



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, rescission, 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

1 C. If, at the time of service of this Order, any records or property relating to
2 Lucas Law Center or Future Financial Services, or to any of Defendant's
3 corporate assets that are located in the personal residence of any of the
4 Individual Defendants, or in any other non-business location under the
5 personal control of any of the Individual Defendants, then such
6 Defendant(s) shall, within forty-eight (48) hours of service of this Order,
7 produce to Plaintiff, at a location designated by Plaintiff, the following:

- 8 1. All contracts, accounting data, written or electronic correspondence,
9 advertisements, computer tapes, discs, or other computerized or
10 electronic records, books, written or printed records, handwritten
11 notes, telephone logs, telephone scripts, telephone bills, receipt
12 books, ledgers, customer records and lists, refund records, receipts,
13 ledgers, bank records (including personal and business monthly
14 statements, canceled checks, records of wire transfers, and check
15 registers), appointment books, copies of federal, state, and local
16 business or personal income or property tax returns, 1099 forms, title
17 records, and other documents or records of any kind related to
18 Defendants' business and assets; and
- 19 2. All computers and data in whatever form, used by Defendants, in
20 whole or in part, relating to Defendants' business and assets.

21 **XVII. PROHIBITION ON RELEASE OF CUSTOMER INFORMATION OR**
22 **CUSTOMERS LISTS**

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

1 disclosing the name, address, telephone number, social security number, credit card
2 number, bank account number, e-mail address, or other identifying information of any
3 person who paid money to any of the Defendants for the purchase of any good or service
4 or who were contacted or are on a list to be contacted by any of the Defendants; provided
5 that Defendants may disclose such identifying information to a law enforcement agency
6 or as required by any law, regulation, or court order.

7 **RECEIVERSHIP**

8 **XVIII. APPOINTMENT OF TEMPORARY RECEIVER**

9 **IT IS FURTHER ORDERED** that: Robb Evans is appointed Temporary
10 Receiver for Defendants Lucas Law Center and Future Financial Services, as well as for
11 any successors, assigns, affiliates, and subsidiaries that conduct any business related to
12 Defendants' mortgage loan modification services, and which the Temporary Receiver
13 has reason to believe are owned or controlled in whole or in part by any of the
14 Receivership Defendants, with the full power of an equity receiver. The Temporary
15 Receiver shall be the agent of this Court and solely the agent of this Court in acting as
16 Receiver under this Order. The Temporary Receiver shall be accountable directly to this
17 Court. The Temporary Receiver shall comply with all Local Rules of this Court
18 governing receivers.

19 **XIX. RECEIVERSHIP DUTIES**

20 **IT IS FURTHER ORDERED** that the Temporary Receiver is directed and
21 authorized to perform and accomplish the following:

22 A. Assume full control of the Receivership Defendants by removing
23 Defendants Paul Jeffrey Lucas, Christopher Francis Betts, Frank Sullivan, and any
24 other officer, independent contractor, employee, or agent of the Receivership
25 Defendants from control and management of the affairs of the Receivership
26 Defendants;

27 B. Collect, marshal, and take custody, control and possession of all the funds,
28 property, premises, accounts, mail and other assets of, or in the possession or

1 under the control of the Receivership Defendants, wherever situated, the income
2 and profits, and all sums of money now or hereafter due or owing to the
3 Receivership Defendants with full power to: collect, receive and take possession
4 of all goods, chattels, rights, credits, monies, effects, lands, leases, books and
5 records, work papers, records of accounts, including computer-maintained
6 information, contracts, financial records, monies on hand in banks and other
7 financial institutions, and other papers and documents of the Receivership
8 Defendants and other individuals or corporations whose interests are now held by
9 or under the direction, possession, custody or control of the Receivership
10 Defendants;

11 C. Perform all acts necessary to conserve, hold, manage, and preserve the value
12 of those assets in order to prevent any irreparable loss, damage and injury to
13 business venture purchasers, and all acts incidental thereto, including the
14 suspension of operations;

