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FEDERAL TRADE COMMISSION

11
12 **UNITED STATES DISTRICT COURT**
CENTRAL DISTRICT OF CALIFORNIA
13

14
15 **FEDERAL TRADE COMMISSION,**
16 **Plaintiff,**

17 **-v.-**

18 **BAM FINANCIAL, LLC, et al.,**
19 **Defendants.**
20
21

SACV 15-01672
JVS(DFMx)_____

**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**

22 Plaintiff, the Federal Trade Commission (“FTC”), filed its Complaint for
23 Permanent Injunction and Other Equitable Relief (“Complaint”), for a permanent
24

1 injunction, and other equitable relief in this matter, pursuant to 13(b) of the Federal
2 Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b), and Section 814 of the Fair
3 Debt Collection Practices Act (“FDCPA”), 15 U.S.C. § 1692*l*, and a motion for
4 temporary restraining order (“TRO” or “Order”) without notice pursuant to Rule 65(b)
5 of the Federal Rules of Civil Procedure.
6

7 **FINDINGS OF FACT**

8 This Court, having considered the Complaint, the TRO motion, and all
9 declarations, exhibits, and memorandum of law filed in support, finds that:

10 1. This Court has jurisdiction over the subject matter of this case, there is
11 good cause to believe it will have jurisdiction over all the parties hereto, and venue in
12 this district is proper;

13 2. There is good cause to believe that Defendants BAM Financial, LLC,
14 Everton Financial, LLC, Legal Financial Consulting, LLC, Luis O. Carrera, and
15 Roberto Llaury have engaged and are likely to continue to engage in acts or practice
16 that violate Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the FDCPA, and that
17 the FTC is therefore likely to prevail on the merits of this action;
18

19 3. There is good cause to believe that consumers will suffer immediate and
20 continuing harm from Defendants’ ongoing violations of Section 5(a) of the FTC Act
21 and the FDCPA unless Defendants are restrained and enjoined by Order of this Court;
22
23

1 4. There is good cause to believe that immediate and irreparable damage to
2 the Court's ability to grant effective final relief for consumers in the form of monetary
3 restitution and/or disgorgement of ill-gotten gains will occur from the transfer,
4 dissipation, or concealment by Defendants of their assets or business records unless
5 Defendants are immediately restrained and enjoined by Order of this Court; and that
6 in accordance with Fed. R. Civ. P. 65(b) and Local Rule 7-19.2, the interest of justice
7 requires that the FTC's Motion be heard *ex parte* without prior notice to Defendants.
8 Therefore, there is good cause for relieving the FTC of the duty to provide Defendants
9 with prior notice of the FTC's Motion;
10

11 5. Good cause exists for appointing a receiver over the Corporate
12 Defendants, permitting the FTC immediate access to Defendants' business premises,
13 and permitting the FTC to take expedited discovery;
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 receiver,
17 immediate access to business premises, expedited discovery as to the existence and
18 location of assets and documents, and other equitable relief is in the public interest;
19 and
20

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

DEFINITIONS

1
2 A. **“Assets”** means any legal or equitable interest in, right to, or claim to,
3 any real or personal property, including, without limitation, chattels, goods,
4 instruments, equipment, fixtures, general intangibles, leaseholds, mail or other
5 deliveries, inventory, checks, notes, accounts, credits, contracts, receivables, shares of
6 stock, and all cash, wherever located.

7
8 B. **“Consumer”** means any person.

9 C. **“Corporate Defendants”** means BAM Financial, LLC, Everton
10 Financial, LLC, Legal Financial Consulting, LLC, and their successors, assigns,
11 affiliates, or subsidiaries, and each of them by whatever names each might be known.

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

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

18 F. **“Document”** and **“Electronically Stored Information”** are
19 synonymous in meaning and equal in scope to the usage of the term in Federal Rule of
20 Civil Procedure 34(a), and include but are not limited to:

- 21
22 i. The original or a true copy of any written, typed, printed, electronically
23 stored, transcribed, taped, recorded, filmed, punched, or graphic matter or
24

1 other data compilations of any kind, including, but not limited to, letters,
2 email or other correspondence, messages, memoranda, interoffice
3 communications, notes, reports, summaries, manuals, magnetic tapes or
4 discs, tabulations, books, records, checks, invoices, work papers,
5 journals, ledgers, statements, returns, reports, schedules, or files; and

- 6
7 ii. Any electronically stored information stored on any server, Blackberrys
8 or any type of mobile communications device, flash drives, personal
9 digital assistants (“PDAs”), desktop personal computer and workstations,
10 laptops, notebooks, and other portable computers, or other electronic
11 storage media, whether assigned to individuals or in pools of computers
12 available for shared use, or personally owned but used for work-related
13 purposes; backup disks and tapes, archive disks and tapes, and other
14 forms of offline storage, whether stored onsite with the computer used to
15 generate them, stored offsite in another company facility, or stored,
16 hosted, or otherwise maintained offsite by a third-party; and computers
17 and related offline storage used by Defendants or Defendants’
18 participating associates, which may include persons who are not
19 employees of the company or who do not work on company premises.
20
21

22 **G. “Electronic Data Host”** means any person or entity in the business of
23 storing, hosting, or otherwise maintaining electronically stored information.
24

1 H. **“Financial Institution”** means any bank, savings and loan institution,
2 credit union, or any financial depository of any kind, including, but not limited to, any
3 brokerage house, trustee, broker-dealer, escrow agent, title company, commodity
4 trading company, precious metal dealer, credit or bank debit card processing agent,
5 automated clearing house processor, network transaction processor, or other payment
6 processor.
7

8 I. **“Individual Defendants”** means Luis O. Carrera and Roberto Llaury.

9 J. **“Person”** means a natural person, an organization or other legal entity,
10 including a corporation, partnership, sole proprietorship, limited liability company,
11 association, cooperative, or any other group or combination.
12

13 K. **“Receivership Defendants”** means BAM Financial, LLC, Everton
14 Financial, LLC, Legal Financial Consulting, LLC, as well as any successors, assigns,
15 affiliates, and subsidiaries that conduct any business related to the Defendants’ debt
16 collection business and which the Receiver has reason to believe are owned or
17 controlled in whole or in part by any of the Defendants.
18

19 L. The terms **“and”** and **“or”** shall be construed conjunctively or
20 disjunctively as necessary to make the applicable phrase or sentence inclusive rather
21 than exclusive.
22
23
24

1 **ORDER**

2 **I. PROHIBITED CONDUCT**

3 **IT IS THEREFORE ORDERED** that in connection with the collection or the
4 attempted collection of any debt, Defendants and their successors, assigns, officers,
5 agents, servants, employees, and attorneys, and those persons or entities in active
6 concert or participation with any of them who receive actual notice of this Order by
7 personal service or otherwise, whether acting directly or through any corporation,
8 subsidiary, division, or other device, are hereby temporarily restrained and enjoined
9 from:
10

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

- 13
- 14 1. that any Defendant or any other person is a process server, or
15 working with a process server, and is seeking to serve a consumer
16 with legal papers pertaining to a lawsuit against such consumer;
 - 17 2. that any Defendant or any other person is employed by, or working
18 with, a lawyer who has reviewed a consumer's case and is
19 preparing a lawsuit against the consumer;
 - 20 3. that non-payment of a purported debt will result in a consumer's
21 arrest, or in seizure, garnishment, or attachment of a consumer's
22 property or wages;
23

1 4. that Defendants or any other person has filed, or intends to file
2 imminently, a lawsuit against a consumer; or

3 5. the character, amount, or legal status of a debt;

4 B. Communicating with third parties for purposes other than acquiring
5 location information about a consumer, without having obtained directly
6 the prior consent of the consumer or the express permission of a court of
7 competent jurisdiction, and when not reasonably necessary to effectuate a
8 post judgment judicial remedy;

9 C. Placing telephone calls without meaningfully disclosing the caller's
10 identity;

11 D. Failing to disclose or disclose adequately in the initial communication
12 with a consumer, that any Defendant or any other person is a debt
13 collector attempting to collect a debt and that any information obtained
14 will be used for that purpose;

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

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

19 G. Failing to provide consumers, within five days after the initial
20 communication with a consumer, a written notice containing: (1) the
21

1 amount of the debt; (2) the name of the creditor to whom the debt is
2 owed; (3) a statement that unless the consumer, within thirty days after
3 receipt of the notice, disputes the validity of the debt, or any portion
4 thereof, the debt will be assumed to be valid by Defendants; (4) a
5 statement that if the consumer notifies Defendants in writing within the
6 thirty-day period that the debt, or any portion thereof, is disputed,
7 Defendants will obtain verification of the debt or a copy of a judgment
8 against the consumer and a copy of such verification or judgment will be
9 mailed to the consumer by Defendants; and (5) a statement that, upon the
10 consumer's written request within the thirty-day period, Defendants will
11 provide the consumer with the name and address of the original creditor,
12 if different from the current creditor;

15 H. Using obscene or profane language or language the natural consequence
16 of which is to abuse the hearer or reader;

17 I. Causing a telephone to ring or engaging any person in telephone
18 conversation repeatedly or continuously with intent to annoy, abuse, or
19 harass any person at the called number; and

21 J. Engaging in any other conduct that violates the FDCPA, 15 U.S.C. §§
22 1692-1692p.

1 **II. ASSET FREEZE**

2 **IT IS FURTHER ORDERED** that Defendants are hereby temporarily restrained and
3 enjoined from directly or indirectly:

4 A. Transferring, liquidating, converting, encumbering, pledging, loaning,
5 selling, concealing, dissipating, disbursing, assigning, spending,
6 withdrawing, granting a lien or security interest or other interest in, or
7 otherwise disposing of any funds, real or personal property, accounts,
8 contracts, consumer debt portfolios, consumer lists, or any other assets,
9 or any interest therein, wherever located, including outside the United
10 States, that are:

- 11
- 12 1. owned or controlled, directly or indirectly, by any Defendant, in
13 whole or in part, or held, in whole or in part for the benefit of any
14 Defendant;
 - 15 2. in the actual or constructive possession of any Defendant; or
 - 16 3. owned, controlled by, or in the actual or constructive possession of
17 any corporation, partnership, trust, foundation, or other entity
18 directly or indirectly owned, managed, or controlled by, or under
19 common control with any Defendant,

20 including but not limited to assets in any account at any Financial
21 Institution, customer service agent, commercial mail receiving agency,
22

1 mail holding or forwarding company, retirement fund custodian, money
2 market or mutual fund, storage company or any other third party,
3 including any retainers or other funds held in trust by counsel for any
4 Defendant;

5
6 B. Opening, causing to be opened, or otherwise accessing any safe deposit
7 boxes, commercial mail boxes, or storage facilities titled in the name of
8 any Defendant(s), or subject to access by any Defendant without
9 providing the Commission prior notice and an opportunity to inspect the
10 contents in order to determine that they contain no assets covered by this
11 Section;

12
13 C. Incurring charges or cash advances on any credit card, debit card, or
14 checking card issued in the name, singly or jointly, of any Defendant;

15 D. Obtaining a personal or secured loan; and

16 E. Cashing any checks from consumers, clients, or customers of any
17 Defendant.

18 The funds, property, and assets affected by this Section shall include: (a) all assets of
19 each Defendant as of the time this Order is entered, and (b) those assets obtained after
20 entry of this Order that derive from or otherwise relate to any debt collection activities
21 that predate the entry of this Order. The restraints imposed by this Section may be
22 modified only upon further order of this Court, or with the written consent of counsel
23

1 for the FTC. This Section does not prohibit transfers to the Temporary Receiver, as
2 specifically required in Section XII (Delivery of Receivership Property), nor does it
3 prohibit the repatriation of foreign assets, as specifically required in Section VI
4 (Repatriation of Foreign Assets) of this Order.
5

6 **III. RETENTION OF ASSETS AND RECORDS BY FINANCIAL**
7 **INSTITUTIONS AND OTHER THIRD PARTIES**

8 **IT IS FURTHER ORDERED** that any Financial Institution, trust, entity, or person
9 that holds, controls, or maintains custody of any account or asset owned or controlled,
10 directly or indirectly, by any Defendant, or has held, controlled, or maintained any
11 account or asset of, or on behalf of, any Defendant, upon service with a copy of this
12 Order, shall:

- 13 A. Hold and retain within its control and prohibit Defendants from
14 withdrawing, removing, assigning, transferring, pledging, encumbering,
15 disbursing, dissipating, converting, selling, gifting, or otherwise
16 disposing of any of the assets, funds, or other property held by or on
17 behalf of any Defendant in any account maintained in the name of or for
18 the benefit of any Defendant, in whole or in part, except as directed by
19 further order of the Court or as directed in writing by the Receiver
20 regarding accounts, documents, or assets held in the name of or benefit of
21 any Receivership Defendant;
22
23

- 1 B. Provide the Receiver, the Receiver's agents, Plaintiff, and Plaintiff's
2 agents immediate access to electronically stored information stored,
3 hosted, or otherwise maintained on behalf of any Defendant for forensic
4 imaging;
- 5
6 C. Deny the Defendants access to any safe deposit box titled in the name of
7 any Defendant, individually or jointly, or subject to access by any
8 Defendant, whether directly or indirectly.
- 9 D. Provide counsel for Plaintiff and the Receiver, within **seven (7)** business
10 days after being served with a copy of this Order, a certified statement
11 setting forth:
- 12
- 13 1. the identification number of each such account or asset titled
- 14 a. in the name, individually or jointly, of any Defendant;
- 15 b. held on behalf of, or for the benefit of, any Defendant;
- 16 c. owned or controlled by any Defendant; or
- 17 d. otherwise subject to access by any Defendant, directly or
18 indirectly;
- 19
- 20 2. the balance of each such account, or a description of the nature and
21 value of such asset as of the close of business on the day on which
22 this Order is served, and, if the account or other asset has been
23 closed or removed, the date closed or removed, the total funds
24

1 removed in order to close the account, and the name of the person
2 or entity to whom such account or other asset was remitted;

3 3. the identification of any safe deposit box that is either titled in the
4 name of any Defendant, or is otherwise subject to access by any
5 Defendant; and

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

10 E. Provide counsel for Plaintiff and the Receiver, within **seven (7)** business
11 days after being served with a request, copies of all documents pertaining
12 to such account or asset, including but not limited to originals or copies
13 of account applications, account statements, underwriting files,
14 chargeback records, customer complaints, signature cards, checks, drafts,
15 deposit tickets, transfers to and from the accounts, all other debit and
16 credit instruments or slips, currency transaction reports, 1099 forms, and
17 safe deposit box logs; provided that such institution or custodian may
18 charge a reasonable fee.
19
20

21 **IV. FINANCIAL REPORTS AND ACCOUNTING**

22 **IT IS FURTHER ORDERED** that each Defendant, within **seven (7)** business days
23 of service of this Order, shall prepare and deliver to counsel for the FTC:

- 1 A. For the Individual Defendants, a completed financial statement accurate
2 as of the date of service of this Order upon such Defendant (unless
3 otherwise agreed upon with FTC counsel) on the form of **Attachment A**
4 to this Order captioned, “Financial Statement for Individual Defendant.”
5
- 6 B. For Corporate Defendants, a completed financial statement accurate as of
7 the date of service of this Order upon such Defendant (unless otherwise
8 agreed upon with FTC counsel) in the form of **Attachment B** to this
9 Order captioned, “Financial Statement of Corporate 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 \$2,500 or more since January 1, 2012. Such statement shall include: (a)
14 the amount transferred or assigned; (b) the name of each transferee or
15 assignee; (c) the date of the transfer or assignment; (d) the method of the
16 transfer or assignment, including the name of each Financial Institution
17 and the accounts involved; and (e) the type and amount of consideration
18 paid the Defendant.
19

20 V. CONSUMER CREDIT REPORTS

21 **IT IS FURTHER ORDERED** that Plaintiff may obtain credit reports concerning any
22 Defendant pursuant to Section 604(a)(1) of the Fair Credit Reporting Act, 15 U.S.C.
23

1 § 1681b(a)(1), and that, upon written request, any credit reporting agency from which
2 such reports are requested shall provide them to Plaintiff.

3 **VI. REPATRIATION OF FOREIGN ASSETS**

4 **IT IS FURTHER ORDERED** that, within **seven (7)** business days following the
5 service of this Order, each Defendant shall:
6

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

1 Consent to Release of Financial Records attached to this Order as
2 **Attachment C.**

3 **VII. NON-INTERFERENCE WITH REPATRIATION**

4 **IT IS FURTHER ORDERED** that Defendants, and each of their successors, assigns,
5 members, officers, agents, servants, employees, and attorneys, and those persons in
6 active concert or participation with them who receive actual notice of this Order by
7 personal service or otherwise, whether acting directly or through any entity,
8 corporation, subsidiary, division, affiliate or other device, are hereby temporarily
9 restrained and enjoined from taking any action, directly or indirectly, which may
10 result in the encumbrance or dissipation of foreign assets, or in the hindrance of the
11 repatriation required by Section VI of this Order, including but not limited to:

- 12
- 13
- 14 A. Sending any communication, statement, letter, fax, e-mail or wire
15 transmission, telephoning or engaging in any other act, directly or
16 indirectly, that results in a determination by a foreign trustee or other
17 entity that a “duress” event has occurred under the terms of a foreign
18 trust agreement, until such time that all assets have been fully repatriated
19 pursuant to Section VI of this Order; and
- 20
- 21 B. Notifying any trustee, protector or other agent of any foreign trust or
22 other related entities of either the existence of this Order, or of the fact
23

1 that repatriation is required pursuant to a Court Order, until such time
2 that all assets have been fully repatriated pursuant to Section VI.

3 **VIII. APPOINTMENT OF RECEIVER**

4 **IT IS FURTHER ORDERED** that Thomas W. McNamara is appointed Receiver for
5 the business activities of the Receivership Defendants with the full power of an equity
6 receiver. The Receiver shall be the agent of this Court and solely the agent of this
7 Court in acting as Receiver under this Order. The Receiver shall be accountable
8 directly to this Court. The Receiver shall comply with any laws and Local Rules of
9 this Court governing receivers, including but not limited to Local Rules 66-1 through
10 66-5.1 and Local Rule 66-8.
11

12 **IX. DUTIES OF RECEIVER**

13 **IT IS FURTHER ORDERED** that the Receiver is directed and authorized to
14 accomplish the following:
15

- 16 A. Assume full control of the Receivership Defendants by removing, as the
17 Receiver deems necessary or advisable, any director, officer, independent
18 contractor, employee, or agent of any of the Receivership Defendants,
19 including any named Defendant, from control of, management of, or
20 participation in, the affairs of the Receivership Defendants;
21
22 B. Take exclusive custody, control, and possession of all assets, documents,
23 and electronically stored information of, or in the possession, custody, or
24

1 under the control of, the Receivership Defendants, wherever situated.

