

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 Defendants Mikael Marczak, a/k/a Michael Marczak, and Wahid Ali 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 the Commission's Telemarketing Sales Rule ("TSR" or "Rule"), 16 C.F.R. Part 310. Plaintiff Commission therefore is likely to prevail on the merits of this action.

4. The evidence set forth in the Commission's Memorandum of Law in Support of *Ex Parte* Motion for Temporary Restraining Order and Order to Show Cause ("TRO Motion"), and the accompanying declarations and exhibits, demonstrates that the Commission is likely to prevail on its claim that Defendants have engaged in deceptive acts or practices in violation of Section 5 of the FTC Act by making materially deceptive representations in connection with the marketing, selling, and distribution of computer security or technical support services.

5. The evidence set forth also demonstrates that the Commission is likely to prevail on its claim that Defendants have engaged in acts or practices that have violated the TSR.

6. There is good cause to believe that the Defendants will continue to engage in such unlawful actions if not immediately restrained from doing so by Order of this Court. There is also good cause to believe that immediate and irreparable damage to this Court's ability to grant effective final relief will result from the sale, transfer, or other disposition or concealment by the Defendants of their assets or business records, unless the Defendants are immediately restrained and enjoined by Order of this Court.

7. There is good cause for the Court to order an asset freeze against and temporary receivership over the Defendants. Based on the evidence set forth in the TRO Motion, the Commission is likely to be able to prove that Defendants have generated revenue from activity that violates Section 5 of the FTC Act and the TSR, including misrepresenting to consumers that they are from, affiliated with, or calling on behalf of well-known computer companies and that the consumers have security or performance issues on their computers, including viruses, spyware, or system errors, and calling telephone numbers on the National Do Not Call Registry. An asset freeze and receiver are necessary in order to preserve the possibility of complete and meaningful relief in the form of disgorgement and/or consumer redress at the conclusion of this litigation;

8. The Commission has not provided notice to the Defendants due to the likelihood that advance notice of this action will cause the Defendants to abscond with or destroy discoverable evidence and conceal or dissipate assets. The Commission's request for this emergency *ex parte* relief is not the result of any lack of diligence on the Commission's part, but instead is based upon the nature of the Defendants' unlawful conduct. Accordingly, there is good cause for relieving the Commission of the duty to provide the Defendants with prior notice of the Commission's application;

9. Weighing the equities and considering the Commission's likelihood of ultimate success, a temporary restraining order requiring an immediate freeze as to all of the Defendants' assets and accounting of assets, appointing a receiver, preserving business records, and providing other equitable relief is in the public interest; and

10. Fed. R. Civ. P. 65(c) does not require security of the United States or an officer or agency thereof for the issuance of a restraining order.

DEFINITIONS

For the purpose of this order, the following definitions shall apply:

1. **“Assets”** means any legal or equitable interest in, right to, or claim to, any real, personal, or intellectual property of any Defendant or held for the benefit of any Defendant wherever located, including, but not limited to, chattel, goods, instruments, equipment, fixtures, general intangibles, effects, leaseholds, premises, contracts, mail or other deliveries, shares of stock, list of customer names, inventory, checks, notes, accounts, credits, receivables (as those terms are defined in the Uniform Commercial Code), funds, cash, and trusts, including but not limited to any other trust held for the benefit of any Defendant, any Defendant’s minor children, or any Defendant’s spouse.
2. **“Defendant” or “Defendants”** means Mikael Marczak, a/k/a Michael Marczak, individually and doing business as Virtual PC Solutions, First PC Solution, Direct PC Solution, Virtual IT Supports, and Global Innovative Services, and Wahid Ali, individually, and as a manager of Virtual PC Solutions and Global Innovative Services, and any other d/b/a, corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by either Mikael Marczak or Wahid Ali, including, but not limited to, Conquest Audit Corp;
3. **“Document” or “Documents”** is synonymous in meaning and equal in scope to the usage of the term in the Federal Rules of Civil Procedure 34(a), and includes writings,

drawings, graphs, charts, Internet sites, Web pages, Web sites, electronic correspondence, including e-mail and instant messages, photographs, audio and video recordings, computer records, contracts, accounting data, advertisements (including, but not limited to, advertisements placed on the World Wide Web), FTP Logs, Server Access Logs, USENET Newsgroup postings, World Wide Web pages, 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, 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.

