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**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA**

Federal Trade Commission,

Plaintiff,

v.

Capitol Network Distance Learning
Programs LLC, et al.,

Defendants.

No. CV-16-00350-PHX-DJH

**STIPULATED TEMPORARY
RESTRAINING ORDER**

Plaintiff, Federal Trade Commission (“FTC”), has filed a complaint seeking a permanent injunction and other equitable relief, pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), and a motion for a temporary restraining order (Doc. 3) pursuant to Rule 65(b) of the Federal Rules of Civil Procedure. The parties have stipulated (Doc. 24) to the entry of a temporary restraining order (“Order”).

Based on the parties' Stipulation (Doc. 24), and as fully set forth herein, **IT IS HEREBY ORDERED GRANTING** the Federal Trade Commission's Motion for a Temporary Restraining Order (Doc. 3).

FINDINGS

By stipulation of the parties, the Court finds as follows:

1. The FTC and Defendants have stipulated and agreed to entry of this temporary restraining order without any admission of wrongdoing or violation of law,

1 without a finding by the Court of law or fact other than stated below, and reserving
2 all defenses and objections to the FTC's claims, its complaint, and this Court's
3 jurisdiction.

4 2. The Court has jurisdiction over the subject matter of this case, and there is good
5 cause to believe it will have jurisdiction over Defendants.

6 3. Venue in the District of Arizona is proper under 28 U.S.C. § 1391(b) and (c) and
7 15 U.S.C. § 53(b).

8 4. The FTC asserts that there is good cause to believe that Defendants Capitol
9 Network Distance Learning Programs, LLC, Capital Network Digital Licensing
10 Programs, LLC, Veritas Sales, Inc., Nicholas Pollicino, Anthony Clavien, and
11 Adam Pollicino have engaged, and are likely to continue to engage, in acts or
12 practices that violate Section 5 of the FTC Act, 15 U.S.C. § 45, and that the FTC
13 is, therefore, likely to prevail on the merits of this action. Defendants deny that
14 assertion.

15 5. The FTC asserts that there is good cause to believe that immediate and irreparable
16 harm will result from Defendants' ongoing violations of the FTC Act unless
17 Defendants are immediately restrained by an order of this Court. Defendants deny
18 that assertion.

19 6. The FTC asserts that there is good cause to believe that immediate and irreparable
20 damage to the Court's ability to grant effective final relief for consumers in the
21 form of monetary restitution and disgorgement of ill-gotten gains will occur from
22 the transfer, dissipation or concealment by Defendants of their assets or business
23 records unless Defendants are immediately restrained and enjoined by Order of
24 this Court. Defendants deny that assertion.

25 7. The FTC asserts that good cause exists for permitting the FTC immediate access
26 to Defendants' business premises, and permitting the FTC to take expedited
27 discovery to locate and preserve assets and documents and ensure compliance with
28 this Order. Defendants deny that assertion.

- 1 8. No security is required of any agency of the United States for issuance of a
2 temporary restraining order. Fed. R. Civ. P. 65(c).
3 9. The entry of this Order is in the public interest.
4

5 **DEFINITIONS**

- 6 1. “Academic Degree or Certification Program” means any product, service, plan, or
7 program that provides or purports to provide doctoral degrees, master’s degrees,
8 bachelor’s degrees, associate’s degrees, high school diplomas or high school
9 equivalency diplomas or certificates, certifications, certificates, or any other
10 document that confers or purports to confer a qualification, records or purports to
11 record success in examinations or successful completion of a course of study, or
12 evidences or purports to evidence that a consumer has completed and shown
13 proficiency in a curriculum recognized as necessary to earn the indicated degree,
14 diploma, certification, certificate, or other document, whether denominated as a
15 degree, diploma, certification, certificate, or other name, whether denoted as a real
16 or novelty item.
17 2. “Assets” means any legal or equitable interest in, right to, or claim to, any real or
18 personal property, including, without limitation, chattels, goods, instruments,
19 equipment, fixtures, general intangibles, leaseholds, mail or other deliveries,
20 inventory, checks, notes, accounts, credits, contracts, receivables, shares of stock,
21 and all cash, wherever located.
22 3. “Customer” means any person who has paid, or may be required to pay, for
23 products, services, plans, or programs offered for sale or sold by any other person.
24 4. “Days,” unless otherwise specified, shall mean business days.
25 5. “Defendants” means the Individual Defendants and the Corporate Defendants,
26 individually, collectively, or in any combination. “Corporate Defendants” means
27 Capitol Network Distance Learning Programs, LLC, Capital Network Digital
28 Licensing Programs, LLC, Veritas Sales, Inc. , and their successors and assigns.

