



UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

Federal Trade Commission,
Plaintiff(s),
v.
Lucas Law Center, Inc. et al.,
Defendant(s).

CASE NO. SACV 09-0770 DOC(ANx)

AMENDED ORDER GRANTING EX PARTE APPLICATION FOR TEMPORARY RESTRAINING ORDER AND ISSUING ORDER TO SHOW CAUSE

UNDER SEAL

Before the Court is Plaintiff Federal Trade Commission's ("FTC") Ex Parte Application for Temporary Restraining Order and Order to Show Cause Why a Preliminary Injunction Should Not Issue (the "Application"). After considering the moving papers and supporting documents, as well as the parties' oral argument, the Court hereby GRANTS, the FTC's Application IN PART, finding as follows:

I. FINDINGS OF FACT AND CONCLUSIONS OF LAW

A. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a) and 1345, and there is good cause to believe that it will have jurisdiction over all the parties hereto.

1 B. Venue in the Central District of California is proper under 15 U.S.C. §53(b) and 28 U.S.C.
2 §§ 1391(b) and (c).

3
4 C. There is good cause to believe that Defendants LucasLawCenter, “incorporated”; Future
5 Financial Services, LLC (collectively, the “Corporate Defendants”); Paul Jeffrey Lucas;
6 Christopher Francis Betts; and Frank Sullivan (collectively, the “Individual Defendants”) may be
7 engaging in, and may continue to engage in, practices that violate Sections 5 and 13 of the
8 Federal Trade Commission Act (the “FTCA”), 15 U.S.C. §15.

9
10 D. There is good cause to believe that immediate and irreparable damage to the Court’s ability
11 to grant effective final relief in the form of a permanent injunction, rescision, restitution, and
12 disgorgement might occur from the destruction, transfer, or concealment by Defendants of their
13 business assets and documents or records unless Defendants are immediately restrained and
14 enjoined by order of this Court. Therefore, under FED. R. CIV. P. 65(b), the interests of justice
15 require that this Order be granted without prior notice to the Defendants.

16
17 E. There is good cause to believe that Defendant LucasLawCenter, “incorporated”; and
18 Defendant Future Financial Services, LLC are operating as a common enterprise under *Del.*
19 *Watch Co. v. FTC*, 332 F.2d 745 (2nd Cir. 1964), in which Future Financial Services, LLC
20 provides staff and facilities to LucasLawCenter, “incorporated”.

21
22 F. There is good cause to believe that the Individual Defendants have the requisite knowledge of
23 the Corporate Defendants’ deceptive acts and practices such as to be subject to monetary liability
24 under Section 5 of the FTCA.

25
26 G. Good cause exists for the appointment of a Temporary Receiver over Corporate Defendants
27 LucasLawCenter, “incorporated” and Future Financial Services, LLC.

1 H. A temporary restraining order freezing certain of the assets of the Corporate Defendant and
2 granting other equitable relief is in the public interest.

3
4 **II. DEFINITIONS**

5 A. "Mortgage loan modification service" means any service, product, or program that is
6 represented, expressly or by implication, to assist a homeowner in any manner to: (A) obtain or
7 arrange a modification of any term of a home loan, deed of trust, or mortgage; (B) obtain or
8 arrange a refinancing, recapitalization, or reinstatement of a home loan, deed of trust, or
9 mortgage; (C) obtain or arrange a pre-foreclosure sale, short sale, or deed-in-lieu of foreclosure;
10 (D) stop, prevent, or postpone any home mortgage or deed of trust foreclosure sale; (E) obtain
11 any forbearance from any beneficiary or mortgage; (F) obtain a loan or advance of funds that is
12 connected to the consumer's home ownership; (G) avoid or ameliorate the impairment of the
13 owner's credit standing, credit rating or credit profile; (H) examine, audit or evaluate any term of
14 a home loan, deed of trust or mortgage; or (I) save the consumer's residence from foreclosure.

15
16 B. "Assisting others" means knowingly providing any of the following goods or services to
17 another person or entity: (A) performing customer service functions, including, but not limited
18 to, receiving or responding to consumer complaints; (B) formulating or providing, or arranging
19 for the formulation or provision of, any marketing material; (C) providing names of, or assisting
20 in the generation of, potential customers; or (D) performing marketing or billing services of any
21 kind.