4. A **“Host”** or **“Hosting Company”** is the party that provides the infrastructure for a computer service. With respect to web pages and web sites, a Host or Hosting Company maintains “Internet servers” – the computers on which web sites, web pages, Internet files, or resources reside. The Host or Hosting Company also maintains the communication lines required to link the server to the Internet. Often, the content on the servers (*i.e.*, content of the web pages) is controlled by someone other than the Host or Hosting Company.
5. **“Plaintiff”** means the Federal Trade Commission.
6. **“Receiver”** means the temporary receiver appointed in Section XI of this Order and any deputy receivers that may be named by the temporary receiver.

7. **“Representative”** means any person insofar as he or she is acting in the capacity of an officer, agent, servant, employee, or attorney of any Defendant, and any person or entity in active concert or participation with any of the foregoing who receives actual notice of this Order by personal service or otherwise (Fed. R. Civ. P. 65(d));
8. **“Telemarketing”** means any plan, program or campaign (whether or not covered by the TSR, 16 C.F.R. Part 310) that is conducted to induce the purchase of goods or services by means of the use of one or more telephones.
9. 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.

PROHIBITED BUSINESS ACTIVITIES

I.

IT IS THEREFORE ORDERED that Defendants and their Representatives are temporarily restrained and enjoined from directly or indirectly misrepresenting, expressly or by implication, that: (1) they are from, affiliated with, or calling on behalf of any company other than Defendants' company; and (2) security or performance issues have been detected on a computer, including but not limited to claims that a computer contains viruses, spyware, or system errors.

PROHIBITIONS AGAINST DECEPTIVE AND ABUSIVE TELEMARKETING PRACTICES

II.

IT IS FURTHER ORDERED that, in connection with telemarketing, Defendants and

their Representatives are hereby temporarily restrained and enjoined from engaging in or causing or assisting other persons to engage in, violations of any provision of the TSR, including, but not limited to, the following:

A. Making a false or misleading statement to induce any person to pay for goods or services, in violation of Section 310.3(a)(4) of the TSR, 16 C.F.R. § 310.3(a)(4);

B. Initiating any outbound telemarketing call to a person's telephone number on the National Do Not Call Registry of persons who do not wish to receive outbound telephone calls to induce the purchase of goods or services, in violation of Section 310.4(b)(1)(iii)(B) of the TSR, 16 C.F.R. § 310.4(b)(1)(iii)(B), unless:

(1) the seller has obtained the express agreement, in writing, of such person to place calls to that person. Such written agreement shall clearly evidence such person's authorization that calls made by or on behalf of a specific party may be placed to that person, and shall include the telephone number to which the calls may be placed and the signature of that person; or

(2) the seller has an established business relationship with such person and that person has not previously stated that he or she does not wish to receive outbound telemarketing calls made by or on behalf of Defendants;

C. Initiating, or causing others to initiate, an outbound telephone call to a telephone number within a given area code without first, either directly or through another person, paying the required annual fee for access to the telephone numbers within that area code that are included in the National Do Not Call Registry, in violation of Section 310.8 of the TSR, 16

C.F.R. § 310.8; and

CUSTOMER LISTS

III.

IT IS FURTHER ORDERED that the Defendants and their Representatives 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 computer 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.

SUSPENSION OF WEB SITES

IV.

IT IS FURTHER ORDERED that any party hosting any webpage or website for any Defendant and any domain registrar who has provided or is providing domain name registration services on any Defendant's behalf are hereby temporarily restrained and enjoined from failing to:

A. Immediately take whatever steps may be necessary to ensure that any webpage or website operated, in whole or in part, in connection with the Defendants' provision of computer

repair services cannot be accessed by the public; and

B. Prevent the destruction or erasure of any webpage or website operated, in whole or in part, on any Defendant's behalf, preserving such documents in the format in which they are currently maintained, and prevent the destruction or erasure of all records relating to the Defendants.

