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8 UNITED STATES DISTRICT COURT
9 WESTERN DISTRICT OF WASHINGTON
10 AT SEATTLE

11 FEDERAL TRADE COMMISSION,

12 Plaintiff,

13 v.

14 OPCO INTERNATIONAL AGENCIES, INC.,
15 0590739 BC Ltd. d/b/a/ AMERICAN FRAUD
16 WATCH SERVICES, FRAUD WATCH
17 SERVICES, INC., CENTRAL CORPORATE
18 SERVICES, INC., AMERICAN FRAUD
19 WATCH SERVICES, INC., CUSTOMER
20 SERVICES INTERNATIONAL NEVADA,
21 INC., DEBT SERVICES INTERNATIONAL,
22 INC., GLOBAL HORIZONS, INC., WAYNE
23 FARROW, CARRIE E. HOPE, and MARK E.
24 WILSON,

25 Defendants.

Case No.

**TEMPORARY RESTRAINING
ORDER FREEZING ASSETS AND
ORDER TO SHOW CAUSE WHY
PRELIMINARY INJUNCTION
SHOULD NOT ISSUE
(PROPOSED)**

21 Plaintiff, the Federal Trade Commission ("Commission"), having filed a complaint for a
22 permanent injunction and other relief, including restitution to consumers, pursuant to Sections 13(b) and
23 19 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b) and 57b, and the
24 Telemarketing and Consumer Fraud and Abuse Prevention Act ("Telemarketing Act"), 15 U.S.C. §
25 6101 *et seq.*, and having moved for an *Ex Parte* Temporary Restraining Order Freezing Assets and
26 Order To Show Cause Why Preliminary Injunction Should Not Issue pursuant to Rule 65(b) of the
27 Federal Rules of Civil Procedure, and the Court having considered the pleadings, declarations, exhibits,
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1 and memorandum filed in support thereof, it is the finding of this Court that:

2 1. This Court has jurisdiction of the subject matter of this case and there is good
3 cause to believe it will have jurisdiction over all parties hereto.

4 2. There is good cause to believe the Commission will ultimately succeed in
5 establishing that defendants have engaged in and are likely to engage in acts and
6 practices that violate Sections 310.3(a)(4), 310.4(a)(4) and 310.4(d)(2) of the
7 Telemarketing Sales Rule, 16 C.F.R. § 310.3(a)(4), 310.4(a)(4) and 310.4(d)(2).

8 3. There is good cause to believe that immediate and irreparable damage will be
9 done to the public and to this Court's ability to grant full and effective relief among the
10 parties hereto absent entry of this Order on an *ex parte* basis.

11 4. Weighing the equities and considering the Commission's likelihood of ultimate
12 success, a Temporary Restraining Order is in the public interest.

13 **I. CEASE AND DESIST**

14 **IT IS THEREFORE ORDERED** that defendants, and their successors and assigns, whether
15 acting directly or through any entity, corporation, subsidiary, division or other device and all persons in
16 active concert or participation with them who receive actual notice of this Order by personal service or
17 otherwise, are hereby temporarily restrained and enjoined from:

18 A. Misrepresenting that defendants are affiliated with a consumer's credit card issuer or any
19 other third party;

20 B. Representing that consumers are liable for unauthorized charges on their credit card
21 accounts in excess of the \$50 limit set forth in 15 U.S.C. § 1643 and 12 C.F.R. § 226.12(b);

22 C. Misrepresenting that defendants can extend or arrange credit or make or arrange a low-
23 interest loan to consumers for the purpose of consolidating credit card debt;

24 D. Misrepresenting that a consumer has purchased or has agreed to purchase a good or
25 service from defendants, and therefore owes money to defendants;

26 E. Representing that defendants will refund the purchase price if for any reason a consumer
27 seeks a refund within 30 days of purchase, unless such is true; and

28 F. Failing to disclose promptly and in a clear and conspicuous manner that the purpose of

1 the telemarketing call is to sell goods or services.

2 **II. ASSET FREEZE**

3 **IT IS FURTHER ORDERED** that, except as stipulated by the parties or as directed by further
4 order of the Court, defendants and their successors and assigns, whether acting directly or through any
5 entity, corporation, subsidiary, division or other device and all persons in active concert or participation
6 with them who receive actual notice of this Order by personal service or otherwise, are hereby
7 temporarily restrained and enjoined from:

8 A. Transferring, converting, encumbering, selling, concealing, dissipating, disbursing,
9 assigning, spending, withdrawing, or otherwise disposing of any asset, wherever located, that is (a)
10 owned or controlled by any defendant in whole or in part, or (b) in the actual or constructive possession
11 of any defendant or owned, controlled by, or in the actual or constructive possession of any
12 corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by, wholly
13 or partially, any defendant. The assets affected by this section shall include both existing assets and
14 assets acquired after issuance of this Order, and defendants shall hold and account for these assets and
15 all payments received by them, including, but not limited to, borrowed funds or property and gifts.