15 D. Perform all acts necessary to ensure that the Receivership Defendants are in
16 compliance with the provisions of this Order, including ceasing all advertising,
17 marketing, offering or providing mortgage loan modification services, or assisting
18 others in doing the same, which contains any false or misleading statements of
19 material fact or which fail to disclose all information material to a consumer's
20 decision to seek the services of the Defendants;

21 E. Make best efforts to notify the Receivership Defendants' customers about
22 this Order, such efforts can include posting this Order on the Receivership
23 Defendants' Web site;

24 F. Enter into agreements in connection with administration of the receivership,
25 including, but not limited to:

- 26 (1) the retention and employment of investigators, attorneys or
27 accountants of the Temporary Receiver's choice, including, without
28 limitation, members and employees of the Temporary Receiver's firm, to

1 assist, advise, and represent the receiver; and

2 (2) the movement and storage of any equipment, furniture, records, files
3 or other physical property of the Receivership Defendants; and

4 G. Institute, prosecute, compromise, adjust, intervene in or become party to
5 such actions or proceedings in state, federal or foreign courts that the Temporary
6 Receiver deems necessary and advisable to preserve the value of the properties of
7 the Receivership Defendants or that the Temporary Receiver deems necessary and
8 advisable to carry out the Temporary Receiver's mandate under this Order, and
9 likewise to defend, compromise or adjust or otherwise dispose of any or all actions
10 or proceedings instituted against the Temporary Receiver or the Receivership
11 Defendants that the Temporary Receiver deems necessary and advisable to
12 preserve the properties of the Receivership Defendants or that the Temporary
13 Receiver deems necessary and advisable to carry out the Temporary Receiver's
14 mandate under this Order.

15 **XX. RECEIVER'S BOND**

16 **IT IS FURTHER ORDERED** that the Temporary Receiver shall file with the
17 Clerk of this Court a bond in the sum of \$1,000.00, with sureties to be approved by the
18 Court, conditioned that the Temporary Receiver will well and truly perform the duties of
19 the office and abide by and perform all acts the Court directs.

20 **XXI. COOPERATION WITH THE TEMPORARY RECEIVER**

21 **IT IS FURTHER ORDERED** that Defendants and their successors, assigns,
22 members, officers, agents, servants, employees, and attorneys, and those persons or
23 entities in active concert or participation with them who receive actual notice of this
24 Order by personal service, facsimile transmission, email, or otherwise, whether acting
25 directly or through any corporation, subsidiary, division, or other device, shall fully
26 cooperate with and assist the Temporary Receiver. Such cooperation and assistance
27 shall include, but not be limited to, providing any information to the Temporary Receiver
28 that the Temporary Receiver deems necessary to exercising the authority and discharging

1 the responsibilities of the Temporary Receiver under this Order; providing any password
2 required to access any computer or electronic files in any medium; or advising all
3 persons who owe money to the Receivership Defendants that all debts should be paid
4 directly to the Temporary Receiver.

5 Defendants are temporarily restrained and enjoined from directly or indirectly:

6 A. Transacting any of the business of the Receivership Defendants, or
7 transacting business under the name Lucas Law Center or Future Financial Services, or
8 any substantially similar name;

9 B. Destroying, concealing, defacing, transferring, or otherwise altering or
10 disposing of any documents of the Receivership Defendants, including, but not limited
11 to, books, records, accounts, or any other papers of any kind or nature;

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

16 D. Excusing debts owed to the Receivership Defendants;

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

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

1 agents in the exercise of their duties or authority under any Order of this Court.

