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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

DINAMICA FINANCIERA LLC,  
a California limited liability  
company;

SOLUCIONES DINAMICAS, INC.,  
a California corporation;

VALENTIN BENITEZ,  
an individual;

JOSE MARIO ESQUER,  
an individual; and

ROSA ESQUER  
an individual,

Defendants.

Case No. 09-03554 MMM (PJWx)

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

1 Plaintiff Federal Trade Commission having filed its Complaint for a permanent injunction  
2 and other equitable relief in this matter pursuant to Section 13(b) of the Federal Trade  
3 Commission Act (“FTC Act”), 15 U.S.C. § 53(b), and having applied *ex parte* for a temporary  
4 restraining order (“Order”) pursuant to Rule 65 of the Federal Rules of Civil Procedure, and the  
5 Court having considered the Complaint, Plaintiff's application, and the memorandum of points  
6 and authorities and other materials filed in support thereof, and now being advised in the  
7 premises, finds as follows:

8 1. This Court has jurisdiction of the subject matter of this case. There is also good  
9 cause to believe it will have jurisdiction of all parties hereto, and that venue in this district is  
10 proper.

11 2. There is good cause to believe that Defendants Dinamica Financiera LLC,  
12 Soluciones Dinamicas, Inc., Valentin Benitez, and Jose Mario Esquer (“Defendants”) have  
13 engaged in and are likely to engage in acts that violate Section 5(a) of the FTC Act, 15 U.S.C.  
14 § 45(a), and that the Commission is likely to prevail on the merits of this action.

15 3. There is good cause to believe that immediate and irreparable harm will result  
16 from Defendants’ ongoing violations of the FTC Act unless Defendants are restrained and  
17 enjoined by Order of this Court.

18 4. There is good cause to believe that immediate and irreparable damage to the  
19 Court’s ability to grant effective final relief for consumers – including refunds, rescission and  
20 restitution, disgorgement, or other equitable monetary relief – will occur from the sale, transfer,  
21 or other disposition or concealment by Defendants of assets or records unless Defendants are  
22 immediately restrained and enjoined by Order of this Court.

23 5. Considering Plaintiff's likelihood of ultimate success and weighing the equities,  
24 a temporary restraining order with an asset freeze, and other equitable relief is in the public  
25 interest.

26 6. No security is required of any agency of the United States for issuance of a  
27 temporary restraining order. Fed. R. Civ. P. 65(c).

28

1 **ORDER**

2 DEFINITIONS

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

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

8 2. "Assisting Others" means knowingly providing any of the following goods or  
9 services to another person:

- 10 a. performing customer service functions, including, but not limited to,  
11 receiving or responding to consumer complaints; or  
12 b. formulating or providing, or arranging for the formulation or provision of,  
13 any telephone sales script or any other marketing material; or  
14 c. providing names of, or assisting in the generation of, potential customers;  
15 or  
16 d. performing marketing services of any kind.

17 3. "Defendants" means Dinamica Financiera LLC, Soluciones Dinamicas, Inc.,  
18 Valentin Benitez, and Jose Mario Esquer and each of them, by whatever names each might be  
19 known by, as well as their successors and assigns, whether acting directly or through any  
20 corporation, subsidiary, division, or other device, including, but not limited to, fictitious  
21 business names.

22 4. "Dinamica" means Defendant Dinamica Financiera LLC.

23 5. The term "Document" is equal in scope and synonymous in meaning to the usage  
24 of the term in Federal Rule of Civil Procedure 34(a), and includes writings, drawings, graphs,  
25 charts, photographs, audio and video recordings, computer records, and any other data  
26 compilations from which information can be obtained. A draft or non-identical copy is a  
27 separate document within the meaning of the term.

28 6. "Individual Defendants" means Defendants Valentin Benitez and Jose Mario

1 Esquer.

2 7. "Material Fact" means any fact that is likely to affect a person's choice of, or  
3 conduct regarding, goods or services.

4 8. "Mortgage foreclosure rescue service" means any service, product, or program  
5 wherein the offeror, expressly or by implication, claims that it can assist a homeowner in any  
6 manner to (A) stop, prevent, or postpone any home mortgage foreclosure sale, (B) obtain or  
7 arrange a modification of any term of a home loan, deed of trust, or mortgage; (C) obtain any  
8 forbearance from any mortgage loan holder or servicer, (D) exercise any statutory right of  
9 reinstatement, (E) obtain any extension of the period within which the owner may reinstate his  
10 or her obligation, (F) obtain any waiver of an acceleration clause contained in any promissory  
11 note or contract secured by a deed of trust or mortgage on a residence in foreclosure or  
12 contained in that deed of trust or mortgage, (G) obtain a loan or advance of funds that is  
13 connected to the consumer's home ownership, (H) avoid or ameliorate the impairment of the  
14 owner's credit standing, credit rating or credit profile resulting from the recording of a notice  
15 of default or the conduct of a foreclosure sale, (I) save the owner's residence from foreclosure,  
16 or (J) assist the owner in obtaining proceeds from the foreclosure sale of the owner's residence.  
17 The foregoing shall include any manner of claimed assistance, including, but not limited to,  
18 debt, budget, or financial counseling, receiving money for the purpose of distributing it to  
19 creditors, contacting creditors on behalf of the homeowner, arranging or attempting to arrange  
20 for an extension of the period within which the owner of property sold at foreclosure may cure  
21 his or her default, arranging or attempting to arrange for any delay or postponement of the time  
22 of a foreclosure sale, and giving advice of any kind with respect to filing for bankruptcy.

23 9. "Mortgage loan holder or servicer" means any beneficiary, mortgagee, trustee,  
24 loan servicer, or any other loan holder and/or their authorized agents.

25 10. "Plaintiff" means the Federal Trade Commission.

