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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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FEDERAL TRADE COMMISSION,

Plaintiff,

v.

CONSUMER HEALTH BENEFITS
ASSOCIATION, organized as a Missouri not-for-
profit, also doing business as CHBA,

NATIONAL ASSOCIATION FOR AMERICANS,
organized as a Missouri not-for-profit, also doing
business as NAFA,

NATIONAL BENEFITS CONSULTANTS, LLC, a
Florida limited liability company, also doing business
as NBC,

NATIONAL BENEFIT SOLUTIONS, LLC, a
Florida limited liability company, also doing business
as NBS,

LOUIS LEO, individually, as a Managing Member of
NATIONAL BENEFITS CONSULTANTS, LLC, as
a Managing Member of NATIONAL BENEFIT
SOLUTIONS, LLC, and as the Vice President and
Treasurer of CONSUMER HEALTH BENEFITS
ASSOCIATION,

Case No. CV-10-3551 (Glaser, J)
(Mann, M.J)

(Proposed) *EX PARTE*
**TEMPORARY RESTRAINING
ORDER WITH ASSET
FREEZE, APPOINTING
TEMPORARY RECEIVER,
AND OTHER EQUITABLE
RELIEF**

RON WERNER, individually, as a Managing Member of NATIONAL BENEFITS CONSULTANTS, LLC, as a Managing Member of NATIONAL BENEFIT SOLUTIONS, LLC, and as President and Managing Partner of CONSUMER HEALTH BENEFITS ASSOCIATION, and

RITA WERNER, individually, as Senior Vice President and Director of Operations of CONSUMER HEALTH BENEFITS ASSOCIATION,

Defendants.

Plaintiff, the Federal Trade Commission (“FTC” or the “Commission”) filed its Complaint for a permanent injunction and other relief in this matter, pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), and the FTC moved for a Temporary Restraining Order pursuant to Rule 65 of the Federal Rules of Civil Procedure and Order to Show Cause Why a Preliminary Injunction Should Not Issue. The Court has considered the pleadings, declarations, exhibits, and memorandum of law filed in support of Plaintiff’s application and makes the following findings of fact:

1. This Court has jurisdiction of the subject matter of this case, and there is good cause to believe it will have jurisdiction over all parties.
2. There is good cause to believe that venue lies properly in this Court.
3. There is good cause to believe that the Defendants Consumer Health Benefits Association (“CHBA”), National Association for Americans (“NAFA”), National Benefit Consultants, LLC (“NBC”), and National Benefits Solutions, LLC (“NBS”), and individuals Louis Leo, Ron Werner, and Rita Werner, have engaged in and are likely to engage in acts and practices that violate Section 5(a) of the FTC Act, 15 U.S.C. § 45(a),

and Telemarketing Sales Rule (“TSR”), 16 C.F.R. Part 310, and that the FTC is therefore likely to prevail on the merits of this action.

4. There is good cause to believe that immediate and irreparable damage to the FTC’s ability to secure effective final relief for consumers in the form of monetary redress will occur from the sale, transfer, or other disposition or concealment by the Defendants of assets or records, unless the Defendants are immediately restrained and enjoined by Order of this Court. There is thus good cause for an asset freeze, immediate access to the Defendants’ business premises, and appointment of a temporary receiver, in order to preserve the status quo pending a hearing on preliminary injunctive relief, and to ensure the possibility of consumer redress and other effective final relief pursuant to Fed. R. Civ. P. 65.
5. Weighing the equities and considering the Plaintiff’s likelihood of ultimate success in its cause of action, Plaintiff’s Motion for a Temporary Restraining Order is in the public interest.
6. No security is required of any agency of the United States for issuance of a temporary restraining order. Fed. R. Civ. P. 65(c).

DEFINITIONS

For purposes of this temporary restraining order, the following definitions shall apply:

1. “Asset” means any legal or equitable interest in, right to, or claim to, any real and personal property including, but not limited to, chattel, goods, instruments, equipment, fixtures, general intangibles, effects, leaseholds, premises, mail or other deliveries, shares of stock, lists of consumer names, inventory, checks, notes, accounts, credits, receivables, funds, and all cash, wherever located.

2. **“Consumer”** means any individual, group, unincorporated association, limited or general partnership, corporation, or other business or non-profit entity.
3. **“Individual Defendants”** means Louis Leo, individually, as a Managing Member of NBC and NBS, and as the Vice President and Treasurer of CHBA, Ron K. Werner, individually, as a Managing Member of NBC and NBS, and as President and Managing Partner of CHBA, and Rita Werner, individually, as Senior Vice President and Director of Operations of CHBA.
4. **“Defendants”** means the Individual Defendants and the Receivership Defendants as defined below, individually, collectively, or in any combination.
5. **“Material”** means likely to affect a person’s choice of, or conduct regarding, goods or services.
6. **“Medical Discount Plan”** means any program, plan, product, or service, that is represented to or does in fact assist consumers in obtaining access to or paying for any healthcare-related services and products.
7. **“Major Medical Health Insurance”** means an arrangement between an insurance company and a consumer in which the insurance company agrees to pay a substantial portion of the healthcare expenses that the consumer might incur in exchange for payment from the consumer.
8. **“Document”** or **“documents”** is synonymous in meaning and equal in scope to the usage of the term in Federal Rule of Civil Procedure 34(a), and includes writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, and other data compilations from which information can be obtained and translated, if necessary, through detection devices into reasonably usable form. A draft or non-

identical copy is a separate document within the meaning of the term “document.”