2
3 **XXII. DELIVERY OF RECEIVERSHIP PROPERTY**

4 **IT IS FURTHER ORDERED** that:

5 A. Immediately upon service of this Order upon them, or within a period
6 permitted by the Temporary Receiver, Defendants and all other persons in possession,
7 custody, and control of assets or documents of the Receivership Defendants shall transfer
8 or deliver possession, custody, and control of the following to the Temporary Receiver:

9 1. All assets of the Receivership Defendants;

10 2. All documents of the Receivership Defendants, including, but not
11 limited to, books and records of accounts, all financial and accounting records, balance
12 sheets, income statements, bank records (including monthly statements, canceled checks,
13 records of wire transfers, and check registers), client lists, title documents and other
14 papers; and

15 3. All assets belonging to members of the public now held by the
16 Receivership Defendants.

17 B. In the event any person or entity fails to deliver or transfer any asset or
18 otherwise fails to comply with any provision of this Paragraph, the Temporary Receiver
19 may file, on an *ex parte* basis, an Affidavit of Non-Compliance regarding the failure.
20 Upon filing of the affidavit, the Court may authorize, without additional process or
21 demand, Writs of Possession or Sequestration or other equitable writs requested by the
22 Temporary Receiver. The writs shall authorize and direct the United States Marshal or
23 any sheriff or deputy sheriff of any county to seize the asset, document, or other thing
24 and to deliver it to the Temporary Receiver.

25 **XXIII. TEMPORARY RECEIVER'S REPORTS**

26 **IT IS FURTHER ORDERED** that the Temporary Receiver shall file an Interim
27 Report on or before July 14, 2009 at 4:30 p.m. (unless the parties stipulate to an August
28 4, 2009 hearing). Such interim report shall summarize information obtained by the

1 Receiver to date regarding the Corporate Defendants' assets and liabilities, and shall
2 include such additional information and recommendations as the Receiver shall deem
3 appropriate. *Provided*, however, if any of the required information would hinder the
4 Temporary Receiver's ability to pursue receivership assets, the portions of the
5 Temporary Receiver's report containing such information may be filed under seal and
6 not served on the parties.

7 **XXIV. BANKRUPTCY PETITIONS**

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

12 **IT IS FURTHER ORDERED** that, in light of the asset freeze, Individual
13 Defendants must give 21 days' notice to Plaintiff prior to filing, or causing to be filed, on
14 behalf of the Individual Defendants, a petition for relief under the United States
15 Bankruptcy Code, 11 U.S.C. § 101 *et seq.*

16 **XXV. TRANSFER OF FUNDS TO THE TEMPORARY RECEIVER**

17 **IT IS FURTHER ORDERED** that, upon service of a copy of this Order, all
18 banks, broker-dealers, savings and loans, escrow agents, title companies, commodity
19 trading companies, or other financial institutions shall cooperate with all reasonable
20 requests of the Temporary Receiver relating to implementation of this Order, including
21 producing records related to the assets of the Receivership Defendants.

22 **XXVI. STAY OF ACTIONS**

23 **IT IS FURTHER ORDERED** that:

24 A. Except by leave of this Court, during pendency of the receivership,
25 Defendants and all other persons and entities (except for Plaintiff) are stayed from taking
26 any action to establish or enforce any claim, right, or interest for, against, on behalf of,
27 in, or in the name of: a) the Receivership Defendants, or b) any of assets of Receivership
28 Defendants, or c) the Temporary Receiver or the Temporary Receiver's duly authorized

1 agents acting in their capacities as such, including, but not limited to, the following
2 actions:

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

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

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

15 4. Doing any act or thing whatsoever to interfere with the Temporary
16 Receiver taking custody, control, possession, or management of the assets or
17 documents subject to this receivership, or to harass or interfere with the
18 Temporary Receiver in any way, or to interfere in any manner with the exclusive
19 jurisdiction of this Court over the assets or documents of the Receivership
20 Defendants.

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

22 1. The commencement or continuation of a criminal action or
23 proceeding;

24 2. The commencement or continuation of an action or proceeding by a
25 governmental unit to enforce such governmental unit's police or
26 regulatory power;

27 3. The enforcement of a judgment, other than a money judgment,
28 obtained in an action or proceeding by a governmental unit to enforce

1 such governmental unit's police or regulatory power;

- 2 4. The commencement of any action by the Secretary of the United
3 States Department of Housing and Urban Development to foreclose a
4 mortgage or deed of trust in any case in which the mortgage or deed
5 of trust held by the Secretary is insured or was formerly insured under
6 the National Housing Act and covers property, or combinations of
7 property, consisting of five or more living units; or
8 5. The issuance to the Receivership Defendants of a notice of tax
9 deficiency.

