. If any Documents, computers, or electronic storage devices containing
9 information related to the business practices or finances of the Corporate
10 Defendant are at a location other than those listed herein, including personal
11 residence(s) of any Defendant, then, immediately upon receiving notice of this
12 order, Defendants shall produce to the Receiver all such Documents, computers,
13 and electronic storage devices, along with any codes or passwords needed for
14 access. In order to prevent the destruction of computer data, upon service of this
15 Order upon Defendants, any such computers or electronic storage devices shall be
16 powered down in the normal course of the operating system used on such devices
17 and shall not be powered up or used until produced for copying and inspection.

18 **XXII. DISTRIBUTION OF ORDER BY DEFENDANTS**

19 **IT IS FURTHER ORDERED** that Defendants shall immediately provide a
20 copy of this Order to each affiliate, telemarketer, marketer, sales entity, successor,
21 assign, member, officer, director, employee, agent, independent contractor, client,
22 attorney, spouse, subsidiary, division, and representative of any Defendant, and
23 shall, within ten (10) days from the date of entry of this Order, and provide the
24 Commission and the Receiver with a sworn statement that this provision of the
25 Order has been satisfied, which statement shall include the names, physical
26 addresses, phone number, and email addresses of each such person or entity who
27 received a copy of the Order. Furthermore, Defendants shall not take any action
28 that would encourage officers, agents, members, directors, employees,

1 salespersons, independent contractors, attorneys, subsidiaries, affiliates,
2 successors, assigns or other persons or entities in active concert or participation
3 with them to disregard this Order or believe that they are not bound by its
4 provisions.

5 **XXIII. EXPEDITED DISCOVERY**

6 **IT IS FURTHER ORDERED** that, notwithstanding the provisions of the
7 Fed. R. Civ. P. 26(d) and (f) and 30(a)(2)(c), and pursuant to Fed. R. Civ. P. 30(a),
8 34, and 45, the Commission is granted leave, at any time after service of this
9 Order, to conduct limited expedited discovery for the purpose of discovering the:
10 (1) nature, location, status, and extent of Defendants' Assets, (2) nature, location,
11 and extent of Defendants' businesses, marketing, business transactions, and
12 operations, (3) the telecommunications providers that Defendants utilize to conduct
13 the practices alleged in the Complaint; or (4) compliance with this Order. The
14 limited expedited discovery set forth in this Section shall proceed as follows:

15 A. The Commission and the Receiver may take the deposition of parties
16 and non-parties. Forty-eight (48) hours notice shall be sufficient notice for such
17 depositions. The limitations and conditions set forth in Rules 30(a)(2)(B) and
18 31(a)(2)(B) of the Federal Rules of Civil Procedure regarding subsequent
19 depositions of an individual shall not apply to depositions taken pursuant to this
20 Section. Any such deposition taken pursuant to this Section shall not be counted
21 towards the deposition limit set forth in Rules 30(a)(2)(A) and 31(a)(2)(A) and
22 depositions may be taken by telephone or other remote electronic means;

23 B. The Commission and the Receiver may serve upon parties requests for
24 production of Documents or inspection that require production or inspection within
25 five (5) days of service, provided that three (3) days of notice shall be deemed
26 sufficient for the production of any such Documents that are maintained or stored
27 only in an electronic format. The Commission and the Receiver may serve
28

1 subpoenas upon non-parties that direct production or inspection within five (5)
2 days of service;

3 C. Service of discovery upon a party to this action, taken pursuant to this
4 Section, shall be sufficient if made by facsimile, email, or by overnight delivery;

5 D. Any expedited discovery taken pursuant to this Section is in addition
6 to, and is not subject to, the limits on discovery set forth in the Federal Rules of
7 Civil Procedure and the Local Rules of this Court. The expedited discovery
8 permitted by this Section does not require a meeting or conference of the parties,
9 pursuant to Rules 26(d) & (f) of the Federal Rules of Civil Procedure;

10 E. If a Defendant fails to appear for a properly noticed deposition or fails
11 to comply with a request for production or inspection, that Defendant may be
12 prohibited from introducing evidence at the hearing on the Commission's request
13 for a preliminary injunction; and

14 F. The Parties are exempted from making initial disclosures under Fed.
15 R. Civ. P. 26(a)(1) until further order of this Court.