2 The Receiver shall have full power to divert mail and to sue for, collect,
3 receive, take in possession, hold, and manage all assets and documents of
4 the Receivership Defendants and other persons or entities whose interests
5 are now held by or under the direction, possession, custody, or control of
6 the Receivership Defendants. *Provided, however,* that the Receiver shall
7 not attempt to collect or receive any amount from a consumer if the
8 Receiver believes the consumer was a victim of the unlawful conduct
9 alleged in the complaint in this matter;
10

11 C. Take all steps necessary to secure the business premises of the
12 Receivership Defendants. Such steps may include, but are not limited to,
13 the following, as the Receiver deems necessary or advisable:
14

- 15 1. serving and filing this Order;
- 16 2. completing a written inventory of all Receivership assets;
- 17 3. obtaining pertinent information from all employees and other
18 agents of the Receivership Defendants, including, but not limited
19 to, the name, home address, social security number, job
20 description, method of compensation, and all accrued and unpaid
21 commissions and compensation of each such employee or agent,
22 and all computer hardware and software passwords;
23

- 1 4. videotaping all portions of the location;
- 2 5. securing the location by changing the locks and disconnecting any
- 3 computer modems or other means of access to the computer or
- 4 other records maintained at that location;
- 5 6. requiring any persons present on the premises at the time this
- 6 Order is served to leave the premises, to provide the Receiver with
- 7 proof of identification, or to demonstrate to the satisfaction of the
- 8 Receiver that such persons are not removing from the premises
- 9 documents or assets of the Receivership Defendants; and
- 10 7. requiring all employees, independent contractors, and consultants
- 11 of the Receivership Defendants to complete a questionnaire
- 12 submitted by the Receiver;
- 13
- 14

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

- 1 E. Liquidate any and all securities or commodities owned by or for the
2 benefit of the Receivership Defendants that the Receiver deems to be
3 advisable or necessary;
- 4 F. Enter into contracts and purchase insurance as the Receiver deems to be
5 advisable or necessary;
- 6 G. Prevent the inequitable distribution of assets and determine, adjust, and
7 protect the interests of consumers and creditors who have transacted
8 business with the Receivership Defendants;
- 9 H. Manage and administer the business of the Receivership Defendants until
10 further order of this Court by performing all incidental acts that the
11 Receiver deems to be advisable or necessary, which includes retaining,
12 hiring, or dismissing any employees, independent contractors, or agents;
- 13 I. Choose, engage, and employ attorneys, accountants, appraisers, and other
14 independent contractors and technical specialists as the Receiver deems
15 advisable or necessary in the performance of duties and responsibilities
16 under the authority granted by this Order, including but not limited to the
17 law firm in which the Receiver is a partner;
- 18 J. Make payments and disbursements from the Receivership estate that are
19 necessary or advisable for carrying out the directions of, or exercising the
20 authority granted by, this Order. The Receiver shall apply to the Court
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1 for prior approval of any payment of any debt or obligation incurred by
2 the Receivership Defendants prior to the date of entry of this Order,
3 except payments that the Receiver deems necessary or advisable to
4 secure assets of the Receivership Defendants, such as rental payments;

5
6 K. Determine and implement the manner in which the Receivership
7 Defendants will comply with, and prevent violations of, this Order and
8 all other applicable laws, including, but not limited to, revising collection
9 materials and implementing monitoring procedures;

10 L. Institute, compromise, adjust, appear in, intervene in, or become party to
11 such actions or proceedings in state, federal, or foreign courts that the
12 Receiver deems necessary and advisable to preserve or recover the assets
13 of the Receivership Defendants, or that the Receiver deems necessary and
14 advisable to carry out the Receiver's mandate under this Order, *provided*
15 *that*, before taking any of the action contemplated under this subsection
16 (Section IX(L)), the Receiver shall provide Plaintiff with notice of its
17 intent to take such action at least five (5) business days before taking the
18 action;
19

20
21 M. Defend, compromise, adjust, or otherwise dispose of any or all actions or
22 proceedings instituted in the past or in the future against the Receiver in
23 his role as Receiver, or against the Receivership Defendants, that the
24

1 Receiver deems necessary and advisable to preserve the assets of the
2 Receivership Defendants or that the Receiver deems necessary and
3 advisable to carry out the Receiver's mandate under this Order;

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

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

15 P. Open one or more bank accounts in the Central or Southern District of
16 California as designated depositories for funds of the Receivership
17 Defendants. The Receiver shall deposit all funds of the Receivership
18 Defendants in such a designated account and shall make all payments and
19 disbursements from the receivership estate from such account(s);
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1 Q. Maintain accurate records of all receipts and expenditures that the
2 Receiver makes as Receiver;

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

5
6 S. Be responsible for maintaining the chain of custody of all of Defendants'
7 records in his possession, pursuant to procedures to be established in
8 writing with the approval of the FTC.

9 **X. RECEIVER'S AND FTC'S IMMEDIATE ACCESS TO**
10 **BUSINESS PREMISES AND RECORDS**

11 **IT IS FURTHER ORDERED** that:

12 A. Defendants and their officers, agents, directors, employees, salespersons,
13 independent contractors, attorneys, corporations, subsidiaries, affiliates,
14 successors, and assigns, and all other persons or entities in active concert
15 or participation with them, who receive actual notice of this Order by
16 personal service, facsimile, email, or otherwise, whether acting directly
17 or through any trust, corporation, subsidiary, division, or other device, or
18 any of them, shall

19
20 1. Immediately identify to FTC's counsel and the Receiver:

21 a. All of Defendants' business premises;

22 b. Any premises where any Defendant conducts business, debt
23 collection operations, or customer service operations;
24

1 c. Any premises where documents or electronically stored
2 information related to the business, debt collection
3 operations, or customer service operations of any Defendant
4 are hosted, stored, or otherwise maintained, including but
5 not limited to the name and location of any electronic data
6 hosts; and
7

8 d. Any premises where assets belonging to any Defendant are
9 stored or maintained;

10 2. Allow the FTC and the Receiver, and their respective
11 representatives, agents, attorneys, investigators, paralegals,
12 contractors, or assistants immediate access to:

13 a. All of the Defendants' business premises, including but not
14 limited to those located at of 2101 Business Center Dr.,
15 Suite 215, Irvine, CA 92612, and such other business
16 locations that are wholly or partially owned, rented, leased,
17 or under the temporary or permanent control of any
18 Defendant;
19

20 b. Any other non-residence premises where the Defendants
21 conduct business, collections operations or customer service
22 operations;
23

- 1 c. Any non-residence premises where documents related to the
2 Defendants' businesses are stored or maintained;
3
4 d. Any non-residence premises where assets belonging to any
5 Defendant are stored or maintained; and
6
7 e. Any documents and electronically stored information
8 located at any of the locations described in this Section X;
9 and

10 3. Provide the FTC and the Receiver, and their respective
11 representatives, agents, attorneys, investigators, paralegals,
12 contractors, or assistants with any necessary means of access to
13 copy, and forensically image documents or electronically stored
14 information, including, without limitation, the locations of
15 Receivership Defendants' business premises, keys and
16 combinations to business premises locks, computer access codes of
17 all computers used to conduct Receivership Defendants' business,
18 access to (including but not limited to execution of any documents
19 necessary for access to and forensic imaging of) any data stored,
20 hosted or otherwise maintained by an electronic data host, and
21 storage area access information.
22

23 4. If the Receiver has cause to believe that any Individual Defendant
24

1 with a smartphone or tablet has used that device in part for
2 business purposes related to any Receivership Defendant, and the
3 device is located on receivership premises, the Individual
4 Defendant will turn over the device to the Receiver for imaging.
5 Within two business days, the Receiver will return the device to
6 the Individual Defendant, provide the Individual Defendant with a
7 copy, provide the FTC with a copy, and retain a copy. The
8 Receiver may request that the FTC conduct the imaging, but only
9 under the Receiver's supervision.
10

11 B. The FTC and the Receiver are authorized to employ the assistance of law
12 enforcement officers, including but not limited to, the United States
13 Postal Inspection Service, the Federal Bureau of Investigation, and the
14 Irvine Police Department to effect service, to implement the provisions of
15 this Order, and to keep the peace. The Receiver shall allow the FTC and
16 its representatives, agents, contractors, or assistants into the premises and
17 facilities described in this Section to inspect, inventory, image, and copy
18 documents or electronically stored information relevant to any matter
19 contained in this Order. Counsel for the FTC and the Receiver may
20 exclude Defendants and their agents and employees from the business
21 premises and facilities during the immediate access. No one shall
22
23
24

1 interfere with the FTC's or Receiver's inspection of the Defendants'
2 premises or documents.

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

4 E. The Receiver shall allow the Corporate Defendants and Individual
5 Defendants reasonable access to the premises and business records of the
6 Receivership Defendants within his possession for the purpose of
7 inspecting and copying materials relevant to this action. The Receiver
8 shall have the discretion to determine the time, manner, and reasonable
9 conditions of such access.
10

11 **XI. COOPERATION WITH RECEIVER**

12 **IT IS FURTHER ORDERED** that:

13 A. Defendants, and their officers, agents, directors, servants, employees,
14 salespersons, independent contractors, attorneys, corporations,
15 subsidiaries, affiliates, successors, and assigns, all other persons or
16 entities in active concert or participation with them, who receive actual
17 notice of this Order by personal service or otherwise, whether acting
18 directly or through any trust, corporation, subsidiary, division, or other
19 device, or any of them, shall fully cooperate with and assist the Receiver.
20 Defendants' cooperation and assistance shall include, but not be limited
21 to:
22
23

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

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

- 18 1. Transacting any of the business of the Receivership Defendants;
- 19 2. Destroying, secreting, erasing, mutilating, defacing, concealing,
20 altering, transferring or otherwise disposing of, in any manner,