1 “Individual Defendants” means Nicholas Pollicino, Anthony Clavien, Adam
2 Pollicino, and any other name by which they may be known.

3 6. “Document” is equal in scope and synonymous in meaning to the usage of the
4 term in Federal Rule of Civil Procedure 34(a), and includes writings, drawings,
5 graphs, charts, photographs, audio and video recordings, computer records, and
6 any other data compilations from which information can be obtained. A draft or
7 non-identical copy is a separate document within the meaning of the term.

8 7. “Person” means a natural person, organization, or other legal entity, including a
9 corporation, partnership, proprietorship, association, cooperative, or any other
10 group or combination acting as an entity.

11
12 **ORDER**

13 **PROHIBITED REPRESENTATIONS**

14 **I. IT IS THEREFORE ORDERED** that Defendants, their officers, agents,
15 employees, and attorneys, and all other persons in active concert or participation
16 with any of them who receive actual notice of this Order by personal service or
17 otherwise, whether acting directly or indirectly, in connection with the advertising,
18 marketing, promotion, offering for sale, or sale of any academic degree or
19 certification program are temporarily restrained and enjoined from
20 misrepresenting, or assisting others in misrepresenting, expressly or by
21 implication:

22 A. That consumers can successfully use any academic degree or certification
23 program as a valid high school equivalency credential when applying for jobs,
24 seeking enrollment in higher education institutions, or for other purposes;

25 B. That any high school, college, university, or other educational institution
26 issuing any academic degree or certification program has been accredited by an
27 independent, third-party accrediting body; or

28 C. Any other fact material to a consumer’s decision whether to purchase any
academic degree or certification program.

1 marketing, promotion, offering for sale, sale, or provision of any academic degree
2 or certification program, and containing statements or representations prohibited
3 by Section I of this Order, including, but not limited to the Internet websites listed
4 on **Schedule A** of this Order, and provide immediate notice to counsel for the FTC
5 of any other Internet domain names registered by Defendants, their officers,
6 agents, employees, and attorneys, and all other persons in active concert or
7 participation with any of them who receive actual notice of this Order by personal
8 service or otherwise, whether acting directly or indirectly, that are used by
9 Defendants for the advertising, marketing, promotion, offering for sale, sale, or
10 provision of any academic degree or certification program, and/or that contain
11 statements or representations prohibited by Section I of this Order.

12 **PROHIBITION ON RELEASE OF CONSUMER INFORMATION**

13 **IV. IT IS FURTHER ORDERED** that Defendants, their officers, agents,
14 employees, and attorneys, and all other persons in active concert or participation
15 with any of them who receive actual notice of this Order by personal service or
16 otherwise, whether acting directly or indirectly, are temporarily restrained and
17 enjoined from disclosing, using, or benefitting from consumer information,
18 including the name, address, telephone number, email address, social security
19 number, other identifying information, or any data that enables access to a
20 consumer's account (including a credit card, bank account, or other financial
21 account), of any person which any Defendant obtained prior to entry of this Order
22 in connection with any academic degree or certification program; *provided,*
23 *however,* that Defendants may disclose such information to a law enforcement
24 agency or as required by law, regulation, or court order.
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ASSET FREEZE

V. IT IS FURTHER ORDERED that:

A. Except as set forth in Sections V.B, V.C, V.D, and V.E of this Order, Defendants are hereby temporarily restrained and enjoined from directly or indirectly:

1. Transferring, liquidating, converting, encumbering, pledging, loaning, selling, concealing, dissipating, disbursing, assigning, spending, withdrawing, granting a lien or security interest or other interest in, or otherwise disposing of any funds, real or personal property, accounts, contracts, consumer lists, or any other assets, or any interest therein, wherever located, including outside the United States, that are: (1) owned or controlled, directly or indirectly, by Capitol Network Distance Learning Programs, LLC, Capital Network Digital Licensing Programs, LLC, and Nicholas Pollicino, in whole or in part, or held, in whole or in part for the benefit of Capitol Network Distance Learning Programs, LLC, Capital Network Digital Licensing Programs, LLC, and Nicholas Pollicino; (2) in the actual or constructive possession of Capitol Network Distance Learning Programs, LLC, Capital Network Digital Licensing Programs, LLC, and Nicholas Pollicino; or (3) owned, controlled by, or in the actual or constructive possession of any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by, or under common control with Capitol Network Distance Learning Programs, LLC, Capital Network Digital Licensing Programs, LLC, and Nicholas Pollicino, and any assets held by, for, or under the name of Capitol Network Distance Learning Programs, LLC, Capital Network Digital Licensing Programs, LLC, and Nicholas Pollicino at any bank, savings and loan institution, or bank of Capitol Network Distance Learning Programs, LLC, Capital Network Digital Licensing Programs, LLC, and Nicholas Pollicino, or with any broker-dealer, escrow agent, title company, commodity trading company, precious metal dealer, or other financial institution or depository of any kind holding assets or

