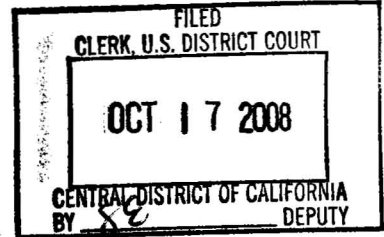


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CLERK U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
LOS ANGELES
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ORIGINAL



9 UNITED STATES DISTRICT COURT
10 FOR THE CENTRAL DISTRICT OF CALIFORNIA
11 WESTERN DIVISION

12 FEDERAL TRADE COMMISSION,

13 Plaintiff,

14 v.

15 SUCCESSFUL CREDIT SERVICE
16 CORPORATION, a California corporation dba
17 SUCCESS CREDIT SERVICES and TRACY
18 BALLARD aka TRACY BALLARD-
19 STRAUGHN, individually and as an officer
20 and/or director of Successful Credit Service,

21 Defendants.

Civil No.

CV08-06829

ODW

~~PROPOSED~~

TEMPORARY
RESTRAINING ORDER
WITH ASSET FREEZE,
ORDER PERMITTING
EXPEDITED
DISCOVERY, AND
ORDER TO
SHOW CAUSE WHY A
PRELIMINARY
INJUNCTION SHOULD
NOT ISSUE

(SHx)

DATE: October 24, 2008

Time: 1:30pm

22 Plaintiff, the Federal Trade Commission ("FTC"), having filed its Complaint
23 for Injunctive and Other Equitable Relief pursuant to Sections 13(b) and 19 of the
24 Federal Trade Commission Act, 15 U.S.C. §§ 53(b) and 57b, and Section 410(b) of
25 the Credit Repair Organizations Act, 15 U.S.C. § 1679h(b) has filed a complaint
26 for permanent injunction and other equitable relief, including consumer redress,
27 and applied for a temporary restraining order with asset freeze and for an order to
28 show cause why a preliminary injunction should not issue pursuant to Rule 65(b)
of the Federal Rules of Civil Procedure, Fed. R. Civ. P. 65(b).

FINDINGS OF FACT

The Court, having considered the Complaint, declarations, exhibits, and memorandum of points and authorities filed in support thereof, and it appears to the satisfaction of the Court that:

1. This Court has jurisdiction over the subject matter of this case, and there is good cause to believe it will have jurisdiction of all parties hereto and that venue in this district is proper;
2. There is good cause to believe that Defendants Successful Credit Service Corporation, dba Success Credit Services, and Tracy Ballard, aka Tracy Ballard-Straughn (collectively “Defendants”), have engaged in and are likely to engage in acts and practices that violate Section 5(a) of the Federal Trade Commission Act, 15 U.S.C. § 45(a), and the Credit Repair Organizations Act, 15 U.S.C. §§ 1679-1679j,
3. There is good cause to believe that the Commission is likely to prevail on the merits of this action;
4. There is good cause to believe that immediate and irreparable damage to this Court’s ability to grant effective final relief for consumers, including monetary restitution, rescission or refunds, will occur from the sale, transfer, or other disposition by Defendants of their assets or company records, or those assets and company records under their control, unless Defendants are immediately restrained and enjoined by order of this Court;
5. Weighing the equities and considering Plaintiff’s likelihood of ultimate success on the merits, a temporary restraining order with asset freeze and other equitable relief is in the public interest;

- 1 6. There is good cause for issuing this Temporary Restraining
2 Order pursuant to Rule 65(b) of the Federal Rules of Civil
3 Procedure;
4 7. Defendants were provided with sufficient notice of these
5 proceedings; and
6 8. The Commission is an independent agency of the United States
7 of America and no security is required of any agency of the
8 United States for the issuance of a temporary restraining order.
9 Fed. R. Civ. P. 65(c).

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ORDER

DEFINITIONS

For the purpose of this Temporary Restraining Order (“Order”), the following definitions shall apply:

1. **“Asset”** means any legal or equitable interest in, right to, or claim to, any real and personal property, including, but not limited to, “goods,” “instruments,” “equipment,” “fixtures,” “general intangibles,” “inventory,” “checks,” “notes” (as these terms are defined in the Uniform Commercial Code), and all chattel, leaseholds, contracts, mail or other deliveries, shares of stock, lists of consumer names, accounts, credits, premises, receivables, funds, and cash, wherever located.
2. **“Assisting others”** means knowingly providing any of the following goods or services to another entity:
- a. performing customer service functions, including, but not limited to, receiving or responding to consumer complaints;
 - b. formulating or providing, or arranging for the formulation or provision of, any marketing material;
 - c. providing names of, or assisting in the generation of, potential

1 customers; or

2 d. performing marketing or billing services of any kind.