16 **XXIV. SERVICE OF THIS ORDER**

17 **IT IS FURTHER ORDERED** that copies of this Order as well as the
18 Motion for Temporary Restraining Order and all other pleadings, Documents, and
19 exhibits filed contemporaneously with that Motion (other than the complaint and
20 summons), may be served by any means, including facsimile transmission,
21 electronic mail or other electronic messaging, personal or overnight delivery, U.S.
22 Mail or FedEx, by agents and employees of Plaintiff, by any law enforcement
23 agency, or by private process server, upon any Defendant or any Person (including
24 any financial institution) that may have possession, custody or control of any
25 property, property right, Document, or Asset of any Defendant, or that may be
26 subject to any provision of this Order pursuant to Rule 65(d)(2) of the Federal
27 Rules of Civil Procedure. For purposes of this Section, service upon any branch,
28 subsidiary, affiliate or office of any entity shall effect service upon the entire

1 entity. This Order shall bind Persons (including entities) that may be subject to
2 any provision of this Order pursuant to Rule 65(d)(2) of the Federal Rules of Civil
3 Procedure upon such Person's receipt of actual notice, by personal service or
4 otherwise, of this Order.

5 **XXV. CORRESPONDENCE AND SERVICE ON THE COMMISSION**

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

8 Dotan Weinman
9 Rhonda Perkins
10 Federal Trade Commission
11 600 Pennsylvania Avenue NW
12 Mail Stop CC-8528
13 Washington, DC 20580
14 dweinman@ftc.gov; rperkins@ftc.gov
15 Fax No.: (202) 326-3395
16 (202) 326-3049 (Weinman); (202) 326-3222 (Perkins)

15 **XXVI. PRELIMINARY INJUNCTION HEARING**

16 **IT IS FURTHER ORDERED** that, pursuant to Fed. R. Civ. P. 65(b),
17 Defendants shall appear before this Court on the 26th day of
18 March, 2015, at 3:00 p.m., to show cause, if there is any, why
19 this Court should not enter a preliminary injunction, pending final ruling on the
20 Complaint against Defendants, enjoining the violations of the law alleged in the
21 Complaint, continuing the freeze of their Assets, continuing the receivership, and
22 imposing such additional relief as may be appropriate.

23 **XXVII. BRIEFS AND AFFIDAVITS CONCERNING**
24 **PRELIMINARY INJUNCTION**

25 **IT IS FURTHER ORDERED** that:

26 A. The Defendants shall file with the Court and serve on Commission
27 counsel any answering pleadings, affidavits, motions, expert reports or
28

1 declarations, or legal memoranda no later than seven (7) days prior to the order to
2 show cause hearing scheduled pursuant to this Order. The Commission may file
3 responsive or supplemental pleadings, materials, affidavits, or memoranda with the
4 Court and serve the same on counsel for Defendants no later than one (1) day prior
5 to the order to show Cause hearing. *Provided that* such affidavits, pleadings,
6 motions, expert reports, declarations, legal memoranda or oppositions must be
7 served by personal or overnight delivery, facsimile or email, and be *received* by the
8 other party or parties no later than 5:00 p.m. (Pacific Daylight Time) on the
9 appropriate dates set forth in this Section.

10 B. An evidentiary hearing on the Commission's request for a preliminary
11 injunction is not necessary unless Defendants demonstrate that they have, and
12 intend to introduce, evidence that raises a genuine and material factual issue. *See,*
13 *e.g., Charlton v. Estate of Charlton*, 841 F.2d 988, 989 (9th Cir. 1998). The
14 question of whether this Court should enter a preliminary injunction shall be
15 resolved on the pleadings, declarations, exhibits, and memoranda filed by, and oral
16 argument of, the parties. Live testimony shall be heard only on further order of
17 this Court. Any motion to permit such testimony shall be filed with the Court and
18 served on counsel for the other parties at least five (5) days prior to the preliminary
19 injunction hearing in this matter. Such motion shall set forth the name, address,
20 and telephone number of each proposed witness, a detailed summary or affidavit
21 revealing the substance of each proposed witness's expected testimony, and an
22 explanation of why the taking of live testimony would be helpful to this Court.
23 Any papers opposing a timely motion to present live testimony or to present live
24 testimony in response to another party's timely motion to present live testimony
25 shall be filed with this Court and served on the other parties at least three (3) days
26 prior to the order to show cause hearing.

27 *Provided that* service shall be performed by personal or overnight delivery,
28 facsimile or email, and Documents shall be delivered so that they shall be *received*

1 by the other parties no later than 5:00 p.m. (Pacific Daylight Time) on the
2 appropriate dates provided in this Section.