- 1 property belonging to Capitol Network Distance Learning Programs, LLC,
2 Capital Network Digital Licensing Programs, LLC, and Nicholas Pollicino;
- 3 2. Opening or causing to be opened any safe deposit boxes titled in the name of
4 Capitol Network Distance Learning Programs, LLC, Capital Network Digital
5 Licensing Programs, LLC, and Nicholas Pollicino, or subject to access by
6 Capitol Network Distance Learning Programs, LLC, Capital Network Digital
7 Licensing Programs, LLC, and Nicholas Pollicino;
- 8 3. Incurring charges or cash advances on any credit card, debit card, or checking
9 card issued in the name, singly or jointly, of Capitol Network Distance
10 Learning Programs, LLC, Capital Network Digital Licensing Programs, LLC,
11 and Nicholas Pollicino;
- 12 4. Incurring liens or encumbrances on real property, personal property or other
13 assets in the name, singly or jointly, of Capitol Network Distance Learning
14 Programs, LLC, Capital Network Digital Licensing Programs, LLC, and
15 Nicholas Pollicino; and
- 16 5. Cashing any checks from consumers, clients, or customers of Capitol Network
17 Distance Learning Programs, LLC, Capital Network Digital Licensing
18 Programs, LLC, and Nicholas Pollicino.
- 19 6. The funds, property, and assets affected by this Section shall include: (a) all
20 assets of Capitol Network Distance Learning Programs, LLC, Capital Network
21 Digital Licensing Programs, LLC, and Nicholas Pollicino as of the time this
22 Order is entered, and (b) those assets obtained after entry of this Order that are
23 obtained from any activities relating to the marketing or sale of any academic
24 degree or certification program that predate the entry of this Order.
- 25 B. Notwithstanding the foregoing, the asset freeze provisions of this Order shall not
26 apply to any funds, property or assets owned or held by Veritas Sales, Inc.,
27 Anthony Clavien or Adam Pollicino, or to any bank or merchant or other financial
28 account maintained by Veritas Sales, Inc., Anthony Clavien or Adam Pollicino, or
in which Veritas Sales, Inc., Anthony Clavien or Adam Pollicino have an interest,

1 jointly or individually, other than Bank of America account number xxxx [REDACTED]
2 currently in the name of Veritas Sales, Inc., First Data account number xxxx [REDACTED]
3 and Authorize.net merchant accounts currently in the name of Capitol Network
4 Distance Learning Programs, and American Express merchant account number
5 xxxx [REDACTED] currently in the name of Capitol Network Distance Learning Programs.

6 C. Notwithstanding the foregoing, the asset freeze provisions of this Order shall not
7 apply to JP Morgan Chase Bank account number xxxx [REDACTED] in the name of
8 Nicholas Pollicino or JP Morgan Chase Bank account number xxxx [REDACTED] in the
9 name of Nicholas and Amelia Pollicino.

10 D. Defendant Nicholas Pollicino may retain and spend income received from
11 activities or employment performed after the date of entry of this Order and
12 unrelated to the marketing or sale of any academic degree or certification program,
13 provided, however, that he shall first deposit such income into the account
14 identified in Section V.C above.

15 E. Defendant Nicholas Pollicino may retain and spend assets acquired by loan or gift
16 after the date of entry of this Order only after identifying such assets to FTC
17 counsel. This notice provision does not apply to loans or gifts valued at less than
18 \$500.