22
23 C. "Asset" means any legal or equitable interest in, right to, or claim to, any real or personal
24 property, including, but not limited to, "goods", "instruments", "equipment", "fixtures", "general
25 intangibles", "inventory", "checks", "notes", (as these terms are defined in the Uniform
26 Commercial Code), and all chattel, leaseholds, contracts, mail or other deliveries, shares of
27 stock, lists of consumer names, accounts, credits, premises, receivables, funds, cash, cashier's
28 checks, teller's checks, money order, and merchant accounts wherever located.

1 D. "Person" means a natural person, organization, or other legal entity, including a corporation,
2 partnership, proprietorship, association, cooperative, or any other group or combination acting as
3 an entity.

4
5 E. The term "document" is equal in scope and synonymous in meaning to the usage of the term
6 in Federal Rule of Civil Procedure 34(a), and includes writings, drawings, graphs, charts,
7 photographs, audio and video recordings, computer records, and any other data compilations
8 from which information can be obtained and translated, if necessary, through detection devices
9 into reasonably usable form. A draft or non-identical copy is a separate document within the
10 meaning of the term.

11
12 F. "Defendants" means LucasLawCenter "incorporated," Future Financial Services, LLC; Paul
13 Jeffrey Lucas; Christopher Francis Betts; and Frank Sullivan; and each of them, by whatever
14 names each might be known by, as well as their successors and assigns, whether acting directly
15 or through any corporation, subsidiary, division, or other device, including, but not limited to,
16 fictitious business names.

17
18 G. "Material fact" means any fact that is likely to affect a person's choice of, or conduct
19 regarding, goods or services.

20
21 H. "Plaintiff" means the Federal Trade Commission.

22
23 I. "Receivership Defendants" refers to Defendants LucasLawCenter "incorporated" (hereinafter
24 "Lucas Law Center") and Future Financial Services, LLC, as well as any successors, assigns,
25 affiliates, and subsidiaries that conduct any business related to Lucas Law Center's or Future
26 Financial Service's mortgage loan modification and which the Temporary Receiver has reason to
27 believe are owned or controlled in whole or in part by any of the Defendants.

1 J. "Temporary Receiver" refers to the receiver identified in Paragraph XVIII.
2

3 **III. ORDER TO SHOW CAUSE**

4 All Defendants are HEREBY ORDERED TO SHOW CAUSE on Thursday, July 16th,
5 2009 at 8:30 a.m. at the United States Courthouse, Courtroom 9C, Santa Ana, California, why
6 the Court should not issue a preliminary injunction against you in this matter on the same or
7 similar terms as those of the Temporary Restraining Order provided herein. If all parties so
8 stipulate, the hearing may be moved back to August 4, 2009 at 8:30 a.m.
9

10 **IV. TEMPORARY RESTRAINING ORDER**

11 Pending a hearing on the above Order to Show Cause, Defendants, their
12 successors, assigns, members, officers, agents, servants, employees, and attorneys and all those
13 in active concert or preparation with them who receive actual notice of this Order by personal
14 service, facsimile transmission, email or otherwise, whether acting directly or through any
15 corporation, subsidiary, division or other device, in connection with the advertising, marketing,
16 promotion, offering for sale or sale of any mortgage loan modification service, are HEREBY
17 TEMPORARILY RESTRAINED AND ENJOINED FROM falsely representing, expressly or by
18 implication, any of the following:

19 **I. INJUNCTION AGAINST MISREPRESENTATIONS**

20 **IT IS THEREFORE ORDERED** that Defendants and their successors, assigns,
21 members, officers, agents, servants, employees, and attorneys, and those persons or
22 entities in active concert or participation with them who receive actual notice of this
23 Order by personal service, facsimile transmission, email, or otherwise, whether acting
24 directly or through any corporation, subsidiary, division, or other device, in connection
25 with the advertising, marketing, promotion, offering for sale or sale of any mortgage loan
26 modification service, are temporarily restrained and enjoined from falsely representing,
27 or from assisting others who are falsely representing, expressly or by implication, any of
28 the following:

1 A. That any Defendant or any other person will

- 2 1. Obtain or arrange a modification of any term of a consumer's home
3 loan, deed of trust, or mortgage, including any recapitalization or
4 reinstatement agreement;
- 5 2. Obtain or arrange a pre-foreclosure sale, short sale, or deed-in-lieu of
6 foreclosure;
- 7 3. Stop, prevent, or postpone any home mortgage foreclosure sale;
- 8 4. Save any consumer's residence from foreclosure;
- 9 5. Obtain or arrange lower or affordable monthly mortgage payments for
10 any consumer;
- 11 6. Obtain or arrange lower or affordable interest rates on any home loan,
12 deed of trust, or mortgage for any consumer;
- 13 7. Obtain or arrange a reduction of the principle balance on any home
14 loan, deed of trust, or mortgage for any consumer;
- 15 8. Give a full or partial refund of any fees paid if the Defendant or other
16 person fails to provide a mortgage loan modification service;

17 B. The terms that any beneficiary, mortgagee, or other home-loan holder will
18 or is likely to offer or accept to cure any delinquency or default on, or to reinstate or
19 modify, any mortgage, deed of trust, or other home loan;

20 C. The amount of time it will take or is likely to take for any Defendant or any
21 other person to obtain or arrange a modification of any term of a consumer's home loan,
22 deed of trust, or mortgage, including any recapitalization or reinstatement agreement;

23 D. The refund policy of any Defendant or any other person, including but not
24 limited to the likelihood of a consumer obtaining a full or partial refund, or the
25 circumstances in which a full or partial refund will be granted to the consumer; or

26 E. Any other material fact.

27 **II. RESTRICTION ON COLLECTION OF ADVANCE FEES**

28 **IT IS FURTHER ORDERED** that Defendants and their successors, assigns,

1 members, officers, agents, servants, employees, and attorneys, and those persons or
2 entities in active concert or participation with them who receive actual notice of this
3 Order by personal service, facsimile transmission, email, or otherwise, whether acting
4 directly or through any corporation, subsidiary, division, or other device, in connection
5 with the advertising, marketing, promotion, offering for sale or sale of any mortgage loan
6 modification service, are temporarily restrained and enjoined from requesting or
7 receiving payment of any fee or consideration in advance of performing each and every
8 mortgage loan modification or foreclosure relief service that Defendants contracted to
9 perform or represented would be performed.

10 **III. DISABLEMENT OF DEFENDANTS' WEB SITES**

11 **IT IS FURTHER ORDERED** that, immediately upon service of this Order upon
12 them, Defendants and their successors, assigns, members, officers, agents, servants,
13 employees, and attorneys, and those persons or entities in active concert or participation
14 with them who receive actual notice of this Order by personal service, facsimile
15 transmission, email, or otherwise, whether acting directly or through any corporation,
16 subsidiary, division, or other device, in connection with the advertising, marketing,
17 promotion, offering for sale or sale of any mortgage loan modification service, shall:

- 18 A. Immediately do whatever is necessary to ensure that any Web site used by
19 Defendants for the advertising, marketing, promotion, offering for sale, sale,
20 or provision of any mortgage loan modification services, and containing
21 statements or representations prohibited by Paragraph I. of this Order,
22 including, but not limited to, www.lucaslawcenter.com or
23 www.oclawoffices.us, cannot be accessed by the public;
- 24 B. Prevent the destruction or erasure of any Web site used by Defendants for
25 the advertising, marketing, promotion, offering for sale, sale, or provision of
26 any mortgage loan modification services, including, but not limited to,
27 www.lucaslawcenter.com or www.oclawoffices.us, by preserving such Web
28 sites in the format in which they are maintained currently; and

1 C. Immediately notify counsel for the FTC of any other Web sites operated or
2 controlled by Defendants.

3 **IV. POSTING NOTICE OF LAWSUIT ON WEB SITES**

4 **IT IS FURTHER ORDERED** that Defendants and their successors, assigns,
5 members, officers, agents, servants, employees, and attorneys, and those persons or
6 entities in active concert or participation with them who receive actual notice of this
7 Order by personal service, facsimile transmission, email, or otherwise, whether acting
8 directly or through any corporation, subsidiary, division, or other device, in connection
9 with the advertising, marketing, promotion, offering for sale or sale of any mortgage loan
10 modification service, shall immediately take whatever action is necessary to ensure that
11 any Web site disabled as ordered by Paragraph IIIA of this Order, shall prominently
12 display only the following statement:

13 The Federal Trade Commission (“FTC”) has filed a lawsuit against
14 LucasLawCenter “incorporated”, Future Financial Services, LLC,
15 Paul Jeffrey Lucas, Christopher Francis Betts, and Frank Sullivan,
16 doing business as **Lucas Law Center**, alleging that they have
17 engaged in deceptive practices relating to the advertising, marketing,
18 promotion, offering for sale, sale, or provision of mortgage loan
19 modification services. The United States District Court for the
20 Central District of California has issued a Temporary Restraining
21 Order prohibiting the alleged practices. You may obtain additional
22 information directly from the Temporary Receiver, Robb Evans, or
23 the Federal Trade Commission.

