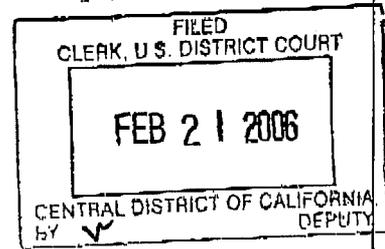


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11 UNITED STATES DISTRICT COURT
12 CENTRAL DISTRICT OF CALIFORNIA

13 FEDERAL TRADE COMMISSION,

14 Plaintiff,

15 v.

16 UNIVERSAL PREMIUM SERVICES,
17 INC., a California corporation (also
18 known as Premier Benefits, Inc.);
19 CONSUMER REWARD NETWORK,
20 INC., a California corporation;
21 STAR COMMUNICATIONS LLC, a
22 California limited liability company;
23 MEMBERSHIP SERVICES DIRECT,
24 INC., a Nevada corporation (also
25 known as Continuity Partners, Inc.);
26 CONNECT2USA, INC., a Nevada
corporation;
BRIAN K. MACGREGOR;
HARIJINDER SIDHU;
JOSEPH F. LAROSA, JR.;
PRANOT SANGPRASIT;
WILLIAM THOMAS HEICHERT;
MICHAEL HOWARD CUSHING;
PAUL P. TOSI; and
MANH CAO,

Defendants.

Case No. CVO6-U849

~~REDACTED~~
TEMPORARY RESTRAINING
ORDER WITH ASSET FREEZE,
APPOINTMENT OF TEMPORARY
RECEIVER, AND OTHER
EQUITABLE RELIEF, AND
ORDER TO SHOW CAUSE WHY A
PRELIMINARY INJUNCTION
SHOULD NOT ISSUE AND A
PERMANENT RECEIVER SHOULD
NOT BE APPOINTED

[PERSONAL DATA IDENTIFIERS
REFERENCE LIST FILED
SEPARATELY UNDER SEAL]

FILED

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U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES

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1 Plaintiff Federal Trade Commission ("FTC" or "Commission"), pursuant to
2 Sections 13(b) and 19(a) of the Federal Trade Commission Act ("FTC Act"), 15
3 U.S.C. §§ 53(b) and 57b(a), and the Telemarketing and Consumer Fraud and Abuse
4 Prevention Act ("Telemarketing Act"), 15 U.S.C. §§ 6101 *et seq.*, filed a Complaint
5 for Permanent Injunction and Other Equitable Relief, and applied *ex parte* for a
6 Temporary Restraining Order ("TRO") and for an order to show cause why a
7 Preliminary Injunction should not be granted and a Permanent Receiver should not
8 be appointed, pursuant to Rule 65 of the Federal Rules of Civil Procedure.

9 Plaintiff's request for a TRO with asset freeze and appointment of a
10 temporary receiver is HEREBY GRANTED.

11 12 FINDINGS OF FACT

13 The Court has considered the pleadings, declarations, exhibits, and
14 memoranda filed in support of the Commission's application and finds that:

15 1. This Court has jurisdiction of the subject matter of this case, and there
16 is good cause to believe it will have jurisdiction over all parties, pursuant to 15
17 U.S.C. §§ 45(a) and 53(b), and 28 U.S.C. §§ 1331, 1337(a) and 1345. The
18 Complaint states a claim upon which relief may be granted under Sections 5 and
19 13(b) of the FTC Act, 15 U.S.C. §§ 45 and 53(b).

20 2. There is good cause to believe that Defendants have engaged in and are
21 likely to engage in acts and practices that violate Section 5(a) of the FTC Act, 15
22 U.S.C. § 45(a), and the Telemarketing Sales Rule ("TSR"), 16 C.F.R. Part 310, and
23 that the Commission is likely to prevail on the merits of this action.

24 3. There is good cause to believe that immediate and irreparable harm to
25 consumers will result from Defendants' ongoing violations of the FTC Act and
26 Telemarketing Sales Rule unless Defendants are immediately restrained and
27 enjoined by Order of this Court.

1 4. There is good cause to believe that immediate and irreparable damage
2 to the Court's ability to grant effective final relief in the form of monetary
3 restitution will occur from the sale, transfer, or other disposition or concealment by
4 Defendants of their assets or corporate records, unless Defendants are immediately
5 enjoined by Order of this Court. The evidence set forth in the Plaintiff's *Ex Parte*
6 TRO Application, and in the accompanying declarations and exhibits, shows that the
7 FTC is likely to prove that Defendants have engaged in a concerted course of illegal
8 activity in connection with the telemarketing of membership programs and other
9 goods and services to consumers nationwide, in violation of Section 5 of the FTC
10 Act and the TSR. Thus there is good cause to believe that the Defendants will
11 attempt to conceal the scope of their illegal actions to avoid returning their ill-gotten
12 gains to consumers injured by their unlawful practices if not restrained from doing
13 so by Order of this Court.

14 5. The Commission has not provided notice to the Defendants due to the
15 likelihood that advance notice of this action will lead to the same irreparable harm,
16 including the dissipation of assets and destruction of evidence, that the Commission
17 seeks to prevent through its application for an *ex parte* temporary restraining order.
18 The Commission's request for this emergency *ex parte* relief is not the result of any
19 lack of diligence on the part of the Commission, but is instead based on the nature of
20 the Defendants' unlawful conduct. There is thus good cause for relieving the
21 Commission of the duty to provide Defendants with prior notice of the
22 Commission's application.

23 6. There is good cause for the Court to order an asset freeze and appoint a
24 temporary receiver for the Receivership Defendants. The FTC has made a *prima*
25 *facie* case that the Receivership Defendants have made misrepresentations, directly
26 and through their employees, to those consumers for whom they are supposed to be

27 providing goods or services; that Defendants have engaged in a widespread effort to

1 debit money from these consumers based on deceptive or abusive acts and practices;
2 and that Defendants have retained ill-gotten gains from these and other practices.
3 Accordingly, a temporary receiver and asset freeze are reasonably necessary in order
4 to preserve the possibility of complete and meaningful relief at the conclusion of
5 this litigation.

6 7. Weighing the equities and considering the Commission's likelihood of
7 ultimate success, this Temporary Restraining Order with asset freeze, appointment
8 of a temporary receiver, and other equitable relief is in the public interest.

9 8. No security is required of any agency of the United States for issuance
10 of a restraining order. Fed. R. Civ. P. 65(c).

11 ORDER

12 Definitions

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

14 1. "Assets" means any legal or equitable interest in, right to, or claim to,
15 any real or personal property, including, without limitation, chattels, goods,
16 instruments, equipment, fixtures, general intangibles, leaseholds, mail or other
17 deliveries, inventory, checks, notes, accounts, credits, contracts, receivables, shares
18 of stock, and all cash, wherever located.

19 2. "Customer," "seller," "telemarketer," and "telemarketing" are
20 defined as in Section 310.2 of the TSR, 16 C.F.R. § 310.2.

