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**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

**FEDERAL TRADE COMMISSION,**

Case No. CV 13-5267 DSF (JCx)

Plaintiff,

v.

**ASSET & CAPITAL  
MANAGEMENT GROUP, et al.,**

Defendants.

**EX PARTE TEMPORARY  
RESTRAINING ORDER WITH AN  
ASSET FREEZE AND OTHER  
EQUITABLE RELIEF, AND  
ORDER TO SHOW CAUSE WHY A  
PRELIMINARY INJUNCTION  
SHOULD NOT ISSUE**

Plaintiff Federal Trade Commission (“FTC”) has filed a complaint seeking a permanent injunction and other equitable relief, pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b) , and Section 814(a) of the Fair Debt Collection Practices Act (“FDCPA”), 15 U.S.C. § 1692l(a), and a motion for temporary restraining order (“TRO” or “Order”) pursuant to Rule 65(b) of the Federal Rules of Civil Procedure.

**FINDINGS OF FACT**

1 This Court, having considered the complaint, the TRO motion, and all  
2 attached declarations, exhibits, and memorandum of law filed in support, finds  
3 that:

- 4  
5 1. This Court has jurisdiction over the subject matter of this case, there is good  
6 cause to believe it will have jurisdiction over all the parties hereto, and  
7 venue in this district is proper;
- 8  
9 2. There is good cause to believe that Defendants Asset and Capital  
10 Management Group, Crown Funding Company, LLC, One FC, LLC, Credit  
11 MP, LLC, Western Capital Group, Inc., SJ Capital, LLC, Green Fidelity  
12 Allegiance, Inc., Thai Han, Jim Tran Phelps, Keith Hua, and James Novella,  
13 have engaged and are likely to continue to engage in acts or practices that  
14 violate Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the FDCPA, and  
15 that the FTC is therefore likely to prevail on the merits of this action;
- 16  
17 3. There is good cause to believe that consumers will suffer immediate and  
18 continuing harm from Defendants' ongoing violations of Section 5(a) of the  
19 FTC Act and the FDCPA unless Defendants are restrained and enjoined by  
20 Order of this Court;
- 21  
22 4. There is good cause to believe that immediate and irreparable damage to the  
23 Court's ability to grant effective final relief for consumers in the form of  
24 monetary restitution and/or disgorgement of ill-gotten gains will occur from  
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1 the transfer, dissipation, or concealment by Defendants of their assets or  
2 business records unless Defendants are immediately restrained and enjoined  
3 by Order of this Court; and that in accordance with Fed. R. Civ. P. 65(b) and  
4 Local Rule 7-19.2, the interest of justice requires that the FTC's Motion be  
5 heard ex parte without prior notice to Defendants. Therefore, there is good  
6 cause for relieving the FTC of the duty to provide Defendants with prior  
7 notice of the FTC's Motion;  
8

9  
10 5. Good cause exists for appointing a receiver over the Corporate Defendants,  
11 permitting the FTC immediate access to Defendants' business premises, and  
12 permitting the FTC to take expedited discovery;  
13

14  
15 6. Weighing the equities and considering the FTC's likelihood of ultimate  
16 success, a temporary restraining order with an asset freeze, appointment of a  
17 receiver, immediate access to business premises, expedited discovery as to  
18 the existence and location of assets and documents, and other equitable relief  
19 is in the public interest; and  
20

21  
22 7. No security is required of any agency of the United States for issuance of a  
23 TRO, Fed. R. Civ. P. 65(c).  
24

## 25 **DEFINITIONS**

26 A. "Assets" means any legal or equitable interest in, right to, or claim to, any  
27 real or personal property, including, without limitation, chattels, goods,  
28

1 instruments, equipment, fixtures, general intangibles, leaseholds, mail or  
2 other deliveries, inventory, checks, notes, accounts, credits, contracts,  
3 receivables, shares of stock, and all cash, wherever located.

4  
5 B. **“Consumer”** means any person.

6 C. **“Corporate Defendants”** means Asset and Capital Management Group,  
7 Crown Funding Company, LLC, One FC, LLC, Credit MP, LLC, Western  
8 Capital Group, Inc., SJ Capital, LLC, Green Fidelity Allegiance, Inc., and  
9 their successors, assigns, affiliates, or subsidiaries, and each of them by  
10 their successors, assigns, affiliates, or subsidiaries, and each of them by  
11 whatever names each might be known.

12  
13 D. **“Debt”** means any obligation or alleged obligation to pay money arising out  
14 of a transaction, whether or not such obligation has been reduced to  
15 judgment.

16  
17 E. **“Defendants”** means the Individual Defendants and the Corporate  
18 Defendants, individually, collectively, or in any combination, and each of  
19 them by whatever names each might be known.

20  
21 F. **“Document”** is synonymous in meaning and equal in scope to the usage of  
22 the term in Federal Rule of Civil Procedure 34(a), and includes writings,  
23 drawings, graphs, charts, photographs, audio and video recordings, computer  
24 records, and other data compilations from which the information can be  
25 obtained and translated, if necessary, through detection devices into  
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1 reasonably usable form. A draft or non-identical copy is a separate  
2 document within the meaning of the term.

3 G. **“Financial Institution”** means any bank, savings and loan institution, credit  
4 union, or any financial depository of any kind, including, but not limited to,  
5 any brokerage house, trustee, broker-dealer, escrow agent, title company,  
6 commodity trading company, or precious metal dealer.  
7

8  
9 H. **“Individual Defendants”** means Thai Han, Jim Tran Phelps, Keith Hua, and  
10 James Novella.  
11

12 I. **“Person”** means a natural person, an organization or other legal entity,  
13 including a corporation, partnership, sole proprietorship, limited liability  
14 company, association, cooperative, or any other group or combination acting  
15 as an entity.  
16

17 J. **“Related Entities”** means 88 SAT Capital, LLC, Alhambra Enterprises,  
18 LLC, American FP, LLC, Asset Portfolio Partners, LLC, Bureau of Asset  
19 Management, LLC, Capital FC, LLC, Capital IG, LLC, First Planners  
20 United, LLC, Global AG, LLC, Global Holding Services, LLC, Han  
21 Dynasty, Inc., National Service Partners, LLC, New Capital Holdings, Inc.,  
22 Revere Recovery Group, LLC, United CC Holdings, LLC, United Services  
23 Partnership, LLC, Hush Lah, Inc., 77 DKS Capital, LLC, BIT, Inc., First  
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1 Franklin Holdings, Inc., Individual Security & Holdings, Inc., JTIG, Inc.,  
2 and Web Audict, LLC.