16 B. Failing to disclose immediately upon service of this Order, to Commission personnel or its
17 designated agents, information that fully identifies each of defendants' assets and each entity holding
18 such assets, including without limitation, the entity's name, address, and telephone number, the account
19 number of the asset, if any, and the name under which the asset is held.

20 **III. DUTIES OF ASSET HOLDERS**

21 **IT IS FURTHER ORDERED** that, except as stipulated by the parties or as directed by further
22 order of the Court, any financial or brokerage institution, business entity, or person that holds, controls
23 or maintains custody of any asset belonging to or titled in the name of any defendant, or to which any
24 defendant is a signatory, or which is held on behalf of, or for the benefit of any defendant, individually
25 or jointly, or has held, controlled or maintained custody of any such asset at any time since January 1,
26 1998 shall:

27 A. Prohibit all persons and entities from withdrawing, removing, assigning, transferring,
28 pledging, encumbering, disbursing, dissipating, converting, selling, or otherwise disposing of any asset.

1 B. Provide counsel for the Commission, within five business days of receiving a copy of this
2 Order a sworn statement setting forth:

- 3 1. the identification number of each account or asset: (i) belonging to or titled in
4 any defendants' name, (ii) to which any defendant has access, (iii) held on any
5 defendants' behalf or for any defendants' benefit, and (iv) to which any defendant
6 is a signatory;
- 7 2. the balance of each identified account, or a description of the nature and value of
8 such asset as of the time this Order is served, and, if the account or asset has
9 been closed or removed, the date closed or removed, the total funds removed in
10 order to close the account, and the name of the person or entity to whom such
11 account or asset was remitted; and

12 C. Upon request, promptly provide the Commission with copies of all records or other
13 documentation pertaining to such account or asset, including without limitation originals or copies of
14 account applications, account statements, signature cards, checks, drafts, deposit tickets, transfers to
15 and from the asset, all other debit and credit instruments or slips, currency transaction reports, 1099
16 forms, and safe deposit box logs.

17 IV. REPATRIATION OF FOREIGN ASSETS

18 IT IS FURTHER ORDERED that defendants shall:

19 A. Immediately upon service of this Order, or as soon as relevant banking hours permit,
20 transfer to the territory of the United States all funds, documents, and assets in foreign countries held:
21 (1) by either defendant; (2) for their benefit; or (3) under their direct or indirect control, jointly or
22 singly;

23 B. Hold and retain all repatriated funds, documents, and assets, and prevent any transfer,
24 disposition or dissipation of these funds, documents, and assets;

25 C. Provide plaintiff with access to defendants' records and documents held by financial
26 institutions outside the territorial United States; and

27 D. Provide plaintiff with a full accounting of all funds, documents and assets outside of the
28 territory of the United States which are held : (1) by either defendant; (2) for their benefit; or (3) under

1 their direct or indirect control, jointly or singly.

2 **V. MAINTENANCE OF RECORDS**

3 **IT IS FURTHER ORDERED** that defendants and their successors and assigns, whether acting
4 directly or through any entity, corporation, subsidiary, division or other device and all persons in active
5 concert or participation with them who receive actual notice of this Order by personal service or
6 otherwise, are hereby temporarily restrained and enjoined from:

7 A. Failing to create and maintain books, records, and accounts which, in reasonable detail,
8 accurately, fairly, and completely reflect the incomes, disbursements, transactions, and use of monies by
9 defendants.

10 B. Failing to maintain complete records of any consumer complaints and disputes, whether
11 coming from the consumer or any intermediary, such as a government agency or Better Business
12 Bureau, and any responses made to those complaints or disputes.

13 C. Destroying, erasing, mutilating, concealing, altering, transferring or otherwise disposing
14 of, in any manner, directly or indirectly, any contracts, client lists, membership or mailing lists,
15 accounting data, correspondence, advertisements, computer tapes, disks, or other computerized
16 records, books, written or printed records, handwritten notes, telephone logs, telephone scripts,
17 "verification" tapes or other audio or video tape recordings, receipt books, invoices, postal receipts,
18 ledgers, personal and business canceled checks and check registers, bank statements, appointment
19 books, copies of federal, state or local business or personal income or property tax returns, and other
20 documents or records of any kind that relate to the business practices or business or personal finances of
21 defendants.

22 **VI. DEFENDANTS' FINANCIAL STATEMENTS**

23 **IT IS FURTHER ORDERED** that defendants shall, within four (4) business days from service
24 of this Order, prepare and deliver to the counsel for the Commission completed financial statements on
25 the forms attached to this Order. The completed financial statements shall be accurate as of the date of
26 service of this Order upon the defendants.

27 **VII. CONSUMER CREDIT REPORTS**

28 **IT IS FURTHER ORDERED** that pursuant to Section 604(1) of the Fair Credit Reporting

1 Act, 15 U.S.C. § 1681b(1), any consumer reporting agency may furnish a consumer report concerning
2 any defendant to plaintiff.