26 11. "Person" means a natural person, organization, or other legal entity, including  
27 a corporation, partnership, proprietorship, association, cooperative, or any other group or  
28 combination acting as an entity.

1 12. “Soluciones” means Defendant Soluciones Dinamicas, Inc.

2 13. The term “and” also means “or,” and the term “or” also means “and.”

3 **I.**

4 **PROHIBITED REPRESENTATIONS**

5 **IT IS ORDERED** that Defendants and their successors, assigns, officers, agents,  
6 servants, employees, and attorneys, and those persons or entities in active concert or  
7 participation with any of them who receive actual notice of this Order by personal service or  
8 otherwise, whether acting directly or through any corporation, subsidiary, division, or other  
9 device, in connection with the advertising, marketing, promotion, offering for sale or sale of any  
10 mortgage foreclosure rescue service, are temporarily restrained and enjoined from falsely  
11 representing, or from assisting others who are falsely representing, expressly or by implication,  
12 any of the following:

13 A. That any Defendant or any other person will:

- 14 1. stop, prevent, or postpone any home mortgage foreclosure sale;
- 15 2. save any consumer’s residence from foreclosure;
- 16 3. prevent a notice of default from being filed with respect to any consumer’s  
17 residence or home loan;
- 18 4. obtain or write a new home loan for any consumer;
- 19 5. obtain or arrange refinancing of a home loan for any consumer;
- 20 6. obtain or arrange a forbearance from any mortgage loan holder or  
21 servicer;
- 22 7. obtain or arrange any agreement whereby any consumer’s mortgage  
23 payments are deferred for any period of time;
- 24 8. obtain or arrange a modification of any term of a home loan, deed of trust,  
25 or mortgage;
- 26 9. obtain or arrange lower monthly mortgage payments for any consumer;
- 27 10. obtain or arrange affordable monthly mortgage payments for any  
28 consumer;

1 11. immediately or promptly contact any consumer's mortgage loan holder or  
2 servicer; or

3 12. give a full refund of any fees paid if the Defendant or any other person  
4 fails to stop, prevent, or postpone any foreclosure or perform any other  
5 agreed-upon services;

6 B. The terms that any mortgage loan holder or servicer will or is likely to offer or  
7 accept to cure any delinquency or default on, or to re-instate, any mortgage or other home loan,  
8 including but not limited to:

9 1. the amount of any good-faith, up-front, or lump sum payment that the  
10 consumer will be required to make; or

11 2. the amount of any monthly payment(s) that the consumer will be required  
12 to make;

13 3. the length of time the consumer will be provided to cure any delinquency.

14 C. The amount of time that it will take or is likely to take for any Defendant or other  
15 person to arrange or reach an agreement with any consumer's mortgage loan holder or servicer  
16 to prevent foreclosure or to cure any delinquency or default on, or to re-instate, any mortgage  
17 or other home loan;

18 D. The nature of the Defendant's or any other person's relationship with any  
19 mortgage loan holder or servicer, or other lender;

20 E. The length of time that any Defendant or any other person has been in the  
21 mortgage foreclosure rescue service business;

22 F. The cost of such service or of any aspect of such service;

23 G. That any Defendant or any other person is affiliated with, endorsed or approved  
24 by, or otherwise connected to any government agency, unit or department, including but not  
25 limited to the U.S. Department of Housing and Urban Development (H.U.D.);

26 H. The refund policy of any Defendant or any other person, including but not limited  
27 to the likelihood of a consumer obtaining a full or partial refund, or the circumstances in which  
28 a full or partial refund will be granted to the consumer; or

1 I. Any other material fact.

2 **II.**

3 **ASSET FREEZE**

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

6 A. Transferring, encumbering, selling, concealing, pledging, hypothecating,  
7 assigning, spending, withdrawing, disbursing, conveying, gifting, dissipating, or otherwise  
8 disposing of any funds, property, coins, lists of consumer names, shares of stock, or other  
9 assets, wherever located, that are (1) owned or controlled by any of the Defendants, in whole  
10 or in part; (2) in the actual or constructive possession of any of the Defendants; (3) held by an  
11 agent of any of the Defendants, as a retainer for the agent's provision of services to a Defendant;  
12 or (4) owned, controlled by, or in the actual or constructive possession of, or otherwise held for  
13 the benefit of, any corporation, partnership, or other entity directly or indirectly owned or  
14 controlled by any of the Defendants. The freeze imposed in this Section shall apply to assets  
15 that any of the Defendants acquires following service of this Order only if such assets are  
16 derived from activity prohibited by this Order.

17 B. Collecting or attempting to collect payment, in whole or in part, from any  
18 consumer who hired Defendants prior to the entry of this Order.

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

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

24 E. Failing to disclose to Plaintiff, immediately upon service of this Order,  
25 information that fully identifies each asset of the Defendants, and each entity holding such asset,  
26 including, without limitation, the entity's name, address, and telephone number, the number of  
27 the account, and the name under which the account is held.

28 F. If defendants may apply to the court for permission to use some portion of their

1 assets for reasonable living expenses and/or reasonable attorneys' fees, the court will determine  
2 whether to grant the request after affording the Commission an opportunity to respond.