9. **“Financial institution”** means any bank, savings and loan institution, credit union, financial depository, brokerage house, broker-dealer, commodity trading company, precious metal dealer, escrow agent, money market or mutual fund, storage company, trustee or any other person, partnership, corporation, or other legal entity maintaining or having control of any records, accounts or other assets, owned directly or indirectly, of record or beneficially, by any Defendant, including accounts or assets which any Defendant may control by virtue of being a signatory on said accounts.
10. **“Person” or “persons”** means a natural person, an organization or other legal entity, including a corporation, partnership, sole proprietorship, limited liability company, association, cooperative, or any other group or combination acting as an entity.
11. **“Plaintiff”** means the Federal Trade Commission.
12. **“Receiver”** shall mean the Temporary Receiver appointed in Section XIV of this Order.
13. **“Receivership Defendants”** means CHBA, NAFA, NBC and NBS and their successors and assigns and each of them by whatever names they might be known.
14. **“Telemarketing”** means the advertising, offering for sale, or sale of any good or service by use of one or more telephones, either exclusively or in conjunction with the use of other marketing techniques.
15. The terms **“and”** and **“or”** shall be construed conjunctively or disjunctively as necessary, and to make the applicable phrase or sentence inclusive rather than exclusive.

CONDUCT PROHIBITIONS

I.

IT IS HEREBY ORDERED that:

A. In connection with the advertising, promotion, offering for sale, sale or provision of any goods or services, including but not limited to offers for sale of any Medical Discount Plan, Defendants, and their successors, assigns, officers, agents, employees, and corporations, and those persons in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other device, including, but not limited to, fictitious business names, are hereby temporarily restrained and enjoined from making or assisting in the making of, expressly or by implication, orally or in writing, any false or misleading statement or representation of material fact including, but not limited to:

1. That Defendants' medical discount plan is a major medical health insurance plan or is the equivalent of a major medical health insurance plan;
2. That Defendants' medical discount plan enables consumers to achieve significant savings on health care costs;
3. That Defendants' medical discount plan is widely accepted by doctors and other medical providers throughout the United States; and
4. That consumers may readily cancel their participation in Defendants' medical discount plan at anytime.

B. Defendants and their officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with Defendants who received actual notice of this Order by personal service or otherwise, and each of them, are hereby restrained and enjoined from violating or assisting others in violating any provision of the Telemarketing Sales Rule, 16

C.F.R. Part 310, in the course of offering for sale and selling instructional programs through telemarketing.

ASSET FREEZE

II.

IT IS FURTHER ORDERED that, immediately upon service of this Order upon them, Defendants, and their successors, assigns, officers, agents, employees, and corporations, and those persons in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other device, including, but not limited to, fictitious business names, are hereby temporarily restrained and enjoined from:

A. Transferring, liquidating, converting, encumbering, selling, concealing, dissipating, disbursing, assigning, spending, withdrawing, pledging, loaning, granting a lien or security interest or other interest in, or otherwise disposing of any funds, credit instruments, real or personal property, accounts, contracts, lists of consumer names, shares of stock, or other assets, wherever located, including outside the United States, other than to make transfers to any Temporary Receiver appointed herein, that are:

1. Owned or controlled by any Defendant, in whole or in part, including, but not limited to, any assets held by, for, or in the name of any Defendant at any bank or savings and loan institution or credit card processing agent, or with any broker-dealer, escrow agent, title company, commodity trading company, precious metal dealer, merchant account processor, check processor, or other financial institution, depository of any kind, or business entity, including but not limited to, accounts held at Bank of America.
2. In the actual or constructive possession of any Defendant;

3. Held by any agent of any Defendant as a retainer for the agent's provision of services to any Defendant: or

4. Owned, controlled by, or in the actual or constructive possession of any corporation, partnership, limited liability company, or other entity directly or indirectly owned, managed, or controlled by or under common control with any Defendant.

B. Opening or causing to be opened any safe deposit boxes, titled, singly or jointly, in the name of any Defendant, or subject to access by any Defendant.

C. Cashing any checks or depositing any payments received from customers of the Defendants.

D. Incurring charges on any credit card issued in the name, singly or jointly, of any Defendant.

E. Collecting, opening, or causing to be collected or opened, any mail, received by or on behalf of the Receivership Defendants, at any address, including but not limited to the following: 4875 Coconut Creek Parkway, Coconut Creek Florida 33063 and 1111 SW 21st Avenue, Suite 24, Fort Lauderdale Florida 33312 and failing to turn over any such mail to the Temporary Receiver.

F. Obtaining a personal or secured loan.

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

H. The assets affected by this Section shall include both existing assets and assets acquired after the effective date of this Order.

Notwithstanding the provisions of this Section, the Defendants may make transfers as directed by the Temporary Receiver appointed by this Court, or as otherwise ordered by this Court upon proper showing and after notice to counsel for the FTC.

CUSTOMER LISTS

III.

IT IS FURTHER ORDERED that the Defendants, their successors, assigns, officers, agents, directors, servants, employees, salespersons, independent contractors, attorneys, corporations, subsidiaries, affiliates, divisions, sales entities, related entities, and all other persons or entities directly or indirectly, in whole or in part, under their control, and all other persons in active concert or participation with them who receive actual notice of this Order by person service, facsimile, email, or otherwise, are hereby temporarily restrained and enjoined from selling, renting, leasing, transferring, or otherwise disclosing the name, address, telephone number, social security number, credit card number, debit card number, bank account number, e-mail address, or other identifying information of any person who paid any money to any Defendant, at any time prior to entry of this Order, in connection with the telemarketing, advertising, promoting, offering for sale, and selling of debt negotiation or debt settlement services. Provided, however, that the Defendants may disclose such identifying information to a law enforcement agency or as required by any law, regulation, or court order. The Defendants are also hereby temporarily restrained and enjoined from making any use of their own customer lists in any business, whether or not related to the present action.

DISABLEMENT OF DEFENDANTS' WEB SITES

IV.