DISCONNECTION OF TELEPHONE NUMBERS

V.

IT IS FURTHER ORDERED that any telephone service provider for any Defendant, including but not limited to Voice Over Internet Protocol and telecommunications service providers and toll-free forwarding services, who has provided or is providing telephone services on any Defendant's behalf are hereby temporarily restrained and enjoined from failing to immediately take whatever steps may be necessary to ensure that any telephone or fax number operated, in whole or in part, in connection with the Defendants' provision of computer repair services, is disconnected from service.

ASSET FREEZE

VI.

IT IS FURTHER ORDERED that the Defendants and their Representatives are hereby temporarily restrained and enjoined from:

A. Transferring, liquidating, converting, encumbering, pledging, loaning, selling, concealing, dissipating, disbursing, assigning, spending, withdrawing, granting a lien or security

interest or other interest in, or otherwise disposing of any funds, real or personal property, accounts, contracts, consumer lists, shares of stock, or other assets, or any interest therein, wherever located, that are: (1) owned or controlled by the Defendants, in whole or in part, for the benefit of the Defendants; (2) in the actual or constructive possession of the Defendants; or (3) owned, controlled by, or in the actual or constructive possession of any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by any Defendant, including, but not limited to, any assets held by or for, or subject to access by, any of the Defendants, at any bank or savings and loan institution, or with any broker-dealer, escrow agent, title company, commodity trading company, precious metals dealer, or other financial institution or depository of any kind;

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

C. Incurring charges or cash advances on any credit card issued in the name, singly or jointly, of any Defendant;

D. Obtaining a personal or secured loan titled in the name of any Defendant, or subject to access by any of them; and

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

Provided, however, that the assets affected by this Section shall include: (1) all of the assets of any Defendant existing as of the date this Order was entered; and (2) for assets obtained after the date this Order was entered, only those assets of any Defendant that are derived from

conduct prohibited in Sections I and II.

FINANCIAL REPORTS AND ACCOUNTING

VII.

IT IS FURTHER ORDERED that each Defendant, within five (5) days of receiving notice of this Order, shall provide the Commission and the Receiver with completed financial statements, verified under oath and accurate as of the date of entry of this Order, on the form attached to this Order as **Attachment A**. Defendants shall include in the financial statements a full accounting of all funds and assets, whether located inside or outside of the United States, that are: (a) titled in the name of any Defendant, jointly, severally, or individually; (b) held by any person or entity for the benefit of any Defendant; or (c) under the direct or indirect control of any Defendant.

RETENTION OF ASSETS AND RECORDS

BY FINANCIAL INSTITUTIONS

VIII.

IT IS FURTHER ORDERED that, pending determination of the Commission'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 has held, controlled or maintained custody of any such account or asset at any time since the date of entry of this Order, shall:

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

any such asset except by further order of the Court;

B. Deny any Defendant access to any safe deposit box that is:

1. titled in the name of any Defendant, individually or jointly; or
2. otherwise subject to access by any Defendant;

C. Provide the Commission's counsel, within five (5) business days of receiving a copy of this Order, a sworn statement setting forth:

1. the identification number of each such account or asset titled in the name, individually or jointly, of each Defendant, or held on behalf of, or for the benefit of each Defendant;
2. the balance of each such account, or a description of the nature and value of each 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 titled in the name, individually or jointly, of each Defendant, or is otherwise subject to access by a Defendant; and

D. Upon request by the Commission, promptly provide the Commission with copies of all records or other documentation pertaining to each such account or asset, including but not limited to originals or copies of account applications, account statements, loan applications,

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. Any such financial institution, account custodian, or other aforementioned entity may arrange for the Commission to obtain copies of any such records which the Commission seeks.

FOREIGN ASSET REPATRIATION

IX.