1 directly or indirectly, any documents, electronically stored
2 information, or equipment of any Defendant, including but not
3 limited to contracts, agreements, consumer files, consumer lists,
4 consumer addresses and telephone numbers, debt portfolios,
5 correspondence, advertisements, brochures, sales material, sales
6 presentations, documents evidencing or referring to Defendants’
7 services, debt collection training materials, debt collection scripts,
8 data, computer tapes, disks, or other computerized records, books,
9 written or printed records, handwritten notes, telephone logs,
10 “verification” or “compliance” tapes or other audio or video tape
11 recordings, receipt books, invoices, postal receipts, ledgers,
12 personal and business canceled checks and check registers, bank
13 statements, appointment books, copies of federal, state or local
14 business or personal income or property tax returns, photographs,
15 mobile devices, electronic storage media, accessories, and any
16 other documents, records or equipment of any kind that relate to
17 the business practices or business or personal finances of the
18 Defendants or any other entity directly or indirectly under the
19 control of the Defendants;
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23 3. Transferring, receiving, altering, selling, encumbering, pledging,
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1 assigning, liquidating, or otherwise disposing of any assets owned,
2 controlled, or in the possession or custody of, or in which an
3 interest is held or claimed by, the Receivership Defendants, or the
4 Receiver;

- 5
- 6 4. Excusing debts owed to the Receivership Defendants;
- 7 5. Failing to notify the Receiver of any asset, including accounts, of a
8 Receivership Defendant held in any name other than the name of
9 the Receivership Defendant, or by any person or entity other than
10 the Receivership Defendant, or failing to provide any assistance or
11 information requested by the Receiver in connection with
12 obtaining possession, custody, or control of such assets;
- 13
- 14 6. Failing to create and maintain books, records, and accounts which,
15 in reasonable detail, accurately, fairly, and completely reflect the
16 incomes, assets, disbursements, transactions and use of monies by
17 the Defendants or any other entity directly or indirectly under the
18 control of the Defendants;
- 19
- 20 7. Doing any act or refraining from any act whatsoever to interfere
21 with the Receiver's taking custody, control, possession, or
22 managing of the assets or documents subject to this Receivership;
23 or to harass or to interfere with the Receiver in any way; or to
24

1 interfere in any manner with the exclusive jurisdiction of this Court
2 over the assets or documents of the Receivership Defendants; or to
3 refuse to cooperate with the Receiver or the Receiver's duly
4 authorized agents in the exercise of their duties or authority under
5 any Order of this Court; and

- 6
- 7 8. Filing, or causing to be filed, any petition on behalf of the
8 Receivership Defendants for relief under the United States
9 Bankruptcy Code, 11 U.S.C. § 101 et seq., without prior
10 permission from this Court.

11

12 **XII. DELIVERY OF RECEIVERSHIP PROPERTY**

13 **IT IS FURTHER ORDERED** that:

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

- 20
- 21 1. All assets of the Receivership Defendants;
- 22 2. All documents and electronically stored information of the
23 Receivership Defendants, including, but not limited to, books and

1 records of accounts, all financial and accounting records, balance
2 sheets, income statements, bank records (including monthly
3 statements, canceled checks, records of wire transfers, records of
4 ACH transactions, and check registers), client or customer lists,
5 title documents and other papers;

6
7 3. All assets belonging to members of the public now held by the
8 Receivership Defendants;

9 4. All keys, computer and other passwords, entry codes,
10 combinations to locks required to open or gain or secure access to
11 any assets or documents of the Receivership Defendants, wherever
12 located, including, but not limited to, access to their business
13 premises, means of communication, accounts, computer systems,
14 or other property; and
15

16 5. Information identifying the accounts, employees, properties, or
17 other assets or obligations of the Receivership Defendants.

18 B. In the event any person or entity fails to deliver or transfer immediately
19 any asset or otherwise fails to comply with any provision of this Section
20 XII, the Receiver may file ex parte with the Court an Affidavit of Non-
21 Compliance regarding the failure. Upon filing of the affidavit, the Court
22 may authorize, without additional process or demand, Writs of
23

1 Possession or Sequestration or other equitable writs requested by the
2 Receiver. The writs shall authorize and direct the United States Marshal
3 or any sheriff or deputy sheriff of any county (pursuant to Fed. R. Civ. P.
4 4(c)(1)) to seize the asset, document, or other thing and to deliver it to the
5 Receiver.
6

7 **XIII. COMPENSATION FOR RECEIVER**

8 **IT IS FURTHER ORDERED** that the Receiver and all personnel hired by the
9 Receiver as herein authorized, including counsel to the Receiver and accountants, are
10 entitled to reasonable compensation for the performance of duties pursuant to this
11 Order, and for the cost of actual out-of-pocket expenses incurred by them, from the
12 assets now held by or in the possession or control of, or which may be received by, the
13 Receivership Defendants. The Receiver shall file with the Court and serve on the
14 parties periodic requests for the payment of such reasonable compensation, with the
15 first such request filed no more than sixty (60) days after the date of this Order. The
16 Receiver shall not increase the hourly rates used as the bases for such fee applications
17 without prior approval of the Court.
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XIV. RECEIVER’S REPORTS

IT IS FURTHER ORDERED that the Receiver shall report to this Court on or before the date set for the hearing to Show Cause regarding the Preliminary Injunction, regarding:

- A. The steps taken by the Receiver to implement the terms of this Order;
- B. The value of all liquidated and unliquidated assets of the Receivership Defendants;
- C. The sum of all liabilities of the Receivership Defendants;
- D. The steps the Receiver intends to take in the future to:
 - 1. prevent any diminution in the value of assets of the Receivership Defendants,
 - 2. pursue receivership assets from third parties, and
 - 3. adjust the liabilities of the Receivership Defendants, if appropriate;
- E. Whether the business of the Receivership Defendants can be operated lawfully and profitably; and
- F. Any other matters which the Receiver believes should be brought to the Court’s attention.

Provided, however, if any of the required information would hinder the Receiver’s ability to pursue receivership assets, the portions of the Receiver’s report containing such information may be filed under seal and not served on the parties.

1 **XV. RECEIVER’S BOND**

2 **IT IS FURTHER ORDERED** that the Receiver shall file with the Clerk of this Court
3 a bond in the sum of \$ 25,000 with sureties to be approved by the Court, conditioned
4 that the Receiver will well and truly perform the duties of the office and abide by and
5 perform all acts the Court directs.
6

7 **XVI. PROHIBITION ON RELEASE OF CONSUMER INFORMATION**

8 **IT IS FURTHER ORDERED** that, except as required by a law enforcement agency,
9 law, regulation or court order, Defendants, and their officers, agents, servants,
10 employees, and attorneys, and all other persons in active concert or participation with
11 any of them who receive actual notice of this Order by personal service or otherwise,
12 are temporarily restrained and enjoined from selling, disclosing, using, or benefitting
13 from consumer information, including the name, address, telephone number, email
14 address, social security number, other identifying information, or any data that enables
15 access to a consumer’s account (including a credit card, bank account, or other
16 financial account), of any person which any Defendant obtained prior to entry of this
17 Order in connection with any debt collection service.
18
19

20 **XVII. STAY OF ACTIONS**

21 **IT IS FURTHER ORDERED** that:

- 22 A. Except by leave of this Court, during pendency of the Receivership
23 ordered herein, Defendants and all other persons and entities be and
24

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, the
3 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 any
9 suit or proceeding, except that such actions may be filed to toll any
10 applicable statute of limitations;
11
- 12 2. Accelerating the due date of any obligation or claimed obligation;
13 filing or enforcing any lien; taking or attempting to take
14 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 self-
17 help, or otherwise;
18
- 19 3. Executing, issuing, serving, or causing the execution, issuance or
20 service of, any legal process, including, but not limited to,
21 attachments, garnishments, subpoenas, writs of replevin, writs of
22 execution, or any other form of process whether specified in this
23 Order or not; or
24

1 4. Doing any act or thing whatsoever to interfere with the Receiver
2 taking custody, control, possession, or management of the assets or
3 documents subject to this Receivership, or to harass or interfere
4 with the Receiver in any way, or to interfere in any manner with
5 the exclusive jurisdiction of this Court over the assets or
6 documents of the Receivership Defendants;

8 B. This Section XVII does not stay:

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

21 C. Except as otherwise provided in this Order, all persons and entities in
22 need of documentation from the Receiver shall in all instances first
23 attempt to secure such information by submitting a formal written request

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

5 **XVIII. LIMITED EXPEDITED DISCOVERY**

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

11 A. The FTC may, upon **seven (7)** calendar days' notice, take the deposition
12 of any person or entity, whether or not a party, in any judicial district, for
13 the purpose of discovering: (1) the assets of Defendants; (2) location of
14 documents; and (3) compliance with this Order. Depositions may be
15 conducted telephonically or in person. Deposition transcripts that have
16 not been signed by the witness may be used at the preliminary injunction
17 hearing in this matter. *Provided that*, notwithstanding Federal Rule of
18 Civil Procedure 30(a)(2), this Section shall not preclude any future
19 depositions by the FTC. *Provided further*, that any deposition taken
20 pursuant to this Section shall be in addition to, and not subject to, the
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1 presumptive limits on depositions set forth in Federal Rule of Civil
2 Procedure 30(a)(2)(A).

3 B. The FTC may serve interrogatories for the purpose of discovering: (1)
4 the assets of Defendants; (2) location of documents; and (3) compliance
5 with this Order. Defendants shall respond within **seven (7)** calendar
6 days after the FTC serves such interrogatories. *Provided that,*
7 notwithstanding Federal Rule of Civil Procedure 33(a)(1), this
8 Subsection shall not preclude any future interrogatories by the FTC.

9 C. The FTC may, upon **seven (7)** calendar days' notice, including through
10 the use of a Rule 45 Subpoena, demand the production of documents
11 from any person or entity, whether or not a Defendant, relating to: (1) the
12 assets of Defendants; (2) the location of documents; and (3) compliance
13 with this Order. *Provided that* two (2) calendar days' notice shall be
14 deemed sufficient for the production of any such documents that are
15 maintained or stored only as electronic data.

