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IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ARIZONA

Federal Trade Commission,  
  
Plaintiff,  
  
vs.  
  
Blue Saguaro Marketing, LLC, et al.,  
  
Defendants.

No. CV-16-03406-PHX-SPL

**PRELIMINARY INJUNCTION ORDER  
WITH ASSET FREEZE,  
APPOINTMENT OF RECEIVER,  
LIMITED EXPEDITED DISCOVERY,  
AND OTHER EQUITABLE RELIEF AS  
TO STEPHANIE BATELUNA**

Plaintiff, the Federal Trade Commission (“FTC”), pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), and the Telemarketing and Consumer Fraud and Abuse Prevention Act (“Telemarketing Act”), 15 U.S.C. §§ 6101-6108, has filed a complaint to obtain temporary, preliminary, and permanent injunctive relief, rescission or reformation of contracts, restitution, the refund of monies paid, disgorgement of ill-gotten monies, and other equitable relief for Defendants’ acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and FTC’s Telemarketing Sales Rule (“TSR”), 16 C.F.R. Part 310, and has applied for a preliminary injunction order pursuant to Rule 65(a) of the Federal Rules of Civil Procedure.

On October 11, 2016, the Court issued its *Ex Parte* Temporary Restraining Order With Asset Freeze, Appointment of Receiver, Limited Expedited Discovery, and Other Equitable Relief (“TRO”). (Doc. 22.) Returns of service were filed by the FTC via ECF. (Docs. 25-30, 32, and 37.) On October 18, 2016, the Court issued an Order setting the preliminary injunction hearing for October 25, 2016. (Doc. 33.) On October 25, 2016, the

1 FTC and Stipulating Defendant Stephanie Bateluna filed a Joint Stipulation Regarding  
2 Proposed Stipulated Preliminary Injunction As To Stephanie Bateluna. (Doc. 54.)

3 Having considered the parties' pleadings, papers, and argument, the Court hereby  
4 **GRANTS** the FTC and Stipulating Defendant's application for a preliminary injunction  
5 against Stipulating Defendant (Doc. 54) as follows.

6 **FINDINGS OF FACT AND CONCLUSIONS OF LAW**

7 This Court, having considered the FTC's Complaint, *ex parte* motion for TRO and  
8 supporting papers, supplemental filing in support of the issuance of a preliminary  
9 injunction, and the evidence presented, finds that:

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

12 2. There is good cause to believe that venue lies properly with this Court;

13 3. On October 6, 2016, the FTC filed its Complaint; Memorandum in Support  
14 of FTC's *Ex Parte* Motion for TRO; and related papers (Docs. 1-10);

15 4. On October 11, 2016, the Court entered the TRO (Doc. 22);

16 5. The TRO and all related papers were served on the Stipulating Defendant  
17 (Docs. 25-30, 32, and 37);

18 6. Stipulating Defendant has consented to the entry of this Preliminary  
19 Injunction;

20 7. The FTC has shown it is likely to succeed on the merits of its claims  
21 pursuant to Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the TSR, 16 C.F.R. §§  
22 310.3(a)(2)(iii) and 310.3(a)(4);

23 8. There is good cause to believe that the Court's ability to grant effective  
24 final relief for consumers in the form of monetary restitution is best served by the  
25 appointment of a Receiver;

26 9. Good cause exists to permit the FTC to take limited expedited discovery  
27 from third parties as to the existence and location of Assets and Documents;

28 10. Good cause exists to appoint a Receiver;



- 1 g. Purple Bulldog LLC, BBVA Compass, 2401;
- 2 h. Cenex Hub Distribution, Bank of America, 0396;
- 3 i. Max Results Marketing LLC, Chase Bank, 9625;
- 4 j. Oro Canyon Marketing LLC, BBVA Compass, 1055;
- 5 k. Southwest Billing & Payments, Chase Bank, 2226;
- 6 l. Southwest Billing & Payments, Goldenwest Credit Union, 2754;
- 7 m. Southwest Billing & Payments, Wells Fargo, 9752;
- 8 n. M&V Venture Group, Bank of America, 1325;
- 9 o. Paramount Business Services, Mountain America Credit Union, 9041;
- 10 p. Bluhm Enterprises, Bank of America, 5100;
- 11 q. Oro Canyon Marketing LLC, Chase Bank, 6599;
- 12 r. Do Rite Plumbing & Remodeling, LLC, Chase Bank, 0265;
- 13 s. Do Rite Plumbing and Remodeling, Wells Fargo, 2232;
- 14 t. Stephanie A. Bateluna, Capital One Credit Card, 1151;
- 15 u. Carol Burnett, BBVA Compass, unknown;
- 16 v. Carol Burnett, Chase Bank, unknown; and
- 17 w. Unknown, BBVA Compass, 1086.