IT IS FURTHER ORDERED that within five (5) business days of receiving notice of this Order, each Defendant shall:

- A. Provide the Commission with a full accounting, verified under oath and accurate as of the date of this Order, of all funds, documents, and assets outside of the United States which are: (1) titled in the name, individually or jointly, of any Defendant; or (2) held by any person or entity for the benefit of any Defendant; or (3) under the direct or indirect control, whether jointly or singly, of any Defendant;
- B. Transfer to the territory of the United States all funds, documents, and assets located in foreign countries which are (1) titled in the name individually or jointly of any Defendant; or (2) held by any person or entity, for the benefit of any Defendant; or (3) under any Defendant's direct or indirect control, whether jointly or singly.

Any Defendant who currently does not hold an account at a financial institution located in the United States shall repatriate all assets and funds to this Court's Registry.

- C. Provide the Commission access to all records of accounts or assets of each Defendant held by financial institutions located outside the territorial United States by signing the

Consent to Release of Financial Records attached to this Order as **Attachment B**.

INTERFERENCE WITH REPATRIATION

X.

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 foreign assets, or in the hindrance of the repatriation required by Section IX of this Order, including but not limited to:

A. Sending any statement, letter, fax, 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 IX of this Order;

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 IX of this Order.

APPOINTMENT OF TEMPORARY RECEIVER

XI.

IT IS FURTHER ORDERED that Howard Lambi is appointed temporary receiver for the business activities and assets of the Defendants. The Receiver shall be the agent of this Court, and solely the agent of this Court, in acting as Receiver under this

Order. The Receiver shall be accountable directly to this Court.

RECEIVER'S DUTIES

XII.

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

A. Assume full control of Defendants' business operations removing, as the Receiver deems necessary or advisable, any Defendant, director, officer, independent contractor, employee, or agent of any Defendant from control of, management of, or participation in, the affairs of the Defendants;

B. Take exclusive custody, control, and possession of all the funds, property, mail, and other assets of, or in the possession, custody, or under the control of, the Defendants' businesses, wherever situated. The Receiver shall have full power to divert mail, control the phone numbers, control and/or take down websites and to sue for, collect, receive, take in possession, hold, and manage all assets and documents of the Defendants and other persons or entities whose interests are now under the direction, possession, custody, or control of, the Defendants. The Receiver shall assume control over the income and profits therefrom and all sums of money now or hereafter due or owing to the Defendants. Provided, however, that the Receiver, without prior Court approval, shall not attempt to collect any amount from a consumer if the Receiver believes the consumer was a victim of the unfair or deceptive acts or practices or other violations of law alleged in the Complaint in this matter;

C. Take all steps necessary to secure the business premises relating to the business

activities of the Defendants, including but not limited to the premises located at 300 N. Tustin Ave., Suite 200, Santa Ana, CA 92705. Such steps may include, but are not limited to, any of the following, as the Receiver deems necessary or advisable:

- (1) serving this Order;
- (2) completing a written inventory of all receivership assets;
- (3) obtaining pertinent information from all employees and other agents of the Defendants, including, but not limited to, the name, home address, social security number, job description, passwords or access codes, method of compensation, and all accrued and unpaid commissions and compensation of each such employee or agent;
- (4) photographing and video taping any or all portions of the location;
- (5) securing the location by changing the locks and disconnecting any computer modems or other means of access to the computer or other records maintained at that location; and
- (6) requiring any persons present on the premises at the time this Order is served to leave the premises, to provide the Receiver with proof of identification, or to demonstrate to the satisfaction of the Receiver that such persons are not removing from the premises documents or assets of the Defendants.

Law enforcement personnel, including, but not limited to, police or sheriffs, may assist the Receiver in implementing these provisions in order to keep the peace and maintain security.

D. 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 creditors of the Defendants, including, but not limited to,

obtaining an accounting of the assets and preventing the unauthorized transfer, withdrawal, or misapplication of assets;

E. Enter into contracts and purchase insurance as advisable or necessary;

F. Manage and administer the business of the Defendants until further order of this Court by performing all incidental acts that the Receiver deems to be advisable or necessary, which includes but is not limited to: retaining, hiring, or dismissing any employees, independent contractors, or agents;

G. Choose, engage, and employ attorneys, accountants, appraisers, and other independent contractors and technical specialists, as the Receiver deems advisable or necessary in the performance of duties and responsibilities under the authority granted by this Order;