IT IS FURTHER ORDERED that, pending determination of the FTC's request for a preliminary injunction, Defendants, and their successors, assigns, officers, agents, employees, and corporations, and those persons in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly or

through any trust, corporation, subsidiary, division, or other device, including, but not limited to, fictitious business names, or any individual or entity hosting any Web site or Web pages for any Defendant shall:

A. Immediately take whatever steps may be necessary to ensure their Web sites or Web pages operated under the name www.getnbs.com and Web sites or Web pages operated or controlled in whole or in part by any Defendant that contain representations that violate Section I of this Order cannot be accessed by the public;

B. Prevent the destruction or erasure of Web sites or Web pages operated under the name www.getnbs.com and Web sites or Web pages operated or controlled in whole or in part by any Defendant that contain representations that violate Section I of this Order, by preserving such Web sites or Web pages in the format in which they are currently maintained; and

C. Immediately notify FTC counsel of all Web sites or Web pages operated or controlled in whole or in part by any Defendant.

RETENTION OF ASSETS AND RECORDS HELD BY THIRD PARTIES

V.

IT IS FURTHER ORDERED that, pending determination of the FTC's request for a Preliminary Injunction, any financial or brokerage institution, business entity, or person served with a copy of this Order, that holds, controls or maintains custody of any account or asset of any Defendant or any corporation, partnership, or other entity directly or indirectly owned, managed, controlled by, or under common control with any Defendant, which is served with a copy of this Order, or otherwise has actual or constructive knowledge of this Order, shall:

A. Hold and retain within its control and prohibit the withdrawal, removal, assignment, transfer, pledge hypothecation, encumbrance, disbursement, dissipation, conversion, sale,

liquidation, or other disposal of any of the assets, funds, documents, or other property held by, or under its control:

1. On behalf of, or for the benefit of, any Defendant or any other person subject to Section II of this Order;
2. In any account maintained in the name of, for the benefit of, or subject to withdrawal by, any Defendant or any other person subject to Section II of this Order; and
3. That are subject to access or use by, or under the signatory power of, any Defendant or any other person subject to Section II of this Order.

B. Deny the Defendants access to any safety deposit box, that is:

1. Titled in the name of any of the Defendants, either individually or jointly; or
2. Otherwise subject to access by any of the Defendants, either individually or jointly;

C. Provide counsel for the FTC and the Temporary Receiver, within five (5) business days of receiving a copy of this Order, a sworn statement setting forth:

1. The identification number and description of each such account or asset titled in the name, individually or jointly, of the Defendants, or held on behalf of, or for the benefit of, any Defendant;
2. The balance of each such account, or a description of the nature and value of such asset, as of the close of business on the day on which this Order is served, and, if the account or other asset has been closed or removed, the date closed or removed, the total funds removed in order to close the account, and the name of the person or entity to whom such account or other asset was remitted; and
3. The identification of any safe deposit box that is either titled in the name, individually or jointly, of the Defendants, or otherwise subject to access by any Defendant; and

D. Upon the request of the Temporary Receiver or the FTC, provide the Temporary Receiver and the FTC within forty-eight (48) hours with copies of all records or other documentation pertaining to any account or asset of any Defendant, including, but not limited to, originals or copies of account applications, account statements, signature cards, checks, drafts, deposit tickets, transfers to and from the accounts, all other debit and credit instruments or slips, currency transaction reports, 1099 forms, and safe deposit box logs; and

E. Cooperate with all requests of the Temporary Receiver relating to implementation of this Order, including transferring funds or other assets at the Temporary Receiver's direction and producing records related to the accounts or assets of any Defendant.

**REPATRIATION OF ASSETS AND DOCUMENTS LOCATED
IN FOREIGN COUNTRIES**

VI.

IT IS FURTHER ORDERED that the Defendants shall:

A. Within forty-eight (48) hours following the service of this Order, take such steps as are necessary to transfer to the territory of the United States of America all documents and assets that are located outside of such territory and are held by or for the benefit of the Defendants or are under their direct or indirect control, jointly, severally, or individually;

B. Within forty-eight (48) hours following the service of this Order, provide counsel for the FTC and the Temporary Receiver with a full accounting of all documents and assets that are located outside of such territory and are held by or for the benefit of the Defendants or are under their direct or indirect control, whether jointly, severally, or individually;

C. The same business day as any repatriation, (1) notify counsel for the Commission of the name and location of the financial institution or other entity that is the recipient of such funds,

documents or assets; and (2) serve this Order on any such financial institution or other entity;

D. Hold and retain all documents and assets transferred pursuant to Subsection A and prevent any transfer, disposition, or dissipation whatsoever of any such assets or funds; and

E. Provide counsel for the FTC with access to records and documents of the Defendants held by financial institutions outside the territorial United States of America, by signing and delivering to Plaintiff the Consent to Release of Financial Records attached hereto as Attachment A within forty-eight (48) hours of service of this Order.

INTERFERENCE WITH REPATRIATION

VII.

IT IS FURTHER ORDERED that the Defendants are hereby temporarily restrained and enjoined from taking any action, directly or indirectly, which may result in the encumbrance or dissipation of the Defendants' foreign assets or in the hindrance of the repatriation required by Section V of this Order, including but not limited to:

A. Sending any statement, letter, facsimile, e-mail or wire transmission, telephoning or engaging in any other act, directly or indirectly, that results in a determination by a foreign trustee or other entity that a "duress" event has occurred under the terms of a foreign trust agreement until such time that all assets have been fully repatriated pursuant to Section V of this Order; and

B. Notifying any trustee, protector or other agent of any foreign trust or other related entities of either the existence of this Order, or of the fact that repatriation is required pursuant to a Court Order, until such time that all assets have been fully repatriated pursuant to Section V of this Order.