10 C. Except as otherwise provided in this Order, all persons and entities in need
11 of documentation from the Temporary Receiver shall in all instances first attempt to
12 secure such information by submitting a formal written request to the Temporary
13 Receiver, and, if the request has not been responded to within thirty (30) days of receipt
14 by the Temporary Receiver, any person or entity may thereafter seek an order of this
15 Court with regard to the relief requested.

16 **XXVII. COMPENSATION OF TEMPORARY RECEIVER**

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

27 **XXVIII. TEMPORARY RECEIVER'S ACCESS TO BUSINESS PREMISES
28 AND RECORDS**

1 **IT IS FURTHER ORDERED** that:

2 A. The Temporary Receiver, and its respective representatives, agents,
3 contractors, or assistants, are permitted, and the Defendants shall allow, immediate
4 access to any business premises and storage facilities of the Receivership Defendants.
5 Such locations include, but are not limited to, the offices and facilities of the
6 Receivership Defendants at or in the vicinity of 65 Enterprise, Suite 450, and 75
7 Enterprise, Suite 180, Aliso Viejo, California.

8 B. The Temporary Receiver is authorized to employ the assistance of law
9 enforcement officers, including but not limited to the United States Marshals Service, to
10 effect service, to implement peacefully the provisions of this Order, and keep the peace.
11 The Temporary Receiver may exclude Defendants and their agents and employees from
12 the business premises and facilities.

13 C. Defendants and all agents or employees of Defendants shall provide the
14 Receiver with any necessary means of access to documents, including, without
15 limitation, the locations of Receivership Defendants' business premises, keys and
16 combinations to business premises locks, computer access codes of all computers used to
17 conduct Receivership Defendants' business, and storage area access information.

18 D. The Temporary Receiver is authorized to copy any documents related to
19 Defendants' business practices, including by forensic imaging of electronically stored
20 information. The Temporary Receiver is authorized to remove any documents related to
21 Defendants' business practices from the premises in order that they may be inspected,
22 inventoried, and copied. The materials removed shall be returned within five (5)
23 business days of completing inventory and copying.

24 E. Counsel for Plaintiff, and their respective representatives, agents,
25 contractors, or assistants, are authorized to review any documents or information that the
26 Temporary Receiver has determined do not contain attorney-client communications
27 pertaining to professional legal services unrelated to Receivership Defendants' mortgage
28 loan modification business; such review may take place at any location, including at any

1 business premises and storage facilities of the Receivership Defendants. The Temporary
2 Receiver may segregate or redact any portions of files or documents that reflect
3 privileged information, to the extent that they reflect the substance of any attorney-client
4 communication pertaining to professional legal services unrelated to Receivership
5 Defendants' mortgage loan modification business. Nothing in this provision shall
6 prohibit the Temporary Receiver from providing Plaintiff, at any time, with copies of any
7 documents or information related to mortgage loan modification services.

8 **NOTIFICATION AND MONITORING PROVISIONS**

9 **XXIX. DISTRIBUTION OF ORDER BY DEFENDANTS**

10 **IT IS FURTHER ORDERED** that Defendants shall immediately provide a copy
11 of this Order to each affiliate, sales entity, successor, assign, member, officer, employee,
12 agent, servant, attorney, subsidiary, division, and representative of any of the
13 Defendants, and shall, within three (3) days from the date of entry of this Order, provide
14 the FTC with a sworn statement that Defendants have complied with this provision of the
15 Order, which statement shall include the names and addresses of each such person or
16 entity who received a copy of this Order.