3 K. **“Receivership Defendants”** means Asset and Capital Management Group,  
4 Crown Funding Company, LLC, One FC, LLC, Credit MP, LLC, Western  
5 Capital Group, Inc., SJ Capital, LLC, and Green Fidelity Allegiance, Inc., as  
6 well as any successors, assigns, affiliates, and subsidiaries that conduct any  
7 business related to the Defendants’ debt collection business and which the  
8 Receiver has reason to believe are owned or controlled in whole or in part by  
9 any of the Defendants.  
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12

13 L. The terms **“and”** and **“or”** shall be construed conjunctively or disjunctively  
14 as necessary to make the applicable phrase or sentence inclusive rather than  
15 exclusive.  
16

17 **ORDER**

18 **PROHIBITED REPRESENTATIONS**

19  
20 I. **IT IS THEREFORE ORDERED** that in connection with the collection or  
21 the attempted collection of any debt, Defendants and their successors,  
22 assigns, officers, agents, servants, employees, and attorneys, and those  
23 persons or entities in active concert or participation with any of them who  
24 receive actual notice of this Order by personal service or otherwise, whether  
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1 acting directly or through any corporation, subsidiary, division, or other  
2 device, are hereby temporarily restrained and enjoined from:

3 A. Misrepresenting, or assisting others who are misrepresenting,  
4 expressly or by implication, orally or in writing, any of the following:

- 5 1. that any Defendant or any other person is a process server, or  
6 working with a process server, and seeking to serve a consumer  
7 with legal papers pertaining to a lawsuit against such consumer;  
8
- 9 2. that any Defendant or any other person is employed by, or  
10 working with, a lawyer who has reviewed a consumer's case  
11 and is preparing a lawsuit against the consumer;  
12
- 13 3. that non-payment of a purported debt will result in a  
14 consumer's arrest, or in seizure, garnishment, or attachment of a  
15 consumer's property or wages;  
16
- 17 4. that Defendants or any other person has filed, or intends to file  
18 imminently, a lawsuit against a consumer; or  
19
- 20 5. the character, amount, or legal status of a debt;  
21  
22

23 B. Communicating with third parties for purposes other than acquiring  
24 location information about a consumer, without having obtained  
25 directly the prior consent of the consumer or the express permission of  
26

1 a court of competent jurisdiction, and when not reasonably necessary  
2 to effectuate a postjudgment judicial remedy;

3 C. Placing telephone calls without meaningfully disclosing the caller's  
4 identity;

5  
6 D. Failing to disclose or disclose adequately in the initial communication  
7 with a consumer that any Defendant or any other person is a debt  
8 collector attempting to collect a debt and that any information  
9 obtained will be used for that purpose;

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12 E. Threatening to take action that is not lawful or that any Defendant or  
13 any other person does not intend to take;

14  
15 F. Using any false representation or deceptive means to collect or  
16 attempt to collect a debt, or to obtain information concerning a  
17 consumer; and

18  
19 G. Failing to provide consumers, within five days after the initial  
20 communication with a consumer, a written notice containing: (1) the  
21 amount of the debt; (2) the name of the creditor to whom the debt is  
22 owed; (3) a statement that unless the consumer, within thirty days  
23 after receipt of the notice, disputes the validity of the debt, or any  
24 portion thereof, the debt will be assumed to be valid by Defendants;  
25  
26 (4) a statement that if the consumer notifies Defendants in writing  
27  
28



1 within the thirty-day period that the debt, or any portion thereof, is  
2 disputed, Defendants will obtain verification of the debt or a copy of a  
3 judgment against the consumer and a copy of such verification or  
4 judgment will be mailed to the consumer by Defendants; and (5) a  
5 statement that, upon the consumer's written request within the thirty-  
6 day period, Defendants will provide the consumer with the name and  
7 address of the original creditor, if different from the current creditor.  
8

9  
10 **ASSET FREEZE**

11  
12 **II. IT IS FURTHER ORDERED** that Defendants are hereby temporarily  
13 restrained and enjoined from directly or indirectly:

- 14  
15 A. Transferring, liquidating, converting, encumbering, pledging, loaning,  
16 selling, concealing, dissipating, disbursing, assigning, spending,  
17 withdrawing, granting a lien or security interest or other interest in, or  
18 otherwise disposing of any funds, real or personal property, accounts,  
19 contracts, consumer lists, or any other assets, or any interest therein,  
20 wherever located, including outside the United States, that are:  
21  
22 (1) owned or controlled, directly or indirectly, by any Defendant(s), in  
23 whole or in part, or held, in whole or in part for the benefit of any  
24 Defendant(s); (2) in the actual or constructive possession of any  
25 Defendant(s); or (3) owned, controlled by, or in the actual or  
26 Defendant(s); or (3) owned, controlled by, or in the actual or  
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1 constructive possession of any corporation, partnership, or other entity  
2 directly or indirectly owned, managed, or controlled by, or under  
3 common control with any Defendant(s), including but not limited to,  
4 any assets of the Related Entities, and any assets held by, for, or under  
5 the name of any Defendant(s) at any bank, savings and loan  
6 institution, or bank of any Defendant(s), or with any broker-dealer,  
7 escrow agent, title company, commodity trading company, precious  
8 metal dealer, or other financial institution or depository of any kind;

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12 B. Opening or causing to be opened any safe deposit boxes titled in the  
13 name of any Defendant(s), or subject to access by any Defendant(s);

14  
15 C. Incurring charges or cash advances on any credit card, debit card, or  
16 checking card issued in the name, singly or jointly, of any  
17 Defendant(s);

18  
19 D. Obtaining a personal or secured loan;

20  
21 E. Incurring liens or encumbrances on real property, personal property or  
22 other assets in the name, singly or jointly, of any Defendant(s); and

23  
24 F. Cashing any checks from consumers, clients, or customers of any  
25 Defendant(s).

26  
27 G. The funds, property, and assets affected by this Section shall include:

28 (a) all assets of each Defendant as of the time this Order is entered,

1 and (b) those assets obtained after entry of this Order that are obtained  
2 from any debt collection activities that predate the entry of this Order.