3 **III.**

4 **FINANCIAL REPORTS**

5 **IT IS FURTHER ORDERED** that within forty-eight (48) hours after service of this  
6 Order:

7 A. Each of the Individual Defendants shall complete and deliver to Plaintiff the  
8 Financial Statement captioned "Financial Statement of Individual Defendant," a copy of which  
9 is attached hereto as Attachment 1;

10 B. The Individual Defendants shall prepare and deliver to Plaintiff, for Dinamica and  
11 Soluciones, the Financial Statement captioned "Financial Statement of Corporate Defendant,"  
12 a copy of which was attached hereto as Attachment 2. The Individual Defendants shall be jointly  
13 and severally liable for this obligation;

14 C. Each of the Individual Defendants shall, on behalf of each corporation or other  
15 entity of which he is the majority owner or which he otherwise controls, other than Dinamica  
16 or Soluciones, complete and deliver to Plaintiff a separate copy of the "Financial Statement of  
17 Corporate Defendant"; and

18 D. Defendants shall provide the Commission access to records and documents  
19 pertaining to assets of any of the Defendants that are held by financial institutions outside the  
20 territory of the United States by signing a Consent to Release of Financial Records if requested  
21 by Plaintiff.

22 **IV.**

23 **PRESERVATION OF RECORDS**

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

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

8 **V.**

9 **PROHIBITION ON RELEASE OF**  
10 **CUSTOMER INFORMATION OR CUSTOMERS LISTS**

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

22 **VI.**

23 **RECORD KEEPING**

24 **IT IS FURTHER ORDERED** that each of the Individual Defendants is temporarily  
25 restrained and enjoined from failing to make and keep, and to provide to Plaintiff's counsel  
26 promptly upon request, an accurate accounting that, in reasonable detail, accurately, fairly, and  
27 completely reflects such Defendant's incomes (including all income resulting from any services,  
28 activity, or efforts rendered by such Defendant), disbursements, transactions, and use of money,

1 beginning immediately upon service or actual notice of this Order, and continuing daily until  
2 otherwise ordered by the Court.

3 **VII.**

4 **NOTIFICATION OF BUSINESS ACTIVITIES**

5 **IT IS FURTHER ORDERED** that:

6 A. Each of the Individual Defendants is restrained and enjoined from directly or  
7 indirectly creating, operating, or exercising any control over any business entity, including any  
8 partnership, limited partnership, joint venture, sole proprietorship, or corporation, without first  
9 serving on counsel for the Commission a written statement disclosing the following: (1) the  
10 name of the business entity; (2) the address and telephone number of the business entity; (3) the  
11 names of the business entity's officers, directors, principals, managers and employees; and (4) a  
12 detailed description of the business entity's intended or actual activities.

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

18 **VIII.**

19 **FINANCIAL INSTITUTIONS**

20 **IT IS FURTHER ORDERED** that any financial or brokerage institution, any business  
21 entity, or any other person having possession, custody, or control of any records of any of the  
22 Defendants, or of any account, safe deposit box, or other asset titled in the name of any of the  
23 Defendants, either individually or jointly or held for the benefit of any of the Defendants, or  
24 which has maintained any such account, safe deposit box, or other asset at any time since May  
25 19, 2007, shall:

26 A. Hold and retain within its control and prohibit the transfer, encumbrance, pledge,  
27 assignment, removal, withdrawal, dissipation, sale, or other disposal of any such account or  
28 other asset, except for transfers or withdrawals authorized in writing by counsel for Plaintiff or

1 by further order of this Court;

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

4 C. Provide to Plaintiff within three (3) business days of notice of this Order a sworn  
5 statement setting forth:

6 1. the identification of each account or asset;

7 2. the balance of each account or a description of the nature and value of  
8 each asset as of the close of business on the day notification of this Order  
9 is received, and, if the account or asset has been closed or moved, the  
10 balance or value removed and the person or entity to whom it was  
11 transferred; and

12 3. the identification of any safe deposit box titled in the name of or subject  
13 to access by any of the Defendants.

14 D. Upon request by counsel for Plaintiff, promptly provide Plaintiff with copies of  
15 all records or other documentation pertaining to such account or asset, including but not limited  
16 to originals or copies of account applications, account statements, signature cards, checks,  
17 drafts, deposit tickets, transfers to and from the accounts, all other debit and credit instruments  
18 or slips, currency transaction reports, 1099 forms, and safe deposit box logs; and

19 **IX.**

20 **BANKRUPTCY PETITIONS**

21 **IT IS FURTHER ORDERED** that, in light of the asset freeze, Defendants are prohibited  
22 from filing, or causing to be filed, on behalf of any Defendant, a petition for relief under the  
23 United States Bankruptcy Code, 11 U.S.C. § 101 et seq., without prior permission from this  
24 Court.

25 **X.**

26 **STAY OF ACTIONS**

27 **IT IS FURTHER ORDERED** that:

28 A. Except by leave of this Court, Defendants and all other persons and entities

1 (except for Plaintiff) are hereby restrained from taking any action to establish or enforce : a) any  
2 claim, right, or interest for, against, on behalf of, in, or in the name of Dinamica or Soluciones,  
3 or b) any claim, right, or interest in or to any of Dinamica's or Soluciones' assets, including,  
4 but not limited to, the following actions:

- 5 1. Commencing, prosecuting, continuing, entering, or enforcing any suit or  
6 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 obligation; filing or  
9 enforcing any lien; taking or attempting to take possession, custody, or  
10 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  
12 proceeding, are acts of self-help, or otherwise; or
- 13 3. Executing, issuing, serving, or causing the execution, issuance or service  
14 of, any legal process, including, but not limited to, attachments,  
15 garnishments, subpoenas, writs of replevin, writs of execution, or any  
16 other form of process whether specified in this Order or not.