EXPEDITED DISCOVERY

VIII.

IT IS FURTHER ORDERED that the FTC and the Temporary Receiver are granted leave to conduct certain expedited discovery, and that, commencing with the time and date of this Order, in lieu of the time periods, notice provisions, and other requirements of Rules 26, 30, 34, and 45 of the Federal Rules of Civil Procedure, expedited discovery shall proceed as follows:

Pursuant to Fed. R. Civ. P. 30, the FTC may take depositions upon oral examination concerning the nature, location, status, and extent of the Defendants' assets; the status and location of documents reflecting the Defendants' business transactions; and compliance with this Order, on two (2) days' notice of any such deposition. Depositions may be taken Monday through Saturday. Deposition transcripts that have not been signed by the witness may be used for purposes of the hearing on the Order to Show Cause Why a Preliminary Injunction Should Not Issue.

Provided, that this Subsection permitting expedited deposition discovery concerning the nature, location, status, and extent of the Defendants' assets, the status and location of documents reflecting the Defendants' business transactions, and compliance with this Order, shall not be construed in any manner to preclude Plaintiff's right to take subsequent depositions of the same witnesses on the merits of this action.

Provided, further, that any deposition taken pursuant to this Subsection is in addition to, and not subject to, the presumptive limits on depositions set forth in Fed. R. Civ. P. 30(a)(2)(A).

Pursuant to Fed. R. Civ. P. 34(b), the Defendants shall produce all documents requested by the FTC within two (2) days of service of such request, with production of documents made to FTC counsel at the address listed in Section XXV of this Order or to such other person or place

as counsel for the FTC may direct in writing.

Provided, that, in the event any of the Defendants' documents have been removed from the Defendants' premises by, and are in the possession of another law enforcement or investigative agency, the FTC shall have immediate access to such documents for purposes of inspection, indexing, and copying, subject to the agency consenting to access by the FTC.

Provided, further, that this Subsection shall extend to parties and non-parties.

CUSTOMER SALES INFORMATION

IX.

IT IS FURTHER ORDERED that Defendants, within five (5) days of service of this Order, shall deliver to Plaintiff a complete and accurate statement providing the names, addresses and telephone numbers of each purchaser of a Medical Discount Plan sold by Defendants, whether directly by any Defendant or by a third party, since January 1, 2007, the total dollar amount of money received from each customer, and the total dollar amount of any refund provided to each customer.

CREDIT REPORTS

X.

IT IS FURTHER ORDERED that the Commission may obtain credit reports concerning each Defendant pursuant to Section 604(a)(1) of the Fair Credit Reporting Act, 15 U.S.C. § 1681b(a)(1), and that upon written request, any credit reporting agency from which such report is requested shall provide it to the Commission.

FINANCIAL REPORTS

XI.

IT IS FURTHER ORDERED that Defendants, within forty-eight (48) hours of service of

this Order, shall prepare and deliver to the Temporary Receiver and to counsel for the FTC:

A. Completed financial statements on the forms attached to this Order as Attachments B and C, for each Individual Defendant and the Receivership Defendants, respectively, and for each business entity (whether or not incorporated) under which they conduct any business, or of which any Defendant is an owner or officer, and for each trust of which any Defendant is a trustee. The financial statements shall be accurate as of the date of entry of this Order; and

B. All current accountants' reports; all federal tax returns filed since January 1, 2007; documents indicating title to real or personal property; and other indicia of ownership that are now in any of the Defendants' actual or constructive possession.

**IDENTIFYING INFORMATION RELATING TO ACCOUNTANTS,
FINANCIAL PLANNERS, INVESTMENT ADVISORS,
STOCK BROKERS AND OTHERS**

XII.

IT IS FURTHER ORDERED that Defendants, within forty-eight (48) hours after service of this Order, shall provide counsel for the FTC and the Temporary Receiver: (1) the name, address and telephone number for each accountant, financial planner, investment advisor, stock broker or other individual, corporation or partnership whom they hire for personal advice or services, including but not limited to, preparation of tax returns and investment advice, since January 1, 2007, and (2) the name, address and telephone number for each accountant, financial planner, investment advisor, stockbroker or other individual, corporation or partnership who was hired on behalf of the Defendants since January 1, 2007.

RECORD KEEPING/BUSINESS OPERATIONS

XIII.

IT IS FURTHER ORDERED that Defendants and their officers, agents, employees, and corporations, and those persons in active concert or participation with any of them who receive actual notice of this Order by personal service, facsimile, email or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other device, including, but not limited to, fictitious business names, are hereby temporarily restrained and enjoined from:

A. Failing to create and maintain documents that, in reasonable detail, accurately, fairly, and completely reflect their incomes, disbursements, transactions, and use of money;

B. Destroying, erasing, mutilating, concealing, altering, transferring, or otherwise disposing of, in any manner, directly or indirectly, any contracts, accounting data, correspondence, advertisements, computer tapes, discs, or other computerized records, books, written or printed records, handwritten notes, telephone logs, telephone scripts, receipt books, ledgers, personal and business canceled checks and check registers, bank statements, appointment books, copies of federal, state or local business or personal income or property tax returns, and other documents or records of any kind that relate to the business practices or business or personal finances of the Defendants; and

C. Creating, operating, or exercising any control over any business entity, including any partnership, limited partnership, joint venture, sole proprietorship, limited liability company, or corporation, without first providing counsel for the FTC with a written statement disclosing:

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

DISTRIBUTION OF ORDER BY DEFENDANTS

XIV.