3 **RETENTION OF ASSETS AND RECORDS BY FINANCIAL**  
4 **INSTITUTIONS AND OTHER THIRD PARTIES**

5 **III. IT IS FURTHER ORDERED** that any financial or brokerage institution or  
6 depository, escrow agent, title company, commodity trading company, trust,  
7 entity, or person that holds, controls, or maintains custody of any account or  
8 asset owned or controlled, directly or indirectly, by any Defendant(s), or has  
9 held, controlled, or maintained any account or asset of, or on behalf of, any  
10 Defendant(s), upon service with a copy of this Order, shall:

11 A. Hold and retain within its control and prohibit Defendants from  
12 withdrawing, removing, assigning, transferring, pledging,  
13 encumbering, disbursing, dissipating, converting, selling, gifting, or  
14 otherwise disposing of any of the assets, funds, or other property held  
15 by or on behalf of any Defendant(s) in any account maintained in the  
16 name of or for the benefit of any Defendant(s), in whole or in part,  
17 except as directed by further order of the Court or as directed in  
18 writing by the Receiver regarding accounts, documents, or assets held  
19 in the name of or benefit of any Receivership Defendant;  
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1 B. Deny the Defendants access to any safe deposit box titled in the name  
2 of any Defendant(s), individually or jointly, or subject to access by  
3 any Defendant(s), whether directly or indirectly.  
4

5 C. Provide counsel for Plaintiff and the Receiver, within three (3)  
6 business days after being served with a copy of this Order, a certified  
7 statement setting forth:  
8

- 9 1. the identification number of each such account or asset titled  
10 (1) in the name, individually or jointly, of any Defendant(s);  
11 (2) held on behalf of, or for the benefit of, any Defendant(s);  
12 (3) owned or controlled by any Defendant(s); or (4) otherwise  
13 subject to access by any Defendant(s), directly or indirectly;  
14
- 15 2. the balance of each such account, or a description of the nature  
16 and value of such asset as of the close of business on the day on  
17 which this Order is served, and, if the account or other asset has  
18 been closed or removed, the date closed or removed, the total  
19 funds removed in order to close the account, and the name of  
20 the person or entity to whom such account or other asset was  
21 remitted;  
22
- 23 3. the identification of any safe deposit box that is either titled in  
24 the name of any Defendant(s), or is otherwise subject to access  
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1 by any Defendant(s); and

2 4. if an account, safe deposit box, or other asset has been closed or  
3 removed, the date closed or removed, the balance on such date,  
4 and the manner in which such account or asset was closed or  
5 removed.  
6

7 D. Provide counsel for Plaintiff and the Receiver, within three (3)  
8 business days after being served with a request, copies of all  
9 documents pertaining to such account or asset, including but not  
10 limited to originals or copies of account applications, account  
11 statements, signature cards, checks, drafts, deposit tickets, transfers to  
12 and from the accounts, all other debit and credit instruments or slips,  
13 currency transaction reports, 1099 forms, and safe deposit box logs;  
14 provided that such institution or custodian may charge a reasonable  
15 fee.  
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## 20 **FINANCIAL REPORTS AND ACCOUNTING**

21 **IV. IT IS FURTHER ORDERED** that each Defendant, within three (3)  
22 business days of service of this Order, shall prepare and deliver to counsel  
23 for the FTC:  
24

25 A. For the Individual Defendants, a completed financial statement  
26 accurate as of the date of service of this Order upon such Defendant  
27  
28

1 (unless otherwise agreed upon with FTC counsel) in the form of  
2 **Attachment A** to this Order captioned, “Form Re: Financial  
3 Statement for Individual Defendant.”  
4

5 B. For Corporate Defendants, a completed financial statement accurate  
6 as of the date of service of this Order upon such Defendant (unless  
7 otherwise agreed upon with FTC counsel) in the form of  
8 **Attachment B** to this Order captioned, “Form Re: Financial  
9 Statement for Business Entity Defendant.”  
10

11 C. For each Defendant, a completed statement, verified under oath, of all  
12 payments, transfers or assignments of funds, assets, or property worth  
13 \$1,000 or more since January 1, 2009. Such statement shall include:  
14 (a) the amount transferred or assigned; (b) the name of each transferee  
15 or assignee; (c) the date of the transfer or assignment; and (d) the type  
16 and amount of consideration paid the Defendant. Each statement shall  
17 specify the name and address of each financial institution and  
18 brokerage firm at which the Defendant has accounts or safe deposit  
19 boxes. Said statements shall include assets held in foreign as well as  
20 domestic accounts.  
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## 26 **CONSUMER CREDIT REPORTS**

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1 **V. IT IS FURTHER ORDERED** that Plaintiff may obtain credit reports  
2 concerning any Defendants pursuant to Section 604(a)(1) of the Fair Credit  
3 Reporting Act, 15 U.S.C. § 1681b(a)(1), and that, upon written request, any  
4 credit reporting agency from which such reports are requested shall provide  
5 them to Plaintiff.  
6

7  
8 **REPATRIATION OF FOREIGN ASSETS**

9 **VI. IT IS FURTHER ORDERED** that, within five (5) business days following  
10 the service of this Order, each Defendant shall:  
11

- 12 A. Provide counsel for the FTC with a full accounting of all assets,  
13 accounts, funds, and documents outside of the territory of the United  
14 States that are held either: (1) by them; (2) for their benefit; (3) in  
15 trust by or for them, individually or jointly; or (4) under their direct or  
16 indirect control, individually or jointly;  
17  
18 B. Transfer to the territory of the United States all assets, accounts,  
19 funds, and documents in foreign countries held either: (1) by them;  
20 (2) for their benefit; (3) in trust by or for them, individually or jointly;  
21 or (4) under their direct or indirect control, individually or jointly;  
22  
23 C. Hold and retain all repatriated assets, accounts, funds, and documents,  
24 and prevent any transfer, disposition, or dissipation whatsoever of any  
25 such assets, accounts, funds, or documents; and  
26  
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1 D. Provide the FTC access to all records of accounts or assets of the  
2 Corporate Defendants and Individual Defendants held by financial  
3 institutions located outside the territorial United States by signing the  
4 Consent to Release of Financial Records attached to this Order as  
5 **Attachment C.**