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

5
6 E. For purposes of discovery pursuant to this Section, service shall be
7 sufficient if made by facsimile or by overnight courier to any branch or
8 location.

9 **IXX. MONITORING**

10 **IT IS FURTHER ORDERED** that employees, agents, or representatives of the FTC
11 may contact Defendants or Defendants' employees, agents, or representatives directly
12 and anonymously for the purpose of monitoring compliance with this Order, and may
13 tape record any oral communications that occur in the course of such contacts.
14

15 **XX. SERVICE OF THIS ORDER**

16 **IT IS FURTHER ORDERED** that copies of this Order may be served by any means,
17 including facsimile, U.S. first class mail, private courier, email, or other electronic
18 means, by agents and employees of the FTC or any state or federal law enforcement
19 agency or by private process server, on Defendants or any other persons or entities
20 that may be subject to any provision of this Order.
21
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1 **XXI. DISTRIBUTION OF ORDER BY DEFENDANTS**

2 **IT IS FURTHER ORDERED** that within three (3) calendar days after service of this
3 Order, Defendants shall provide a copy of this Order to each of their agents,
4 employees, directors, officers, subsidiaries, affiliates, attorneys, independent
5 contractors, representatives, franchisees, and all persons in active concert or
6 participation with Defendants. Within five (5) calendar days following this Order,
7 Defendants shall provide the FTC with an affidavit identifying the names, titles,
8 addresses, and telephone numbers of the persons that Defendants have served with a
9 copy of this Order in compliance with this provision.
10

11 **XXII. CORRESPONDENCE WITH PLAINTIFF**

12 **IT IS FURTHER ORDERED** that, for the purposes of this Order, because mail
13 addressed to the FTC is subject to delay due to heightened security screening, all
14 correspondence and service of pleadings on Plaintiff shall be sent either via electronic
15 transmission or via Federal Express to: Connor Shively, Federal Trade Commission,
16 915 2nd Ave., Suite 2896. Email: cshively@ftc.gov; Telephone: (206) 220-4487;
17 Facsimile: (206) 220-6366.
18

19 **XXIII. ORDER TO SHOW CAUSE AND**
20 **PRELIMINARY INJUNCTION HEARING**

21 **IT IS FURTHER ORDERED**, pursuant to Federal Rule of Civil Procedure 65(b),
22 that Defendants shall appear on the 4th day of November, 2015, at 3:30 p.m. at the
23 United States Courthouse, Courtroom 10C, Santa Ana, California, to show cause, if
24

1 any there be, why this Court should not enter a preliminary injunction, pending final
2 ruling on the complaint, against Defendants, enjoining them from further violations of
3 the FTC Act and the FDCPA, and imposing such additional relief as may be
4 appropriate.
5

6 **XXIV. SERVICE OF PLEADINGS, EVIDENCE, WITNESS LISTS**

7 **IT IS FURTHER ORDERED** that:

8 A. Defendants shall file any answering affidavits, pleadings, or legal
9 memoranda with the Court and serve the same on counsel for the FTC no
10 later than five (5) business days prior to the preliminary injunction
11 hearing in this matter. The FTC may file responsive or supplemental
12 pleadings, materials, affidavits, or memoranda with the Court and serve
13 the same on counsel for Defendants no later than **two (2)** (1) business day
14 prior to the preliminary injunction hearing in this matter. *Provided that*
15 service shall be performed by personal or overnight delivery, facsimile,
16 or email, and documents shall be delivered so that they shall be received
17 by the other parties no later than 4 p.m. (EDT) on the appropriate dates
18 listed in this Subsection;
19

20
21 B. The question of whether this Court should enter a preliminary injunction
22 pursuant to Rule 65 of the Federal Rules of Civil Procedure enjoining the
23 Defendants during the pendency of this action shall be resolved on the
24

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

22 **IT IS FURTHER ORDERED** that the Temporary Restraining Order granted herein
23 shall expire on the 4th day of November, 2015, at 3:30 o'clock p.m., unless within
24

1 such time, the Order, for good cause shown, is extended for an additional period not to
2 exceed **fourteen (14)** calendar days, or unless it is further extended pursuant to
3 Federal Rule of Civil Procedure 65.

4
5 **XXVI. JURISDICTION**

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

8
9 **IT IS SO ORDERED**, this 21st day of October, 2015, at 3:30 o'clock p.m.

10
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14

UNITED STATES DISTRICT JUDGE

ATTACHMENT A

FEDERAL TRADE COMMISSION

FINANCIAL STATEMENT OF INDIVIDUAL DEFENDANT

Definitions and Instructions:

1. Complete all items. Enter "None" or "N/A" ("Not Applicable") in the first field only of any item that does not apply to you. If you cannot fully answer a question, explain why.
2. "Dependents" include your spouse, live-in companion, dependent children, or any other person, whom you or your spouse (or your children's other parent) claimed or could have claimed as a dependent for tax purposes at any time during the past five years.
3. "Assets" and "Liabilities" include ALL assets and liabilities, located within the United States or any foreign country or territory, whether held individually or jointly and whether held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.
4. Attach continuation pages as needed. On the financial statement, state next to the Item number that the Item is being continued. On the continuation page(s), identify the Item number(s) being continued.
5. Type or print legibly.
6. Initial each page in the space provided in the lower right corner.
7. Sign and date the completed financial statement on the last page.

Penalty for False Information:

Federal law provides that any person may be imprisoned for not more than five years, fined, or both, if such person:

(1) "in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or devise a material fact; makes any materially false, fictitious or fraudulent statement or representation; or makes or uses any false writing or document knowing the same to contain any materially false, fictitious or fraudulent statement or entry" (18 U.S.C. § 1001);

(2) "in any . . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code, willfully subscribes as true any material matter which he does not believe to be true" (18 U.S.C. § 1621); or

(3) "in any (. . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code) in any proceeding before or ancillary to any court or grand jury of the United States knowingly makes any false material declaration or makes or uses any other information . . . knowing the same to contain any false material declaration" (18 U.S.C. § 1623).

For a felony conviction under the provisions cited above, federal law provides that the fine may be not more than the greater of (i) \$250,000 for an individual or \$500,000 for a corporation, or (ii) if the felony results in pecuniary gain to any person or pecuniary loss to any person other than the defendant, the greater of twice the gross gain or twice the gross loss. 18 U.S.C. § 3571.

BACKGROUND INFORMATION

Item 1. Information About You

Full Name	Social Security No.		
Current Address of Primary Residence	Driver's License No.		State Issued
	Phone Numbers Home: () Fax: ()	Date of Birth: / / (mm/dd/yyyy)	
	Place of Birth		
<input type="checkbox"/> Rent <input type="checkbox"/> Own From (Date): / / (mm/dd/yyyy)	E-Mail Address		
Internet Home Page			

Previous Addresses for past five years (if required, use additional pages at end of form)

Address	From: / / (mm/dd/yyyy)	Until: / / (mm/dd/yyyy)
	<input type="checkbox"/> Rent <input type="checkbox"/> Own	
Address	From: / /	Until: / /
	<input type="checkbox"/> Rent <input type="checkbox"/> Own	
Address	From: / /	Until: / /
	<input type="checkbox"/> Rent <input type="checkbox"/> Own	

Identify any other name(s) and/or social security number(s) you have used, and the time period(s) during which they were used:

Item 2. Information About Your Spouse or Live-In Companion

Spouse/Companion's Name	Social Security No.	Date of Birth / / (mm/dd/yyyy)
Address (if different from yours)	Phone Number ()	Place of Birth
	<input type="checkbox"/> Rent <input type="checkbox"/> Own From (Date): / / (mm/dd/yyyy)	

Identify any other name(s) and/or social security number(s) you have used, and the time period(s) during which they were used:

Employer's Name and Address	Job Title	
	Years in Present Job	Annual Gross Salary/Wages \$

Item 3. Information About Your Previous Spouse

Name and Address	Social Security No.
	Date of Birth / / (mm/dd/yyyy)

Item 4. Contact Information (name and address of closest living relative other than your spouse)

Name and Address	Phone Number ()
------------------	---------------------

Initials: _____

Item 5. Information About Dependents (whether or not they reside with you)		
Name and Address	Social Security No.	Date of Birth / / (mm/dd/yyyy)
	Relationship	
Name and Address	Social Security No.	Date of Birth / / (mm/dd/yyyy)
	Relationship	
Name and Address	Social Security No.	Date of Birth / / (mm/dd/yyyy)
	Relationship	
Name and Address	Social Security No.	Date of Birth / / (mm/dd/yyyy)
	Relationship	

Item 6. Employment Information/Employment Income
 Provide the following information for this year-to-date and for each of the previous five full years, for each business entity of which you were a director, officer, member, partner, employee (including self-employment), agent, owner, shareholder, contractor, participant or consultant at any time during that period. "Income" includes, but is not limited to, any salary, commissions, distributions, draws, consulting fees, loans, loan payments, dividends, royalties, and benefits for which you did not pay (e.g., health insurance premiums, automobile lease or loan payments) received by you or anyone else on your behalf.

Company Name and Address	Dates Employed		Income Received: Y-T-D & 5 Prior Yrs.	
	From (Month/Year) /	To (Month/Year) /	Year	Income
Ownership Interest? <input type="checkbox"/> Yes <input type="checkbox"/> No			20	\$
Positions Held	/	/		\$
	/	/		\$
	/	/		\$
	/	/		\$
Company Name and Address	Dates Employed		Income Received: Y-T-D & 5 Prior Yrs.	
	From (Month/Year) /	To (Month/Year) /	Year	Income
Ownership Interest? <input type="checkbox"/> Yes <input type="checkbox"/> No			20	\$
Positions Held	/	/		\$
	/	/		\$
	/	/		\$
	/	/		\$
Company Name and Address	Dates Employed		Income Received: Y-T-D & 5 Prior Yrs.	
	From (Month/Year) /	To (Month/Year) /	Year	Income
Ownership Interest? <input type="checkbox"/> Yes <input type="checkbox"/> No			20	\$
Positions Held	/	/		\$
	/	/		\$
	/	/		\$
	/	/		\$

Initials: _____

Item 7. Pending Lawsuits Filed By or Against You or Your Spouse

List all pending lawsuits that have been filed by or against you or your spouse in any court or before an administrative agency in the United States or in any foreign country or territory. **Note:** At Item 12, list lawsuits that resulted in final judgments or settlements in your favor. At Item 21, list lawsuits that resulted in final judgments or settlements against you.