17 **XXX. SERVICE OF ORDER**

18 **IT IS FURTHER ORDERED** that copies of this Order may be served by any
19 means, including facsimile transmission, email, and overnight delivery service, upon any
20 financial institution or other entity or person that may have possession, custody, or
21 control of any documents or assets of any Defendant, or that may be subject to any
22 provision of this Order. Pursuant to Fed. R. Civ. P. 4(c)(2), this Order and the initial
23 papers filed in this matter may be served on Defendants, upon the business premises of
24 Defendants, and upon any financial institution or other entity or person that may have
25 possession, custody, or control of any documents or assets of any of the Defendants, or
26 that may be subject to any provision of this Order, by employees of the FTC, by
27 employees of any other law enforcement agency, by any agent of Plaintiff or by any
28 agent of any process service retained by Plaintiff.

1 **XXXI. MONITORING**

2 **IT IS FURTHER ORDERED** that agents or representatives of Plaintiff may
3 contact the Defendants or their agents or representatives directly and anonymously for
4 the purpose of monitoring compliance with this Order, and may tape-record any oral
5 communications that occur in the course of such contacts.

6 **XXXII. ALLOWANCE FOR INDIVIDUAL DEFENDANTS**

7 To the extent that this Order impairs funds that the Individual Defendants require
8 in order to pay for their reasonable living expenses, the Individual Defendants may
9 petition this Court, upon good cause shown, for an exception to this Order with respect
10 to such funds as Individual Defendants shall reasonably require. Such funds shall be
11 specified in an application to this Court. Should the Individual Defendants make such a
12 Motion, they must provide the FTC with notice and an opportunity to be heard.

13 **PRELIMINARY INJUNCTION PROCEEDINGS**

14 **XXXIII. ORDER TO SHOW CAUSE**

15 The parties may modify the briefing and hearing schedule outlined in this Order by a
16 stipulation filed with the Court no later than Friday, July 10, 2009.

17 **IT IS FURTHER ORDERED** that, pursuant to Fed. R. Civ. P. 65(b), Defendants
18 LucasLawCenter “incorporated”, Future Financial Services, LLC, Paul Jeffrey Lucas,
19 Christopher Francis Betts, and Frank Sullivan shall appear before this Court, located at
20 United States District Court for the Central District of California, Southern Division, 411
21 West Fourth Street, Santa Ana, California 92701, on the 16th day of July, 2009, at
22 8:30 a.m., to show cause why this Court should not enter a preliminary injunction,
23 pending final ruling on the Complaint, against Defendants enjoining them from
24 violations of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), imposing additional relief
25 as may be appropriate, and appointing a permanent receiver over Defendants Lucas Law
26 Center and Future Financial Services.

27 **IT IS FURTHER ORDERED** that Defendants shall file and serve any opposition
28 to the issuance of a preliminary injunction and the appointment of a permanent receiver

1 over the Receivership Defendants, including any declarations, exhibits, memoranda or
2 other evidence on which they intend to rely, and objections to any evidence submitted by
3 Plaintiff, by no later than 12:00 p.m. of the third court day prior to the hearing on the
4 preliminary injunction. Such documents may be served by e-mail or fax upon Plaintiff's
5 counsel.

6 **IT IS FURTHER ORDERED** that Plaintiff shall file and serve any reply to
7 Defendants' opposition by no later than 4:30 pm on the second court day prior to the
8 preliminary injunction hearing.

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

15 **XXXIV. EXAMINATION OF WITNESSES**

16 **IT IS FURTHER ORDERED** that the preliminary injunction hearing will be
17 conducted on the papers served and filed by the parties and on oral argument by counsel.
18 No live witness testimony will be heard.

19 **XXXV. SERVICE OF PLEADINGS**

20 This Order to Show Cause must be served on Defendants no later than Friday, July 10,
21 2009. Service on the FTC shall be performed by delivery to:

22 James E. Elliott
23 James E. Hunnicutt
24 Federal Trade Commission
25 Southwest Region
26 1999 Bryan Street, Suite 2150
27 Dallas, Texas 75201-6808
28 Fax: 214 953-3079
E-mail: jelliott@ftc.gov; jhunnicutt@ftc.gov.