6  
7  
8 **NON-INTERFERENCE WITH REPATRIATION**

9 **VII. IT IS FURTHER ORDERED** that Defendants, and each of their  
10 successors, assigns, members, officers, agents, servants, employees, and  
11 attorneys, and those persons in active concert or participation with them who  
12 receive actual notice of this Order by personal service or otherwise, whether  
13 acting directly or through any entity, corporation, subsidiary, division,  
14 affiliate or other device, are hereby temporarily restrained and enjoined from  
15 taking any action, directly or indirectly, which may result in the  
16 encumbrance or dissipation of foreign assets, or in the hindrance of the  
17 repatriation required by Section VI of this Order, including but not limited  
18 to:  
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23 A. Sending any statement, letter, fax, e-mail or wire transmission,  
24 telephoning or engaging in any other act, directly or indirectly, that  
25 results in a determination by a foreign trustee or other entity that a  
26 “duress” event has occurred under the terms of a foreign trust  
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1 agreement, until such time that all assets have been fully repatriated  
2 pursuant to Section VI of this Order; and

- 3 B. Notifying any trustee, protector or other agent of any foreign trust or  
4 other related entities of either the existence of this Order, or of the fact  
5 that repatriation is required pursuant to a Court Order, until such time  
6 that all assets have been fully repatriated pursuant to Section VI.  
7  
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### 9 APPOINTMENT OF RECEIVER

10 **VIII. IT IS FURTHER ORDERED** that Thomas W. McNamara is appointed  
11 Receiver for the business activities of the Receivership Defendants with the  
12 full power of an equity receiver. The Receiver shall be the agent of this  
13 Court and solely the agent of this Court in acting as Receiver under this  
14 Order. The Receiver shall be accountable directly to this Court. The  
15 Receiver shall comply with any laws and Local Rules of this Court  
16 governing receivers, including but not limited to Local Rules 66-1 through  
17 66-5.1 and Local Rule 66-8.  
18  
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### 21 DUTIES OF RECEIVER

22  
23 **IX. IT IS FURTHER ORDERED** that the Receiver is directed and authorized  
24 to accomplish the following:

- 25 A. Assume full control of the Receivership Defendants by removing, as  
26 the Receiver deems necessary or advisable, any director, officer,  
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1 independent contractor, employee, or agent of any of the Receivership  
2 Defendants, including any named Defendant, from control of,  
3 management of, or participation in, the affairs of the Receivership  
4 Defendants;  
5

6 B. Take exclusive custody, control, and possession of all assets,  
7 documents, and electronically stored information of, or in the  
8 possession, custody, or under the control of, the Receivership  
9 Defendants, wherever situated. The Receiver shall have full power to  
10 divert mail and to sue for, collect, receive, take in possession, hold,  
11 and manage all assets and documents of the Receivership Defendants  
12 and other persons or entities whose interests are now held by or under  
13 the direction, possession, custody, or control of the Receivership  
14 Defendants. *Provided, however,* that the Receiver shall not attempt to  
15 collect or receive any amount from a consumer if the Receiver  
16 believes the consumer was a victim of the unlawful conduct alleged in  
17 the complaint in this matter;  
18

19 C. Take all steps necessary to secure the business premises of the  
20 Receivership Defendants. Such steps may include, but are not limited  
21 to, the following, as the Receiver deems necessary or advisable:  
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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, and all computer hardware and software passwords;
4. videotaping 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;
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 Receivership Defendants; and
7. requiring all employees, independent contractors, and consultants of the Receivership Defendants to complete a

questionnaire submitted by the Receiver;

- 1  
2 D. Conserve, hold, and manage all Receivership assets, and perform all  
3 acts necessary or advisable to preserve the value of those assets, in  
4 order to prevent any irreparable loss, damage, or injury to consumers  
5 or to creditors of the Receivership Defendants, including, but not  
6 limited to, obtaining an accounting of the assets and preventing  
7 transfer, withdrawal, or misapplication of assets;  
8  
9 E. Liquidate any and all securities or commodities owned by or for the  
10 benefit of the Receivership Defendants that the Receiver deems to be  
11 advisable or necessary;  
12  
13 F. Enter into contracts and purchase insurance as the Receiver deems to  
14 be advisable or necessary;  
15  
16 G. Prevent the inequitable distribution of assets and determine, adjust,  
17 and protect the interests of consumers and creditors who have  
18 transacted business with the Receivership Defendants;  
19  
20 H. Manage and administer the business of the Receivership Defendants  
21 until further order of this Court by performing all incidental acts that  
22 the Receiver deems to be advisable or necessary, which includes  
23 retaining, hiring, or dismissing any employees, independent  
24 contractors, or agents;  
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- 1 I. Choose, engage, and employ attorneys, accountants, appraisers, and  
2 other independent contractors and technical specialists as the Receiver  
3 deems advisable or necessary in the performance of duties and  
4 responsibilities under the authority granted by this Order;  
5
- 6 J. Make payments and disbursements from the Receivership estate that  
7 are necessary or advisable for carrying out the directions of, or  
8 exercising the authority granted by, this Order. The Receiver shall  
9 apply to the Court for prior approval of any payment of any debt or  
10 obligation incurred by the Receivership Defendants prior to the date  
11 of entry of this Order, except payments that the Receiver deems  
12 necessary or advisable to secure assets of the Receivership  
13 Defendants, such as rental payments;  
14
- 15 K. Determine and implement the manner in which the Receivership  
16 Defendants will comply with, and prevent violations of, this Order  
17 and all other applicable laws, including, but not limited to, revising  
18 sales materials and implementing monitoring procedures;  
19
- 20 L. Institute, compromise, adjust, appear in, intervene in, or become party  
21 to such actions or proceedings in state, federal, or foreign courts that  
22 the Receiver deems necessary and advisable to preserve or recover the  
23 assets of the Receivership Defendants, or that the Receiver deems  
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1 necessary and advisable to carry out the Receiver's mandate under  
2 this Order;

3 M. Defend, compromise, adjust, or otherwise dispose of any or all actions  
4 or proceedings instituted in the past or in the future against the  
5 Receiver in his role as Receiver, or against the Receivership  
6 Defendants, that the Receiver deems necessary and advisable to  
7 preserve the assets of the Receivership Defendants or that the  
8 Receiver deems necessary and advisable to carry out the Receiver's  
9 mandate under this Order;

10 N. Continue and conduct the business of the Receivership Defendants in  
11 such manner, to such extent, and for such duration as the Receiver  
12 may in good faith deem to be necessary or appropriate to operate the  
13 business profitably and lawfully, if at all; *provided, however*, that the  
14 continuation and conduct of the business shall be conditioned upon  
15 the Receiver's good faith determination that the businesses can be  
16 lawfully operated at a profit using the assets of the receivership estate;

17 O. Take depositions and issue subpoenas to obtain documents and  
18 records pertaining to the receivership estate and compliance with this  
19 Order. Subpoenas may be served by agents or attorneys of the  
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Receiver and by agents of any process server retained by the

Receiver;

P. Open one or more bank accounts in the Central or Southern District of California as designated depositories for funds of the Receivership Defendants. The 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 account(s);

Q. Maintain accurate records of all receipts and expenditures that the Receiver makes as Receiver;

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

S. Be responsible for maintaining the chain of custody of all of Defendants' records in his possession, pursuant to procedures to be established in writing with the approval of the FTC.