19
20 **RETENTION OF ASSETS AND RECORDS BY FINANCIAL INSTITUTIONS**
21 **AND OTHER THIRD PARTIES**

22 **VI. IT IS FURTHER ORDERED** that any financial or brokerage institution
23 or depository, escrow agent, title company, commodity trading company, trust,
24 entity, or person that holds, controls, or maintains custody of any account or asset
25 owned or controlled, directly or indirectly, by Defendants Capitol Network
26 Distance Learning Programs, LLC, Capital Network Digital Licensing Programs,
27 LLC, or Nicholas Pollicino, or has held, controlled, or maintained any account or
28 asset of, or on behalf of, Defendants Capitol Network Distance Learning

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Programs, LLC, Capital Network Digital Licensing Programs, LLC, or Nicholas Pollicino, upon service with a copy of this Order, shall:

A. Hold and retain within its control and prohibit Defendants from withdrawing, removing, assigning, transferring, pledging, encumbering, disbursing, dissipating, converting, selling, gifting, or otherwise disposing of any accounts, assets, funds, or other property that are owned by, held in the name of, for the benefit of, or otherwise controlled by, directly or indirectly, Defendants Capitol Network Distance Learning Programs, LLC, Capital Network Digital Licensing Programs, LLC, or Nicholas Pollicino, in whole or in part, except for those identified in Section V.B, V.C, V.D or V.E of this Order or as directed by further order of the Court;

B. Deny the Defendants access to any safe deposit box titled in the name of Defendants Capitol Network Distance Learning Programs, LLC, Capital Network Digital Licensing Programs, LLC, or Nicholas Pollicino, individually or jointly, or subject to access by Defendants Capitol Network Distance Learning Programs, LLC, Capital Network Digital Licensing Programs, LLC, or Nicholas Pollicino, whether directly or indirectly.

C. Provide counsel for the FTC, within three (3) business days after being served with a copy of this Order, a certified statement setting forth:

- 1. the identification number of each such account or asset titled (1) in the name, individually or jointly, of Defendants Capitol Network Distance Learning Programs, LLC, Capital Network Digital Licensing Programs, LLC, or Nicholas Pollicino; (2) held on behalf of, or for the benefit of, Defendants Capitol Network Distance Learning Programs, LLC, Capital Network Digital Licensing Programs, LLC, or Nicholas Pollicino; (3) owned or controlled by Defendants Capitol Network Distance Learning Programs, LLC, Capital Network Digital Licensing Programs, LLC, or Nicholas Pollicino; or (4) otherwise subject to access by Defendants Capitol

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Network Distance Learning Programs, LLC, Capital Network Digital Licensing Programs, LLC, or Nicholas Pollicino, directly or indirectly;

2. the balance of each such account, or a description of the nature and value of such asset as of the close of business on the day on which this Order is served, and, if the account or other asset has been closed or removed, the date closed or removed, the total funds removed in order to close the account, and the name of the person or entity to whom such account or other asset was remitted;
3. the identification of any safe deposit box that is either titled in the name of Defendants Capitol Network Distance Learning Programs, LLC, Capital Network Digital Licensing Programs, LLC, or Nicholas Pollicino, or is otherwise subject to access by Defendants Capitol Network Distance Learning Programs, LLC, Capital Network Digital Licensing Programs, LLC, or Nicholas Pollicino; and
4. if an account, safe deposit box, or other asset has been closed or removed, the date closed or removed, the balance on such date, and the manner in which such account or asset was closed or removed.

D. Provide counsel for the FTC, within three (3) business days after being served with a request, copies of all documents pertaining to each account or asset titled (1) in the name, individually or jointly, of Defendants Capitol Network Distance Learning Programs, LLC, Capital Network Digital Licensing Programs, LLC, or Nicholas Pollicino; (2) held on behalf of, or for the benefit of, Defendants Capitol Network Distance Learning Programs, LLC, Capital Network Digital Licensing Programs, LLC, or Nicholas Pollicino; (3) owned or controlled by Defendants Capitol Network Distance Learning Programs, LLC, Capital Network Digital Licensing Programs, LLC, or Nicholas Pollicino; or (4) otherwise subject to access by Defendants Capitol Network

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Distance Learning Programs, LLC, Capital Network Digital Licensing Programs, LLC, or Nicholas Pollicino, directly or indirectly, including but not limited to originals or copies of account applications, account statements, signature cards, checks, drafts, deposit tickets, transfers to and from the accounts, all other debit and credit instruments or slips, currency transaction reports, 1099 forms, and safe deposit box logs; provided that such institution or custodian may charge a reasonable fee.