Caption of Proceeding	Court or Agency and Location	Case No.	Nature of Proceeding	Relief Requested	Status or Disposition

Item 8. Safe Deposit Boxes

List all safe deposit boxes, located within the United States or in any foreign country or territory, whether held individually or jointly and whether held by you, your spouse, or any of your dependents, or held by others for the benefit of you, your spouse, or any of your dependents.

Name of Owner(s)	Name & Address of Depository Institution	Box No.	Contents

Initials: _____

FINANCIAL INFORMATION

REMINDER: When an item asks for information regarding your "assets" and "liabilities" include ALL assets and liabilities, located within the United States or in any foreign country or territory, or institution, whether held individually or jointly, and whether held by you, your spouse, or any of your dependents, or held by others for the benefit of you, your spouse, or any of your dependents. In addition, provide all documents requested in Item 24 with your completed Financial Statement.

ASSETS

Item 9. Cash, Bank, and Money Market Accounts

List cash on hand (as opposed to cash in bank accounts or other financial accounts) and all bank accounts, money market accounts, or other financial accounts, including but not limited to checking accounts, savings accounts, and certificates of deposit. The term "cash on hand" includes but is not limited to cash in the form of currency, uncashed checks, and money orders.

a. Amount of Cash on Hand \$		Form of Cash on Hand	
b. Name on Account	Name & Address of Financial Institution	Account No.	Current Balance
			\$
			\$
			\$
			\$
			\$

Item 10. Publicly Traded Securities

List all publicly traded securities, including but not limited to, stocks, stock options, corporate bonds, mutual funds, U.S. government securities (including but not limited to treasury bills and treasury notes), and state and municipal bonds. Also list any U.S. savings bonds.

Owner of Security	Issuer	Type of Security	No. of Units Owned
Broker House, Address	Broker Account No.		
	Current Fair Market Value \$	Loan(s) Against Security \$	
Owner of Security	Issuer	Type of Security	No. of Units Owned
Broker House, Address	Broker Account No.		
	Current Fair Market Value \$	Loan(s) Against Security \$	
Owner of Security	Issuer	Type of Security	No. of Units Owned
Broker House, Address	Broker Account No.		
	Current Fair Market Value \$	Loan(s) Against Security \$	

Initials: _____

Item 11. Non-Public Business and Financial Interests

List all non-public business and financial interests, including but not limited to any interest in a non-public corporation, subchapter-S corporation, limited liability corporation ("LLC"), general or limited partnership, joint venture, sole proprietorship, international business corporation or personal investment corporation, and oil or mineral lease.

Entity's Name & Address	Type of Business or Financial Interest (e.g., LLC, partnership)	Owner (e.g., self, spouse)	Ownership %	If Officer, Director, Member or Partner, Exact Title

Item 12. Amounts Owed to You, Your Spouse, or Your Dependents

Debtor's Name & Address	Date Obligation Incurred (Month/Year) /	Original Amount Owed \$	Nature of Obligation (if the result of a final court judgment or settlement, provide court name and docket number)
	Current Amount Owed \$	Payment Schedule \$	
Debtor's Telephone	Debtor's Relationship to You		
Debtor's Name & Address	Date Obligation Incurred (Month/Year) /	Original Amount Owed \$	Nature of Obligation (if the result of a final court judgment or settlement, provide court name and docket number)
	Current Amount Owed \$	Payment Schedule \$	
Debtor's Telephone	Debtor's Relationship to You		

Item 13. Life Insurance Policies

List all life insurance policies (including endowment policies) with any cash surrender value.

Insurance Company's Name, Address, & Telephone No.	Beneficiary	Policy No.	Face Value \$
	Insured	Loans Against Policy \$	Surrender Value \$
Insurance Company's Name, Address, & Telephone No.	Beneficiary	Policy No.	Face Value \$
	Insured	Loans Against Policy \$	Surrender Value \$

Item 14. Deferred Income Arrangements

List all deferred income arrangements, including but not limited to, deferred annuities, pensions plans, profit-sharing plans, 401(k) plans, IRAs, Keoghs, other retirement accounts, and college savings plans (e.g., 529 Plans).

Trustee or Administrator's Name, Address & Telephone No.	Name on Account		Account No.
	Date Established / / (mm/dd/yyyy)	Type of Plan	Surrender Value before Taxes and Penalties \$
Trustee or Administrator's Name, Address & Telephone No.	Name on Account		Account No.
	Date Established / /	Type of Plan	Surrender Value before Taxes and Penalties \$

Initials: _____

Item 15. Pending Insurance Payments or Inheritances

List any pending insurance payments or inheritances owed to you.

Type	Amount Expected	Date Expected (mm/dd/yyyy)
	\$	/ /
	\$	/ /
	\$	/ /

Item 16. Vehicles

List all cars, trucks, motorcycles, boats, airplanes, and other vehicles.

Vehicle Type	Year	Registered Owner's Name	Purchase Price \$	Original Loan Amount \$	Current Balance \$
Make		Registration State & No.	Account/Loan No.	Current Value \$	Monthly Payment \$
Model		Address of Vehicle's Location	Lender's Name and Address		
Vehicle Type	Year	Registered Owner's Name	Purchase Price \$	Original Loan Amount \$	Current Balance \$
Make		Registration State & No.	Account/Loan No.	Current Value \$	Monthly Payment \$
Model		Address of Vehicle's Location	Lender's Name and Address		
Vehicle Type	Year	Registered Owner's Name	Purchase Price \$	Original Loan Amount \$	Current Balance \$
Make		Registration State & No.	Account/Loan No.	Current Value \$	Monthly Payment \$
Model		Address of Vehicle's Location	Lender's Name and Address		
Vehicle Type	Year	Registered Owner's Name	Purchase Price \$	Original Loan Amount \$	Current Balance \$
Make		Registration State & No.	Account/Loan No.	Current Value \$	Monthly Payment \$
Model		Address of Vehicle's Location	Lender's Name and Address		
Vehicle Type	Year	Registered Owner's Name	Purchase Price \$	Original Loan Amount \$	Current Balance \$
Make		Registration State & No.	Account/Loan No.	Current Value \$	Monthly Payment \$
Model		Address of Vehicle's Location	Lender's Name and Address		

Item 17. Other Personal Property

List all other personal property not listed in Items 9-16 by category, whether held for personal use, investment or any other reason, including but not limited to coins, stamps, artwork, gemstones, jewelry, bullion, other collectibles, copyrights, patents, and other intellectual property.

Property Category (e.g., artwork, jewelry)	Name of Owner	Property Location	Acquisition Cost	Current Value
			\$	\$
			\$	\$
			\$	\$

Initials: _____

Item 18. Real Property			
List all real property interests (including any land contract)			
Property's Location	Type of Property	Name(s) on Title or Contract and Ownership Percentages	
Acquisition Date (mm/dd/yyyy) / /	Purchase Price \$	Current Value \$	Basis of Valuation
Lender's Name and Address		Loan or Account No.	Current Balance On First Mortgage or Contract \$
			Monthly Payment \$
Other Mortgage Loan(s) (describe)		Monthly Payment \$	<input type="checkbox"/> Rental Unit Monthly Rent Received \$
		Current Balance \$	
Property's Location	Type of Property	Name(s) on Title or Contract and Ownership Percentages	
Acquisition Date (mm/dd/yyyy) / /	Purchase Price \$	Current Value \$	Basis of Valuation
Lender's Name and Address		Loan or Account No.	Current Balance On First Mortgage or Contract \$
			Monthly Payment \$
Other Mortgage Loan(s) (describe)		Monthly Payment \$	<input type="checkbox"/> Rental Unit Monthly Rent Received \$
		Current Balance \$	

LIABILITIES

Item 19. Credit Cards			
List each credit card account held by you, your spouse, or your dependents, and any other credit cards that you, your spouse, or your dependents use, whether issued by a United States or foreign financial institution.			
Name of Credit Card (e.g., Visa, MasterCard, Department Store)	Account No.	Name(s) on Account	Current Balance
			\$
			\$
			\$
			\$
			\$

Item 20. Taxes Payable		
List all taxes, such as income taxes or real estate taxes, owed by you, your spouse, or your dependents.		
Type of Tax	Amount Owed	Year Incurred
	\$	
	\$	
	\$	

Initials: _____

Item 21. Other Amounts Owed by You, Your Spouse, or Your Dependents

List all other amounts, not listed elsewhere in this financial statement, owed by you, your spouse, or your dependents.

Lender/Creditor's Name, Address, and Telephone No.		Nature of Debt (if the result of a court judgment or settlement, provide court name and docket number)	
		Lender/Creditor's Relationship to You	
Date Liability Was Incurred / / (mm/dd/yyyy)	Original Amount Owed \$	Current Amount Owed \$	Payment Schedule
Lender/Creditor's Name, Address, and Telephone No.		Nature of Debt (if the result of a court judgment or settlement, provide court name and docket number)	
		Lender/Creditor's Relationship to You	
Date Liability Was Incurred / / (mm/dd/yyyy)	Original Amount Owed \$	Current Amount Owed \$	Payment Schedule

OTHER FINANCIAL INFORMATION

Item 22. Trusts and Escrows

List all funds and other assets that are being held in trust or escrow by any person or entity for you, your spouse, or your dependents. Include any legal retainers being held on your behalf by legal counsel. Also list all funds or other assets that are being held in trust or escrow by you, your spouse, or your dependents, for any person or entity.