**RECEIVER AND FTC IMMEDIATE ACCESS TO BUSINESS PREMISES AND RECORDS**

**X. IT IS FURTHER ORDERED** that:

A. Defendants and their officers, directors, agents, servants, employees, attorneys, successors, assigns, 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

1 actual notice of this Order by personal service, facsimile, email, or  
2 otherwise, whether acting directly or through any corporation,  
3 subsidiary, division, or other entity, shall:  
4

5 1. Immediately identify to FTC’s counsel and the Receiver:

- 6 a. All of Defendants’ business premises;
- 7
- 8 b. Any non-residence premises where any Defendant  
9 conducts business, debt collection operations, or  
10 customer service operations;  
11
- 12 c. Any non-residence premises where documents or  
13 electronically stored information related to the business,  
14 debt collection operations, or customer service operations  
15 of any Defendant are hosted, stored, or otherwise  
16 maintained, including but not limited to the name and  
17 location of any electronic data hosts; and  
18
- 19 d. Any non-residence premises where assets belonging to  
20 any Defendant are stored or maintained;  
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- 1           2.     Allow the FTC and the Receiver, and their respective  
2           representatives, agents, attorneys, investigators, paralegals,  
3           contractors, or assistants immediate access to:
- 4
- 5           a.     All of the Defendants’ business premises, including but  
6           not limited to those located at 21478 Harvill Avenue,  
7           Suite 1, Perris, California, 1520 Brookhollow Drive,  
8           Suite 41, Santa Ana, California, and 6700 Indiana  
9           Avenue, Suites 225 and 230, Riverside, California, and  
10          such other business locations that are wholly or partially  
11          owned, rented, leased, or under the temporary or  
12          permanent control of any Defendant;
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- 16          b.     Any other premises where the Defendants conduct  
17          business, collections operations or customer service  
18          operations;
- 19
- 20          c.     Any premises where documents related to the  
21          Defendants’ businesses are stored or maintained;
- 22
- 23          d.     Any premises where assets belonging to any Defendant  
24          are stored or maintained; and
- 25
- 26          e.     Any documents located at any of the locations described  
27          in this Section X; and  
28

1 3. Provide the FTC and the Receiver, and their respective  
2 representatives, agents, attorneys, investigators, paralegals,  
3 contractors, or assistants with any necessary means of access to,  
4 copying of, and forensic imaging of documents or electronically  
5 stored information, including, without limitation, the locations  
6 of Receivership Defendants' business premises, keys and  
7 combinations to business premises locks, computer access  
8 codes of all computers used to conduct Receivership  
9 Defendants' business, access to (including but not limited to  
10 execution of any documents necessary for access to and  
11 forensic imaging of) any data stored, hosted or otherwise  
12 maintained by an electronic data host, and storage area access  
13 information.  
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19 B. The FTC and the Receiver are authorized to employ the assistance of  
20 law enforcement officers, including, but not limited to, the United  
21 States Postal Inspection Service, Internal Revenue Service, and  
22 Federal Bureau of Investigation, to effect service, to implement  
23 peacefully the provisions of this Order, and to keep the peace. The  
24 Receiver shall allow the FTC and its representatives, agents,  
25 contractors, or assistants into the premises and facilities described in  
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1 this Section to inspect, inventory, image, and copy documents or  
2 electronically stored information relevant to any matter contained in  
3 this Order. Counsel for the FTC and the Receiver may exclude  
4 Defendants and their agents and employees from the business  
5 premises and facilities during the immediate access. No one shall  
6 interfere with the FTC's or Receiver's inspection of the Defendants'  
7 premises or documents.  
8

9  
10 C. The Receiver and the FTC shall have the right to remove any  
11 documents related to Defendants' business practices from the  
12 premises in order that they may be inspected, inventoried, and copied.  
13 The materials so removed shall be returned within five (5) business  
14 days of completing said inventory and copying. If any property,  
15 records, documents, or computer files relating to the Receivership  
16 Defendants' finances or business practices are located in the residence  
17 of any Individual Defendant or are otherwise in the custody or control  
18 of any Individual Defendant, then such Defendant shall produce them  
19 to the Receiver within twenty-four (24) hours of service of this Order.  
20 In order to prevent the destruction of computer data, upon service of  
21 this Order upon Defendants, any such computers shall be powered  
22 down (turned off) in the normal course for the operating systems used  
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1 on such computers and shall not be powered up or used again until  
2 produced for copying and inspection, along with any codes needed for  
3 access. The FTC's and the Receiver's representatives may also  
4 photograph or videotape the inside and outside of all premises to  
5 which they are permitted access by this Order, and all documents and  
6 other items found on such premises.  
7

8  
9 D. The FTC's access to the Defendants' documents pursuant to this  
10 provision shall not provide grounds for any Defendant to object to any  
11 subsequent request for documents served by the FTC.  
12

13 E. The Receiver shall have the discretion to determine the time, manner,  
14 and reasonable conditions of such access.  
15

16 **COOPERATION WITH RECEIVER**

17 **XI. IT IS FURTHER ORDERED** that:  
18

19 A. Defendants, and their officers, agents, directors, servants, employees,  
20 salespersons, independent contractors, attorneys, corporations,  
21 subsidiaries, affiliates, successors, and assigns, all other persons or  
22 entities in active concert or participation with them, who receive  
23 actual notice of this Order by personal service or otherwise, whether  
24 acting directly or through any trust, corporation, subsidiary, division,  
25 or other device, or any of them, shall fully cooperate with and assist  
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1 the Receiver unless the Receiver's request is subject to the assertion  
2 of a valid privilege held by an individual. Defendants' cooperation  
3 and assistance shall include, but not be limited to:

- 4 1. Providing any information to the Receiver that the Receiver  
5 deems necessary to exercising the authority and discharging the  
6 responsibilities of the Receiver under this Order, including but  
7 not limited to allowing the Receiver to inspect documents and  
8 assets and to partition office space;
- 9 2. Providing any password and executing any documents required  
10 to access any computer or electronic files in any medium,  
11 including but not limited to electronically stored information  
12 stored, hosted or otherwise maintained by an electronic data  
13 host; and
- 14 3. Advising all persons who owe money to the Receivership  
15 Defendants that all debts should be paid directly to the  
16 Receiver.