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

- 18 1. The commencement or continuation of a criminal action or proceeding;
- 19 2. The commencement or continuation of an action or proceeding by a  
20 governmental unit to enforce such governmental unit's police or regulatory  
21 power;
- 22 3. The enforcement of a judgment, other than a money judgment, obtained  
23 in an action or proceeding by a governmental unit to enforce such  
24 governmental unit's police or regulatory power; or
- 25 4. The commencement of any action by the Secretary of the United States  
26 Department of Housing and Urban Development to foreclose a mortgage  
27 or deed of trust in any case in which the mortgage or deed of trust held by  
28 the Secretary is insured or was formerly insured under the National

1 Housing Act and covers property, or combinations of property, consisting  
2 of five or more living units.

3 **XI.**

4 **DISTRIBUTION OF ORDER**

5 **IT IS FURTHER ORDERED** that the Individual Defendants shall immediately provide  
6 a copy of this Order to each of Dinamica's and Soluciones' affiliates, franchises, subsidiaries,  
7 divisions, successors, assigns, directors, officers, managing agents, employees, representatives,  
8 and independent contractors and shall, within three (3) business days from the date of service  
9 of this Order, serve on Plaintiff affidavits identifying the names, titles, addresses, and telephone  
10 numbers of the persons whom they have served pursuant to this provision.

11 **XII.**

12 **CREDIT REPORTS**

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

17 **XIII.**

18 **LIMITED EXPEDITED DISCOVERY**

19 **IT IS FURTHER ORDERED** that the Commission is granted leave at any time after  
20 service of this Order to:

21 A. Take the deposition of any person, without limitation, for the purpose of:

- 22 1. discovering the nature, location, status, and extent of assets of any of the  
23 Defendants, or of their affiliates or of their subsidiaries,  
24 2. discovering the nature, location, status and extent of Documents reflecting  
25 the business transactions of any of the Defendants;  
26 3. discovering the nature and extent of Defendants' business activities; and

27 B. Demand the production of documents from any person or entity relating to the  
28 nature, status, location and extent of any of the Defendants' assets, and the location of any

1 documents reflecting the Defendants' business transactions or the nature and extent of  
2 Defendants' business activities.

3 Thirty-six (36) hours notice shall be deemed sufficient for any such deposition and  
4 forty-eight (48) hours notice shall be deemed sufficient for the production of any such  
5 Documents. The limitations and conditions set forth in Fed. R. Civ. P. 30(a)(2) and 31(a)(2)  
6 shall not apply to depositions taken pursuant to this Section. Any such depositions taken  
7 pursuant to this Section shall not be counted toward the ten deposition limit set forth in Fed. R.  
8 Civ. P. 30(a)(2)(A)(i) and 31(a)(2)(A)(i). Service of discovery taken pursuant to this Section  
9 shall be sufficient if made by facsimile, by overnight delivery, or by email.

10 **XIV.**

11 **CORRESPONDENCE**

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

14 Stacy Procter  
15 Maricela Segura  
16 Jennifer Brennan  
17 Federal Trade Commission  
18 10877 Wilshire Blvd., Suite 700  
Los Angeles, CA 90024  
Fax: (310) 824-4380  
Email: sprocter@ftc.gov; msegura@ftc.gov; jmbrennan@ftc.gov

19 **XV.**

20 **PRELIMINARY INJUNCTION HEARING**

21 **IT IS FURTHER ORDERED** that Defendants Dinamica Financiera LLC, Soluciones  
22 Dinamicas, Inc., Valentin Benitez, and Jose Mario Esquer shall appear before this Court,  
23 located at 255 East Temple, Los Angeles, CA 90012, Courtroom 780, on the Thursday, June  
24 4, 2009, at 10 o'clock a.m., to show cause, if any there be, why this Court should not enter a  
25 preliminary injunction, pending final ruling on the Complaint, against said Defendants enjoining  
26 them from violations of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and imposing such  
additional relief as may be appropriate.

27 **IT IS FURTHER ORDERED** that, in support of its application for a preliminary  
28 injunction, Plaintiff may submit supplemental evidence discovered subsequent to the filing of its

1 application for a TRO, as well as a supplemental memorandum. Plaintiff shall file and serve any  
2 supplemental evidence and memorandum by no later than 4:30 p.m. on Tuesday, May 26, 2009.  
3 Such documents may be served on each Defendant by emailing, faxing or delivering the  
4 document(s) to the attorney for the Defendant, or, if the Defendant is not represented by  
5 counsel, to a fax number or email address previously designated by the Defendant in writing to  
6 counsel for Plaintiff; if the Defendant has not so designated a fax number or email address,  
7 service may be effected by mailing the documents to an address designated in writing by the  
8 Defendant to counsel for Plaintiff; if no address has been so designated, service shall be  
9 complete upon filing of the documents with this Court.

10 **IT IS FURTHER ORDERED** that Defendants shall file and serve any opposition to the  
11 issuance of a preliminary injunction including any declarations, exhibits, memoranda or other  
12 evidence on which they intend to rely, and objections to any evidence submitted by Plaintiff, by  
13 no later than 4:30 p.m. on Friday, May 29, 2009. Such documents may be served by email or  
14 fax upon Plaintiff's counsel.

15 **IT IS FURTHER ORDERED** that Plaintiff shall file and serve any reply to Defendants'  
16 opposition by no later than 4:30 p.m. on Tuesday, June 2, 2009.

17 **IT IS FURTHER ORDERED** that there will be no direct examination of witnesses at  
18 the preliminary injunction hearing in this matter. Direct testimony shall be presented in the form  
19 of declarations or affidavits. Consistent with Local Rule 7-6, the Court in ruling on whether a  
20 preliminary injunction shall issue will consider declarations or affidavits that have been filed in  
21 a timely manner prior to the preliminary injunction hearing without further need of any party  
22 moving such documents into evidence.

23 **XVI.**

24 **EXPIRATION**

25 **IT IS FURTHER ORDERED** that this Order shall expire as to each Defendant ten (10)  
26 court days after entry unless, within such time, for good cause shown, it is extended for a like  
27 period, or unless the Defendant consents that it may be extended for a longer period and the  
28 reasons therefor are entered of record.