21 3. "Defendants" means Universal Premium Services, Inc., a California
22 Corporation (also known as Premier Benefits, Inc.); Consumer Reward Network,
23 Inc., a California Corporation; Star Communications LLC, a California Limited
24 Liability Company; Membership Services Direct, Inc., a Nevada Corporation (also
25 known as Continuity Partners, Inc.); Connect2USA, Inc., a Nevada Corporation;
26 Brian K. MacGregor; Harijinder Sidhu; Joseph F. LaRosa, Jr.; Pranot Sangprasit;
27
28

1 William Thomas Heichert; Michael Howard Cushing; Paul P. Tosi; and Manh Cao,
2 and each of them, by whatever names each might be known. Pursuant to the
3 provisions of Fed. R. Civ. P. 65(d), the provisions of this Order shall be binding
4 upon the Defendants and upon their officers, agents, directors, employees,
5 salespersons, independent contractors, attorneys, subsidiaries, affiliates, successors,
6 assigns and all other persons or entities in active concert or participation with them
7 who receive actual notice of this Order by personal service or otherwise, whether
8 acting directly or through any trust, corporation, subsidiary, division or other device.

9 4. **“Corporate Defendants”** means Universal Premium Services, Inc., a
10 California Corporation (also known as Premier Benefits, Inc.); Consumer Reward
11 Network, Inc., a California Corporation; Star Communications LLC, a California
12 Limited Liability Company; Membership Services Direct, Inc., a Nevada
13 Corporation (also known as Continuity Partners, Inc.); and Connect2USA, Inc., a
14 Nevada Corporation, and their affiliates and subsidiaries, and any other corporations
15 or businesses under the control of any of them.

16 5. **“Document”** is synonymous in meaning and equal in scope to the
17 usage of the term in Federal Rule of Civil Procedure 34(a), and includes writings,
18 drawings, graphs, charts, photographs, audio and video recordings, computer
19 records, and any other data compilations from which information can be obtained.
20 A draft or non-identical copy is a separate document within the meaning of the term.

21 6. **“Financial institution”** means any bank, savings and loan institution,
22 credit union, or any financial depository of any kind, including but not limited to
23 any brokerage house, trustee, broker-dealer, escrow agent, title company,
24 commodity trading company, precious metal dealer, commercial check cashing
25 facility, or any entity or person that holds, controls, or maintains custody of any
26 account or asset of any Defendant.

1 7. “**ID#**” refers to the unique identifiers and personal identifiers listed in
2 the “Personal Data Identifiers Reference List,”” filed in the above-captioned matter
3 under seal pursuant to Local Rule 79-5.4.

4 8. “**Individual Defendants**” means Brian K. MacGregor, Harijinder
5 Sidhu, Joseph F. LaRosa, Jr., Pranot Sangprasit, William Thomas Heichert, Michael
6 Howard Cushing, Paul P. Tosi, and Manh Cao.

7 9. “**Material**” means likely to affect a person’s choice of, or conduct
8 regarding, goods or services.

9 10. “**Person**” means a natural person, organization, or other legal entity,
10 including a corporation, partnership, proprietorship, association, cooperative,
11 government or governmental subdivision or agency, or any other group or
12 combination acting as an entity.

13 11. “**Plaintiff**” means the Federal Trade Commission.

14 12. “**Receivership Defendants**” means Universal Premium Services, Inc.,
15 a California Corporation (also known as Premier Benefits, Inc.); Consumer Reward
16 Network, Inc., a California Corporation; Star Communications LLC, a California
17 Limited Liability Company; Membership Services Direct, Inc., a Nevada
18 Corporation (also known as Continuity Partners, Inc.); and Connect2USA, Inc., a
19 Nevada Corporation, and their affiliates and subsidiaries, and any other corporations
20 or businesses under the control of any of them.

21 13. “**Receiver**” means the temporary receiver appointed in this Order. The
22 term “receiver” also includes any deputy receivers as may be named by the
23 temporary receiver.

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PROHIBITED BUSINESS ACTIVITIES

I. Prohibited Misrepresentations

IT IS THEREFORE ORDERED that in connection with the advertising, promotion, offering or sale of goods or services by telephone or otherwise in commerce, Defendants, as well as their successors, assigns, officers, agents, directors, servants, employes, salespersons, independent contractors, attorneys, corporations, subsidiaries, all other persons or entities directly or indirectly under their control or under common control with any of them, and all other persons or entities in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any corporation, subsidiary, division, or other device, including, but not limited to, fictitious business names, and each such person, in connection with the advertising, promotion, offering or sale of goods or services by telephone or otherwise in commerce, are hereby temporarily restrained and enjoined from making any express or implied representation or omission of material fact that is false or misleading, in any manner, orally or in writing, to any consumer or entity, including, but not limited to, any misrepresentation that:

A. Defendants will send the consumers a free item if the consumers pay a shipping and handling fee;

B. Defendants provide a free trial period during which time the consumers will not be charged fees;

C. Defendants provide a cancellation period during which time the consumers may obtain a refund for fees already paid;

D. Consumers may cancel their memberships in Defendants' programs at any time; and

1 E. Defendants are affiliated with or endorsed or sponsored by a person or
2 government entity.

3
4 **II.**
5 **Prohibition Against Causing Billing Information to Be Submitted**
6 **Without the Express Informed Consent of the Customer**

7 IT IS FURTHER ORDERED that in connection with the advertising,
8 promotion, offering or sale of goods or services by telephone or otherwise in
9 commerce, Defendants are hereby temporarily restrained and enjoined from causing
10 billing information to be submitted for payment, directly or indirectly, without the
11 express informed consent of the customer. For purposes of this Section, "express
12 informed consent" means:

13 A. Defendants obtain from the customer the entire account number to be
14 charged;

15 B. Defendants obtain from the customer his or her express agreement to be
16 charged for the goods or services and to be charged using the account number
17 provided by the customer;

18 C. Defendants make and maintain an audio recording of the entire
19 telemarketing transaction; and

20 D. The telemarketing transaction did not involve any deceptive or abusive
21 telemarketing practices, as defined in the TSR.