IT IS FURTHER ORDERED that Defendants shall immediately provide a copy of this Order to each affiliate, subsidiary, division, sales entity, successor, assign, officer, director, employee, independent contractor, agent, attorney, and representative of the Defendants and shall, within five (5) calendar days from the date of entry of this Order, provide counsel for the FTC and the Temporary Receiver with a sworn statement that each Defendant has complied with this provision of the Order, which statement shall include the names and addresses of each such person or entity who received a copy of the Order. The Temporary Receiver has no obligation under this Section.

APPOINTMENT OF TEMPORARY RECEIVER

XV.

IT IS FURTHER ORDERED that ANGELA TESE-MILNER, whose address is ONE DOWNEY LANE, NEW YORK, N.Y., is appointed Temporary Receiver for the Receivership Defendants, with the full power of an equity receiver for the Receivership Defendants, and all of the funds, properties, premises, accounts, and other assets directly owned by the Receivership Defendants. The Temporary Receiver shall be solely the agent of this Court in acting as Temporary Receiver under this Order. The Temporary Receiver shall be accountable directly to this Court. The Temporary Receiver shall comply with all Local Rules of this Court governing receivers.



RECEIVERSHIP DUTIES AND AUTHORITY

XVI.

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

A. Assume full control of the Receivership Defendants by removing, as the Temporary Receiver deems necessary or advisable, any director, officer, independent contractor, employee, or agent of the Receivership Defendants, including any individual, from control of, management of, or participation in, the affairs of the business of the Receivership Defendants and manage and administer the business of the Receivership Defendants until such further Order of this Court by performing all incidental acts that the Temporary Receiver deems to be advisable or necessary, which includes retaining or hiring any employees, independent contractors or agents;

B. Collect, marshal, and take exclusive custody, control and possession of all funds, property, books and records, accounts, mail, and other assets and documents of, or in the possession, custody, or under the control of, the Receivership Defendants, wherever situated, including but not limited to: 4875 Coconut Creek Parkway, Coconut Creek FL 33063-3944. The Temporary Receiver's authority to collect any and all mail relating to the affairs of the Receivership Defendants in the possession, custody, or under the control of, the Defendants, shall extend to mail in the possession of any third parties. The Temporary Receiver shall have full power to change mailing addresses of the Receivership Defendants. The Temporary Receiver shall have full power to change any locks on any real or personal property of the Receivership Defendants. The Temporary Receiver shall have full power to divert mail, sue for, collect, receive and take possession of all goods, chattels, rights, credits, moneys, effects, land, leases, books, records, work papers, and records of accounts, including computer-maintained

information, and other papers and documents of the Receivership Defendants, including documents related to customers or clients whose interests are now held by or under the direction, possession, custody or control of the Defendants or under the control of any third party for the benefit of the Defendants. The Temporary Receiver shall assume control over the income and profits therefrom and all sums of money now or hereafter due or owing to the Receivership Defendants.

Provided, however, the Temporary Receiver shall not attempt to collect any amount from a consumer if the Temporary Receiver believes the consumer was a victim of the unfair acts or practices alleged in the Complaint in this matter, without prior Court approval;

C. Take all steps necessary to secure the business premises of the Receivership Defendants, including, but not limited to, all such premises located at 4875 Coconut Creek Parkway, Coconut Creek FL 33063-3944. Such steps may include, but are not limited to, the following, as the Temporary Receiver deems necessary or advisable: (1) serving and filing this Order; (2) completing a written inventory of all Receivership assets; (3) obtaining pertinent information from all employees and other agents of the Receivership Defendants, including, but not limited to, the name, home address, social security number, job description, method of compensation, and all accrued and unpaid commissions and compensation of each such employee or agent; (4) photographing or videotaping all portions of the Receivership Defendants' business premises; (5) securing the Receivership Defendants' business premises by changing the locks on any real or personal property of the Receivership Defendants; (6) disconnecting any computer modems or other means of access to the computer or other records maintained at the Receivership Defendants' business premises; (7) requiring any persons present on the Receivership Defendants' business premises at the time this Order is served to vacate the premises, to provide

the Temporary Receiver with proof of identification, or to demonstrate to the satisfaction of the Temporary Receiver that such persons are not removing from the premises documents or assets of the Defendants. Law enforcement personnel, including but not limited to, local police or sheriffs, may assist the Temporary Receiver in implementing these provisions in order to keep the peace and maintain security;

D. To immediately return to consumers, without further court order, any funds that are identifiable as received from specific consumers following the Temporary Receiver's appointment or that are received at the Receivership Defendants' premises or mailboxes or forwarded to the Temporary Receiver after entry of this Order and that were, based upon the Temporary Receiver's good faith determination, procured by use of the unfair acts or practices alleged in the Complaint in this matter. Likewise, upon the Temporary Receiver's appointment, the Temporary Receiver shall take all reasonable steps to halt immediately the collection of enrollment fees from being promised from the bank or credit card accounts of new purchasers of the Medical Discount Plan, that in the Temporary Receiver's good faith determination were procured by use of the unfair acts or practices alleged in the Complaint in this matter.

E. Conserve, hold, and manage all Receivership assets, and perform all acts necessary or advisable to preserve the value of those assets, in order to prevent any irreparable loss, damage, or injury to consumers or to creditors of the Defendants, including, but not limited to, obtaining an accounting of the assets and preventing transfer, withdrawal, or misapplication of assets;

F. Enter into contracts and purchase insurance as advisable or necessary, including, but not limited to, (1) the retention and employment of investigators, attorneys or accountants of the Temporary Receiver's choice, including, without limitation, members and employees of the Temporary Receiver's firm, to assist, advise and represent the Temporary Receiver, and (2) the

movement and storage of any equipment, furniture, records, files, or other physical property of the Defendants;

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

H. Have the sole legal authority to hire legal counsel on behalf of the Receivership Defendants, *provided however*, that nothing in this Order shall require the Temporary Receiver to defend the Receivership Defendants in any action prosecuted by a state Attorney General;