**XVII.**

**SERVICE OF THIS ORDER**

**IT IS FURTHER ORDERED** that copies of this Order 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 be subject to any provision of this Order.

**IT IS SO ORDERED.**

DATED: May 20, 2009, 4:15 P.M.

  
\_\_\_\_\_  
MARGARET M. MORROW  
UNITED STATES DISTRICT JUDGE

FEDERAL TRADE COMMISSION

FINANCIAL STATEMENT OF INDIVIDUAL DEFENDANT

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**Instructions:**

1. Complete all items. Enter “None” or “N/A” (“Not Applicable”) where appropriate. If you cannot fully answer a question, explain why.
2. “Dependents” include your 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 elsewhere, whether held individually or jointly.
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 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.

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**BACKGROUND INFORMATION**

**Item 1. Information About You**

Your Full Name \_\_\_\_\_ Social Security No. \_\_\_\_\_

Place of Birth \_\_\_\_\_ Date of Birth \_\_\_\_\_ Drivers License No. \_\_\_\_\_

Current Address \_\_\_\_\_ From (Date) \_\_\_\_\_

Rent or Own? \_\_\_\_\_ Telephone No. \_\_\_\_\_ Facsimile No. \_\_\_\_\_

E-Mail Address \_\_\_\_\_ Internet Home Page \_\_\_\_\_

Previous Addresses for past five years:

Address \_\_\_\_\_ Rent or Own? \_\_\_\_\_ From/Until \_\_\_\_\_

Address \_\_\_\_\_ Rent or Own? \_\_\_\_\_ From/Until \_\_\_\_\_

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. \_\_\_\_\_

Place of Birth \_\_\_\_\_ Date of Birth \_\_\_\_\_

Identify any other name(s) and/or social security number(s) your spouse/companion has used, and the time period(s) during which they were used \_\_\_\_\_

Address (if different from yours) \_\_\_\_\_

From (Date) \_\_\_\_\_ Rent or Own? \_\_\_\_\_ Telephone No. \_\_\_\_\_

Employer's Name and Address \_\_\_\_\_

Job Title \_\_\_\_\_ Years in Present Job \_\_\_\_\_ Annual Gross Salary/Wages \$ \_\_\_\_\_

**Item 3. Information About Your Previous Spouse**

Previous Spouse's Name & Address \_\_\_\_\_

\_\_\_\_\_ Social Security No. \_\_\_\_\_ Date of Birth \_\_\_\_\_

**Item 4. Contact Information**

Name & Address of Nearest Living Relative or Friend \_\_\_\_\_  
\_\_\_\_\_ Telephone No. \_\_\_\_\_

**Item 5. Information About Dependents Who Live With You**

▶Name \_\_\_\_\_ Date of Birth \_\_\_\_\_

Relationship \_\_\_\_\_ Social Security No. \_\_\_\_\_

▶Name \_\_\_\_\_ Date of Birth \_\_\_\_\_

Relationship \_\_\_\_\_ Social Security No. \_\_\_\_\_

▶Name \_\_\_\_\_ Date of Birth \_\_\_\_\_

Relationship \_\_\_\_\_ Social Security No. \_\_\_\_\_

**Item 6. Information About Dependents Who Do Not Live With You**

▶Name & Address \_\_\_\_\_

Date of Birth \_\_\_\_\_ Relationship \_\_\_\_\_ Social Security No. \_\_\_\_\_

▶Name Address \_\_\_\_\_

Date of Birth \_\_\_\_\_ Relationship \_\_\_\_\_ Social Security No. \_\_\_\_\_

▶Name & Address \_\_\_\_\_

Date of Birth \_\_\_\_\_ Relationship \_\_\_\_\_ Social Security No. \_\_\_\_\_

**Item 7. Employment Information**

Provide the following information for this year-to-date and for each of the previous five full years, for each company of which you were a director, officer, employee, agent, or consultant at any time during that period. "Income" includes, but is not limited to, any salary, commissions, draws, consulting fees, loans, loan payments, dividends, royalties or other 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 & Address \_\_\_\_\_

Dates Employed: From (Month/Year) \_\_\_\_\_ To (Month/Year) \_\_\_\_\_

Positions Held with Beginning and Ending Dates \_\_\_\_\_

\_\_\_\_\_

**Item 7. continued**

Income Received: This year-to-date: \$ \_\_\_\_\_ 19\_\_\_\_: \$ \_\_\_\_\_  
19\_\_\_\_: \$ \_\_\_\_\_ 19\_\_\_\_: \$ \_\_\_\_\_  
19\_\_\_\_: \$ \_\_\_\_\_ 19\_\_\_\_: \$ \_\_\_\_\_

►Company Name & Address \_\_\_\_\_

Dates Employed: From (Month/Year) \_\_\_\_\_ To (Month/Year) \_\_\_\_\_

Positions Held with Beginning and Ending Dates \_\_\_\_\_

Income Received: This year-to-date: \$ \_\_\_\_\_ 19\_\_\_\_: \$ \_\_\_\_\_  
19\_\_\_\_: \$ \_\_\_\_\_ 19\_\_\_\_: \$ \_\_\_\_\_  
19\_\_\_\_: \$ \_\_\_\_\_ 19\_\_\_\_: \$ \_\_\_\_\_

►Company Name & Address \_\_\_\_\_

Dates Employed: From (Month/Year) \_\_\_\_\_ To (Month/Year) \_\_\_\_\_

Positions Held with Beginning and Ending Dates \_\_\_\_\_

Income Received: This year-to-date: \$ \_\_\_\_\_ 19\_\_\_\_: \$ \_\_\_\_\_  
19\_\_\_\_: \$ \_\_\_\_\_ 19\_\_\_\_: \$ \_\_\_\_\_  
19\_\_\_\_: \$ \_\_\_\_\_ 19\_\_\_\_: \$ \_\_\_\_\_

**Item 8. Pending Lawsuits Filed by You or Your Spouse**

List all pending lawsuits that have been filed by you or your spouse in court or before an administrative agency. (List lawsuits that resulted in final judgments or settlements in Items 16 and 25).