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23 B. Defendants and their officers, directors, agents, servants, employees,  
24 attorneys, successors, assigns, and all other persons or entities directly  
25 or indirectly, in whole or in part, under their control, and all other  
26 persons in active concert or participation with them who receive  
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1 actual notice of this Order by personal service or otherwise, are  
2 hereby temporarily restrained and enjoined from directly or indirectly:

- 3 1. Transacting any of the business of the Receivership  
4 Defendants;
- 5 2. Destroying, secreting, erasing, mutilating, defacing, concealing,  
6 altering, transferring or otherwise disposing of, in any manner,  
7 directly or indirectly, any documents, electronically stored  
8 information, or equipment of the Receivership Defendants,  
9 including but not limited to contracts, agreements, consumer  
10 files, consumer lists, consumer addresses and telephone  
11 numbers, correspondence, advertisements, brochures, sales  
12 material, sales presentations, documents evidencing or referring  
13 to Defendants' services, debt collection training materials, debt  
14 collection scripts, data, computer tapes, disks, or other  
15 computerized records, books, written or printed records,  
16 handwritten notes, telephone logs, "verification" or  
17 "compliance" tapes or other audio or video tape recordings,  
18 receipt books, invoices, postal receipts, ledgers, personal and  
19 business canceled checks and check registers, bank statements,  
20 appointment books, copies of federal, state or local business or  
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1 personal income or property tax returns, photographs, mobile  
2 devices, electronic storage media, accessories, and any other  
3 documents, records or equipment of any kind that relate to the  
4 business practices or business or personal finances of the  
5 Receivership Defendants or any other entity directly or  
6 indirectly under the control of the Receivership Defendants;  
7

8  
9 3. Transferring, receiving, altering, selling, encumbering,  
10 pledging, assigning, liquidating, or otherwise disposing of any  
11 assets owned, controlled, or in the possession or custody of, or  
12 in which an interest is held or claimed by, the Receivership  
13 Defendants, or the Receiver;  
14

15  
16 4. Excusing debts owed to the Receivership Defendants;  
17

18 5. Failing to notify the Receiver of any asset, including accounts,  
19 of a Receivership Defendant held in any name other than the  
20 name of the Receivership Defendant, or by any person or entity  
21 other than the Receivership Defendant, or failing to provide any  
22 assistance or information requested by the Receiver in  
23 connection with obtaining possession, custody, or control of  
24 such assets;  
25

26  
27 6. Failing to create and maintain books, records, and accounts  
28

1 which, in reasonable detail, accurately, fairly, and completely  
2 reflect the incomes, assets, disbursements, transactions and use  
3 of monies by the Defendants or any other entity directly or  
4 indirectly under the control of the Defendants;  
5

6 7. Doing any act or refraining from any act whatsoever to interfere  
7 with the Receiver's taking custody, control, possession, or  
8 managing of the assets or documents subject to this  
9 Receivership; or to harass or to interfere with the Receiver in  
10 any way; or to interfere in any manner with the exclusive  
11 jurisdiction of this Court over the assets or documents of the  
12 Receivership Defendants; or to refuse to cooperate with the  
13 Receiver or the Receiver's duly authorized agents in the  
14 exercise of their duties or authority under any Order of this  
15 Court;  
16

17 8. Filing, or causing to be filed, any petition on behalf of the  
18 Receivership Defendants for relief under the United States  
19 Bankruptcy Code, 11 U.S.C. § 101 et seq., without prior  
20 permission from this Court; and  
21

22 9. Creating, operating, exercising any control over, becoming  
23 employed by or affiliated with, or performing any work for any  
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1 business entity, including but not limited to any partnership,  
2 limited partnership, joint venture, sole proprietorship, or  
3 corporation without first providing the FTC with a sworn  
4 written statement at least seven (7) calendar days prior to such  
5 creation, operation, exercise, employment, affiliation, or  
6 performance of work disclosing:  
7

- 8
- 9 a. The name, address and telephone number of the business  
10 entity;
  - 11 b. The names of the business entity's officers, directors,  
12 principals, managers, and employees; and
  - 13 c. A detailed description of the business entity's intended  
14 activities and the nature of the duties or responsibilities  
15 of the Receivership Defendant.  
16  
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18

### 19 **DELIVERY OF RECEIVERSHIP PROPERTY**

#### 20 **XII. IT IS FURTHER ORDERED** that:

- 21
- 22 A. Immediately upon service of this Order upon them or upon their  
23 otherwise obtaining actual knowledge of this Order, or within a period  
24 permitted by the Receiver, Defendants or any other person or entity,  
25 including but not limited to financial institutions and electronic data  
26 hosts, shall transfer or deliver access to, possession, custody, and  
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control of the following to the Receiver:

1. All assets of the Receivership Defendants;
2. All documents and electronically stored information 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, records of ACH transactions, and check registers), client or customer lists, title documents and other papers;
3. All assets belonging to members of the public now held by the Receivership Defendants;
4. All keys, computer and other passwords, entry codes, combinations to locks required to open or gain or secure access to any assets or documents of the Receivership Defendants, wherever located, including, but not limited to, access to their business premises, means of communication, accounts, computer systems, or other property; and
5. Information identifying the accounts, employees, properties, or other assets or obligations of the Receivership Defendants.