ADDITIONAL ASSET FREEZE PROVISIONS

VII. IT IS FURTHER ORDERED that:

- A. Defendants are hereby temporarily restrained and enjoined from directly or indirectly transferring, liquidating, converting, encumbering, pledging, loaning, selling, concealing, dissipating, disbursing, assigning, spending, withdrawing, granting a lien or security interest or other interest in, or otherwise disposing of (1) Bank of America account number xxxx[REDACTED] in the name of Veritas Sales, Inc. and (2) American Express account number xxxx[REDACTED] in the name of Veritas Sales, Inc.;
- B. Bank of America, upon service with a copy of this Order, shall:
 - 1. Hold and retain within its control and prohibit Defendants from withdrawing, removing, assigning, transferring, pledging, encumbering, disbursing, dissipating, converting, selling, gifting, or otherwise disposing of Bank of America account number xxxx[REDACTED] in the name of Veritas Sales, Inc., except as directed by further order of the Court;
 - 2. Provide counsel for the FTC, within three (3) business days after being served with a copy of this Order, a certified statement setting forth the balance of such account as of the close of business on the day on which this Order is served, and, if the account has been closed, the date closed, the total funds removed in order to close the account, and the name of the person or entity to whom such funds were remitted; and

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3. Provide counsel for the FTC, within three (3) business days after being served with a request, copies of all documents pertaining to such account, including but not limited to originals or copies of account applications, account statements, signature cards, checks, drafts, deposit tickets, transfers to and from the accounts, all other debit and credit instruments or slips, currency transaction reports, 1099 forms, and safe deposit box logs; provided that such institution or custodian may charge a reasonable fee.

C. American Express Company, upon service with a copy of this Order, shall:

- 1. Hold and retain within its control and prohibit Defendants from withdrawing, removing, assigning, transferring, pledging, encumbering, disbursing, dissipating, converting, selling, gifting, or otherwise disposing of American Express account number xxxx[REDACTED] in the name of Veritas Sales, Inc., except as directed by further order of the Court;
- 2. Provide counsel for the FTC, within three (3) business days after being served with a copy of this Order, a certified statement setting forth the balance of such account as of the close of business on the day on which this Order is served, and, if the account has been closed, the date closed, the total funds removed in order to close the account, and the name of the person or entity to whom such funds were remitted; and
- 3. Provide counsel for the FTC, within three (3) business days after being served with a request, copies of all documents pertaining to such account, including but not limited to originals or copies of account applications, account statements, signature cards, checks, drafts, deposit tickets, transfers to and from the accounts, all other debit and credit instruments or slips, currency transaction reports, 1099 forms, and safe deposit box logs; provided that such institution or custodian may charge a reasonable fee.

FINANCIAL REPORTS AND ACCOUNTING

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

A. For the Individual Defendants, a completed financial statement accurate as of the date of service of this Order upon such Defendant (unless otherwise agreed upon with FTC counsel) on the form of **Attachment A** to this Order captioned, "Form Re: Financial Statement for Individual Defendant."

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

C. For each Defendant, a completed statement, verified under oath, identifying, to the best of their knowledge, information and belief, all payments, transfers or assignments of funds, assets, or property worth \$1,000 or more since January 1, 2010. Such statement shall include: (a) the amount transferred or assigned; (b) the name of each transferee or assignee; (c) the date of the transfer or assignment; and (d) the type and amount of consideration paid the Defendant. Each statement shall specify the name and address of each financial institution and brokerage firm at which the Defendant has accounts or safe deposit boxes. Said statements shall include assets held in foreign as well as domestic accounts. *Provided, however,* that with respect to Defendants Veritas Sales, Inc., Anthony Clavien, and Adam Pollicino, the provisions of this sub-section shall apply only to transfers or assignments made to or from Defendants Capitol Network Distance Learning Programs, LLC, Capital Network Digital Licensing Programs, LLC, or Nicholas Pollicino in excess of \$1,000, related to the advertising, marketing, promotion, offering for sale, or sale of any academic degree or certification program, and made since January 1, 2010.

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CONSUMER CREDIT REPORTS

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

REPATRIATION OF FOREIGN ASSETS

X. IT IS FURTHER ORDERED that, within seven (7) calendar days following the service of this Order:

- A. Each Defendant shall provide counsel for the FTC with a full accounting of all assets, accounts, funds, and documents outside of the territory of the United States that are held either: (1) by them; (2) for their benefit; (3) in trust by or for them, individually or jointly; or (4) under their direct or indirect control, individually or jointly;
- B. Defendants Capitol Network Distance Learning Programs, LLC, Capital Network Digital Licensing Programs, LLC, and Nicholas Pollicino shall:
 - 1. Transfer to the territory of the United States all assets, accounts, funds, and documents in foreign countries held either: (1) by them; (2) for their benefit; (3) in trust by or for them, individually or jointly; or (4) under their direct or indirect control, individually or jointly;
 - 2. Hold and retain all repatriated assets, accounts, funds, and documents, and prevent any transfer, disposition, or dissipation whatsoever of any such assets, accounts, funds, or documents; and
 - 3. Provide the FTC access to all records of accounts or assets of Defendants Capitol Network Distance Learning Programs, LLC, Capital Network Digital Licensing Programs, LLC, and Nicholas Pollicino held by financial institutions located outside the territorial United States by signing the