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

\_\_\_\_\_ Status \_\_\_\_\_

**Item 9. Pending Lawsuits Filed Against You or Your Spouse**

List all pending lawsuits that have been filed against you or your spouse in court or before an administrative agency. (List lawsuits that resulted in final judgments or settlements in Items 16 and 25).

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

\_\_\_\_\_ Status \_\_\_\_\_

**Item 10. Safe Deposit Boxes**

List all safe deposit boxes, located within the United States or elsewhere, 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. *On a separate page, describe the contents of each box.*

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

**Item 11. Business Interests**

List all businesses for which you, your spouse, or your dependents are an officer or director.

►Business' Name & Address \_\_\_\_\_

Business Format (*e.g.*, corporation) \_\_\_\_\_ Description of Business \_\_\_\_\_

\_\_\_\_\_ Position(s) Held, and By Whom \_\_\_\_\_

►Business' Name & Address \_\_\_\_\_

Business Format (*e.g.*, corporation) \_\_\_\_\_ Description of Business \_\_\_\_\_

\_\_\_\_\_ Position(s) Held, and By Whom \_\_\_\_\_

►Business' Name & Address \_\_\_\_\_

Business Format (*e.g.*, corporation) \_\_\_\_\_ Description of Business \_\_\_\_\_

\_\_\_\_\_ Position(s) Held, and By Whom \_\_\_\_\_

**FINANCIAL INFORMATION: ASSETS AND LIABILITIES**

**REMINDER: “Assets” and “Liabilities” include ALL assets and liabilities, located within the United States or elsewhere, whether held individually or jointly.**

**Item 12. 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 you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents. The term “cash” includes currency and uncashed checks.

Cash on Hand \$ \_\_\_\_\_ Cash Held For Your Benefit \$ \_\_\_\_\_

<u>Name on Account</u>	<u>Name &amp; Address of Financial Institution</u>	<u>Account No.</u>	<u>Current Balance</u>
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

**Item 13. U.S. Government Securities**

List all U.S. Government securities, including but not limited to, savings bonds, treasury bills, and treasury notes, held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

<u>Name on Account</u>	<u>Type of Obligation</u>	<u>Security Amount</u>	<u>Maturity Date</u>
_____	_____	\$ _____	_____
_____	_____	\$ _____	_____
_____	_____	\$ _____	_____

**Item 14. Publicly Traded Securities and Loans Secured by Them**

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 you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

▶ Issuer \_\_\_\_\_ Type of Security \_\_\_\_\_ No. of Units Owned \_\_\_\_\_

Name on Security \_\_\_\_\_ Current Fair Market Value \$ \_\_\_\_\_ Loan(s) Against Security \$ \_\_\_\_\_

Broker House, Address \_\_\_\_\_ Broker Account No. \_\_\_\_\_

▶ Issuer \_\_\_\_\_ Type of Security \_\_\_\_\_ No. of Units Owned \_\_\_\_\_

Name on Security \_\_\_\_\_ Current Fair Market Value \$ \_\_\_\_\_ Loan(s) Against Security \$ \_\_\_\_\_

Broker House, Address \_\_\_\_\_ Broker Account No. \_\_\_\_\_

**Item 15. Other Business Interests**

List all other business interests, including but not limited to, non-public corporations, subchapter-S corporations, limited liability corporations (“LLCs”), general or limited partnership interests, sole proprietorships, and oil and mineral leases, held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

▶ Business Format \_\_\_\_\_ Business’ Name & Address \_\_\_\_\_

\_\_\_\_\_ Ownership % \_\_\_\_\_

Owner (e.g., self, spouse) \_\_\_\_\_ Current Fair Market Value \$ \_\_\_\_\_

▶ Business Format \_\_\_\_\_ Business’ Name & Address \_\_\_\_\_

\_\_\_\_\_ Ownership % \_\_\_\_\_

Owner (e.g., self, spouse) \_\_\_\_\_ Current Fair Market Value \$ \_\_\_\_\_

**Item 16. Monetary Judgments or Settlements Owed to You, Your Spouse, or Your Dependents**

List all monetary judgments or settlements owed to you, your spouse, or your dependents.

▶ 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 17. Other Amounts Owed to You, Your Spouse, or Your Dependents**

List all other amounts owed to you, your spouse, or your dependents.

Debtor's Name, Address, & Telephone No. \_\_\_\_\_

Original Amount Owed \$ \_\_\_\_\_ Current Amount Owed \$ \_\_\_\_\_ Monthly Payment \$ \_\_\_\_\_

**Item 18. Life Insurance Policies**

List all life insurance policies held by you, your spouse, or your dependents.

►Insurance Company's Name, Address, & Telephone No. \_\_\_\_\_

Insured \_\_\_\_\_ Beneficiary \_\_\_\_\_ Face Value \$ \_\_\_\_\_

Policy No. \_\_\_\_\_ Loans Against Policy \$ \_\_\_\_\_ Surrender Value \$ \_\_\_\_\_

►Insurance Company's Name, Address, & Telephone No. \_\_\_\_\_

Insured \_\_\_\_\_ Beneficiary \_\_\_\_\_ Face Value \$ \_\_\_\_\_

Policy No. \_\_\_\_\_ Loans Against Policy \$ \_\_\_\_\_ Surrender Value \$ \_\_\_\_\_

**Item 19. 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, and other retirement accounts, held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