I. Make payments and disbursements from the Receivership estate that are necessary or advisable for carrying out the directions of, or exercising the authority granted by, this Order. The Temporary Receiver shall apply to the Court for prior approval of any payment of any debt or obligation incurred by any Receivership Defendant prior to the date of entry of this Order, except payments that the Temporary Receiver deems necessary or advisable to secure assets of such Receivership Defendant, such as rental payments;

J. Institute, prosecute, compromise, adjust, appear in, intervene in, or become party to such actions or proceedings in state, federal or foreign courts that the Temporary Receiver deems necessary and advisable to preserve or recover the assets of the Defendants or that the Temporary Receiver deems necessary and advisable to carry out the Temporary Receiver's mandate under this Order;

K. Defend, compromise, adjust, or otherwise dispose of any or all actions or proceedings instituted in the past or in the future against the Temporary Receiver in his role as Temporary Receiver, or against the Defendants that the Temporary Receiver deems necessary and advisable to preserve the assets of the Receivership Defendants or that the Temporary Receiver deems

necessary and advisable to carry out the Temporary Receiver's mandate under this Order;

L. Continue and conduct the business of the Receivership Defendants in such manner, to such extent, and for such duration as the Temporary Receiver may in good faith deem to be necessary or appropriate to operate the business profitably and lawfully, if at all; provided that the continuation and conduct of the business shall be conditioned upon the Temporary Receiver's good faith determination that the business can be lawfully operated at a profit using the assets of the receivership estate;

M. Issue subpoenas to obtain documents and records pertaining to the Receivership, and conduct discovery in this action on behalf of the Receivership estate;

N. Open one or more bank accounts as designated depositories for funds of the Receivership Defendants. The Temporary Receiver shall deposit all funds of the Receivership Defendants in such a designated account and shall make all payments and disbursements from the Receivership estate from such an account;

O. Maintain accurate records of all receipts and expenditures that he/she makes as Temporary Receiver;

P. Cooperate with reasonable requests for information or assistance from any state or federal law enforcement agency;

Q. Maintain the chain of custody of all of Defendants' records in his/her possession, pursuant to procedures to be established by the Temporary Receiver in writing with the approval of the FTC; and

R. Prepare and submit a Report to this Court and to the parties, not less than three (3) days prior to the scheduled Preliminary Injunction Hearing, describing the Temporary Receiver's activities in connection with carrying out the Temporary Receiver's obligations and

responsibilities under the Order, the Receivership Defendants' business activities, sales volume, and/or number of purchasers, and assets and liabilities, to the extent such information is known to or has been provided to the Temporary Receiver, and any other information the Temporary Receiver believes is relevant to the Court.

COOPERATION WITH THE TEMPORARY RECEIVER

XVII.

IT IS FURTHER ORDERED that Defendants and their officers, agents, employees, and corporations, and all persons or entities in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other device, including, but not limited to, fictitious business names, shall fully cooperate with and assist the Temporary Receiver. The Defendants' cooperation and assistance shall include, but not be limited to, providing any information to the Temporary Receiver that the Temporary Receiver deems necessary to exercising the authority and discharging the responsibilities of the Temporary Receiver under this Order; providing any password or entry code required to access any computer or electronic files of the Defendants in any medium; or advising all persons who owe money to the Receivership Defendants that all debts should be paid directly to the Temporary Receiver. The Defendants are hereby restrained and enjoined from directly or indirectly:

- A. Transacting any of the business of the Receivership Defendants;
- B. Destroying, secreting, defacing, transferring, or otherwise altering or disposing of any documents of the Receivership Defendants, including, but not limited to, books, records, accounts, or any other papers of any kind or nature;
- C. Transferring, receiving, altering, selling, encumbering, pledging, assigning, liquidating,

or otherwise disposing of any assets owned, controlled, or in the possession or custody of, or in which an interest is held or claimed by, the Defendants or the Temporary Receiver;

D. Excusing debts owed to the Defendants;

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

F. Doing any act or refraining from any act whatsoever to interfere with the Temporary Receiver taking custody, control, possession, or managing of the Receivership Defendants' assets or documents; or to harass or interfere with the Temporary Receiver in any way; or to interfere in any manner with the exclusive jurisdiction of this Court over the assets or documents of the Receivership Defendants; or to refuse to cooperate with the Temporary Receiver or the Temporary Receiver's duly authorized agents in the exercise of their duties or authority under this Order.

DELIVERY OF RECEIVERSHIP PROPERTY

XVIII.

IT IS FURTHER ORDERED that immediately upon service of this Order upon them, or within a period permitted by the Temporary Receiver, the Defendants and any other person or entity served with a copy of this Order shall forthwith or within such time as permitted by the Temporary Receiver in writing, transfer or deliver possession, custody, and control of the following to the Temporary Receiver:

A. All assets and property, owned beneficially or otherwise, wherever situated, of the

Receivership Defendants (including, but not limited to, desktop and laptop computers and network servers);

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

C. All assets belonging to members of the public now held by the Receivership Defendants;

D. All keys, codes, computer passwords, entry codes and combinations to locks necessary to gain or to secure access to any assets or documents of the Receivership Defendants, including, but not limited to, access to their business premises, means of communication, accounts, computer systems, or other property;

E. Information identifying the accounts, employees, properties or other assets or obligations of the Receivership Defendants.

In the event any person or entity fails to deliver or transfer any asset or otherwise fails to comply with any provision of this Section, the Temporary Receiver may file an Affidavit of Non-Compliance regarding such failure. Upon filing of the affidavit, the Court may authorize, without additional process or demand, Writs of Possession or Sequestration or other equitable writs requested by the Temporary Receiver. The writs shall authorize and direct the United States Marshal or any sheriff or deputy sheriff of any county or any other federal or state law enforcement officer, pursuant to Federal Rule of Civil Procedure 4(c)(2), to seize the asset, document, or other thing and to deliver it to the Temporary Receiver.