H. 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 Receiver shall apply to the Court for prior approval of any payment of any debt or obligation incurred by Defendants prior to the date of entry of this Order, except payments that the Receiver deems necessary or advisable to secure assets of the Defendants, such as rental payments;

I. Suspend business operations of the Defendants if in the judgment of the Receiver such operations cannot be continued legally and profitably;

J. Determine whether the business activities or assets of Conquest Audit are: (1) commingled with Defendants' assets; (2) intertwined with Defendants' business activities or records; or (3) otherwise related to the Defendants' sale of computer repair services. Provided that if the Receiver determines that Conquest Audit's assets are not so commingled, that its

activities and Defendants' are not intertwined, and that Conquest Audit's activities are not otherwise related to Defendants' sale of computer repair services, the Receiver shall apply to the Court for a modification of the Order to release Conquest Audit from the receivership.

K. Institute, compromise, adjust, appear in, intervene in, or become party to such actions or proceedings in state, federal or foreign courts or arbitration proceedings as the Receiver deems necessary and advisable to preserve or recover the assets of the Defendants, or that the Receiver deems necessary and advisable to carry out the Receiver's mandate under this Order, including but not limited to, actions challenging fraudulent or voidable transfers;

L. Defend, compromise, adjust, or otherwise dispose of any or all actions or proceedings instituted in the past or in the future against the Receiver in his role as Receiver, or against the Defendants, as the Receiver deems necessary and advisable to preserve the assets of the Defendants, or as the Receiver deems necessary and advisable to carry out the Receiver's mandate under this Order;

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 Defendants. The Receiver shall deposit all funds of the Defendants in such a designated account and shall make all payments and disbursements from the receivership estate from such an account. The Receiver shall serve copies of monthly account statements on all parties;

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

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

TRANSFER OF RECEIVERSHIP PROPERTY TO RECEIVER

XIII.

IT IS FURTHER ORDERED that Defendants and their Representatives and any other person or entity with possession, custody or control of property of or records relating to the Defendants shall upon notice of this Order by personal service or otherwise immediately notify the Receiver of, and, upon receiving a request from the Receiver, immediately transfer or deliver to the Receiver possession, custody, and control of, the following:

- A. All assets of the Defendants;
- B. All documents relating to the business of the 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 computers and data in whatever form used to conduct the business of the Defendants;
- D. All assets belonging to other persons or entities whose interests are now under the direction, possession, custody, or control of, the Defendants;
- E. All keys, codes, and passwords necessary to gain or to secure access to any assets or documents of the Defendants, including, but not limited to, access to their business premises, means of communication, accounts, computer systems, or other property.

F. All information and documentation necessary to access and modify the content on any web page or website associated with the marketing of computer security or technical support services that Defendants, in whole or in part, own and control, operate, or host.

In the event that any person or entity fails to deliver or transfer any asset or otherwise fails to comply with any provision of this Section, the Receiver may file ex parte an Affidavit of Non-Compliance regarding the 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 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, to seize the asset, document, or other item covered by this Section and to deliver it to the Receiver.

COOPERATION WITH THE RECEIVER

XIV.

IT IS FURTHER ORDERED that Defendants and all other persons or entities served with a copy of this Order shall fully cooperate with and assist the Receiver in taking and maintaining possession, custody, or control of the assets of the Defendants. This cooperation and assistance shall include, but not be limited to: providing information to the Receiver that the Receiver deems necessary in order to exercise the authority and discharge the responsibilities of the Receiver under this Order; providing any password required to access any computer, electronic file, or telephonic data in any medium; providing the receiver all information and documentation necessary to access and modify the content on any web page or website

associated with the marketing of computer security or technical support services that Defendants or any of their successors or assigns, in whole or in part, own and control, operate, or host; advising all persons who owe money to the Defendants that all debts should be paid directly to the Receiver; and transferring funds at the Receiver's direction and producing records related to the assets and sales of the Defendants. The entities obligated to cooperate with the Receiver under this provision include, but are not limited to, banks, broker-dealers, savings and loans, escrow agents, title companies, commodity trading companies, precious metals dealers and other financial institutions and depositories of any kind, and all third-party billing agents, and telecommunications companies that have transacted business with the Defendants.