22 **III.**
23 **Prohibition Against Violating Telemarketing Sales Rule**

24 IT IS FURTHER ORDERED that in connection with the advertising,
25 promotion, offering or sale of goods or services by telephone or otherwise in
26 commerce, Defendants are hereby temporarily restrained and enjoined from
27 violating any provision of the Telemarketing Sales Rule, 16 C.F.R. Part 310,
28 including but not limited to:

1 A. Section 310.3(a)(2)(iv), which prohibits misrepresenting any material
2 aspect of the nature or terms of the seller's refund, cancellation, exchange, or
3 repurchase policies;

4 B. Section 310.3(a)(2)(vii), which prohibits misrepresenting a seller's or
5 telemarketer's affiliation with, or endorsement or sponsorship by, any person or
6 government entity;

7 C. Section 310.4(a)(1), which prohibits any seller or telemarketer from
8 using threats, intimidation, or the use of profane or obscene language;

9 D. Section 310.4(a)(6), which prohibits causing billing information to be
10 submitted for payment without the express informed consent of the customer;

11 E. Section 310.4(b)(1)(iii)(A), which prohibits telemarketers from
12 engaging in, or sellers from causing a telemarketer to engage in certain conduct,
13 including, *inter alia*, initiating any outbound telephone call to a person when that
14 person previously has stated that he or she does not wish to receive an outbound
15 telephone call made by or on behalf of the seller whose goods or services are being
16 offered; and

17 F. Section 310.3(b), which prohibits any person from providing
18 substantial assistance or support to any seller or telemarketer when that person
19 knows or consciously avoids knowing that the seller or telemarketer is engaged in
20 any act or practice that violates Telemarketing Sales Rule Sections 310.3(a), (c), or
21 (d) or 310.4.

22 **ASSET PROVISIONS**

23 **IV.**
24 **Asset Freeze**

25 IT IS FURTHER ORDERED that each Defendant is hereby temporarily
26 restrained and enjoined from:

1 A. Transferring, liquidating, converting, encumbering, pledging, loaning,
2 selling, concealing, dissipating, disbursing, assigning, spending, withdrawing,
3 granting a lien or security interest or other interest in, or otherwise disposing of any
4 funds, real or personal property, accounts, contracts, consumer lists (including lists
5 of consumer names, telephone numbers, addresses, or account numbers, or other
6 consumer data), shares of stock, or other assets, or any interest therein, wherever
7 located, that are: (1) owned or controlled by any Defendant, in whole or in part; (2)
8 in the actual or constructive possession of any Defendant; or (3) owned, controlled
9 by, or in the actual or constructive possession of any corporation, partnership, or
10 other entity directly or indirectly owned, managed, or controlled by any Defendant,
11 including, but not limited to any assets held by or for, or subject to access by, any of
12 the Defendants, at any bank or savings and loan institution, or with any broker-
13 dealer, escrow agent, title company, commodity trading company, precious metals
14 dealer, or other financial institution or depository of any kind;

15 B. Opening or causing to be opened any safe deposit boxes titled in the
16 name of any Defendant, or subject to access by any of them;

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

19 D. Incurring liens or other encumbrances on real property, personal
20 property or other assets in the name, singly or jointly, of any Defendant.

21 *Provided*, that the assets affected by this Section shall include all assets of the
22 Defendants as of the time this Order was entered.

23 *Provided further*, that the freeze imposed in this Section shall be construed
24 not to apply to the assets that the Individual Defendants acquire following service of
25 this Order only if the Individual Defendant can prove that such assets are not
26 derived from activity prohibited by this Order and are not derived from any other
27 violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).
28

1 E. Notwithstanding the above, each Individual Defendant may pay from
2 his personal funds reasonable, usual, ordinary, and necessary living expenses and
3 attorney's fees, not to exceed \$1,000, prior to the submission of the financial
4 statements required by Section IV (Asset Freeze). No such expenses, however, shall
5 be paid from funds subject to this Order except from cash on the person of
6 Defendant, or from an account designated by prior written notice to Plaintiff FTC.

7
8 **V.**
9 **Retention of Assets and Documents by**
10 **Financial Institutions and Other Third Parties**

11 IT IS FURTHER ORDERED that, pending determination of the FTC's
12 request for a preliminary injunction, any financial institution, or any person or other
13 entity served with a copy of this Order, or who otherwise has actual knowledge of
14 this Order, shall:

15 A. Hold and retain within such financial institution's, person's or other
16 entity's control, and prohibit the withdrawal, removal, assignment, transfer, pledge,
17 hypothecation, encumbrance, disbursement, dissipation, conversion, sale,
18 liquidation, or other disposal of any funds, documents, property, or other assets held
19 by or under such financial institution's, person's or other entity's control that are
20 held:

21 1. on behalf of, or for the benefit of, any Defendant or any other
22 party subject to Section IV (Asset Freeze) above;

23 2. in any account maintained in the name of, or subject to
24 withdrawal by, any Defendant or any other party subject to Section IV (Asset
25 Freeze) above; or

26 3. that are subject to access or use by, or under the signatory power
27 of, any Defendant or any other party subject to Section IV (Asset Freeze) above.
28

1 *Provided* that transfers or withdrawals may be made under this Section if authorized
2 in writing by counsel for Plaintiff (with respect to assets of any of the Individual
3 Defendants), by the Receiver and counsel for Plaintiff (with respect to assets of any
4 of the Receivership Defendants), or by further order of this Court;

5 B. Deny access to any safe deposit box that is either:

6 1. titled in the name, individually or jointly, of any Defendant or
7 other party subject to Section IV (Asset Freeze) above; or

8 2. subject to access by any Defendant or other party subject to
9 Section IV (Asset Freeze) above;

10 *provided* that, immediate access shall be granted to Plaintiff FTC for the purpose of
11 determining the contents of such safe deposit boxes.

12 *Provided*, that the freeze imposed in this Section shall specifically apply to
13 assets (including real property) held by Midwest Properties Inc., or Christine
14 MacGregor as her sole and separate property (including addresses listed in the
15 Personal Data Identifiers Reference List as ID#1 and ID#2, FILED UNDER SEAL
16 PURSUANT TO LOCAL RULE 79-5.4), unless it is established by this Court that
17 these assets were not fraudulently transferred from Brian MacGregor.

18 C. Provide to counsel for the FTC, within three (3) calendar days, a
19 statement setting forth:

20 1. the identification of each account or asset titled in the name,
21 individually or jointly, or held on behalf of, or for the benefit of, Defendants or other
22 party subject to Section IV (Asset Freeze) above, whether in whole or in part;

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

25 3. the identification of any safe deposit box that is either titled in
26 the name of, individually or jointly, or is otherwise subject to access or control by,
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1 any Defendant or other party subject to Section IV (Asset Freeze) above, whether in
2 whole or in part; and

3 4. the identification of any account or safe deposit box which a
4 Defendant has closed within the past four years, the date closed, and the balance on
5 said date.

6 D. Upon request by counsel for Plaintiff (with respect to assets held for
7 any of the Defendants) or the Receiver (with respect to assets held for any of the
8 Receivership Defendants), promptly provide Plaintiff or the Receiver with copies of
9 all records or other documentation pertaining to such account or asset, including but
10 not limited to originals or copies of account applications, account statements,
11 signature cards, checks, drafts, deposit tickets, transfers to and from the accounts, all
12 other debit and credit instruments or slips, currency transaction reports, 1099 forms,
13 and safe deposit box logs.

14 E. At the direction of Plaintiff (with respect to assets held for any of the
15 Defendants) or the Receiver (with respect to assets held for any of the Receivership
16 Defendants), and without further order of this Court, convert any stocks, bonds,
17 options, mutual funds, or other securities to their cash equivalents.