►Name on Account \_\_\_\_\_ Type of Plan \_\_\_\_\_ Date Established \_\_\_\_\_

Trustee or Administrator's Name, Address & Telephone No. \_\_\_\_\_

Account No. \_\_\_\_\_ Surrender Value \$ \_\_\_\_\_

►Name on Account \_\_\_\_\_ Type of Plan \_\_\_\_\_ Date Established \_\_\_\_\_

Trustee or Administrator's Name, Address & Telephone No. \_\_\_\_\_

Account No. \_\_\_\_\_ Surrender Value \$ \_\_\_\_\_

**Item 20. Personal Property**

List all personal property, by category, whether held for personal use or for investment, including but not limited to, furniture and household goods of value, computer equipment, electronics, coins, stamps, artwork, gemstones, jewelry, bullion, other collectibles, copyrights, patents, and other intellectual property, held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

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

**Item 21. Cars, Trucks, Motorcycles, Boats, Airplanes, and Other Vehicles**

List all cars, trucks, motorcycles, boats, airplanes, and other vehicles owned or operated by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

▶ Vehicle Type \_\_\_\_\_ Make \_\_\_\_\_ Model \_\_\_\_\_ Year \_\_\_\_\_

Registered Owner's Name \_\_\_\_\_ Registration State & No. \_\_\_\_\_

Address of Vehicle's Location \_\_\_\_\_

Purchase Price \$ \_\_\_\_\_ Current Value \$ \_\_\_\_\_ Account/Loan No. \_\_\_\_\_

Lender's Name and Address \_\_\_\_\_

Original Loan Amount \$ \_\_\_\_\_ Current Loan Balance \$ \_\_\_\_\_ Monthly Payment \$ \_\_\_\_\_

▶ Vehicle Type \_\_\_\_\_ Make \_\_\_\_\_ Model \_\_\_\_\_ Year \_\_\_\_\_

Registered Owner's Name \_\_\_\_\_ Registration State & No. \_\_\_\_\_

Address of Vehicle's Location \_\_\_\_\_

Purchase Price \$ \_\_\_\_\_ Current Value \$ \_\_\_\_\_ Account/Loan No. \_\_\_\_\_

Lender's Name and Address \_\_\_\_\_

Original Loan Amount \$ \_\_\_\_\_ Current Loan Balance \$ \_\_\_\_\_ Monthly Payment \$ \_\_\_\_\_

**Item 21. Continued**

▶ Vehicle Type \_\_\_\_\_ Make \_\_\_\_\_ Model \_\_\_\_\_ Year \_\_\_\_\_

Registered Owner's Name \_\_\_\_\_ Registration State & No. \_\_\_\_\_

Address of Vehicle's Location \_\_\_\_\_

Purchase Price \$ \_\_\_\_\_ Current Value \$ \_\_\_\_\_ Account/Loan No. \_\_\_\_\_

Lender's Name and Address \_\_\_\_\_

Original Loan Amount \$ \_\_\_\_\_ Current Loan Balance \$ \_\_\_\_\_ Monthly Payment \$ \_\_\_\_\_

**Item 22. Real Property**

List all real estate held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

▶ Type of Property \_\_\_\_\_ Property's Location \_\_\_\_\_

Name(s) on Title and Ownership Percentages \_\_\_\_\_

Acquisition Date \_\_\_\_\_ Purchase Price \$ \_\_\_\_\_ Current Value \$ \_\_\_\_\_

Basis of Valuation \_\_\_\_\_ 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 \_\_\_\_\_

Acquisition Date \_\_\_\_\_ Purchase Price \$ \_\_\_\_\_ Current Value \$ \_\_\_\_\_

Basis of Valuation \_\_\_\_\_ 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. Credit Cards**

List each credit card held by you, your spouse, or your dependents. Also list any other credit cards that you, your spouse, or your dependents use.

<u>Name of Credit Card (e.g., Visa, MasterCard, Department Store)</u>	<u>Account No.</u>	<u>Name(s) on Account</u>	<u>Current Balance</u>	<u>Minimum Monthly Payment</u>
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____

**Item 24. Taxes Payable**

List all taxes, such as income taxes or real estate taxes, owed by you, your spouse, or your dependants.

<u>Type of Tax</u>	<u>Amount Owed</u>	<u>Year Incurred</u>
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____

**Item 25. Judgments or Settlements Owed**

List all judgments or settlements owed by you, your spouse, or your dependents.

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_ Docket No. \_\_\_\_\_

Nature of Lawsuit \_\_\_\_\_ Date \_\_\_\_\_ Amount \$ \_\_\_\_\_

**Item 26. Other Loans and Liabilities**

List all other loans or liabilities in your, your spouse's, or your dependents' names.

▶Name & Address of Lender/Creditor \_\_\_\_\_

Nature of Liability \_\_\_\_\_ Name(s) on Liability \_\_\_\_\_

Date of Liability \_\_\_\_\_ Amount Borrowed \$ \_\_\_\_\_ Current Balance \$ \_\_\_\_\_

Payment Amount \$ \_\_\_\_\_ Frequency of Payment \_\_\_\_\_

▶Name & Address of Lender/Creditor \_\_\_\_\_

Nature of Liability \_\_\_\_\_ Name(s) on Liability \_\_\_\_\_

Date of Liability \_\_\_\_\_ Amount Borrowed \$ \_\_\_\_\_ Current Balance \$ \_\_\_\_\_

Payment Amount \$ \_\_\_\_\_ Frequency of Payment \_\_\_\_\_

**OTHER FINANCIAL INFORMATION**

**Item 27. Tax Returns**

List all federal tax returns that were filed during the last three years by or on behalf of you, your spouse, or your dependents. *Provide a copy of each signed tax return that was filed during the last three years.*

<u>Tax Year</u>	<u>Name(s) on Return</u>	<u>Refund Expected</u>
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