24 Each Web site carrying this message shall also provide a hypertext link to the
25 FTC’s Web page at www.ftc.gov, or other Web page designated by counsel for the FTC.

26 **V. FREEZING DOMAIN NAME REGISTRATION**

27 **IT IS FURTHER ORDERED** that pending determination of Plaintiff’s request
28 for a Preliminary Injunction, Register.com, Inc., headquartered in New York, New York,
and GoDaddy.com, Inc., headquartered in Scottsdale, Arizona, and any other domain
name registrar shall:

A. Immediately freeze and place a hold on, to prevent the change, modification,
assignment, sale, lapse, or expiration of, the domain name registration of
www.lucaslawcenter.com or www.oclawoffices.us, and any other domain

1 name registered to Defendants that is used for the marketing, advertising,
2 promotion, offering for sale, sale, or provision of mortgage loan
3 modification services; and

- 4 B. Immediately notify counsel for the FTC of any other domain name
5 registrations or Web sites operated or controlled by Defendants.

6 **ASSET AND RECORD RETENTION**

7 **VI. ASSET FREEZE**

8 **IT IS FURTHER ORDERED** that Defendants and their successors, assigns,
9 members, officers, agents, servants, employees, and attorneys, and those persons or
10 entities in active concert or participation with them who receive actual notice of this
11 Order by personal service, facsimile transmission, email, or otherwise, whether acting
12 directly or through any corporation, subsidiary, division, or other device, are temporarily
13 restrained and enjoined from:

- 14 A. Transferring, converting, encumbering, selling, concealing, dissipating,
15 disbursing, assigning, spending, withdrawing, perfecting a security interest
16 in, or otherwise disposing of any funds, real or personal property, accounts,
17 contracts, shares of stock, lists of consumer names, or other assets, wherever
18 located, including outside the United States, that are:

- 19 1. owned or controlled by, or held for the benefit of, directly or
20 indirectly, any of the Corporate Defendants, in whole or in part;
21 2. in the actual or constructive possession of Corporate Defendants;
22 3. held by an agent of any of the Defendants as a retainer for the agent's
23 provision of services to Corporate Defendants; or
24 4. owned or controlled by, or in the actual or constructive possession of
25 or otherwise held for the benefit of, any corporation, partnership, or
26 other entity directly or indirectly owned, managed, or controlled by
27 any of the Defendants, including, but not limited to, any assets held
28 by, for, or subject to access by, any of the Corporate Defendants at

1 any bank or savings and loan institution, or with any broker-dealer,
2 escrow agent, title company, commodity trading company, precious
3 metal dealer, or other financial institution or depository of any kind;

- 4 B. Opening or causing to be opened any safe deposit boxes titled in the name
5 of any of the Defendants, or subject to access by any of the Defendants;
- 6 C. Obtaining a personal or secured loan encumbering the assets of any of the
7 Defendants, or subject to access by any of the Defendants;
- 8 D. Incurring liens or other encumbrances on real property, personal property,
9 or other assets in the name, singly or jointly, of any of the Defendants or of
10 any corporation, partnership, or other entity directly or indirectly owned,
11 managed, or controlled by any of the Defendants;
- 12 E. Incurring charges or cash advances, for the use of the Corporate Defendants
13 and the Corporate Defendants' business, on any credit card or prepaid debit,
14 credit or other bank card, issued in the name, singly or jointly, of any of the
15 Defendants or any corporation, partnership, or other entity directly or
16 indirectly owned, managed, or controlled by any of the Defendants; or
- 17 F. Failing to disclose to Plaintiff, immediately upon service of this Order,
18 information that fully identifies each asset of the Defendants, and each
19 entity holding such asset, including, without limitation, the entity's name,
20 address, and telephone number, the number of the account, and the name
21 under which the account is held.