STAY OF ACTIONS

XIX.

IT IS FURTHER ORDERED that, except by leave of this Court, during the pendency of the Receivership ordered herein, the Defendants and all vendors, principals, investors, creditors, stockholders, lessors, and all other persons and entities seeking to establish or enforce any claim, right, or interest for, against, on behalf of, in, or in the name of, any of the Defendants, and all others acting for or on behalf of such persons, including, but not limited to, attorneys, trustees, agents, sheriffs, constables, marshals, and other officers and their deputies, and their respective attorneys, agents and employees, be and are hereby stayed from:

A. Commencing, prosecuting, continuing, entering, or enforcing any suit or proceeding against any Defendant, except that such actions may be filed to toll any applicable statute of limitations;

B. Commencing, prosecuting, continuing, or entering any suit or proceeding in the name of or on behalf of any Defendant;

C. Accelerating the due date of any obligation or claimed obligation; filing or enforcing any lien; taking or attempting to take possession, custody, or control of any asset of the Defendants; attempting to foreclose, forfeit, alter, or terminate any of the Defendants' interest in any asset, including without limitation, the establishment, granting, or perfection of any security interest, whether such acts are part of a judicial proceeding, are acts of self-help, or otherwise;

D. Using self-help, executing, issuing, serving, or causing the execution, issuance or service of, any legal process, including, but not limited to, attachments, garnishments, subpoenas, writs of replevin, writs of execution, or any other form of process whether specified in this Order or not for the purpose of impounding or taking possession of or interfering with, or creating or

enforcing a lien upon, any assets of any Defendant; or

E. Taking any action or doing anything whatsoever to interfere with the Temporary Receiver taking custody, control, possession, or management of the Receivership Defendants' assets or documents, or to interfere in any way with the Temporary Receiver, or to harass or interfere with the duties of the Temporary Receiver, or to interfere in any manner with the exclusive jurisdiction of this Court over the assets or documents of any Receivership Defendant, or its subsidiaries or affiliates.

F. This Section does not stay:

1. The commencement or continuation of a criminal action or proceeding;
2. The commencement or continuation of an action or proceeding by a governmental unit to enforce such governmental unit's police or regulatory power;
3. The enforcement of a judgment, other than a money judgment, obtained in an action or proceeding by a governmental unit to enforce such governmental unit's police or regulatory power, including execution on any security interest in favor of the FTC;
4. The commencement of any action by the Secretary of the United States Department of Housing and Urban Development to foreclose a mortgage or deed of trust in any case in which the mortgage or deed of trust held by the Secretary is insured or was formerly insured under the National Housing Act and covers property, or combinations of property, consisting of five or more living units; or
5. The issuance to a Defendant of a notice of tax deficiency.

Except as otherwise provided in this Order, all persons and entities in need of documentation from the Temporary Receiver shall in all instances first attempt to secure such information by submitting a formal written request to the Temporary Receiver, and, if such request has not been

responded to within thirty (30) days of receipt by the Temporary Receiver, any such person or entity may thereafter seek an Order of this Court with regard to the relief requested.

COMPENSATION OF TEMPORARY RECEIVER

XX.

IT IS FURTHER ORDERED that the Temporary Receiver and all personnel hired by the Temporary Receiver as herein authorized, including counsel to the Temporary Receiver and accountants, are entitled to reasonable compensation for the performance of duties pursuant to this Order and for the cost of actual out-of-pocket expenses incurred by them, from the assets now held by, or in the possession or control of, or which may be received by the Defendants. Said fees and out-of-pocket expenses shall be paid prior to any monetary relief that may be awarded by this Court to consumers who paid any fees to Defendants in connection with any Medical Discount Plan. The Temporary Receiver shall file with the Court and serve on the parties periodic requests for the payment of such reasonable compensation, which shall exclude the costs of filing and service, with the first such request filed no more than sixty (60) days after the date of this Order. The Temporary Receiver shall not increase the hourly rates used as the basis for such fee applications without prior approval of the Court and without prior notice to counsel for the FTC.

WITHDRAWAL OF TEMPORARY RECEIVER


XXI.

IT IS FURTHER ORDERED that the Temporary Receiver and any professional retained by the Temporary Receiver, including but not limited to his or her attorneys and accountants, be and are hereby authorized to withdraw from their respective appointments or representations at any time after the date of this Order, for any reason in their sole and absolute discretion, by

sending written notice seven (7) days prior to the date the Temporary Receiver intends to withdraw to the Court and to the parties; and such Temporary Receiver and professionals shall be relieved of all liabilities and responsibilities seven (7) days from the date of such notice or withdrawal. The written notice shall include an interim report indicating the Temporary Receiver's actions and reflect its knowledge gained. The report shall also contain the Temporary Receiver's recommendations, if any.

TEMPORARY RECEIVER'S BOND

XXII.

IT IS FURTHER ORDERED that the Temporary Receiver shall file with the Clerk of this Court within seven (7) days of entry of this Order, a bond in the sum of \$50,000. with sureties to be approved by the Court, conditioned that the Temporary Receiver will well and truly perform the duties of the office and abide by and perform all acts the Court directs. 

USE OF ALIASES

XXIII.

IT IS FURTHER ORDERED that the Defendants are hereby enjoined from using any fictitious, false, or assumed title or name, other than their own proper name, or otherwise misrepresenting their true identities in the course of business dealings or in publicly filed documents.

SERVICE OF ORDER UPON THIRD-PARTY ASSET HOLDERS

XXIV.