18 *Provided* that the accounts subject to this Section include existing assets and
19 assets deposited after the effective date of this Order. This Section shall not prohibit
20 transfers in accordance with any provision of this Order, or any further order of the
21 Court.

22 *Provided further* that the FTC is granted leave, pursuant to Fed. R. Civ. P. 45,
23 to subpoena documents immediately from any such financial institution, account
24 custodian, other entity or person, concerning the nature, location, status, and extent
25 of Defendants' assets, and compliance with this Order, and such financial
26 institution, account custodian, other entity or person shall respond to such subpoena
27 within five (5) business days after service. For purposes of this subsection, the FTC
28

1 may serve any such subpoena by facsimile, overnight courier, or e-mail (Adobe
2 Acrobat .pdf files only).

3
4 **VI.**
Repatriation of Foreign Assets

5 IT IS FURTHER ORDERED that, within five (5) business days following the
6 service of this Order:

7 A. Each Defendant shall provide the FTC with a full accounting of all
8 assets, accounts or documents outside of the territory of the United States which are
9 held either: (1) by the Defendant; (2) for the Defendant's benefit; (3) in trust by or
10 for the Defendant; or (4) under the Defendant's direct or indirect control. This
11 accounting shall include a list of all scripts, correspondence, and recordings which
12 are in the custody of any telemarketing call center used by the Defendant. Each
13 Receivership Defendant shall also provide this accounting to the Receiver.

14 B. Each Individual Defendant:

15 1. Shall transfer to a financial institution or other entity within the
16 territory of the United States all assets, accounts or documents in foreign countries
17 held either: (1) by the Defendant; (2) for the Defendant's benefit; (3) in trust by or
18 for the Defendant; or (4) under the Defendant's direct or indirect control.

19 2. The same business day, shall: (1) notify counsel for the FTC of
20 the name and location of the financial institution or other entity that is the recipient
21 of such funds, documents or assets; and (2) serve this Order on any such financial
22 institution or other entity.

23 3. Shall hold and retain all repatriated assets, accounts or
24 documents and prevent any transfer, disposition, or dissipation whatsoever of any
25 such assets or documents except as allowed by Section IV (Asset Freeze) of this
26 Order.

1 These assets, accounts or documents shall include all scripts, correspondence, and
2 recordings which are in the custody of any telemarketing call center used by any
3 Defendant.

4
5 **VII.**
Interference with Repatriation

6 IT IS FURTHER ORDERED that Defendants are hereby temporarily
7 restrained and enjoined from taking any action, directly or indirectly, which may
8 result in the encumbrance or dissipation of foreign assets, or in the hindrance of the
9 repatriation required by Section VI (Repatriation of Foreign Assets) of this Order,
10 including but not limited to:

11 A. Sending any statement, letter, fax, e-mail or wire transmission, or
12 telephoning or engaging in any other act, directly or indirectly, that results in a
13 determination by a foreign trustee or other entity that a "duress" event has occurred
14 under the terms of a foreign trust agreement until such time that all assets have been
15 fully repatriated pursuant to Section VI (Repatriation of Foreign Assets) of this
16 Order;

17 B. Notifying any trustee, protector or other agent of any foreign trust or
18 other related entities of either the existence of this Order, or of the fact that
19 repatriation is required pursuant to a Court Order, until such time that all assets have
20 been fully repatriated pursuant to Section VI (Repatriation of Foreign Assets) of this
21 Order.

22 **RECEIVERSHIP PROVISIONS**

23 **VIII.**
Appointment of Temporary Receiver

24 IT IS FURTHER ORDERED that Rob Evans & Associates LLC is
25 hereby appointed Temporary Receiver for the Receivership Defendants, with the full
26 power of an equity receiver. The Receiver shall be the agent of this Court, and
27
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1 solely the agent of this Court, in acting as Receiver under this Order. The Receiver
2 shall be accountable directly to this Court. The Receiver shall comply with all
3 Local Rules of this Court governing receivers.

4
5 **IX.**
Temporary Receivership Duties

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

8 A. Assume full control of the Receivership Defendants by removing, as
9 the Receiver deems necessary or advisable, any director, officer, manager,
10 independent contractor, employee, or agent of any of the Receivership Defendants,
11 including any Defendant, from control of, management of, or participation in, the
12 affairs of the Receivership Defendants;

13 B. Take exclusive custody, control, and possession of all assets and
14 documents of, or in the possession, custody, or under the control of, the
15 Receivership Defendants, wherever situated. The Receiver shall have full power to
16 divert mail and to sue for, collect, receive, take in possession, hold, and manage all
17 assets and documents of the Receivership Defendants and other persons or entities
18 whose interests are now held by, or are under the direction, possession, custody, or
19 control of, the Receivership Defendants. The Receiver shall assume control over the
20 income and profits therefrom and all sums of money now or hereafter due or owing
21 to the Receivership Defendants. *Provided, however,* that the Receiver shall not
22 attempt to collect any amount from a consumer if the Receiver believes the
23 consumer was a victim of the deceptive or abusive acts or practices alleged in the
24 Complaint in this matter, without prior Court approval;

25 C. Take all steps necessary to secure all premises owned, rented, leased, or
26 otherwise controlled by the Receivership Defendants, including:
27
28

1 1. Premises at which Defendants' business operations are
2 physically located, including:

3 3800 Howard Hughes Parkway, Suite 500, Las Vegas, NV 89109
4 2753 S. Highland, Suites 1004 and 1010, Las Vegas, NV 89109

5 2. Corporate apartment leased by Connect2USA:
6 2747 Paradise Rd., Unit 104, Las Vegas, NV 89109

7 3. The Receivership Defendants' portion of shared space in the
8 following office suites:

9 22130 Clarendon Street, Woodland Hills, CA 91367
10 21241 Ventura Blvd., Suite 253, Woodland Hills, CA 91364

11 4. Virtual offices services (including voice mail and mail collection
12 services) provided to any of the Receivership Defendants at the following addresses:

13 1800 Century Park East, Suite 600, Los Angeles, CA 90067
14 400 Continental Blvd., Suite 600, El Segundo, CA 90245
15 333 City Blvd., 17th Floor, Orange, CA 92868

16 5. Post office boxes and private mailboxes rented by the
17 Defendants, including:

18 P.O. Box 17130, Las Vegas, NV 89114
19 P.O. Box 18434, Las Vegas, NV 89114
20 6433 Topanga Canyon Blvd., PMB #801, Canoga Park, CA 91303
21 6433 Topanga Canyon Blvd., PMB #402, Canoga Park, CA 91303
22 6433 Topanga Canyon Blvd., PMB #509, Canoga Park, CA 91303
23 1442 E. Lincoln Ave., PMB #361, Orange, CA 92865