1 B. In the event any person or entity fails to deliver or transfer  
2 immediately any asset or otherwise fails to comply with any provision  
3 of this Section XII, the Receiver may file ex parte with the Court an  
4 Affidavit of Non-Compliance regarding the failure. Upon filing of the  
5 affidavit, the Court may authorize, without additional process or  
6 demand, Writs of Possession or Sequestration or other equitable writs  
7 requested by the Receiver. The writs shall authorize and direct the  
8 United States Marshal or any sheriff or deputy sheriff of any county  
9 (pursuant to Fed. R. Civ. P. 4(c)(1)) to seize the asset, document, or  
10 other thing and to deliver it to the Receiver.  
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#### 15 **COMPENSATION FOR RECEIVER**

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

### 3 **RECEIVER'S REPORTS**

4  
5 **XIV. IT IS FURTHER ORDERED** that the Receiver shall report to this Court  
6 on or before the date set for the hearing to Show Cause regarding the  
7 Preliminary Injunction, regarding: (1) the steps taken by the Receiver to  
8 implement the terms of this Order; (2) the value of all liquidated and  
9 unliquidated assets of the Receivership Defendants; (3) the sum of all  
10 liabilities of the Receivership Defendants; (4) the steps the Receiver intends  
11 to take in the future to: (a) prevent any diminution in the value of assets of  
12 the Receivership Defendants, (b) pursue receivership assets from third  
13 parties, and (c) adjust the liabilities of the Receivership Defendants, if  
14 appropriate; (5) whether the business of the Receivership Defendants can be  
15 operated lawfully and profitably; and (6) any other matters which the  
16 Receiver believes should be brought to the Court's attention. *Provided,*  
17 *however,* if any of the required information would hinder the Receiver's  
18 ability to pursue receivership assets, the portions of the Receiver's report  
19 containing such information may be filed under seal and not served on the  
20 parties.  
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### 27 **RECEIVER'S BOND**

1 **XV. IT IS FURTHER ORDERED** that the Receiver shall file with the Clerk of  
2 this Court a bond in the sum of \$5,000 with sureties to be approved by the  
3 Court, conditioned that the Receiver will well and truly perform the duties of  
4 the office and abide by and perform all acts the Court directs.  
5

6 **PROHIBITION ON RELEASE OF CONSUMER INFORMATION**

7 **XVI. IT IS FURTHER ORDERED** that, except as required by a law  
8 enforcement agency, law, regulation or court order, Defendants, and their  
9 officers, agents, servants, employees, and attorneys, and all other persons in  
10 active concert or participation with any of them who receive actual notice of  
11 this Order by personal service or otherwise, are temporarily restrained and  
12 enjoined from disclosing, using, or benefitting from consumer information,  
13 including the name, address, telephone number, email address, social  
14 security number, other identifying information, or any data that enables  
15 access to a consumer's account (including a credit card, bank account, or  
16 other financial account), of any person which any Defendant obtained prior  
17 to entry of this Order in connection with any debt collection service.  
18  
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22

23 **STAY OF ACTIONS**

24 **XVII. IT IS FURTHER ORDERED** that:

- 25 A. Except by leave of this Court, during pendency of the Receivership  
26 ordered herein, Defendants and all other persons and entities be and  
27  
28

1 hereby are stayed from taking any action to establish or enforce any  
2 claim, right, or interest for, against, on behalf of, in, or in the name of,  
3 the Receivership Defendants, any of their subsidiaries, affiliates,  
4 partnerships, assets, documents, or the Receiver or the Receiver's duly  
5 authorized agents acting in their capacities as such, including, but not  
6 limited to, the following actions:  
7

- 8 1. Commencing, prosecuting, continuing, entering, or enforcing  
9 any suit or proceeding, except that such actions may be filed to  
10 toll any applicable statute of limitations;  
11
- 12 2. Accelerating the due date of any obligation or claimed  
13 obligation; filing or enforcing any lien; taking or attempting to  
14 take possession, custody, or control of any asset; attempting to  
15 foreclose, forfeit, alter, or terminate any interest in any asset,  
16 whether such acts are part of a judicial proceeding, are acts of  
17 self-help, or otherwise;  
18
- 19 3. Executing, issuing, serving, or causing the execution, issuance  
20 or service of, any legal process, including, but not limited to,  
21 attachments, garnishments, subpoenas, writs of replevin, writs  
22 of execution, or any other form of process whether specified in  
23 this Order or not; or  
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1 4. Doing any act or thing whatsoever to interfere with the  
2 Receiver taking custody, control, possession, or management of  
3 the assets or documents subject to this Receivership, or to  
4 harass or interfere with the Receiver in any way, or to interfere  
5 in any manner with the exclusive jurisdiction of this Court over  
6 the assets or documents of the Receivership Defendants;  
7  
8

9 B. This Section XVII does not stay:

- 10 1. The commencement or continuation of a criminal action or  
11 proceeding;  
12  
13 2. The commencement or continuation of an action or proceeding  
14 by a governmental unit to enforce such governmental unit's  
15 police or regulatory power;  
16  
17 3. The enforcement of a judgment, other than a money judgment,  
18 obtained in an action or proceeding by a governmental unit to  
19 enforce such governmental unit's police or regulatory power; or  
20  
21 4. The issuance to a Receivership Defendant of a notice of tax  
22 deficiency; and  
23

24 C. Except as otherwise provided in this Order, all persons and entities in  
25 need of documentation from the Receiver shall in all instances first  
26 attempt to secure such information by submitting a formal written  
27  
28

1 request to the Receiver, and, if such request has not been responded to  
2 within thirty (30) days of receipt by the Receiver, any such person or  
3 entity may thereafter seek an Order of this Court with regard to the  
4 relief requested.  
5

6 **LIMITED EXPEDITED DISCOVERY**

7 **XVIII. IT IS FURTHER ORDERED** that the FTC is granted leave to  
8 conduct certain expedited discovery, and that, commencing with the time  
9 and date of this Order, in lieu of the time periods, notice provisions, and  
10 other requirements of Rules 26, 30, 34, and 45 of the Federal Rules of Civil  
11 Procedure, expedited discovery as to parties and non-parties shall proceed as  
12 follows:  
13  
14

15  
16 A. The FTC may, upon three (3) calendar days' notice, take the  
17 deposition of any person or entity, whether or not a party, in any  
18 judicial district, for the purpose of discovering: (1) the assets of  
19 Defendants; (2) location of documents; and (3) compliance with this  
20 Order. Depositions may be conducted telephonically or in person.  
21 Deposition transcripts that have not been signed by the witness may  
22 be used at the preliminary injunction hearing in this matter. *Provided*  
23 *that*, notwithstanding Federal Rule of Civil Procedure 30(a)(2), this  
24 Section shall not preclude any future depositions by the FTC.  
25  
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1           *Provided further*, that any deposition taken pursuant to this Section  
2 shall be in addition to, and not subject to, the presumptive limits on  
3 depositions set forth in Federal Rule of Civil Procedure 30(a)(2)(A).  
4

5       B.     The FTC may serve interrogatories for the purpose of discovering:

6           (1) the assets of Defendants; (2) location of documents; and  
7  
8           (3) compliance with this Order. Defendants shall respond within five  
9           (5) calendar days after the FTC serves such interrogatories. *Provided*  
10          *that*, notwithstanding Federal Rule of Civil Procedure 33(a)(1), this  
11          Subsection shall not preclude any future interrogatories by the FTC.  
12