22 **IT IS FURTHER ORDERED** that the assets affected by this Paragraph shall
23 include both existing assets and assets acquired after the effective date of this Order.

24 *Provided*, however, that this Paragraph shall not be construed to prohibit
25 Defendant Lucas Law Center from disbursing funds that are held in trust fund accounts
26 or client funds accounts established pursuant to Rule 4-100 of the California Rules of
27 Professional Conduct and that are held for the benefit of legal services clients ("Rule 4-
28 100 accounts"), so long as:

- 1 a. Such funds were not received as payment for mortgage loan
- 2 modification services and
- 3 b. Such funds are not disbursed for any purpose related to mortgage loan
- 4 modification services;

5

6 **VII. DUTIES OF ASSET HOLDERS**

7 **IT IS FURTHER ORDERED** that any financial or brokerage institution,
8 business entity, or person served with a copy of this Order that holds, controls, or
9 maintains custody of any account or asset of any of the Corporate Defendants, or has
10 held, controlled, or maintained custody of any such account or asset at any time **since**
11 **May 1, 2008**, shall:

- 12 A. Hold and retain within its control and prohibit the withdrawal, removal,
13 assignment, transfer, pledge, encumbrance, disbursement, dissipation,
14 conversion, sale, or other disposal of any such asset except by further order
15 of this Court;
- 16 B. Deny Defendants access to any safe deposit box that is:
 - 17 1. titled in the name of any of the Defendants, either individually,
18 jointly, and/or doing business as Lucas Law Center or Future
19 Financial Services; or
 - 20 2. otherwise subject to access by any of the Defendants;
- 21 C. Provide the FTC counsel, and the Temporary Receiver with respect to assets
22 held on behalf of any of the Receivership Defendants, within three (3)
23 business days of receiving a copy of this Order, a sworn statement setting
24 forth:
 - 25 1. the identification number of each account or asset titled in the name
26 of any of the Defendants, individually, jointly, and/or doing business
27 as Lucas Law Center or Future Financial Services, or held on behalf
28 of, or for the benefit of, any of the Defendants;

- 1 2. the balance of each such account, or a description of the nature and
2 value of each such asset as of the close of business on the day on
3 which this Order is served, and, if the account or other asset has been
4 closed or removed, the date closed or removed, the total funds
5 removed in order to close the account, and the name of the person or
6 entity to whom such account or other asset was remitted; and
7 3. the identification of any safe deposit box that is either titled in the
8 name, individually or jointly, of any of the Defendants, individually,
9 jointly, and/or doing business as Lucas Law Center or Future
10 Financial Services, or is otherwise subject to access by any of the
11 Defendants; and

12 D. Upon the request of the FTC, or by the Temporary Receiver with respect to
13 assets held on behalf of any of the Receivership Defendants, promptly
14 provide FTC counsel with copies of all records or other documentation
15 pertaining to such account or asset, including, but not limited to, originals or
16 copies of account applications, account statements, signature cards, checks,
17 drafts, deposit tickets, transfers to and from the accounts, all other debit and
18 credit instruments or slips, currency transaction reports, 1099 forms, and
19 safe deposit box logs. Any such financial institution, account custodian, or
20 other aforementioned entity may arrange for the FTC to obtain copies of any
21 such records which the FTC seeks.

22 **VIII. REPATRIATION OF ASSETS AND**
23 **DOCUMENTS LOCATED IN FOREIGN COUNTRIES**

24 **IT IS FURTHER ORDERED** that Defendants and their successors, assigns,
25 members, officers, agents, servants, employees, and attorneys, and those persons or
26 entities in active concert or participation with them who receive actual notice of this
27 Order by personal service, facsimile transmission, email, or otherwise, whether acting
28 directly or through any corporation, subsidiary, division, or other device, shall:

1 A. Within three (3) business days following the service of this Order, take all
2 necessary steps to transfer to the territory of the United States of America all
3 documents and assets that are located outside of such territory and are held
4 by or for Defendants or are under Defendants' direct or indirect control,
5 jointly, severally, or individually (with the exception of assets held
6 SOLELY for Individual Defendants' personal use);

7 C. Hold and retain all transferred documents and assets and prevent any
8 transfer, disposition, or dissipation whatsoever of any such assets or funds.