Trustee or Escrow Agent's Name & Address	Date Established (mm/dd/yyyy)	Grantor	Beneficiaries	Present Market Value of Assets*
	/ /			\$
	/ /			\$
	/ /			\$

*If the market value of any asset is unknown, descr be the asset and state its cost, if you know it.

Item 23. Transfers of Assets

List each person or entity to whom you have transferred, in the aggregate, more than \$5,000 in funds or other assets during the previous five years by loan, gift, sale, or other transfer (exclude ordinary and necessary living and business expenses paid to unrelated third parties). For each such person or entity, state the total amount transferred during that period.

Transferee's Name, Address, & Relationship	Property Transferred	Aggregate Value*	Transfer Date (mm/dd/yyyy)	Type of Transfer (e.g., Loan, Gift)
		\$	/ /	
		\$	/ /	
		\$	/ /	

*If the market value of any asset is unknown, descr be the asset and state its cost, if you know it.

Initials: _____

Item 24. Document Requests

Provide copies of the following documents with your completed Financial Statement.

	Federal tax returns filed during the last three years by or on behalf of you, your spouse, or your dependents.
	All applications for bank loans or other extensions of credit (other than credit cards) that you, your spouse, or your dependents have submitted within the last two years, including by obtaining copies from lenders if necessary.
Item 9	For each bank account listed in Item 9, all account statements for the past 3 years.
Item 11	For each business entity listed in Item 11, provide (including by causing to be generated from accounting records) the most recent balance sheet, tax return, annual income statement, the most recent year-to-date income statement, and all general ledger files from account records.
Item 17	All appraisals that have been prepared for any property listed in Item 17, including appraisals done for insurance purposes. You may exclude any category of property where the total appraised value of all property in that category is less than \$2,000.
Item 18	All appraisals that have been prepared for real property listed in Item 18.
Item 21	Documentation for all debts listed in Item 21.
Item 22	All executed documents for any trust or escrow listed in Item 22. Also provide any appraisals, including insurance appraisals that have been done for any assets held by any such trust or in any such escrow.

SUMMARY FINANCIAL SCHEDULES

Item 25. Combined Balance Sheet for You, Your Spouse, and Your Dependents

Assets		Liabilities	
Cash on Hand (Item 9)	\$	Loans Against Publicly Traded Securities (Item 10)	\$
Funds Held in Financial Institutions (Item 9)	\$	Vehicles - Liens (Item 16)	\$
U.S. Government Securities (Item 10)	\$	Real Property – Encumbrances (Item 18)	\$
Publicly Traded Securities (Item 10)	\$	Credit Cards (Item 19)	\$
Non-Public Business and Financial Interests (Item 11)	\$	Taxes Payable (Item 20)	\$
Amounts Owed to You (Item 12)	\$	Amounts Owed by You (Item 21)	\$
Life Insurance Policies (Item 13)	\$	Other Liabilities (Itemize)	
Deferred Income Arrangements (Item 14)	\$		\$
Vehicles (Item 16)	\$		\$
Other Personal Property (Item 17)	\$		\$
Real Property (Item 18)	\$		\$
Other Assets (Itemize)			\$
	\$		\$
	\$		\$
	\$		\$
Total Assets	\$	Total Liabilities	\$

Item 26. Combined Current Monthly Income and Expenses for You, Your Spouse, and Your Dependents

Provide the current monthly income and expenses for you, your spouse, and your dependents. Do not include credit card payments separately; rather, include credit card expenditures in the appropriate categories.

Income (State source of each item)		Expenses	
Salary - After Taxes Source:	\$	Mortgage or Rental Payments for Residence(s)	\$
Fees, Commissions, and Royalties Source:	\$	Property Taxes for Residence(s)	\$
Interest Source:	\$	Rental Property Expenses, Including Mortgage Payments, Taxes, and Insurance	\$
Dividends and Capital Gains Source:	\$	Car or Other Vehicle Lease or Loan Payments	\$
Gross Rental Income Source:	\$	Food Expenses	\$
Profits from Sole Proprietorships Source:	\$	Clothing Expenses	\$
Distributions from Partnerships, S-Corporations, and LLCs Source:	\$	Utilities	\$

Initials: _____

Item 26. Combined Current Monthly Income and Expenses for You, Your Spouse, and Your Dependents (cont.)			
Distributions from Trusts and Estates Source:	\$	Medical Expenses, Including Insurance	\$
Distributions from Deferred Income Arrangements Source:	\$	Other Insurance Premiums	\$
Social Security Payments	\$	Other Transportation Expenses	\$
Alimony/Child Support Received	\$	Other Expenses (Itemize)	
Gambling Income	\$		\$
Other Income (Itemize)			\$
	\$		\$
	\$		\$
	\$		\$
Total Income	\$	Total Expenses	\$

ATTACHMENTS

Item 27. Documents Attached to this Financial Statement

List all documents that are being submitted with this financial statement. For any Item 24 documents that are not attached, explain why.

Item No. Document Relates To	Description of Document

I am submitting this financial statement with the understanding that it may affect action by the Federal Trade Commission or a federal court. I have used my best efforts to obtain the information requested in this statement. The responses I have provided to the items above are true and contain all the requested facts and information of which I have notice or knowledge. I have provided all requested documents in my custody, possession, or control. I know of the penalties for false statements under 18 U.S.C. § 1001, 18 U.S.C. § 1621, and 18 U.S.C. § 1623 (five years imprisonment and/or fines). I certify under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed on:

(Date)

Signature

ATTACHMENT B

FEDERAL TRADE COMMISSION

FINANCIAL STATEMENT OF CORPORATE DEFENDANT

Instructions:

1. Complete all items. Enter "None" or "N/A" ("Not Applicable") where appropriate. If you cannot fully answer a question, explain why.
2. The font size within each field will adjust automatically as you type to accommodate longer responses.
3. In completing this financial statement, "the corporation" refers not only to this corporation but also to each of its predecessors that are not named defendants in this action.
4. When an Item asks for information about assets or liabilities "held by the corporation," include ALL such assets and liabilities, located within the United States or elsewhere, held by the corporation or held by others for the benefit of the corporation.
5. Attach continuation pages as needed. On the financial statement, state next to the Item number that the Item is being continued. On the continuation page(s), identify the Item number being continued.
6. Type or print legibly.
7. An officer of the corporation must sign and date the completed financial statement on the last page and initial each page in the space provided in the lower right corner.

Penalty for False Information:

Federal law provides that any person may be imprisoned for not more than five years, fined, or both, if such person:

- (1) "in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry" (18 U.S.C. § 1001);
- (2) "in any . . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code, willfully subscribes as true any material matter which he does not believe to be true" (18 U.S.C. § 1621); or
- (3) "in any (. . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code) in any proceeding before or ancillary to any court or grand jury of the United States knowingly makes any false material declaration or makes or uses any other information . . . knowing the same to contain any false material declaration." (18 U.S.C. § 1623)

For a felony conviction under the provisions cited above, federal law provides that the fine may be not more than the greater of (i) \$250,000 for an individual or \$500,000 for a corporation, or (ii) if the felony results in pecuniary gain to any person or pecuniary loss to any person other than the defendant, the greater of twice the gross gain or twice the gross loss. 18 U.S.C. § 3571.

BACKGROUND INFORMATION

Item 1. General Information

Corporation's Full Name _____

Primary Business Address _____ From (Date) _____

Telephone No. _____ Fax No. _____

E-Mail Address _____ Internet Home Page _____

All other current addresses & previous addresses for past five years, including post office boxes and mail drops:

Address _____ From/Until _____

Address _____ From/Until _____

Address _____ From/Until _____

All predecessor companies for past five years:

Name & Address _____ From/Until _____

Name & Address _____ From/Until _____

Name & Address _____ From/Until _____

Item 2. Legal Information

Federal Taxpayer ID No. _____ State & Date of Incorporation _____

State Tax ID No. _____ State _____ Profit or Not For Profit _____

Corporation's Present Status: Active _____ Inactive _____ Dissolved _____

If Dissolved: Date dissolved _____ By Whom _____

Reasons _____

Fiscal Year-End (Mo./Day) _____ Corporation's Business Activities _____

Item 3. Registered Agent

Name of Registered Agent _____

Address _____ Telephone No. _____

Item 4. Principal Stockholders

List all persons and entities that own at least 5% of the corporation's stock.

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

Item 5. Board Members

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

<u>Name & Address</u>	<u>% Owned</u>	<u>Term (From/Until)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Item 6. Officers

List all of the corporation's officers, including *de facto* officers (individuals with significant management responsibility whose titles do not reflect the nature of their positions).

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

Item 7. Businesses Related to the Corporation

List all corporations, partnerships, and other business entities in which this corporation has an ownership interest.

<u>Name & Address</u>	<u>Business Activities</u>	<u>% Owned</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

State which of these businesses, if any, has ever transacted business with the corporation _____

Item 8. Businesses Related to Individuals

List all corporations, partnerships, and other business entities in which the corporation's principal stockholders, board members, or officers (i.e., the individuals listed in Items 4 - 6 above) have an ownership interest.

<u>Individual's Name</u>	<u>Business Name & Address</u>	<u>Business Activities</u>	<u>% Owned</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

State which of these businesses, if any, have ever transacted business with the corporation _____

Item 9. Related Individuals

List all related individuals with whom the corporation has had any business transactions during the three previous fiscal years and current fiscal year-to-date. A "related individual" is a spouse, sibling, parent, or child of the principal stockholders, board members, and officers (i.e., the individuals listed in Items 4 - 6 above).