**Item 28. Applications for Credit**

List all applications for bank loans or other extensions of credit that you, your spouse, or your dependents have submitted within the last two years. *Provide a copy of each application, including all attachments.*

<u>Name(s) on Application</u>	<u>Name &amp; Address of Lender</u>
_____	_____
_____	_____
_____	_____

**Item 29. Trusts and Escrows**

List all funds or other assets that are being held in trust or escrow by any person or entity for you, your spouse, or your dependents. 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. *Provide copies of all executed trust documents.*

<u>Trustee or Escrow Agent's Name &amp; Address</u>	<u>Date Established</u>	<u>Grantor</u>	<u>Beneficiaries</u>	<u>Present Market Value of Assets</u>
_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	\$ _____

**Item 30. Transfers of Assets**

List each person to whom you have transferred, in the aggregate, more than \$2,500 in funds or other assets during the previous three years by loan, gift, sale, or other transfer. For each such person, state the total amount transferred during that period.

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

**SUMMARY FINANCIAL SCHEDULES**

**Item 31. Combined Balance Sheet for You, Your Spouse, and Your Dependents**

<u>ASSETS</u>		<u>LIABILITIES</u>	
Cash on Hand (Item 12)	\$ _____	Credit Cards (Item 23)	\$ _____
Cash in Financial Institutions (Item 12)	\$ _____	Motor Vehicles - Liens (Item 21)	\$ _____
U.S. Government Securities (Item 13)	\$ _____	Real Property - Encumbrances (Item 22)	\$ _____
Publicly Traded Securities (Item 14)	\$ _____	Loans Against Publicly Traded Securities (Item 14)	\$ _____
Other Business Interests (Item 15)	\$ _____	Taxes Payable (Item 24)	\$ _____
Judgments or Settlements Owed to You (Item 16)	\$ _____	Judgments or Settlements Owed (Item 25)	\$ _____
Other Amounts Owed to You (Item 17)	\$ _____	Other Loans and Liabilities (Item 26)	\$ _____
Surrender Value of Life Insurance (Item 18)	\$ _____	<u>Other Liabilities (Itemize)</u>	
Deferred Income Arrangements (Item 19)	\$ _____	_____	\$ _____
Personal Property (Item 20)	\$ _____	_____	\$ _____
Motor Vehicles (Item 21)	\$ _____	_____	\$ _____
Real Property (Item 22)	\$ _____	_____	\$ _____
<u>Other Assets (Itemize)</u>		_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
<b>Total Assets</b>	<b>\$ _____</b>	<b>Total Liabilities</b>	<b>\$ _____</b>

**Item 32. Combined Average Monthly Income and Expenses for You, Your Spouse, and Your Dependents for the Last 6 Months**

Provide the average monthly income and expenses for you, your spouse, and your dependents for the last 6 months. Do not include credit card payments separately; rather, include credit card expenditures in the appropriate categories.

<u>INCOME</u>		<u>EXPENSES</u>	
Salary - After Taxes	\$ _____	Mortgage Payments for Residence(s)	\$ _____
Fees, Commissions, and Royalties	\$ _____	Property Taxes for Residence(s)	\$ _____
Interest	\$ _____	Rental Property Expenses, Including Mortgage Payments, Taxes, and Insurance	\$ _____
Dividends and Capital Gains	\$ _____	Car or Other Vehicle Lease or Loan Payments	\$ _____
Gross Rental Income	\$ _____	Food Expenses	\$ _____
Profits from Sole Proprietorships	\$ _____	Clothing Expenses	\$ _____
Distributions from Partnerships, S-Corporations, and LLCs	\$ _____	Utilities	\$ _____
Distributions from Trusts and Estates	\$ _____	Medical Expenses, Including Insurance	\$ _____
Distributions from Deferred Income Arrangements	\$ _____	Other Insurance Premiums	\$ _____
Social Security Payments	\$ _____	Other Transportation Expenses	\$ _____
Alimony/Child Support Received	\$ _____	Other Household Expenses	\$ _____
Gambling Income	\$ _____	<u>Other Expenses (Itemize)</u>	
<u>Other Income (Itemize)</u>		_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
<b>Total Income</b>	<b>\$ _____</b>	<b>Total Expenses</b>	<b>\$ _____</b>



**FEDERAL TRADE COMMISSION**

**FINANCIAL STATEMENT OF CORPORATE DEFENDANT**

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**Instructions:**

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

**Penalty for False Information:**

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

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

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

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**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 &amp; Address</u>	<u>% Owned</u>

**Item 5. Board Members**

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

<u>Name &amp; 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 &amp; 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 &amp; 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 &amp; 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, &amp; 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 \_\_\_\_\_

**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 \_\_\_\_\_

**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 &amp; Address of Depository Institution</u>	<u>Box No.</u>
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\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**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 &amp; 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 17 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 &amp; 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 \_\_\_\_\_

**Item 22. Continued**

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, other intellectual property, accounts payable, or any other money or asset owed to the corporation.

<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 &amp; 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 \$ \_\_\_\_\_

**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 \$ \_\_\_\_\_

**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

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

**Item 29. Compensation of Employees**

List all compensation and other benefits received from the 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, &amp; Relationship</u>	<u>Property Transferred</u>	<u>Aggregate Value</u>	<u>Transfer Date</u>	<u>Type of Transfer (e.g., Loan, Gift)</u>
_____	_____	\$ _____	_____	_____
_____	_____	\$ _____	_____	_____
_____	_____	\$ _____	_____	_____

**Item 32. Documents Attached to the Financial Statement**

List all documents that are being submitted with the financial statement.

<u>Item No. Document Relates To</u>	<u>Description of Document</u>
_____	_____
_____	_____
_____	_____
_____	_____

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

\_\_\_\_\_  
Corporate Position