INTERFERENCE WITH THE RECEIVER

XV.

IT IS FURTHER ORDERED that Defendants and their Representatives are hereby restrained and enjoined from directly or indirectly:

- A. Interfering with the Receiver managing, or taking custody, control, or possession of, the assets or documents subject to this receivership;
- B. Transacting any of the business of the Defendants;
- 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 Receiver;
- D. Refusing to cooperate with the Receiver or the Receiver's duly authorized agents in the exercise of their duties or authority under any order of this Court;

E. Failing to provide the receiver all information and documentation necessary to access and modify the content on any web page or website associated with the marketing of computer security or technical support services that Defendants, or any of their successors or assigns, in whole or in part, own and control, operate, or host.

STAY OF ACTIONS AGAINST RECEIVERSHIP ENTITIES

XVI.

IT IS FURTHER ORDERED that, except by leave of this Court, during pendency of the receivership ordered herein, Defendants, their Representatives, and all investors, creditors, stockholders, lessors, customers and other persons seeking to establish or enforce any claim, right, or interest against or on behalf of Defendants, and all others acting for or on behalf of such persons, are hereby enjoined from taking action that would interfere with the exclusive jurisdiction of this Court over the assets or documents of the Defendants, including, but not limited to:

A. Petitioning, or assisting in the filing of a petition, that would cause the Defendants to be placed in bankruptcy;

B. Commencing, prosecuting, or continuing a judicial, administrative, or other action or proceeding against the Defendants, including the issuance or employment of process against the Defendants, except that such actions may be commenced if necessary to toll any applicable statute of limitations;

C. Filing or enforcing any lien on any asset of the Defendants, taking or attempting to take possession, custody, or control of any asset of the Defendants; or attempting to foreclose,

forfeit, alter, or terminate any interest in any asset of the Defendants, whether such acts are part of a judicial proceeding, are acts of self-help, or otherwise;

D. Initiating any other process or proceeding that would interfere with the Receiver managing or taking custody, control, or possession of, the assets or documents subject to this receivership. Provided that, this Order does not stay: (i) the commencement or continuation of a criminal action or proceeding; (ii) the commencement or continuation of an action or proceeding by a governmental unit to enforce such governmental unit's police or regulatory power; or (iii) 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.

COMPENSATION OF RECEIVER

XVII.

IT IS FURTHER ORDERED that the Receiver and all personnel hired by the Receiver as herein authorized, including counsel to the 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, in the possession or control of, or which may be received by, the Defendants. The Receiver shall file with the Court and serve on the parties periodic requests for the payment of such reasonable compensation, with the first such request filed no more than sixty (60) days after the date of entry of this Order. The Receiver shall not increase the hourly rates used as the bases for such fee applications without prior approval of the Court.

RECEIVER'S BOND

XVIII.

IT IS FURTHER ORDERED that the Receiver shall file with the Clerk of this Court a bond in the sum of \$ 25,000 with sureties to be approved by the Court, conditioned that the Receiver will well and truly perform the duties of the office and abide by and perform all acts the Court directs.

ACCESS TO BUSINESS OFFICES AND RECORDS

XIX.

IT IS FURTHER ORDERED that, in order to allow the Commission and the Receiver to preserve assets and evidence relevant to this action, Plaintiff and Receiver, and their representatives, agents, and assistants, shall have immediate access to the business premises of the Defendants. The Commission and the Receiver, and their agents, and assistants, are authorized to employ the assistance of law enforcement officers as they deem necessary to effect service and to implement peacefully the provisions of this Order. The Commission and the Receiver, and their agents, and assistants, are authorized to remove documents from the business premises of Defendants in order that they may be inspected, inventoried, and copied for the purpose of preserving discoverable material in connection with this action.

Furthermore, the Receiver shall allow Defendants reasonable access to the business premises and business records of the Defendants within his possession for the purpose of inspecting and copying materials relevant to this action. The Receiver shall have the discretion to determine the time, manner, and reasonable conditions of such access.