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

NON-INTERFERENCE WITH REPATRIATION

XI. IT IS FURTHER ORDERED that Defendants, their officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly or indirectly, are hereby temporarily restrained and enjoined from taking any action, directly or indirectly, which may result in the encumbrance or dissipation of foreign assets, or in the hindrance of the repatriation required by Section X of this Order, including but not limited to:

- A. Sending any statement, letter, fax, e-mail or wire transmission, telephoning or engaging in any other act, directly or indirectly, that results in a determination by a foreign trustee or other entity that a “duress” event has occurred under the terms of a foreign trust agreement, until such time that all assets have been fully repatriated pursuant to Section X of this Order; and
- B. Notifying any trustee, protector or other agent of any foreign trust or other related entities of either the existence of this Order, or of the fact that repatriation is required pursuant to a Court Order, until such time that all assets have been fully repatriated pursuant to Section X.

FTC ACCESS TO BUSINESS PREMISES AND RECORDS

XII. IT IS FURTHER ORDERED that:

- A. The FTC and the FTC’s representatives, agents, contractors, or assistants, are permitted and the Defendants shall allow immediate access to any business premises and storage facilities of Defendants that were or are being used in connection with the advertising, marketing, promotion, offering for sale, or sale of any academic degree or certification program. Such locations may

1 include, but are not limited to, any location where Defendants conduct
2 business, sales operations, fulfillment or processing, or customer service
3 operations. Defendants shall allow the FTC into the premises and facilities
4 described in this Section and shall allow the FTC and its representatives,
5 agents, contractors, or assistants to inspect, inventory, and copy documents
6 relevant to any matter contained in this Order but specifically related to the
7 advertising, marketing, promotion, offering for sale, or sale of any academic
8 degree or certification program.

9 B. Defendants and all agents or employees of Defendants shall provide counsel
10 for the FTC with any necessary means of access to documents related to the
11 advertising, marketing, promotion, offering for sale, or sale of any academic
12 degree or certification program, including, without limitation, the locations of
13 Defendants' business premises, keys and combinations to business premises
14 locks, computer access codes of all computers used to conduct Defendants'
15 business, and storage area access information.

16 C. If any property, records, documents, or computer files relating to the
17 Defendants' finances or business practices and related to the advertising,
18 marketing, promotion, offering for sale, or sale of any academic degree or
19 certification program are located in the residence of any Defendant or are
20 otherwise in the custody or control of any Defendant, then such Defendant
21 shall produce them to counsel for the FTC within seven (7) days of service of
22 this Order. In order to prevent the destruction of computer data related to the
23 advertising, marketing, promotion, offering for sale, or sale of any academic
24 degree or certification program, upon service of this Order upon Defendants,
25 any such computers used for the advertising, marketing, promotion, offering
26 for sale, or sale of any academic degree or certification program shall be
27 powered down (turned off) in the normal course for the operating systems used
28 on such computers and shall not be powered up or used again until produced
for copying and inspection, along with any codes needed for access.

1 Defendants are precluded from introducing in any proceeding in this case any
2 document not so produced.

3 D. Counsel for the FTC shall have the right to remove any documents related to
4 the advertising, marketing, promotion, offering for sale, or sale of any
5 academic degree or certification program from the premises in order that they
6 may be inspected, inventoried, and copied. The materials so removed shall be
7 returned within five (5) business days of completing said inventory and
8 copying.

9 E. In order to prevent the destruction of computer data related to the advertising,
10 marketing, promotion, offering for sale, or sale of any academic degree or
11 certification program, the FTC and the FTC's representatives, agents,
12 contractors, or assistants, are permitted and the Defendants shall allow the FTC
13 and the FTC's representatives, agents, contractors, or assistants to power down
14 (turn off) any computer used for the advertising, marketing, promotion,
15 offering for sale, or sale of any academic degree or certification program in the
16 normal course for the operating system used on such computer and/or take all
17 necessary steps to prevent remote access of any such computer. Any such
18 computer powered down (turned off) or removed from remote access shall not
19 be powered up (turned on) or have remote access restored except by the FTC
20 and the FTC's representatives, agents, contractors, or assistants after they have
21 inspected and copied the contents of such computer. The FTC shall ensure that
22 all such computers are powered up (turned back on) and any remote access
23 restored within three (3) business days.