IT IS FURTHER ORDERED that copies of this Order may be served by any means, including facsimile transmission, upon any financial institution or other entity or person that may have possession, custody, or control of any documents or assets of any Defendant, or that may

otherwise be subject to any provision of this Order. Service upon any branch or office of any financial institution or entity shall effect service upon the entire financial institution or entity.

SERVICE OF PLEADINGS

XXV.

IT IS FURTHER ORDERED that:

A. The Defendants shall file with the Court and serve counsel for the FTC and the Temporary Receiver their response to the Order to Show Cause Why a Preliminary Injunction Should Not Issue, including all declarations, exhibits, memoranda, and other evidence, not less than seventy-two (72) hours prior to the hearing on such application. The Defendants shall serve copies of all such materials on the FTC, by hand, by facsimile transmission, or by overnight delivery service to the attention of counsel for the FTC, Carole A. Paynter at Federal Trade Commission, Northeast Regional Office, One Bowling Green, Suite 318, New York, NY 10004 (facsimile transmission to (212) 607-2822).

Provided, however, that if the Defendants choose to serve the FTC via overnight delivery, the documents shall be delivered so that they shall be received by the FTC at least seventy-two (72) hours prior to the hearing.

B. Service on the Temporary Receiver shall be performed by delivery to the attention of _____

ANICELA TESE-MILNER

C. The FTC shall file with the Court and serve on the Defendants and the Temporary Receiver any supplemental memoranda, declarations, materials, or other evidence not less than twenty-four (24) hours prior to the hearing on the Order to Show Cause Why a Preliminary Injunction Should Not Issue. The FTC shall serve copies of all such materials on counsel for

each Defendant by hand, by facsimile transmission, or by overnight delivery service.

Provided, however, that if the FTC chooses to serve any Defendant via overnight delivery, the documents shall be delivered so that they shall be received by such Defendant at least twenty-four (24) hours prior to the hearing. Consumer declarations previously filed as exhibits in support of this Order comply with the disclosure requirements of this Section.

D. Pursuant to Federal Rule of Civil Procedure 4(c)(2), the copies of this Order and the initial pleadings and papers filed in this matter, including the Complaint and summonses, may be served by employees and agents of the FTC, by employees of any state or other federal law enforcement agency, including but not limited to the United States Marshal's Office and the Federal Bureau of Investigation, and by agents of any process servers retained by the FTC, upon any office of the Defendants, any individual Defendant, any financial or brokerage institution, or any person or entity that may be in possession of any assets, property, or property rights of the Defendants.

E. The issuance of a preliminary injunction shall be determined on the pleadings, declarations, memoranda, and other exhibits filed by the parties and on oral argument, without live testimony. Any party who desires to present live testimony at the hearing shall file a motion requesting leave to present live testimony, and serve such motion on all opposing parties, not less than seventy-two (72) hours prior to the hearing on the Order to Show Cause Why a Preliminary Injunction Should Not Issue. The request shall set forth in detail the reasons why an evidentiary hearing is desired and how such hearing would be helpful to the Court. In addition, the request shall set forth a witness list that shall include the name, address, and telephone number of any such witness, and either a summary of the witness' expected testimony, or the witness' declaration revealing the substance of such witness' expected testimony.

Provided, however, that if service is via overnight delivery, the documents shall be delivered so that they shall be received by all parties at least seventy-two (72) hours prior to the hearing.

F. Any party opposing a request to present live testimony shall file its written opposition, and serve such motion on all parties, not less than twenty-four (24) hours prior to the hearing on the Order to Show Cause Why a Preliminary Injunction Should Not Issue. Any party opposing a request to present live testimony also shall file its witness list, and serve such witness list on all parties, not less than twenty-four (24) hours prior to the hearing on the Order to Show Cause Why a Preliminary Injunction Should Not Issue. For purposes of this Subsection, service shall be by hand, by facsimile transmission, or by overnight delivery service.

Provided, however, that if service is via overnight delivery, the documents shall be delivered so that they shall be received by all parties at least twenty-four (24) hours prior to the hearing.

DURATION OF TEMPORARY RESTRAINING ORDER

XXVI.

IT IS FURTHER ORDERED that the Temporary Restraining Order granted herein shall expire on 8-13-, 2010, at One o'clock P. .m., unless within such time, the Order, for good cause shown, is extended for an additional period not to exceed ten (10) days, or unless it is further extended pursuant to Federal Rule of Civil Procedure 65.

ORDER TO SHOW CAUSE RE: PERMANENT RECEIVER AND PRELIMINARY INJUNCTION

XXVII.

IT IS FURTHER ORDERED, pursuant to Federal Rule of Civil Procedure 65(b), that each Defendant shall appear before this Court on the 13th day of August, 2009, at 10:00 o'clock A. .m., at the United States courthouse located at

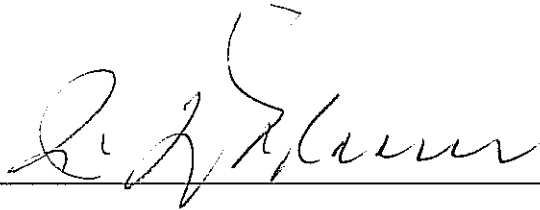
225 Cadman Plaza East, 7th Fl., NY, Room 8B, to show cause, if there is any, why this Court should not appoint a Permanent Receiver for the Receivership Defendants and enter a preliminary injunction, pending final ruling on the Complaint against the Defendants, enjoining the Defendants from further violations of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), continuing the freeze of their assets, and imposing such additional relief as may be appropriate.

RETENTION OF JURISDICTION

XXVIII.

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

SO ORDERED, this 3rd day of August, 2010, at 1:00 p.m.



UNITED STATES DISTRICT COURT JUDGE