EXPEDITED DISCOVERY

XX.

IT IS FURTHER ORDERED that pursuant to Federal Rules of Civil Procedure 30(a), 31(a), 34, and 45, and notwithstanding the provisions of Federal Rules of Civil Procedure 26(d) and (f), 30(a)(2)(A), and 31(a)(2)(A), the Commission and the Receiver are granted leave, at any time after entry of this Order to:

1. Take the deposition of any person or entity, whether or not a party, for the purpose of discovering the nature, location, status, and extent of the assets of the Defendants; the location of any premises where the Defendants, directly or through any third party, conduct business operations; and the Defendants' whereabouts; and

2. Demand the production of documents from any person or entity, whether or not a party, relating to the nature, status, and extent of the assets of the Defendants; the location of any premises where the Defendants, directly or through any third party, conduct business operations; and the Defendants' whereabouts.

^{Five (5)}
~~Three (3)~~ days notice shall be deemed sufficient for any such deposition, five (5) days notice shall be deemed sufficient for the production of any such documents, and ~~twenty-four (24)~~ ^{Five (5)} ~~hours~~ notice shall be deemed sufficient for the production of any such documents that are maintained or stored only as electronic data. The provisions of this Section shall apply both to parties to this case and to non-parties. The limitations and conditions set forth in Federal Rules of Civil Procedure 30(a)(2)(A)(ii) and 31(a)(2)(A)(ii) regarding subsequent depositions of an individual shall not apply to depositions taken pursuant to this Section. Any such depositions

taken pursuant to this Section shall not be counted toward any limit on the number of depositions under the Federal Rules of Civil Procedure or the Local Rules of Civil Procedure for the United States District Court for the Southern District of New York, including those set forth in Federal Rules of Civil Procedure 30(a)(2)(A)(i) and 31(a)(2)(A)(i). Service of discovery upon a party, taken pursuant to this Section, shall be sufficient if made through the means described in Section XXX of this Order.

PRESERVATION OF RECORDS

XXI.

IT IS FURTHER ORDERED that the Defendants are hereby temporarily restrained and enjoined from destroying, erasing, mutilating, concealing, altering, transferring, writing over, or otherwise disposing of, in any manner, directly or indirectly, any documents or records of any kind that relate to the business practices or business or personal finances of any of the Defendants, including but not limited to, computerized files and storage media on which information has been saved (including, but not limited to, floppy disks, hard drives, CD-ROMS, zip disks, punch cards, magnetic tape, backup tapes, and computer chips), and any and all equipment needed to read any such material, contracts, accounting data, correspondence, advertisements (including, but not limited to, advertisements placed on the World Wide Web or the Internet), FTP logs, Service Access Logs, USENET Newsgroup postings, World Wide Web pages, 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 any of the Defendants.

IDENTIFICATION OF PRODUCTS AND WEB SITES

XXII.

IT IS FURTHER ORDERED that the Defendants shall, within five (5) days of receiving notice of this Order, prepare and deliver to the Commission a completed statement, verified under oath and accurate as of the date of entry of this Order, identifying: (1) the name of each computer security or technical support service marketed and/or sold by the Defendants since 2011; (2) the URL and hosting facility for all websites associated with these services; and (3) the number of purchases and the total gross revenue received from purchases of each service.

RECORD KEEPING/BUSINESS OPERATIONS

XXIII.

IT IS FURTHER ORDERED that the Defendants 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; and
- B. Creating, operating, or exercising any control over any business entity, including any partnership, limited partnership, joint venture, sole proprietorship, or corporation, without first providing the Commission 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

XXIV.

IT IS FURTHER ORDERED that the Defendants shall immediately provide a copy of this Order to each affiliate, subsidiary, hosting company, division, sales entity, successor, assign, officer, director, employee, independent contractor, client company, agent, attorney, and spouse of each Defendant, and shall, within ten (10) days from the date of entry of this Order, provide the Commission with a sworn statement that the Defendants have complied with this provision of the Order, which statement shall include the names, physical addresses, and e-mail addresses of each such person or entity who received a copy of the Order.