24 F. In the event any of Defendants' documents related to the advertising,
25 marketing, promotion, offering for sale, or sale of any academic degree or
26 certification program have been removed from Defendants' premises by, and
27 are in the possession of another law enforcement or investigative agency, the
28 FTC may have immediate access to such documents for purposes of inspection,
indexing, and copying, subject to the agency consenting to access by the FTC.

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- G. The FTC’s access to the Defendants’ documents pursuant to this Section shall not provide grounds for any Defendant to object to any subsequent request for documents served by the FTC and related to the advertising, marketing, promotion, offering for sale, or sale of any academic degree or certification program.
- H. The FTC is authorized to employ the assistance of law enforcement officers, including, but not limited to, the United States Postal Inspection Service, Internal Revenue Service, and Federal Bureau of Investigation, to effect service, to implement peacefully the provisions of this Order, and keep the peace.
- I. Nothing in this Section shall prevent Defendants from asserting any applicable privilege.

PRESERVATION OF RECORDS

XIII. IT IS FURTHER ORDERED that Defendants, their officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly or indirectly, are hereby temporarily restrained and enjoined from taking any action, directly or indirectly, are hereby temporarily restrained and enjoined from destroying, erasing, mutilating, concealing, altering, transferring, or otherwise disposing of, in any manner, directly or indirectly, any documents that relate to the advertising, marketing, promotion, offering for sale, or sale of any academic degree or certification program, or business or personal finances, of any Defendant.

LIMITED EXPEDITED DISCOVERY

XIV. IT IS FURTHER ORDERED that the FTC is granted leave to conduct certain expedited discovery, and that, commencing with the time and date of this Order, in lieu of the time periods, notice provisions, and other requirements of

1 Rules 26, 30, 34, and 45 of the Federal Rules of Civil Procedure, expedited
2 discovery as to parties and non-parties shall proceed as follows:

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

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

20 C. The FTC may, upon five (5) calendar days' notice, including through the
21 use of a Rule 45 Subpoena, demand the production of documents from any
22 person or entity, whether or not a Defendant, relating to: (1) the assets of
23 Defendants; (2) the location of documents related to the advertising,
24 marketing, promotion, offering for sale, or sale of any academic degree or
25 certification program; and (3) compliance with this Order. *Provided that*
26 two (2) calendar days' notice shall be deemed sufficient for the production
27 of any such documents that are maintained or stored only as electronic data.

28 D. The FTC is granted leave to subpoena documents immediately from any
financial institution, account custodian, or other entity or person that holds,

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controls, or maintains custody of any account or asset of any Defendant(s), or has held, controlled or maintained custody of any account or asset of any Defendant(s) concerning the nature, location, status, and extent of Defendants’ assets, and compliance with this Order, and such financial institution, account custodian or other entity shall respond to such subpoena within five (5) business days after service.

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

SERVICE OF THIS ORDER

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

DISTRIBUTION OF ORDER BY DEFENDANTS

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

CORRESPONDENCE WITH THE FTC

XVII. IT IS FURTHER ORDERED that, for the purposes of this Order, because mail addressed to the FTC is subject to delay due to heightened security screening,

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all correspondence and service of pleadings on the FTC shall be sent either via electronic transmission or via Federal Express to: Gregory A. Ashe, Federal Trade Commission, 600 Pennsylvania Avenue, NW, Room CC-10232, Washington, DC 20580. Email: gashe@ftc.gov; Telephone: (202) 326-3719; Facsimile: (202) 326-3768.

ORDER TO SHOW CAUSE AND PRELIMINARY INJUNCTION HEARING

XVIII. IT IS FURTHER ORDERED, pursuant to Federal Rule of Civil Procedure 65(b), that Defendants shall appear on **Wednesday, March 2, 2016 at 2:00 p.m. in Courtroom 605, 401 W. Washington Street, Phoenix, AZ 85003**, to show cause, if any there be, why this Court should not enter a preliminary injunction, pending final ruling on the complaint, against Defendants, enjoining them from further violations of the FTC Act, and imposing such additional relief as may be appropriate.

SERVICE OF PLEADINGS, EVIDENCE, WITNESS LISTS

XIX. IT IS FURTHER ORDERED that:

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

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

DURATION OF ORDER

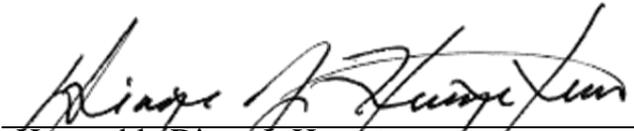
XX. **IT IS FURTHER ORDERED** that, unless otherwise modified by further order, the Temporary Restraining Order granted herein shall continue in full force and effect until after the hearing on the order to show cause why a preliminary injunction should not issue.