24 Such steps may include, but are not limited to, any of the following, as the
25 Receiver deems necessary or advisable: (1) serving this Order; (2) completing a
26 written inventory of all receivership assets; (3) obtaining pertinent information from
27 all employees and other agents of the Receivership Defendants, including, but not
28

1 limited to, the name, home address, social security number, job description,
2 passwords or access codes, method of compensation, and all accrued and unpaid
3 commissions and compensation of each such employee or agent; (4) photographing
4 and video taping any or all portions of the premises; (5) securing the location by
5 changing the locks and disconnecting any computer modems or other means of
6 access to the computer or other records maintained at that location; and (6) requiring
7 any persons present on the premises at the time this Order is served to leave the
8 premises, to provide the Receiver with proof of identification, or to demonstrate to
9 the satisfaction of the Receiver that such persons are not removing from the
10 premises documents or assets of the Receivership Defendants. Law enforcement
11 officers may assist the Receiver in implementing these provisions to keep the peace
12 and maintain security;

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

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

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

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

1 H. Choose, engage, and employ attorneys, accountants, appraisers, and
2 other independent contractors and technical specialists, as the Receiver deems
3 advisable or necessary in the performance of duties and responsibilities under the
4 authority granted by this Order;

5 I. Have the sole authority to hire legal counsel on behalf of any of the
6 Receivership Defendants;

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

14 K. Determine and implement the manner in which the Receivership
15 Defendants will comply with, and prevent violations of, this Order and all other
16 applicable laws, including, but not limited to, revising sales materials and
17 implementing monitoring procedures;

18 L. Institute, compromise, adjust, appear in, intervene in, or become party
19 to such actions or proceedings in state, federal or foreign courts or arbitration
20 proceedings as the Receiver deems necessary and advisable to preserve or recover
21 the assets of the Receivership Defendants, or that the Receiver deems necessary and
22 advisable to carry out the Receiver's mandate under this Order, including but not
23 limited to, actions challenging fraudulent or voidable transfers;

24 M. Defend, compromise, adjust, or otherwise dispose of any or all actions
25 or proceedings instituted in the past or in the future against the Receiver in his role
26 as Receiver, or against the Receivership Defendants, as the Receiver deems
27 necessary and advisable to preserve the assets of the Receivership Defendants, or as
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1 the Receiver deems necessary and advisable to carry out the Receiver's mandate
2 under this Order;

3 N. Continue to conduct the business, or cease operation of the business, of
4 the Receivership Defendants in such manner, to such extent, and for such duration
5 as the Receiver may in good faith deem to be necessary or appropriate to operate the
6 businesses profitably and lawfully, if at all; *provided that*, the continuation and
7 conduct of the businesses shall be conditioned upon the Receiver's good faith
8 determination that the businesses can be lawfully operated at a profit using the
9 assets of the receivership estate;

10 O. Issue subpoenas to obtain documents and records pertaining to the
11 receivership, and conduct discovery in this action on behalf of the receivership
12 estate;

13 P. Open one or more bank accounts as designated depositories for funds
14 of the Receivership Defendants. The Receiver shall deposit all funds of the
15 Receivership Defendants in such a designated account and shall make all payments
16 and disbursements from the receivership estate from such an account. The Receiver
17 shall serve copies of monthly account statements on all parties;

18 Q. Maintain accurate records of all receipts and expenditures that he
19 makes as Receiver; and

20 R. Cooperate with reasonable requests for information or assistance from
21 any state or federal law enforcement agency.

22
23 **X.**
Cooperation with the Receiver

24 IT IS FURTHER ORDERED that Defendants and all other persons or entities
25 served with a copy of this Order shall fully cooperate with and assist the Receiver.
26 This cooperation and assistance shall include, but not be limited to, providing
27 information to the Receiver that the Receiver deems necessary in order to exercise
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1 the authority and discharge the responsibilities of the Receiver under this Order;
2 providing any password required to access any computer, telephonic or electronic
3 data in any medium; and advising all persons who owe money to the Receivership
4 Defendants that all debts should be paid directly to the Receiver. Defendants are
5 hereby restrained and enjoined from directly or indirectly:

6 A. Transacting any of the business of the Receivership Defendants;

7 B. Destroying, secreting, defacing, transferring, or otherwise altering or
8 disposing of any documents of the Receivership Defendants, including, but not
9 limited to, scripts, telephone call logs, audio or visual recordings, correspondence,
10 computer records, and other data compilations, electronically-stored records, books,
11 records, accounts, writings, drawings, graphs, charts, photographs, or any other
12 papers of any kind or nature;

13 C. Transferring, receiving, altering, selling, encumbering, pledging,
14 assigning, liquidating, or otherwise disposing of any assets owned, controlled, or in
15 the possession or custody of, or in which an interest is held or claimed by, the
16 Receivership Defendants, or the Receiver;

17 D. Excusing debts owed to the Receivership Defendants;

18 E. Failing to notify the Receiver of any asset, including accounts, of a
19 Receivership Defendant held in any name other than the name of the Receivership
20 Defendant, or by any person or entity other than the Receivership Defendant, or
21 failing to provide any assistance or information requested by the Receiver in
22 connection with obtaining possession, custody, or control of such assets; and

23 F. Doing any act or refraining from any act whatsoever to interfere with
24 the Receiver managing, or taking custody, control, or possession of, the assets or
25 documents subject to this receivership; or to harass or interfere with the Receiver in
26 any way; or to interfere in any manner with the exclusive jurisdiction of this Court
27 over the assets or documents of the Receivership Defendants; or to refuse to
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1 cooperate with the Receiver or the Receiver's duly authorized agents in the exercise
2 of their duties or authority under any order of this Court.

3
4 **XI.**
Delivery of Receivership Property

5 IT IS FURTHER ORDERED that:

6 A. Immediately upon service of this Order upon them, or within such
7 period as may be permitted by the Receiver, Defendants, and upon the Receiver's
8 request, any other person or entity served with a copy of this Order or who
9 otherwise has actual knowledge of this Order, shall transfer or deliver possession,
10 custody, and control of the following to the Receiver:

11 1. All assets of the Receivership Defendants (including but not
12 limited to desktop and laptop computers and network servers);

13 2. All documents of the Receivership Defendants (including but not
14 limited to books and records of accounts, financial and accounting records, balance
15 sheets, income statements, bank records, client lists, scripts, correspondence,
16 complaint files, electronic records, title documents, lease agreements, and other
17 papers);

18 3. All assets belonging to members of the public now held by the
19 Receivership Defendants; and

20 4. All keys, codes, and passwords necessary to gain or to secure
21 access to any assets or documents of the Receivership Defendants, including, but not
22 limited to, access to their business premises, means of communication, accounts,
23 computer systems, or other property.