AUTHORITY TO SERVE DEFENDANTS

IN A FOREIGN COUNTRY BY INTERNATIONAL COURIER

XXV.

IT IS FURTHER ORDERED that pursuant to Fed. R. Civ. P. 4(f)(3), Plaintiff may serve this Order and all related documents on Defendants by private international courier.

SERVICE OF ORDER

XXVI.

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 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 shall effect service upon the entire financial institution.

CONSUMER CREDIT REPORTS

XXVII.

IT IS FURTHER ORDERED that, pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C. § 1681b(1), any consumer reporting agency may furnish a consumer report concerning each Defendant to the Commission.

DURATION OF TEMPORARY RESTRAINING ORDER

XXVIII.

IT IS FURTHER ORDERED that the Temporary Restraining Order granted herein shall expire on October 9, 2012 at 9 a. 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 REGARDING

PRELIMINARY INJUNCTION

XXIX.

IT IS FURTHER ORDERED, pursuant to Federal Rule of Civil Procedure 65(b), that each Defendant shall appear before this Court on the 9 day of October, 2012, at 9 o'clock a.m., to show cause, if there is any, why this Court should not enter a Preliminary Injunction, pending final ruling on the Complaint against the Defendants, enjoining them from further violations of law alleged in Plaintiff's Complaint, continuing the freeze of their assets, continuing the Receivership, and imposing such additional relief as may be appropriate.

SERVICE OF PLEADINGS, MEMORANDA, AND OTHER EVIDENCE

.XXX.

IT IS FURTHER ORDERED that the Defendants shall file with the Court and serve on the Commission's counsel any answering affidavits, pleadings, motions, expert reports or declarations, and/or legal memoranda no later than four (4) business days prior to the hearing on the Commission's request for a preliminary injunction.

The Commission may file responsive or supplemental pleadings, materials, affidavits, or memoranda with the Court and serve the same on counsel for Defendants no later than one (1) business day prior to the preliminary injunction hearing in this matter.

Provided that service shall be performed by personal or overnight delivery, facsimile or electronic mail, and documents shall be delivered so that they shall be received by the other parties no later than 4:00 p.m. (Eastern Daylight Time) on the appropriate dates listed in this Section.

MOTION FOR LIVE TESTIMONY; WITNESS IDENTIFICATION

XXXI.

IT IS FURTHER ORDERED that the question of whether this Court should enter a preliminary injunction pursuant to Rule 65 of the Federal Rules of Civil Procedure enjoining the Defendants during the pendency of this action shall be resolved on the pleadings, declarations, exhibits, and memoranda filed by, and oral argument of, the parties. Live testimony shall be heard only on further order of this Court or on motion filed with the Court and served on counsel for the other parties at least three (3) business days prior to the preliminary injunction hearing in

this matter. Such motion shall set forth the name, address, and telephone number of each proposed witness, a detailed summary or affidavit revealing the substance of each proposed witness's expected testimony, and an explanation of why the taking of live testimony would be helpful to this Court. Any papers opposing a timely motion to present live testimony or to present live testimony in response to another party's timely motion to present live testimony shall be filed with this Court and served on the other parties at least two (2) business days prior to the preliminary injunction hearing in this matter, *provided* that service shall be performed by personal or overnight delivery, facsimile or electronic mail, and documents shall be delivered so that they shall be received by the other parties no later than 4:00 p.m. (Eastern Daylight Time) on the appropriate dates provided in this Section.

SERVICE UPON THE COMMISSION

XXXII.

IT IS FURTHER ORDERED that, with regard to any correspondence or pleadings related to this Order, service on the Commission shall be performed by overnight mail delivery to the attention of Kelly Horne at the Federal Trade Commission, 600 Pennsylvania Avenue, NW, Room H-286, Washington, DC 20580.

RETENTION OF JURISDICTION

XXXIII.

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for all purposes. No security is required of any agency of the United States for the issuance of a

restraining order. Fed. R. Civ. P. 65(c).

SO ORDERED, this 25 day of September, 2012, at 9 a.m.

Paul A. Engelbrecht

UNITED STATES DISTRICT JUDGE