3 **VIII. THIRD PARTY DISCOVERY**

4 IT IS FURTHER ORDERED that the Commission is granted leave, at any time after service of
5 this Order, to take the deposition of any person or entity for the purpose of discovering the nature,
6 location, status, and extent of assets of defendants, and the location of documents reflecting the business
7 transactions of defendants, and to demand the production of documents from any person or entity
8 relating to the nature, status, and extent of the defendants' assets and the location of documents
9 reflecting the business transactions of the defendants; forty-eight (48) hours notice shall be deemed
10 sufficient for any such deposition and five (5) days notice shall be deemed sufficient for the production
11 of any such documents. Expedited discovery for any other purpose shall not be allowed except by order
12 of the Court for good cause shown. The limitations and conditions set forth in Fed. R. Civ. P. 30(a)(2)
13 regarding subsequent depositions of an individual shall not apply to depositions taken pursuant to this
14 paragraph.

15 **IX. CREATION OF OTHER BUSINESSES**

16 IT IS FURTHER ORDERED that defendants are hereby temporarily restrained and enjoined
17 from creating, operating or controlling any business entity, whether newly-formed or previously
18 inactive, including any partnership, limited partnership, joint venture, sole proprietorship or corporation,
19 without first providing the Commission with a written statement disclosing: (1) the name of the business
20 entity; (2) the address and telephone number of the business entity; (3) the names of the business entity's
21 officers, directors, principals, managers, and employees; and (4) a detailed description of the business
22 entity's intended activities.

23 **X. NOTICE TO RELATED PERSONS AND ENTITIES**

24 IT IS FURTHER ORDERED that defendants shall immediately provide a copy of this Order
25 to each affiliate, subsidiary, division, sales entity, successor, assign, officer, director, employee,
26 independent contractor, agent, attorney, and representative, and shall, within ten days from the date of
27 entry of this Order, provide plaintiff with a sworn statement that defendants have complied with this
28 provision of the Order, which statement shall include the names and addresses of each such person or

1 entity who received a copy of the Order.

2 **XI. FILING OF PLEADINGS**

3 **IT IS FURTHER ORDERED** that defendants shall file their opposition, including any
4 declarations, exhibits, memoranda, or other evidence on which defendants intend to rely, not less than
5 three business days before the hearing on the order to show cause why a preliminary injunction should
6 not issue. Defendants shall serve copies of all these materials on plaintiff by delivery or facsimile to
7 designated counsel for the Federal Trade Commission, at 915 Second Avenue, Suite 2896, Seattle,
8 Washington 98174, prior to 4:00 p.m. on the day that it is filed.

9 **XII. WITNESSES AT HEARINGS**

10 **IT IS FURTHER ORDERED** that, if any party to this action intends to present the testimony
11 of any witness at the hearing on a preliminary injunction in this matter, that party shall, at least three
12 business days prior to the scheduled date and time of hearing, file with this Court and serve on counsel
13 for the other party, a statement of the name, address, and telephone number of that witness, and either a
14 summary of the witness' expected testimony, or the witness' declaration or affidavit revealing the
15 substance of the witness' expected testimony; and that, after the service of the statement, the served
16 party thereafter shall have two business days from the time of service of the witness information to
17 provide information to the Court and to the serving party for any witness whose testimony the served
18 party intends to present.

19 **XIII. EXPIRATION**

20 **IT IS FURTHER ORDERED** that the Temporary Restraining Order granted herein expires ten
21 days after entry unless, within that time, the Order for good cause shown is extended for an additional
22 period not to exceed ten days, or unless it is extended with the consent of the parties.

23 **XIV. SHOW CAUSE**

24 **IT IS FURTHER ORDERED** that each of the defendants shall appear before this Court on the
25 ____ day of _____, 2001, at _____ o'clock ____m., to show cause, if any there be,
26 why this Court should not enter a preliminary injunction, pending final ruling on the Complaint against
27 these defendants, enjoining them from further violations of Sections 310.3(a)(4), 310.4(a)(4) and
28 310.4(d)(2)of the Telemarketing Sales Rule, 16 C.F.R. §§ 310.3(a)(4), 310.4(a)(4) and 310.4(d)(2),

1 continuing the relief provided herein and imposing whatever additional relief may be appropriate.

2 **XV. SERVICE OF ORDER**

3 **IT IS FURTHER ORDERED** that plaintiff's agents or employees may serve this Order upon
4 any financial institution, or other entity or person that may have possession, custody, or control of any
5 documents or assets of any defendant or any other person or entity that may be otherwise subject to any
6 provision of this Order, by delivering a copy by any means, including facsimile transmission.

7 **XVI. RETENTION OF JURISDICTION**

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

10 **SO ORDERED**, this _____ day of _____, 2001, at _____.

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12 _____
13 United States District Judge

14 PRESENTED BY:

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17 _____
18 Eleanor Durham
19 Attorney for Plaintiff
20 Federal Trade Commission
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