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

5
6 **XII.**
Transfer of Funds to the Receiver

7 IT IS FURTHER ORDERED that, upon service of a copy of this Order, all
8 banks, broker-dealers, savings and loans, escrow agents, title companies, commodity
9 trading companies, precious metals dealers and other financial institutions and
10 depositories of any kind, and all third-party billing agents, LEC's, common carriers,
11 and other telecommunications companies shall cooperate with all reasonable
12 requests of the FTC and the Receiver relating to implementation of this Order,
13 including transferring funds at his direction and producing records related to the
14 assets and sales of the Receivership Defendants.

15
16 **XIII.**
Collection of Receivership Defendants' Mail

17 IT IS FURTHER ORDERED that:

18 A. Each Individual Defendant is hereby restrained and enjoined from
19 opening mail addressed to any of the Receivership Defendants, including but not
20 limited to such mail at the following addresses:

21 3800 Howard Hughes Parkway, Suite 500, Las Vegas, NV 89109

22 2753 S. Highland, Suites 1004 and 1010, Las Vegas, NV 89109

23 2747 Paradise Rd., Unit 104, Las Vegas, NV 89109

24 1800 Century Park East, Suite 600, Los Angeles, CA 90067

25 400 Continental Blvd., Suite 600, El Segundo, CA 90245

26 6320 Canoga Ave., Suite 1500, Woodland Hills, CA 91367

27 22130 Clarendon Street, Woodland Hills, CA 91367
28

1 333 City Blvd., 17th Floor, Orange, CA 92868
2 21241 Ventura Blvd., Suite 253, Woodland Hills, CA 91364
3 P.O. Box 17130, Las Vegas, NV 89114
4 P.O. Box 18434, Las Vegas, NV 89114
5 6433 Topanga Canyon Blvd., PMB #801, Canoga Park, CA 91303
6 6433 Topanga Canyon Blvd., PMB #402, Canoga Park, CA 91303
7 6433 Topanga Canyon Blvd., PMB #509, Canoga Park, CA 91303
8 1442 E. Lincoln Ave., PMB #361, Orange, CA 92865

9 and any address used by any of the Individual Defendants, including those
10 addresses listed in the Personal Data Identifiers Reference List as ID#3,
11 FILED UNDER SEAL PURSUANT TO LOCAL RULE 79-5.4.

12 B. The Receiver is authorized to open all such mail addressed to any
13 Receivership Defendant.

14 C. Any funds enclosed in any mail shall be maintained and accounted for
15 by the Receiver until further order by the Court.

16 D. Any Individual Defendant who receives such mail addressed to any
17 Receivership Defendant shall promptly deliver it to the Receiver.

18 E. The Receiver shall forward all mail that he receives on behalf of any
19 Receivership Defendant that is addressed solely to any Individual Defendant
20 unopened to that Individual Defendant at his last known address.

21
22 **XIV.**
Compensation of Temporary Receiver

23 IT IS FURTHER ORDERED that the Receiver and all personnel hired by the
24 Receiver as herein authorized, including counsel to the Receiver and accountants,
25 are entitled to reasonable compensation for the performance of duties pursuant to
26 this Order and for the cost of actual out-of-pocket expenses incurred by them, from
27 the assets now held by, in the possession or control of, or which may be received by,
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1 the Receivership Defendants. The Receiver shall file with the Court and serve on
2 the parties periodic requests for the payment of such reasonable compensation, with
3 the first such request filed no later than sixty (60) days after the date of this Order.
4 The Receiver shall not increase the hourly rates used as the bases for such fee
5 applications without prior approval of the Court.

6
7 **XV.**
Receiver's Bond

8 IT IS FURTHER ORDERED that the Receiver shall file with the Clerk of this
9 Court a bond in the sum of \$ 25,000 with sureties to be approved by the
10 Court, conditioned upon the Receiver well and truly performing the duties of the
11 office, and abiding by and performing all acts the Court directs.

12
13 **XVI.**
Immediate Access to Defendants'
14 **Business Premises, Books and Records**

15 IT IS FURTHER ORDERED that:

16 A. Defendants and their officers, agents, servants, employees, attorneys,
17 and all persons or entities directly or indirectly under their control or under common
18 control with them, and all other persons or entities in active concert or participation
19 with them who receive actual notice of this Order, whether by personal service or
20 otherwise, whether acting directly or through any corporation, subsidiary, division,
21 or other device, shall immediately identify to the Receiver and Commission's
22 counsel:

- 23 1. all of Defendants' business premises;
24 2. any premises where Defendants conduct business or telephone or
25 Internet sales operations;
26 3. any premises where documents related to Defendants' businesses
27 are stored or maintained;

1 4. Any premises where the Defendants' desktop and laptop
2 computers and network servers are stored or maintained; and

3 5. all agents, employees, officers, servants or those persons in
4 active concert and participation with him or her, who have done work for any
5 Receivership Defendant.

6 B. Plaintiff and the Receiver, and their representatives, agents, and
7 assistants, shall have immediate access to the business premises of the Receivership
8 Defendants. Such locations include but are not limited to:

9 1. Premises at which Defendants' business operations are
10 physically located, including:

11 3800 Howard Hughes Parkway, Suite 500, Las Vegas, NV 89109

12 2753 S. Highland, Suites 1004 and 1010, Las Vegas, NV 89109

13 2. Corporate apartment leased by Connect2USA:

14 2747 Paradise Rd., Unit 104, Las Vegas, NV 89109

15 3. The Receivership Defendants' portion of shared space in the
16 following office suites:

17 22130 Clarendon Street, Woodland Hills, CA 91367

18 21241 Ventura Blvd., Suite 253, Woodland Hills, CA 91364

19 4. Virtual offices services (including voice mail and mail collection
20 services) provided to any of the Receivership Defendants, including services
21 provided at the following addresses:

22 1800 Century Park East, Suite 600, Los Angeles, CA 90067

23 400 Continental Blvd., Suite 600, El Segundo, CA 90245

24 333 City Blvd., 17th Floor, Orange, CA 92868

25 5. Post office boxes and private mailboxes rented by the
26 Defendants, including:

27 P.O. Box 17130, Las Vegas, NV 89114

1 P.O. Box 18434, Las Vegas, NV 89114

2 6433 Topanga Canyon Blvd., PMB #801, Canoga Park, CA 91303

3 6433 Topanga Canyon Blvd., PMB #402, Canoga Park, CA 91303

4 6433 Topanga Canyon Blvd., PMB #509, Canoga Park, CA 91303

5 1442 E. Lincoln Ave., PMB #361, Orange, CA 92865

6 Plaintiff and Receiver are authorized to employ the assistance of law
7 enforcement officers as they deem necessary, to effect service and to implement
8 peacefully the provisions of this Order. Plaintiff and the Receiver, and their
9 representatives, agents, and assistants, shall have the right to remove documents
10 from the Receivership Defendants' business premises in order that they may be
11 inspected, inventoried, and copied. The Receiver shall have the discretion to
12 determine the time, manner, and reasonable conditions of such access;