13       C.     The FTC may, upon five (5) calendar days' notice, including through  
14          the use of a Rule 45 Subpoena, demand the production of documents  
15          from any person or entity, whether or not a Defendant, relating to:

16           (1) the assets of Defendants; (2) the location of documents; and  
17  
18           (3) compliance with this Order. *Provided that* two (2) calendar days'  
19          notice shall be deemed sufficient for the production of any such  
20          documents that are maintained or stored only as electronic data.  
21

22  
23       D.     The FTC is granted leave to subpoena documents immediately from  
24          any financial institution, account custodian, or other entity or person  
25          that holds, controls, or maintains custody of any account or asset of  
26          any Defendant(s), or has held, controlled or maintained custody of any  
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1 account or asset of any Defendant(s) concerning the nature, location,  
2 status, and extent of Defendants' assets, and compliance with this  
3 Order, and such financial institution, account custodian or other entity  
4 shall respond to such subpoena within five (5) business days after  
5 service.  
6

7  
8 E. For purposes of discovery pursuant to this Section, service shall be  
9 sufficient if made by facsimile or by overnight courier.

10 **MONITORING**

11  
12 **XIX. [REMOVED BY COURT]**

13 **SERVICE OF THIS ORDER**

14  
15 **XX. IT IS FURTHER ORDERED** that copies of this Order may be served by  
16 facsimile transmission, personal or overnight delivery, or U.S. Express Mail,  
17 by agents and employees of the FTC or any state or federal law enforcement  
18 agency or by private process server, on Defendants or any other persons or  
19 entities that may be subject to any provision of this Order.  
20

21 **DISTRIBUTION OF ORDER BY DEFENDANTS**

22  
23 **XXI. IT IS FURTHER ORDERED** that within three (3) calendar days after  
24 service of this Order, Defendants shall provide a copy of this Order to each  
25 of their agents, employees, directors, officers, subsidiaries, affiliates,  
26 attorneys, independent contractors, representatives, franchisees, and all  
27  
28

1 persons in active concert or participation with Defendants. Within five (5)  
2 calendar days following this Order, Defendants shall provide the FTC with  
3 an affidavit identifying the names, titles, addresses, and telephone numbers  
4 of the persons that Defendants have served with a copy of this Order in  
5 compliance with this provision.  
6

### 7 **CORRESPONDENCE WITH PLAINTIFF**

8

9 **XXII. IT IS FURTHER ORDERED** that, for the purposes of this Order, because  
10 mail addressed to the FTC is subject to delay due to heightened security  
11 screening, all correspondence and service of pleadings on Plaintiff shall be  
12 sent either via electronic transmission or via Federal Express to: Gregory A.  
13 Ashe, Federal Trade Commission, 600 Pennsylvania Avenue, NW, Room  
14 NJ-3158, Washington, DC 20580. Email: gashe@ftc.gov; Telephone: (202)  
15 326-3719; Facsimile: (202) 326-3768.  
16  
17

### 18 **ORDER TO SHOW CAUSE AND PRELIMINARY INJUNCTION** 19 **HEARING**

20

21 **XXIII. IT IS FURTHER ORDERED**, pursuant to Federal Rule of Civil  
22 Procedure 65(b), that Defendants shall appear on the 6th day of August,  
23 2013, at 1:30 p.m. at the Roybal Federal Building and Courthouse,  
24 Courtroom 840, Los Angeles, California, to show cause, if any there be, why  
25 this Court should not enter a preliminary injunction, pending final ruling on  
26 the complaint, against Defendants, enjoining them from further violations of  
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1 the FTC Act and the FDCPA, and imposing such additional relief as may be  
2 appropriate.

3  
4 **SERVICE OF PLEADINGS, EVIDENCE, WITNESS LISTS**

5 **XXIV. IT IS FURTHER ORDERED** that:

6  
7 A. Defendants shall file any answering affidavits, pleadings, or legal  
8 memoranda with the Court and serve the same on counsel for the FTC  
9 no later than July 30, 2013 at 10:00 a.m. The FTC may file  
10 responsive or supplemental pleadings, materials, affidavits, or  
11 memoranda with the Court and serve the same on counsel for  
12 Defendants no later than August 2, 2013 at 10:00 a.m. *Provided that*  
13 service shall be performed by personal or overnight delivery,  
14 facsimile, or email, and documents shall be delivered so that they  
15 shall be received by the other parties no later than the date and time  
16 stated above;

17  
18 B. The question of whether this Court should enter a preliminary  
19 injunction pursuant to Rule 65 of the Federal Rules of Civil Procedure  
20 enjoining the Defendants during the pendency of this action shall be  
21 resolved on the pleadings, declarations, exhibits, and memoranda filed  
22 by, and oral argument of, the parties. Live testimony shall be heard  
23 only on further order of this Court on motion filed with the Court and  
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1 served on counsel for the other parties at least five (5) business days  
2 prior to the preliminary injunction hearing in this matter. Such motion  
3 shall set forth the name, address, and telephone number of each  
4 proposed witness, a detailed summary or affidavit disclosing the  
5 substance of each proposed witness' expected testimony, and an  
6 explanation of why the taking of live testimony would be helpful to  
7 this Court. Any papers opposing a timely motion to present live  
8 testimony or to present live testimony in response to live testimony to  
9 be presented by another party shall be filed with this Court and served  
10 on the other parties at least three (3) business days prior to the  
11 preliminary injunction hearing in this matter. *Provided that* service  
12 shall be performed by personal or overnight delivery or by facsimile  
13 or email, and documents shall be delivered so that they shall be  
14 received by the other parties no later than 4 p.m. (EST) on the  
15 appropriate dates listed in this Sub-section.  
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20

#### 21 **DURATION OF ORDER**

22  
23 **XXV. IT IS FURTHER ORDERED** that the Temporary Restraining Order  
24 granted herein shall expire on the 7th day of August, 2013, at 10 o'clock  
25 a.m., unless within such time, the Order, for good cause shown, is extended  
26  
27  
28

1 for an additional period not to exceed ten (10) calendar days, or unless it is  
2 further extended pursuant to Federal Rule of Civil Procedure 65.

3 **JURISDICTION**

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

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9 **IT IS SO ORDERED**, this 24th day of July, 2013, at 10 o'clock a.m.

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UNITED STATES DISTRICT JUDGE