3 3. **“Credit repair organization”** means any person or entity that uses
4 any instrumentality of interstate commerce or the mails to sell, provide, or perform
5 (or represent that such person or entity can or will sell, provide, or perform) any
6 credit repair service.

7 4. **“Credit repair service”** means any service, in return for payment of
8 money or other consideration, for the express or implied purpose of:

9 a. improving any consumer’s credit record, credit history, or
10 credit rating; or

11 b. providing advice or assistance to any consumer with regard to
12 any activity or service the purpose of which is to improve a
13 consumer’s credit record, credit history, or credit rating.

14 5. **“Defendants”** means Successful Credit Service Corporation, dba
15 Success Credit Services, and Tracy Ballard, aka Tracy Ballard-Straughn.

16 6. **“Individual Defendant”** means Defendant Tracy Ballard a.k.a. Tracy
17 Ballard-Straughn.

18 7. **“Document”** is synonymous in meaning and equal in scope to the
19 usage of the term in Federal Rule of Civil Procedure 34(a), and includes writings,
20 drawings, graphs, charts, photographs, audio and video recordings, computer
21 records, and other data compilations from which the information can be obtained
22 and translated, if necessary, through detection devices into reasonably usable form.
23 A draft or non-identical copy is a separate document within the meaning of the
24 term.

25 8. **“Plaintiff”** or **“Commission”** or **“FTC”** means the Federal Trade
26 Commission.

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I.

PROHIBITED BUSINESS ACTIVITIES:

Injunction Against Violations of Section 5 of the FTC Act

IT IS THEREFORE ORDERED that, in connection with the advertising, marketing, promotion, offering for sale, or sale of credit repair services to consumers, Defendants and their successors, assigns, members, officers, agents, servants, employees, and attorneys and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any entity, corporation, subsidiary, division, affiliate or other device, are **hereby temporarily restrained and enjoined** from falsely representing or from knowingly assisting others who are falsely representing, either orally or in writing, expressly or by implication, any material fact, including, but not limited to:

- A.** that a credit repair organization can improve substantially consumers' credit reports or profiles by permanently removing negative information from consumers' credit reports, even where such information is accurate and not obsolete; and
- B.** any other fact material to a consumer's decision to participate in any credit repair program.

II.

**Injunction Against Violations of
the Credit Repair Organizations Act**

IT IS FURTHER ORDERED that, in connection with the advertising, marketing, promotion, offering for sale, or sale of credit repair services to consumers, Defendants, and their successors, assigns, members, officers, agents, servants, employees, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any entity, corporation, subsidiary, division, affiliate or

- 1 3. held by an agent of any Defendant as a retainer for the agent's
- 2 provision of services to Defendants; or
- 3 4. owned or controlled by, or in the actual or constructive
- 4 possession of or otherwise held for the benefit of, any
- 5 corporation, partnership, or other entity directly or indirectly
- 6 owned, managed, or controlled by any of the Defendants,
- 7 including, but not limited to, any assets held by, for, or subject
- 8 to access by, any of the Defendants at any bank or savings and
- 9 loan institution, or with any broker-dealer, escrow agent, title
- 10 company, commodity trading company, precious metal dealer,
- 11 or other financial institution or depository of any kind;

12 **B.** Opening or causing to be opened, unless accompanied by Counsel for

13 the Commission, any safe deposit boxes titled in the name of any

14 Defendant, or subject to access by any Defendant;

15 **C.** Obtaining a personal or secured loan encumbering the assets of any

16 Defendant, or subject to access by any Defendant;

17 **D.** Incurring liens or other encumbrances on real property, personal

18 property, or other assets in the name, singly or jointly, of any

19 Defendant or of any corporation, partnership, or other entity directly

20 or indirectly owned, managed, or controlled by any Defendant; or

21 **E.** Incurring charges or cash advances on any bank card, issued in the

22 name, singly or jointly, of any Defendant or any corporation,

23 partnership, or other entity directly or indirectly owned, managed, or

24 controlled by any Defendant.

25 **IT IS FURTHER ORDERED** that the assets affected by this Paragraph

26 shall include assets acquired by any Defendant following entry of this Order only if

27 such assets are derived from the operation of any activity prohibited by this Order

28 or derived from any other violation of Section 5(a) of the FTC or from any