9 **IX. INTERFERENCE WITH REPATRIATION**

10 **IT IS FURTHER ORDERED** that Defendants and their successors, assigns,
11 members, officers, agents, servants, employees, and attorneys, and those persons or
12 entities in active concert or participation with them who receive actual notice of this
13 Order by personal service, facsimile transmission, email, or otherwise, whether acting
14 directly or through any corporation, subsidiary, division, or other device, are temporarily
15 restrained and enjoined from taking any action, directly or indirectly, which may result in
16 the encumbrance or dissipation of foreign assets, or in the hindrance of the repatriation
17 required by Paragraph VIII of this Order, including, but not limited to:

18 A. Sending any statement, letter, fax, email or wire transmission, telephoning,
19 or engaging in any other act, directly or indirectly, that results in a
20 determination by a foreign trustee or other entity that a "duress" event has
21 occurred under the terms of a foreign trust agreement until such time as all
22 assets have been fully repatriated pursuant to Paragraph VII. of this Order;
23 or

24 B. Notifying any trustee, protector, or other agent of any of the Defendants of
25 the existence of this Order, or of the fact that repatriation is required
26 pursuant to a Court Order, until such time as all assets have been fully
27 repatriated pursuant to Paragraph VII. of this Order.

28 **X. FINANCIAL STATEMENTS**

1 **IT IS FURTHER ORDERED** that Defendants shall, within forty-eight (48)
2 hours after entry of this Order, provide the FTC and the Temporary Receiver with: 1)
3 completed financial statements, on the forms attached to this Order as Attachments A
4 and B, for each of the Defendants individually and for each corporation, limited liability
5 company, or other entity of which any of the Defendants is an officer, member, or
6 otherwise directs and/or controls, as of the date of service of this Order upon the
7 Defendants; and 2) access to records and documents pertaining to assets of any of the
8 Defendants that are held by financial institutions outside the territory of the United
9 States of America by signing the "Consent to Release of Financial Records," on the form
10 attached to this Order as Attachment C, if requested by Plaintiff or the Temporary
11 Receiver.

12 **XI. CONSUMER CREDIT REPORTS**

13 **IT IS FURTHER ORDERED** that pursuant to Section 604(1) of the Fair Credit
14 Reporting Act, 15 U.S.C. § 1681b(1), any consumer reporting agency may furnish to the
15 FTC and the Temporary Receiver a consumer report concerning any of the Defendants.

16 **XII. PRESERVATION OF EXISTING RECORDS**

17 **IT IS FURTHER ORDERED** that Defendants and their successors, assigns,
18 members, officers, agents, servants, employees, and attorneys, and those persons or
19 entities in active concert or participation with them who receive actual notice of this
20 Order by personal service, facsimile transmission, email, or otherwise, whether acting
21 directly or through any corporation, subsidiary, division, or other device, are temporarily
22 restrained and enjoined from destroying, erasing, mutilating, concealing, altering,
23 transferring, or otherwise disposing of, in any manner, directly or indirectly, any
24 contracts, accounting data, correspondence, email, advertisements, computer tapes, discs,
25 or other computerized storage media, books, written or printed records, handwritten
26 notes, telephone logs, telephone scripts, recordings, receipt books, ledgers, personal and
27 business cancelled checks and check registers, bank statements, appointment books,
28 copies of federal, state or local business or personal income or property tax returns, and

1 other documents or records of any kind related to the business practices or business or
2 personal finances of Defendants, individually and jointly.

3 This Paragraph specifically applies to all documents that have been or are
4 displayed on or have been or are accessible from any and all Internet Web sites owned or
5 controlled by any Defendant, including but not limited to any of the Web sites with the
6 following domain names: www.lucaslawcenter.com or www.oclawoffices.us.

7 **XIII. MAINTENANCE OF CURRENT BUSINESS RECORDS**

8 **IT IS FURTHER ORDERED** that Defendants and their successors, assigns,
9 members, officers, agents, servants, employees, and attorneys, and those persons or
10 entities in active concert or participation with them who receive actual notice of this
11 Order by personal service, facsimile transmission, email, or otherwise, whether acting
12 directly or through any corporation, subsidiary, division, or other device, are temporarily
13 restrained and enjoined from failing maintain documents that, in reasonable detail,
14 accurately, fairly, and completely reflect Defendants' incomes, disbursements,
15 transactions, and use of money.