3 **XXVIII. DURATION OF THE ORDER**

4 **IT IS FURTHER ORDERED** that this Order shall expire fourteen (14)
5 days from the date of entry noted below, unless within such time, the Order is
6 extended for an additional period pursuant to Fed. R. Civ. P. 65(b)(2).*

7 **XXIX. RETENTION OF JURISDICTION**

8 **IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of this
9 matter for all purposes.
10

11
12 **SO ORDERED**, this 16th day of March, 2015, at
13 3:07p.m.

14
15 
16 _____
17 UNITED STATES DISTRICT JUDGE

18
19 * Including any stipulated extension to
20 accommodate a modified briefing schedule
21 and/or preliminary injunction hearing.
22
23
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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 device 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: () Fax: ()	Date of Birth: / / (mm/dd/yyyy)
	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: Y-T-D & 5 Prior Yrs.	
	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: Y-T-D & 5 Prior Yrs.	
	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: Y-T-D & 5 Prior Yrs.	
	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 all 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		
			\$	\$	\$
				\$	\$
			\$	\$	\$
				\$	\$
			\$	\$	\$
				\$	\$
			\$	\$	\$
				\$	\$

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	
		Current Balance \$	Monthly Rent Received \$
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	
		Current Balance \$	Monthly Rent Received \$
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 22	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	\$	Mortgage or Rental Payments for Residence(s)	\$
Source:			
Fees, Commissions, and Royalties	\$	Property Taxes for Residence(s)	\$
Source:			
Interest	\$	Rental Property Expenses, Including Mortgage Payments, Taxes, and Insurance	\$
Source:			
Dividends and Capital Gains	\$	Car or Other Vehicle Lease or Loan Payments	\$
Source:			
Gross Rental Income	\$	Food Expenses	\$
Source:			
Profits from Sole Proprietorships	\$	Clothing Expenses	\$
Source:			
Distributions from Partnerships, S-Corporations, and LLCs	\$	Utilities	\$
Source:			

Initials: _____

Item 26. 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 27. Documents Attached to this Financial Statement

List all documents that are being submitted with this financial statement. For any Item 24 documents that are not attached, explain why.

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 CORPORATE 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. The font size within each field will adjust automatically as you type to accommodate longer responses.
3. In completing this financial statement, "the corporation" refers not only to this corporation but also to each of its predecessors that are not named defendants in this action.
4. When an Item asks for information about assets or liabilities "held by the corporation," include ALL such assets and liabilities, located within the United States or elsewhere, held by the corporation or held by others for the benefit of the corporation.
5. 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.
6. Type or print legibly.
7. 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

Corporation'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 _____

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

Corporation's Present Status: Active _____ Inactive _____ Dissolved _____

If Dissolved: Date dissolved _____ By Whom _____

Reasons _____

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

Item 3. Registered Agent

Name of Registered Agent _____

Address _____ Telephone No. _____

Item 4. Principal Stockholders

List all persons and entities that own at least 5% of the corporation's stock.

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

Item 5. Board Members

List all members of the corporation's Board of Directors.

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

Item 6. Officers

List all of the corporation'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 Corporation

List all corporations, partnerships, and other business entities in which this corporation 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 corporation _____

Item 8. Businesses Related to Individuals

List all corporations, partnerships, and other business entities in which the corporation's principal stockholders, board members, 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 corporation _____

Item 9. Related Individuals

List all related individuals with whom the corporation 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, board members, 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 corporation during the last three years.

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

Item 11. Corporation's Recordkeeping

List all individuals within the corporation with responsibility for keeping the corporation'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 corporation during the last three years.

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

Item 13. Pending Lawsuits Filed by the Corporation

List all pending lawsuits that have been filed by the corporation in court or before an administrative agency. (List lawsuits that resulted in final judgments or settlements in favor of the corporation 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 _____

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 Corporation

List all pending lawsuits that have been filed against the corporation 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 _____

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 corporation.

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 corporation, or held by others for the benefit of the corporation. *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 corporation,” include **ALL** such assets and liabilities, located within the United States or elsewhere, held by the corporation or held by others for the benefit of the corporation.

Item 17. Tax Returns

List all federal and state corporate 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 corporation'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 corporation 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 corporation. The term "cash" includes currency and uncashed checks.

Cash on Hand \$ _____ Cash Held for the Corporation'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 corporation. 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 corporation.

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 corporation.

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 corporation, 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 corporation.

<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 Corporation

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

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 Corporation

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

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 corporation 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 corporation's credit cards and store charge accounts and the individuals authorized to use them.