13 C. The Receiver, and his or her representatives, agents, and assistants,
14 shall have immediate access to any other business location where the Receivership
15 Defendants' documents (including but not limited to contracts, accounting data,
16 written or electronic correspondence, advertisements, computer tapes, disks, or other
17 computerized records, books, written or printed records, handwritten notes,
18 telephone logs, telephone scripts, membership program records and lists, refund
19 records, receipts, ledgers, personal and business canceled checks and check
20 registers, bank statements, appointment books, and copies of federal, state or local
21 business or personal income or property tax returns), property (including but not
22 limited to computers and network servers), and equipment are located. The
23 Receiver, and his or her representatives, agents, and assistants, shall have the right
24 to remove documents and equipment from these other locations connected with the
25 Defendants' businesses in order that they may be inspected, inventoried, and copied;

1 D. Plaintiff and the Receiver may also photograph and videotape the inside
2 and outside of all premises to which they are permitted access by this Order, and all
3 documents and other items found on such premises;

4 E. If any documents, property, or equipment relating to the Defendants'
5 business practices are located at a location other than those listed herein and a
6 request to enter said location is denied, then Defendants shall, within 24 hours of
7 service of this Order:

8 1. Produce to the Receiver all such property, business records,
9 documents, or computer files; and

10 2. Produce to the Receiver all computers and data in whatever form
11 used by such Defendant or any of such Defendant's agents, employees, officers,
12 servants or those persons in active concert with him or her, in activities relating to
13 Defendants' business practices.

14
15 **XVII.**
Defendants' Access to Receivership Defendants' Business Premises

16 IT IS FURTHER ORDERED that the Receiver shall allow the Defendants
17 reasonable access to the premises of the Receivership Defendants. The sole purpose
18 of this access shall be to inspect and copy any and all books, records, accounts, and
19 other property owned by or in the possession of the Receivership Defendants. The
20 Receiver shall have the discretion to determine the time, manner, and reasonable
21 conditions of such access.

22
23 **XVIII.**
Stay of Actions

24 IT IS FURTHER ORDERED that:

25 A. Except by leave of this Court, during pendency of the receivership
26 ordered herein, Defendants, and all customers, principals, investors, creditors,
27 stockholders, lessors, and other persons seeking to establish or enforce any claim,
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1 right, or interest against or on behalf of the Defendants, and all others acting for or
2 on behalf of such persons, including attorneys, trustees, agents, sheriffs, constables,
3 marshals, and other officers and their deputies, and their respective attorneys,
4 servants, agents and employees, be and are hereby stayed from:

5 1. Commencing, prosecuting, continuing, entering, or enforcing any
6 suit or proceeding, except that such actions may be filed to toll any applicable
7 statute of limitations;

8 2. Accelerating the due date of any obligation or claimed
9 obligation; filing or enforcing any lien; taking or attempting to take possession,
10 custody, or control of any asset; attempting to foreclose, forfeit, alter, or terminate
11 any interest in any asset, whether such acts are part of a judicial proceeding, are acts
12 of self-help, or otherwise;

13 3. Executing, issuing, serving, or causing the execution, issuance or
14 service of, any legal process, including, but not limited to, attachments,
15 garnishments, subpoenas, writs of replevin, writs of execution, or any other form of
16 process whether specified in this Order or not;

17 4. Causing any Receivership Defendant to be placed in involuntary
18 bankruptcy; or

19 5. Doing any act or thing whatsoever to interfere with the Receiver
20 managing, or taking custody, control, or possession of, the assets or documents
21 subject to this receivership, or to harass or interfere with the Receiver in any way, or
22 to interfere in any manner with the exclusive jurisdiction of this Court over the
23 assets or documents of the Receivership Defendants.

24 B. This Section does not stay:

25 1. The commencement or continuation of a criminal action or
26 proceeding;

1 Center, E-Call International Pvt. Ltd., The Manipal Group, Manipal Informatics,
2 KVR Infosys Pvt. Ltd., and I Connection Communication Pvt. Ltd.).

3
4 **XX.**
Financial Statements and Accounting

5 IT IS FURTHER ORDERED that, within five (5) business days following the
6 service of this Order, each Defendant shall provide to counsel for the FTC:

7 A. A completed financial statement accurate as of the date of service of
8 this Order upon Defendants and signed under penalty of perjury. Unless otherwise
9 agreed upon with FTC counsel, each Individual Defendant shall include all financial
10 information as requested in the "Financial Statement of Individual Defendant,"
11 attached to the "Financial Statement Forms for Section XX (Financial Statements
12 and Accounting) of 'Temporary Restraining Order with Asset Freeze, Appointment
13 of Temporary Receiver, and Other Equitable Relief, and Order to Show Cause Why
14 a Preliminary Injunction Should Not Issue and a Permanent Receiver Should Not Be
15 Appointed,'" filed in this action, and each Corporate Defendant shall include all
16 information as requested in the corresponding "Financial Statement of Corporate
17 Defendant";

18 B. A completed statement, verified under oath:

19 1. specifying the name and address of each financial institution and
20 brokerage firm at which the Defendant has accounts or safe deposit boxes. Said
21 statements shall include assets held in foreign as well as domestic accounts.

22 2. listing all person who have received payments, transfers, or
23 assignment of funds, assets, or property which total \$10,000 or more in any twelve-
24 month period since January 1, 2004. This list shall specify: (a) the amount(s)
25 transferred or assigned; (b) the name of each transferee or assignee; (c) the date of
26 the assignment or transfer; and (d) the type and amount of consideration paid to the
27 Defendant.

1 C. For all goods and services advertised, marketed, promoted, offered for
2 sale, distributed, or sold by the Defendant, a detailed accounting, verified under
3 oath, of:

4 1. all gross revenues obtained from the sale or distribution of each
5 such product (broken down by month and year) from January 1, 2004 through the
6 date of the issuance of this Order;

7 2. all net profits obtained from the sale or distribution of each such
8 product (broken down by month and year) from January 1, 2004 through the date of
9 the issuance of this Order;

10 3. the total amount of each such product sold or distributed (broken
11 down by month and year); and

12 4. the full names, addresses, and telephone numbers of all
13 purchasers or recipients of each such product, and the amount paid by each.

14 D. Access to records and documents pertaining to assets of any of the
15 Defendants that are held by financial institutions outside the territory of the United
16 States by signing a Consent to Release of Financial Records form, to be provided by
17 counsel for Plaintiff.