XXXVI. DURATION OF TEMPORARY RESTRAINING ORDER

IT IS FURTHER ORDERED that this Temporary Restraining Order shall expire

1 on _ July 16, 2009, at _11:59_ P.M. PST, unless before such time, the Order is extended
2 for good cause shown, or by consent of the parties.

3 **XXXVII. RETENTION OF JURISDICTION**

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

6
7 **IT IS SO ORDERED:**

8 **ENTERED:** this 9th day of July, 2009, at 3:55 p.m., at Santa Ana, California.

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UNITED STATES DISTRICT JUDGE

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ATTACHMENT A

FEDERAL TRADE COMMISSION

FINANCIAL STATEMENT OF INDIVIDUAL DEFENDANT

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.

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, contractor, participant 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: \$ _____ : \$ _____
20____ : \$ _____ : \$ _____
_____ : \$ _____ : \$ _____

►Company Name & Address _____

Dates Employed: From (Month/Year) _____ To (Month/Year) _____

Positions Held with Beginning and Ending Dates _____

Income Received: This year-to-date: \$ _____ : \$ _____
20____ : \$ _____ : \$ _____
_____ : \$ _____ : \$ _____

►Company Name & Address _____

Dates Employed: From (Month/Year) _____ To (Month/Year) _____

Positions Held with Beginning and Ending Dates _____

Income Received: This year-to-date: \$ _____ : \$ _____
20____ : \$ _____ : \$ _____
_____ : \$ _____ : \$ _____

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 & 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 & 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, joint ventures, 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> <u>(e.g., artwork, jewelry)</u>	<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 dependents.

<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 & 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 & 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, & 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>		_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
Total Assets	\$ _____	Total Liabilities	\$ _____

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>		_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
Total Income	\$ _____	Total Expenses	\$ _____

ATTACHMENT B

FEDERAL TRADE COMMISSION

FINANCIAL STATEMENT OF CORPORATE DEFENDANT

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.

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 & Address</u>	<u>% Owned</u>
_____	_____
_____	_____
_____	_____
_____	_____

Item 5. Board Members

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

<u>Name & 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 & 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 & 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 & 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, & 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 _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

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 _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

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 & Address of Depository Institution</u>	<u>Box No.</u>
---------------------	---	----------------

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 & 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>	\$ _____	[REDACTED]		
<u>Receivables</u>	\$ _____	[REDACTED]		

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 & 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 _____

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 _____

Current Value \$ _____ 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. 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, and other intellectual property.

<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 & 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 \$ _____

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 \$ _____

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 \$ _____

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 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

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, & Relationship</u>	<u>Property Transferred</u>	<u>Aggregate Value</u>	<u>Transfer Date</u>	<u>Type of Transfer (e.g., Loan, Gift)</u>
		\$ _____		
		\$ _____		
		\$ _____		
		\$ _____		
		\$ _____		

ATTACHMENT C

Consent to Release of Financial Records

I, _____, of the State of _____ in the United States of America, do direct any bank or trust company at which I have a bank account of any kind or at which a corporation or other entity has a bank account of any kind upon which I am authorized to draw, and its officers, employees and agents, to disclose all information and deliver copies of all documents of every nature in your possession or control which relate to the said bank accounts to any attorney of the Federal Trade Commission, and to give evidence relevant thereto, in the matter of the *Federal Trade Commission v. LucasLawCenter, "incorporated", et al.*, Civ. Action No. _____, now pending in the United States District Court for the Central District of California, and this shall be irrevocable authority for so doing. This direction is intended to apply to the laws of countries other than the United States which restrict or prohibit the disclosure of bank information without the consent of the holder of the account, and shall be construed as consent with respect thereto, and the same shall apply to any of the bank accounts for which I may be a relevant principal.

Dated: July _____, 2009

Signature: _____

Printed full name: _____