Name of Credit Card or Store

Names of Authorized Users and Positions Held

Item 29. Compensation of Employees

List all compensation and other benefits received from the corporation 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 and Officers

List all compensation and other benefits received from the corporation 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 corporation, 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>
		\$		
		\$		
		\$		
		\$		
		\$		

Form **4506**

Request for Copy of Tax Return

(Rev. September 2013)

OMB No. 1545-0429

Department of the Treasury
Internal Revenue Service

▶ Request may be rejected if the form is incomplete or illegible.

Tip. You may be able to get your tax return or return information from other sources. If you had your tax return completed by a paid preparer, they should be able to provide you a copy of the return. The IRS can provide a **Tax Return Transcript** for many returns free of charge. The transcript provides most of the line entries from the original tax return and usually contains the information that a third party (such as a mortgage company) requires. See **Form 4506-T, Request for Transcript of Tax Return**, or you can quickly request transcripts by using our automated self-help service tools. Please visit us at IRS.gov and click on "Order a Return or Account Transcript" or call 1-800-908-9946.

1a Name shown on tax return. If a joint return, enter the name shown first.	1b First social security number on tax return, individual taxpayer identification number, or employer identification number (see instructions)
2a If a joint return, enter spouse's name shown on tax return.	2b Second social security number or individual taxpayer identification number if joint tax return
3 Current name, address (including apt., room, or suite no.), city, state, and ZIP code (see instructions)	
4 Previous address shown on the last return filed if different from line 3 (see instructions)	
5 If the tax return is to be mailed to a third party (such as a mortgage company), enter the third party's name, address, and telephone number.	

Caution. If the tax return is being mailed to a third party, ensure that you have filled in lines 6 and 7 before signing. Sign and date the form once you have filled in these lines. Completing these steps helps to protect your privacy. Once the IRS discloses your tax return to the third party listed on line 5, the IRS has no control over what the third party does with the information. If you would like to limit the third party's authority to disclose your return information, you can specify this limitation in your written agreement with the third party.

6 **Tax return requested.** Form 1040, 1120, 941, etc. and all attachments as originally submitted to the IRS, including Form(s) W-2, schedules, or amended returns. Copies of Forms 1040, 1040A, and 1040EZ are generally available for 7 years from filing before they are destroyed by law. Other returns may be available for a longer period of time. Enter only one return number. If you need more than one type of return, you must complete another Form 4506. ▶ _____

Note. If the copies must be certified for court or administrative proceedings, check here

7 **Year or period requested.** Enter the ending date of the year or period, using the mm/dd/yyyy format. If you are requesting more than eight years or periods, you must attach another Form 4506.

8 **Fee.** There is a \$50 fee for each return requested. **Full payment must be included with your request or it will be rejected. Make your check or money order payable to "United States Treasury." Enter your SSN, ITIN, or EIN and "Form 4506 request" on your check or money order.**

a Cost for each return	\$ 50.00
b Number of returns requested on line 7	
c Total cost. Multiply line 8a by line 8b	\$ _____

9 If we cannot find the tax return, we will refund the fee. If the refund should go to the third party listed on line 5, check here

Caution. Do not sign this form unless all applicable lines have been completed.

Signature of taxpayer(s). I declare that I am either the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax return requested. If the request applies to a joint return, at least one spouse must sign. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506 on behalf of the taxpayer. **Note.** For tax returns being sent to a third party, this form must be received within 120 days of the signature date.

	Phone number of taxpayer on line 1a or 2a
▶ Signature (see instructions)	Date
▶ Title (if line 1a above is a corporation, partnership, estate, or trust)	
▶ Spouse's signature	Date

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about Form 4506 and its instructions, go to www.irs.gov/form4506. Information about any recent developments affecting Form 4506, Form 4506T and Form 4506T-EZ will be posted on that page.

General Instructions

Caution. Do not sign this form unless all applicable lines have been completed.

Purpose of form. Use Form 4506 to request a copy of your tax return. You can also designate (on line 5) a third party to receive the tax return.

How long will it take? It may take up to 75 calendar days for us to process your request.

Tip. Use Form 4506-T, Request for Transcript of Tax Return, to request tax return transcripts, tax account information, W-2 information, 1099 information, verification of non-filing, and records of account.

Automated transcript request. You can quickly request transcripts by using our automated self-help service tools. Please visit us at IRS.gov and click on "Order a Return or Account Transcript" or call 1-800-908-9946.