18
19 **XXI.**
Preservation of Records

20 IT IS FURTHER ORDERED that Defendants, and their officers, directors,
21 agents, employees, salespersons, independent contractors, attorneys, all other
22 persons or entities directly or indirectly under their control or under common control
23 with any of them, and all other persons or entities in active concert or participation
24 with any of them who receive actual notice of this Order by personal service or
25 otherwise, are hereby temporarily restrained and enjoined from destroying, erasing,
26 mutilating, concealing, altering, transferring or otherwise disposing of, in any
27 manner, directly or indirectly, any documents that relate to the business practices or
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1 business or personal finances of any Defendant, including, but not limited to, any
2 contracts, accounting data, correspondence, advertisements, computer tapes, discs or
3 other computerized records, books, written or printed records, handwritten notes,
4 telephone logs, telephone scripts, receipt books, ledgers, personal and business
5 canceled checks and check registers, bank statements, appointment books, copies of
6 federal, state, or local business or personal income or property tax returns.

7 The persons subject to this Section specifically include but are not limited to
8 each telemarketing call center that has been used by any of the Defendants
9 (including but not limited to: Crystal Marketing, Credence E-Services Pvt. Ltd.,
10 Silgate Solutions, Vishnu Solutions Pvt Limited, PCL Call Center, E-Call
11 International Pvt. Ltd., The Manipal Group, Manipal Informatics, KVR Infosys Pvt.
12 Ltd., and I Connection Communication Pvt. Ltd.). The records subject to this
13 Section specifically include but are not limited to scripts, telephone logs, recordings
14 of telemarketing calls, and organizational charts.

15
16 **XXII.
Record Keeping**

17 IT IS FURTHER ORDERED that each Defendant is restrained and enjoined
18 from failing to make and keep, and to provide to Plaintiff's counsel promptly upon
19 request, an accurate accounting that, in reasonable detail, accurately, fairly, and
20 completely reflects that Defendant's income, disbursements, transactions, and use of
21 money, beginning immediately upon service or actual notice of this Order.

22
23 **XXIII.
Notification re Defendants' Business Activities**

24 IT IS FURTHER ORDERED that Defendants are hereby restrained and
25 enjoined from creating, operating, or exercising any control over any business
26 entity, including any partnership, limited partnership, joint venture, sole
27 proprietorship or corporation, without first providing Plaintiff Commission with a
28

1 written statement disclosing: (1) the name of the business entity; (2) the address
2 and telephone number of the business entity; (3) the names of the business entity's
3 officers, directors, principals, managers and employees; and (4) a detailed
4 description of the business entity's intended activities.

5 IT IS FURTHER ORDERED that Defendants shall notify the Commission in
6 writing at least seven (7) days prior to any affiliation with any new or previously
7 inactive business or employment. Each notice shall include the Defendant's new
8 business address and a statement of the nature of the new business or employment
9 and of his duties and responsibilities in connection with that business or
10 employment.

11
12 **ORDER TO SHOW CAUSE AND MISCELLANEOUS PROVISIONS**

13 **XXIV.**

14 **Order to Show Cause re Preliminary Injunction
and Appointment of Permanent Receiver**

15 IT IS FURTHER ORDERED, pursuant to Fed. R. Civ. P. 65(b), that each of
16 the Defendants shall appear before this Court on the 6th of March, 2006,
17 at 8:30 o'clock a.m., at Courtroom 16 ~~16~~ St.

18 [] the United States Courthouse located at 312 N. Spring Street, Los Angeles,
19 California or

20 [] the Roybal Federal Building and Courthouse located at 255 East Temple
21 Street, Los Angeles, California,

22 to show cause, if there is any, why this Court should not enter a Preliminary
23 Injunction, pending final ruling on the Complaint against Defendants, enjoining
24 them from further violations of Section 5 of the FTC Act, 15 U.S.C. § 45(a), the
25 TSR, 16 C.F.R. Part 310, and Section 521 of the GLB Act, 15 U.S.C. § 6821,
26 continuing the freeze of their assets, appointing a Permanent Receiver over the
27 Receivership Defendants, and imposing such additional relief as may be appropriate.

1 IT IS FURTHER ORDERED that, in support of its application for a
2 preliminary injunction, Plaintiff may submit supplemental evidence discovered
3 subsequent to the filing of its application for a TRO, as well as a supplemental
4 memorandum. Plaintiff shall file and serve any supplemental evidence by no later
5 than 4:00 p.m. on the ~~fourth~~^{sixth} court day prior to the preliminary injunction hearing as
6 scheduled above. Such documents may be served on each Defendant by faxing or
7 delivering the document(s) to the attorney for the Defendant, or, if the Defendant is
8 not represented by counsel, to a fax number previously designated by the Defendant
9 in writing to counsel for Plaintiff; if the Defendant has not so designated a fax
10 number, service may be effected by mailing the documents to an address designated
11 in writing by the Defendant to counsel for Plaintiff; if no address has been so
12 designated, service shall be complete upon filing of the documents with this Court.

13 IT IS FURTHER ORDERED that Defendants shall file and serve any
14 opposition to the issuance of a preliminary injunction against all Defendants and the
15 appointment of a permanent receiver over the Receivership Defendants, including
16 any declarations, exhibits, memoranda or other evidence on which they intend to
17 rely, and objections to any evidence submitted by Plaintiff, by no later than 4:00
18 p.m. of the ~~second~~^{fourth} court day prior to the hearing on the preliminary injunction.
19 Such documents may be served by fax upon Plaintiff's counsel or by personal
20 delivery.

21 IT IS FURTHER ORDERED that there will be no direct examination of
22 witnesses at the preliminary injunction hearing in this matter. Direct testimony shall
23 be presented in the form of declarations or affidavits.

24
25 **XXV.**
Expedited Discovery

26 IT IS FURTHER ORDERED that the Commission is granted leave at any
27 time after service of this Order to:
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**XXVII.
Correspondence**

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

Faye Chen Barnouw
Jennifer M. Brennan
Federal Trade Commission
10877 Wilshire Blvd., Suite 700
Los Angeles, CA 90024

Documents served by fax shall be sent to Faye Chen Barnouw/Jennifer M. Brennan at (310) 824-4380.

**XXVIII.
Service of this Order**

IT IS FURTHER ORDERED that copies of this Order and accompanying "Personal Data Identifiers Reference List" may be served by any means, including facsimile transmission, upon any financial institution or other entity or person that may have possession, custody, or control of any documents or assets of any Defendant, or that may otherwise be subject to any provision of this Order. Service upon any branch or office of any financial institution shall effect service upon the entire financial institution.

**XXIX.
Expiration of this Order**

IT IS FURTHER ORDERED that this Order shall expire as to each Defendant ten days after entry unless, within such time, for good cause shown, it is extended for a like period, or unless the Defendant consents that it may be extended for a longer period and the reasons therefor are entered of record.

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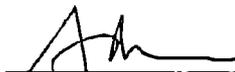
XXX.
Retention of Jurisdiction

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for all purposes. No security is required of any agency of the United States for the issuance of a restraining order. Fed. R. Civ. P. 65(c).

Dated: 2/22/06

S. J. O'Neil
UNITED STATES DISTRICT JUDGE

Presented by:



Faye Chen Barnouw
Jennifer M. Brennan
Attorneys for Plaintiff
FEDERAL TRADE COMMISSION