<u>Name and Address</u>	<u>Relationship</u>	<u>Business Activities</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

Item 10. Outside Accountants

List all outside accountants retained by the corporation during the last three years.

<u>Name</u>	<u>Firm Name</u>	<u>Address</u>	<u>CPA/PA?</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Item 11. Corporation's Recordkeeping

List all individuals within the corporation with responsibility for keeping the corporation's financial books and records for the last three years.

<u>Name, Address, & Telephone Number</u>	<u>Position(s) Held</u>
_____	_____
_____	_____
_____	_____
_____	_____

Item 12. Attorneys

List all attorneys retained by the corporation during the last three years.

<u>Name</u>	<u>Firm Name</u>	<u>Address</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Item 13. Pending Lawsuits Filed by the Corporation

List all pending lawsuits that have been filed by the corporation in court or before an administrative agency. (List lawsuits that resulted in final judgments or settlements in favor of the corporation in Item 25).

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Item 14. Current Lawsuits Filed Against the Corporation

List all pending lawsuits that have been filed against the corporation in court or before an administrative agency. (List lawsuits that resulted in final judgments, settlements, or orders in Items 26 - 27).

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Item 15. Bankruptcy Information

List all state insolvency and federal bankruptcy proceedings involving the corporation.

Commencement Date _____ Termination Date _____ Docket No. _____

If State Court: Court & County _____ If Federal Court: District _____

Disposition _____

Item 16. Safe Deposit Boxes

List all safe deposit boxes, located within the United States or elsewhere, held by the corporation, or held by others for the benefit of the corporation. *On a separate page, describe the contents of each box.*

<u>Owner's Name</u>	<u>Name & Address of Depository Institution</u>	<u>Box No.</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

FINANCIAL INFORMATION

REMINDER: When an Item asks for information about assets or liabilities “held by the corporation,” include **ALL** such assets and liabilities, located within the United States or elsewhere, held by the corporation or held by others for the benefit of the corporation.

Item 17. Tax Returns

List all federal and state corporate tax returns filed for the last three complete fiscal years. *Attach copies of all returns.*

<u>Federal/ State/Both</u>	<u>Tax Year</u>	<u>Tax Due Federal</u>	<u>Tax Paid Federal</u>	<u>Tax Due State</u>	<u>Tax Paid State</u>	<u>Preparer's Name</u>
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____

Item 18. Financial Statements

List all financial statements that were prepared for the corporation's last three complete fiscal years and for the current fiscal year-to-date. *Attach copies of all statements, providing audited statements if available.*

<u>Year</u>	<u>Balance Sheet</u>	<u>Profit & Loss Statement</u>	<u>Cash Flow Statement</u>	<u>Changes in Owner's Equity</u>	<u>Audited?</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Item 19. Financial Summary

For each of the last three complete fiscal years and for the current fiscal year-to-date for which the corporation has not provided a profit and loss statement in accordance with Item 18 above, provide the following summary financial information.

	<u>Current Year-to-Date</u>	<u>1 Year Ago</u>	<u>2 Years Ago</u>	<u>3 Years Ago</u>
<u>Gross Revenue</u>	\$ _____	\$ _____	\$ _____	\$ _____
<u>Expenses</u>	\$ _____	\$ _____	\$ _____	\$ _____
<u>Net Profit After Taxes</u>	\$ _____	\$ _____	\$ _____	\$ _____
<u>Payables</u>	\$ _____			
<u>Receivables</u>	\$ _____			

Item 20. Cash, Bank, and Money Market Accounts

List cash and all bank and money market accounts, including but not limited to, checking accounts, savings accounts, and certificates of deposit, held by the corporation. The term "cash" includes currency and uncashed checks.

Cash on Hand \$ _____ Cash Held for the Corporation's Benefit \$ _____

<u>Name & Address of Financial Institution</u>	<u>Signator(s) on Account</u>	<u>Account No.</u>	<u>Current Balance</u>
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

Item 21. Government Obligations and Publicly Traded Securities

List all U.S. Government obligations, including but not limited to, savings bonds, treasury bills, or treasury notes, held by the corporation. Also list all publicly traded securities, including but not limited to, stocks, stock options, registered and bearer bonds, state and municipal bonds, and mutual funds, held by the corporation.

Issuer _____ Type of Security/Obligation _____

No. of Units Owned _____ Current Fair Market Value \$ _____ Maturity Date _____

Issuer _____ Type of Security/Obligation _____

No. of Units Owned _____ Current Fair Market Value \$ _____ Maturity Date _____

Item 22. Real Estate

List all real estate, including leaseholds in excess of five years, held by the corporation.

Type of Property _____ Property's Location _____

Name(s) on Title and Ownership Percentages _____

Current Value \$ _____ Loan or Account No. _____

Lender's Name and Address _____

Current Balance On First Mortgage \$ _____ Monthly Payment \$ _____

Other Loan(s) (describe) _____ Current Balance \$ _____

Monthly Payment \$ _____ Rental Unit? _____ Monthly Rent Received \$ _____

Type of Property _____ Property's Location _____

Name(s) on Title and Ownership Percentages _____

Current Value \$ _____ Loan or Account No. _____

Lender's Name and Address _____

Current Balance On First Mortgage \$ _____ Monthly Payment \$ _____

Other Loan(s) (describe) _____ Current Balance \$ _____

Monthly Payment \$ _____ Rental Unit? _____ Monthly Rent Received \$ _____

Item 23. Other Assets

List all other property, by category, with an estimated value of \$2,500 or more, held by the corporation, including but not limited to, inventory, machinery, equipment, furniture, vehicles, customer lists, computer software, patents, and other intellectual property.

<u>Property Category</u>	<u>Property Location</u>	<u>Acquisition Cost</u>	<u>Current Value</u>
		\$ _____	\$ _____
		\$ _____	\$ _____
		\$ _____	\$ _____
		\$ _____	\$ _____
		\$ _____	\$ _____
		\$ _____	\$ _____
		\$ _____	\$ _____
		\$ _____	\$ _____
		\$ _____	\$ _____
		\$ _____	\$ _____

Item 24. Trusts and Escrows

List all persons and other entities holding funds or other assets that are in escrow or in trust for the corporation.

<u>Trustee or Escrow Agent's Name & Address</u>	<u>Description and Location of Assets</u>	<u>Present Market Value of Assets</u>
		\$ _____
		\$ _____
		\$ _____
		\$ _____
		\$ _____
		\$ _____
		\$ _____
		\$ _____

Item 25. Monetary Judgments and Settlements Owed To the Corporation

List all monetary judgments and settlements, recorded and unrecorded, owed to the corporation.

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Item 26. Monetary Judgments and Settlements Owed By the Corporation

List all monetary judgments and settlements, recorded and unrecorded, owed by the corporation.

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Item 27. Government Orders and Settlements

List all existing orders and settlements between the corporation and any federal or state government entities.

Name of Agency _____ Contact Person _____
 Address _____ Telephone No. _____
 Agreement Date _____ Nature of Agreement _____

Item 28. Credit Cards

List all of the corporation's credit cards and store charge accounts and the individuals authorized to use them.

<u>Name of Credit Card or Store</u>	<u>Names of Authorized Users and Positions Held</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Item 29. Compensation of Employees

List all compensation and other benefits received from the corporation by the five most highly compensated employees, independent contractors, and consultants (other than those individuals listed in Items 5 and 6 above), for the two previous fiscal years and current fiscal year-to-date. "Compensation" includes, but is not limited to, salaries, commissions, consulting fees, bonuses, dividends, distributions, royalties, pensions, and profit sharing plans. "Other benefits" include, but are not limited to, loans, loan payments, rent, car payments, and insurance premiums, whether paid directly to the individuals, or paid to others on their behalf.

<u>Name/Position</u>	<u>Current Fiscal Year-to-Date</u>	<u>1 Year Ago</u>	<u>2 Years Ago</u>	<u>Compensation or Type of Benefits</u>
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____

Item 30. Compensation of Board Members and Officers

List all compensation and other benefits received from the corporation by each person listed in Items 5 and 6, for the current fiscal year-to-date and the two previous fiscal years. "Compensation" includes, but is not limited to, salaries, commissions, consulting fees, dividends, distributions, royalties, pensions, and profit sharing plans. "Other benefits" include, but are not limited to, loans, loan payments, rent, car payments, and insurance premiums, whether paid directly to the individuals, or paid to others on their behalf.

<u>Name/Position</u>	<u>Current Fiscal Year-to-Date</u>	<u>1 Year Ago</u>	<u>2 Years Ago</u>	<u>Compensation or Type of Benefits</u>
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____

Item 31. Transfers of Assets Including Cash and Property

List all transfers of assets over \$2,500 made by the corporation, other than in the ordinary course of business, during the previous three years, by loan, gift, sale, or other transfer.

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

ATTACHMENT C

CONSENT TO RELEASE OF FINANCIAL RECORDS

I, _____, do hereby direct any bank or trust company at which I have a bank account of any kind or at which a corporation has a bank account of any kind upon which I am authorized to draw, and its officers, employees and agents, to disclose all information and deliver copies of all documents of every nature in your possession or control which relate to the said bank accounts to any attorney of the Federal Trade Commission, and to give evidence relevant thereto, in the matter of *FTC v. BAM Financial, LLC*, now pending in the United States District Court for the Central District of California, and this shall be irrevocable authority for so doing. This direction is intended to apply to the laws of countries other than the United States which restrict or prohibit the disclosure of bank information without the consent of the holder of the account, and shall be construed as consent with respect thereto, and the same shall apply to any of the bank accounts for which I may be the relevant principal. This consent form is being executed pursuant to court order.

Dated: _____, 2015

Signed: _____