Where to file. Attach payment and mail Form 4506 to the address below for the state you lived in, or the state your business was in, when that return was filed. There are two address charts: one for individual returns (Form 1040 series) and one for all other returns.

If you are requesting a return for more than one year and the chart below shows two different addresses, send your request to the address based on the address of your most recent return.

Chart for individual returns (Form 1040 series)

If you filed an individual return and lived in:

Mail to:

Alabama, Kentucky, Louisiana, Mississippi, Tennessee, Texas, a foreign country, American Samoa, Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, or A.P.O. or F.P.O. address

Internal Revenue Service
RAIVS Team
Stop 6716 AUSC
Austin, TX 73301

Alaska, Arizona, Arkansas, California, Colorado, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, Wisconsin, Wyoming

Internal Revenue Service
RAIVS Team
Stop 37106
Fresno, CA 93888

Connecticut, Delaware, District of Columbia, Florida, Georgia, Maine, Maryland, Massachusetts, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia

Internal Revenue Service
RAIVS Team
Stop 6705 P-6
Kansas City, MO 64999

Chart for all other returns

If you lived in or your business was in:

Mail to:

Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wyoming, a foreign country, or A.P.O. or F.P.O. address

Internal Revenue Service
RAIVS Team
P.O. Box 9941
Mail Stop 6734
Ogden, UT 84409

Connecticut, Delaware, District of Columbia, Georgia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, Wisconsin

Internal Revenue Service
RAIVS Team
P.O. Box 145500
Stop 2800 F
Cincinnati, OH 45250

Specific Instructions

Line 1b. Enter your employer identification number (EIN) if you are requesting a copy of a business return. Otherwise, enter the first social security number (SSN) or your individual taxpayer identification number (ITIN) shown on the return. For example, if you are requesting Form 1040 that includes Schedule C (Form 1040), enter your SSN.

Line 3. Enter your current address. If you use a P.O. box, please include it on this line 3.

Line 4. Enter the address shown on the last return filed if different from the address entered on line 3.

Note. If the address on Lines 3 and 4 are different and you have not changed your address with the IRS, file Form 8822, Change of Address. For a business address, file Form 8822-B, Change of Address or Responsible Party — Business.

Signature and date. Form 4506 must be signed and dated by the taxpayer listed on line 1a or 2a. If you completed line 5 requesting the return be sent to a third party, the IRS must receive Form 4506 within 120 days of the date signed by the taxpayer or it will be rejected. Ensure that all applicable lines are completed before signing.

Individuals. Copies of jointly filed tax returns may be furnished to either spouse. Only one signature is required. Sign Form 4506 exactly as your name appeared on the original return. If you changed your name, also sign your current name.

Corporations. Generally, Form 4506 can be signed by: (1) an officer having legal authority to bind the corporation, (2) any person designated by the board of directors or other governing body, or (3) any officer or employee on written request by any principal officer and attested to by the secretary or other officer.

Partnerships. Generally, Form 4506 can be signed by any person who was a member of the partnership during any part of the tax period requested on line 7.

All others. See section 6103(e) if the taxpayer has died, is insolvent, is a dissolved corporation, or if a trustee, guardian, executor, receiver, or administrator is acting for the taxpayer.

Documentation. For entities other than individuals, you must attach the authorization document. For example, this could be the letter from the principal officer authorizing an employee of the corporation or the letters testamentary authorizing an individual to act for an estate.

Signature by a representative. A representative can sign Form 4506 for a taxpayer only if this authority has been specifically delegated to the representative on Form 2848, line 5. Form 2848 showing the delegation must be attached to Form 4506.

Privacy Act and Paperwork Reduction Act

Notice. We ask for the information on this form to establish your right to gain access to the requested return(s) under the Internal Revenue Code. We need this information to properly identify the return(s) and respond to your request. If you request a copy of a tax return, sections 6103 and 6109 require you to provide this information, including your SSN or EIN, to process your request. If you do not provide this information, we may not be able to process your request. Providing false or fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file Form 4506 will vary depending on individual circumstances. The estimated average time is: **Learning about the law or the form**, 10 min.; **Preparing the form**, 16 min.; and **Copying, assembling, and sending the form to the IRS**, 20 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making Form 4506 simpler, we would be happy to hear from you. You can write to:

Internal Revenue Service
Tax Forms and Publications Division
1111 Constitution Ave. NW, IR-6526
Washington, DC 20224.

Do not send the form to this address. Instead, see *Where to file* on this page.