16 17 **XIV. DUTIES OF HOSTS OF DEFENDANTS' COMPUTER EQUIPMENT**

18 **IT IS FURTHER ORDERED** that pending determination of Plaintiff's request
19 for a Preliminary Injunction, any person who owns or controls any business premises or
20 other location on which any computer equipment owned or leased by any of the
21 Defendants or is located shall:

- 22 A. Disconnect any such computer equipment from the Internet and from any
23 other means of remote access by Defendants or any other person, and take
24 no step to reconnect the computer equipment except as authorized by further
25 order of this Court;
- 26 B. Deny Defendants and any other person access to the computer equipment
27 except as authorized by further order of this Court;
- 28 C. Prevent the removal of the computer equipment from its present location

1 except as authorized by further order of this Court; and

- 2 D. Provide counsel for the FTC, within five (5) business days of receipt of a
3 copy of this Order, with a sworn statement disclosing the location of the
4 computer equipment, and describing, to the extent known, the make(s) and
5 model(s) of the computer equipment, as well as the operating system(s) in
6 use, and the number, size, and capacity of any mass storage arrays or
7 devices, in order that the FTC may arrange for imaging of the contents of
8 any such mass storage arrays or devices.
- 9 E. The Receiver shall screen Individual Defendants' computers so as to
10 determine which computers contain relevant information.

11 **XV. NOTIFICATION OF BUSINESS ACTIVITIES**

12 **IT IS FURTHER ORDERED** that:

- 13 A. Each of the Individual Defendants is temporarily restrained and enjoined
14 from directly or indirectly creating, operating, or exercising any control over
15 any business entity, including any partnership, limited partnership, joint
16 venture, sole proprietorship or corporation, without first serving on counsel
17 for Plaintiff a written statement disclosing the following: (1) the name of the
18 business entity; (2) the address and telephone number of the business entity;
19 (3) the names of the business entity's officers, directors, principals,
20 managers and employees; and (4) a detailed description of the business
21 entity's intended or actual activities.
- 22 B. Each of the Individual Defendants shall notify Plaintiff at least seven (7)
23 days prior to affiliating with, becoming employed by, or performing any
24 work for any business that is not a named Defendant in this action. Each
25 notice shall include the Defendant's new business address and a statement
26 of the nature of the business or employment and the nature of his or her
27 duties and responsibilities in connection with that business or employment.

28 **XVI. IMMEDIATE ACCESS TO DEFENDANTS' RECORDS**

1 **IT IS FURTHER ORDERED** that

- 2 A. Defendants and their successors, assigns, members, officers, agents,
3 servants, employees, and attorneys, and those persons or entities in active
4 concert or participation with them who receive actual notice of this Order by
5 personal service, facsimile transmission, email, or otherwise, whether acting
6 directly or through any corporation, subsidiary, division, or other device,
7 and the Temporary Receiver, shall allow Plaintiff's representatives, agents,
8 and assistants immediate access to the business premises, mail drops,
9 storage facilities, and all other business locations owned, controlled, or used
10 by Defendants, including, but not limited to business premises at the
11 following street addresses: 65 Enterprise, Suite 450, and 75 Enterprise,
12 Suite 180, Aliso Viejo, California. The purpose of the access shall be to
13 effect service and to inspect and copy materials relevant to this action.
14 Plaintiff shall have the right to remove documents from Defendants'
15 premises in order that they may be inspected, inventoried, and copied.
16 Plaintiff shall return any such removed documents within three (3) business
17 days, or such time-period that is agreed upon by Plaintiff and Defendants.
18 Defendants, to the extent they are in possession of documents relevant to
19 this action, shall provide Plaintiff with the means necessary to access these
20 documents, including without limitation keys and combinations to locks,
21 computer access codes, and storage area access information;
- 22 B. The Temporary Receiver shall subsequently allow Plaintiff's representatives
23 and Defendants and their representatives reasonable access to the business
24 premises of the Receivership Defendants. The purpose of this access shall
25 be to inspect and copy any and all books, records, accounts, and other
26 property owned by or in the possession of the Receivership Defendants.
27 The Temporary Receiver shall have the discretion to determine the time and
28 manner of this access; and