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JURISDICTION

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

Dated this 17th day of February, 2016.



Honorable Diane J. Humetewa
United States District Judge

**SCHEDULE A TO TEMPORARY RESTRAINING ORDER
LIST OF DOMAIN NAMES**

CCUONLINEUNIVERSITY.COM
CHSONLINEHIGHSCHOOL.COM
COPELLAHIGHSCHOOL.ORG
COPELLAUNIVERSITY.ORG
COUNTYHIGHSCHOOLONLINE.COM
METROHIGHSCHOOLONLINE.COM
SELSERVEDIPLOMAS.COM
HIGHSCHOOLEQUIVALENCYTEST.COM
EASTRIDGEHIGHSCHOOL.ORG
GETAHIGHSCHOOLDIPLOMA.COM
EARNAHIGHSCHOOLDIPLOMA.COM
WORKEXPRIENCEDEGREE.COM
BUYADEGREEONLINE.COM
EASTRIDGEUNIVERSITYONLINE.ORG
CAPITOLHIGHSCHOOL.ORG
CNDLP.ORG
AMERICANWASHINGTONUNIVERSITY.ORG
PCPREPARATORIAONLINE.COM
PMPREPARAATORIAONLINE.COM
PPPREPARATORIAONLINE.COM
EDUCATIONONLINERESOURCES.ORG
HERITAGEHIGHSCHOOLONLINE.COM
CNDLP.INFO
JOHNSONCENTERONLINEHIGHSCHOOL.ORG
ESCUELACAPITOL.COM
ESCUELACAPITAL.COM
HERITAGEONLINEHIGHSCHOOL.COM
CNDLP.INFO
CNDLP.NET
CENTENNIALONLINEHIGHSCHOOL.COM
LINCOLNONLINEHIGHSCHOOL.COM
LIBERTYONLINEHIGHSCHOOL.COM
FRANKLINONLINEHIGHSCHOOL.COM
FRANKLINONLINEHIGHSCHOOL.INFO
FRANKLINONLINEHIGHSCHOOL.NET
FRANKLINONLINEHIGHSCHOOL.ORG
ABILITYTOBENEFITTEST.COM
FREEABILITYTOBENEFITTEST.COM
GETAHIGHSCHOOLDIPLOMA.NET
STAFFORDLEARNINGCOURSE.COM
MY-GED.COM
STAFFORDHIGHSCHOOLONLINE.COM
CAPITOLHIGHSCHOOL.YOLASITE.COM

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 ()
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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	From (Month/Year) /	To (Month/Year) /		\$
	/	/		\$
	/	/		\$
	/	/		\$
	/	/		\$
	/	/		\$
	/	/		\$

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	From (Month/Year) /	To (Month/Year) /		\$
	/	/		\$
	/	/		\$
	/	/		\$
	/	/		\$
	/	/		\$
	/	/		\$

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	From (Month/Year) /	To (Month/Year) /		\$
	/	/		\$
	/	/		\$
	/	/		\$
	/	/		\$

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.

Name of Credit Card or Store

Names of Authorized Users and Positions Held

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Item 29. Compensation of Employees

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

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

Item 30. Compensation of Board Members and Officers

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

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

Item 31. Transfers of Assets Including Cash and Property

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

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

ATTACHMENT C

CONSENT TO RELEASE FINANCIAL RECORDS

I, _____, of _____

_____ (City, State), do hereby direct any bank, saving and loan association, credit union, depository institution, finance company, commercial lending company, credit card processor, credit card processing entity, automated clearing house, network transaction processor, bank debit processing entity, brokerage house, escrow agent, money market or mutual fund, title company, commodity trading company, trustee, or person that holds, controls, or maintains custody of assets, wherever located, that are owned or controlled by me or at which there is an 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 very nature in its possession or control which relate to the said accounts to any attorney of the Federal Trade Commission, and to give evidence relevant thereto, in the matter of the Federal Trade Commission v. Capitol Network Distance Learning Programs, LLC, *et al.*, now pending in the United States District Court for the District of Arizona, and this shall be irrevocable authority for so doing.

This direction is intended to apply to the laws of countries other than the Unites States of America which restrict or prohibit disclosure of bank or other financial information without the consent of the holder of the account, and shall be construed as consent with respect hereto, and the same shall apply to any of the accounts for which I may be a relevant principal.

Dated: _____

Signature: _____

Printed Name: _____