18 3. **“Assisting others”** includes but is not limited to: (1) performing customer  
19 service functions, including but not limited to receiving or responding to consumer  
20 complaints; (2) formulating or providing, or arranging for the formulation or provision of,  
21 any advertising or marketing material, including but not limited to any telephone sales  
22 script, direct mail solicitation, or the design, text, or use of images of any Internet  
23 website, email, or other electronic communications; (3) formulating or providing, or  
24 arranging for the formulation or provision of, any marketing support material or service,  
25 including but not limited to, web or Internet Protocol addresses or domain name  
26 registration for any Internet websites, affiliate marketing services, or media placement  
27 services; (4) providing names of, or assisting in the generation of, potential customers;  
28 (5) performing or providing marketing, billing, or payment services of any kind; (6)

1 acting or serving as an owner, officer, director, manager, or principal of any entity; (7)  
2 providing telemarketing services; or (8) consulting with regard to any of the above.

3 4. **“Corporate Defendants”** means Blue Saguario Marketing, LLC,  
4 Marketing Ways.com, LLC, Max Results Marketing, LLC, Oro Canyon Marketing II,  
5 LLC, Paramount Business Services, LLC, and their successors, assigns, affiliates, or  
6 subsidiaries, and each of them by whatever names each might be known, individually,  
7 collectively, and in any combination.

8 5. **“Defendants”** means all Individual Defendants, Corporate Defendants, and  
9 their successors, assigns, affiliates, subsidiaries, or agents, individually, collectively, or in  
10 any combination, and each of them by whatever names each might be known.

11 6. **“Document”** is synonymous in meaning and equal in scope to the terms  
12 “Document” and “electronically stored information,” as described and used in the Federal  
13 Rules of Civil Procedure. This includes, but is not limited to, electronic mail, instant  
14 messaging, videoconferencing, and other electronic correspondence (whether active,  
15 archived, or in a deleted items folder), word processing files, spreadsheets, databases, and  
16 video and sound recordings, whether stored on: cards; magnetic or electronic tapes; disks;  
17 computer hard drives, network shares or servers, or other drives; cloud-based platforms;  
18 cell phones, PDAs, computer tablets, or other mobile devices; or other storage media.

19 7. **“Electronic Data Host”** means any person or entity in the business of  
20 storing, hosting, or otherwise maintaining electronically stored information. This  
21 includes, but is not limited to, any entity hosting a website or server, and any entity  
22 providing “cloud based” electronic storage.

23 8. **“Financial Institution”** means any bank, savings and loan institution,  
24 credit union, payment processor, trust, or any financial depository of any kind, including  
25 but not limited to, any brokerage house, trustee, broker-dealer, escrow agent, title  
26 company, commodity trading company, or precious metal dealer.

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1 with any of them, who receive actual notice of this Order, whether acting directly or  
2 indirectly, in connection with the advertising, marketing, promotion, offering for sale,  
3 sale, or performance of any service or product, are temporarily restrained and enjoined  
4 from making or assisting others in making, expressly or by implication:

5 A. Any representation that purchasers of the good or service will, or are likely  
6 to, receive grants;

7 B. Any misrepresentation that purchasers of the good or service will, or are  
8 likely to, generate income;

9 C. Any misrepresentation regarding material aspect of the performance,  
10 efficacy, nature, or central characteristics of the good or service;

11 D. Any misrepresentation made for the purpose of inducing a consumer to pay  
12 for the good or service; and

13 E. Any misrepresentation of any fact material to consumers concerning any  
14 good or service, such as the total costs; or any material restrictions, limitations, or  
15 conditions.

16 **II. PRESERVATION OF RECORDS AND TANGIBLE THINGS**

17 **IT IS FURTHER ORDERED** that Stipulating Defendant, her officers, agents,  
18 servants, employees, and attorneys, and all other persons in active concert or participation  
19 with any of them, who receive actual notice of this Order, whether acting directly or  
20 indirectly, in connection with the advertising, marketing, promotion, offering for sale,  
21 sale, or provision of any product or service, are hereby temporarily restrained and  
22 enjoined from destroying, erasing, mutilating, concealing, altering, transferring, or  
23 otherwise disposing of, in any manner, directly or indirectly, any Documents or records  
24 that relate to the business practices, or business and personal finances, of Stipulating  
25 Defendant, or an entity directly or indirectly under the control of Stipulating Defendant.

26 **III. DISABLEMENT OF WEBSITES AND PRESERVATION OF**  
27 **ELECTRONICALLY STORED INFORMATION**

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1           **IT IS FURTHER ORDERED** that, immediately upon service of this Order upon  
2 them (1) any Electronic Data Host and (2) Stipulating Defendant, her officers, agents,  
3 servants, employees, and attorneys, and all other persons in active concert or participation  
4 with any of them, who receive actual notice of this Order, whether acting directly or  
5 indirectly, shall:

6           A.       Immediately take all necessary steps to ensure that any Internet website  
7 used by Stipulating Defendant for the advertising, marketing, promotion, offering for  
8 sale, sale, or provision of services or products prohibited by Section I of this Order  
9 cannot be accessed by the public; and

10          B.       Prevent the alteration, destruction or erasure of any (1) Internet website  
11 used by Stipulating Defendant for the advertising, marketing, promotion, offering for  
12 sale, sale, or provision of services or products prohibited by Section I of this Order by  
13 preserving such websites in the format in which they are maintained currently and (2) any  
14 electronically stored information stored on behalf of Stipulating Defendant.

15 **IV.    SUSPENSION OF INTERNET DOMAIN NAME REGISTRATIONS**

16           **IT IS FURTHER ORDERED** that, any domain name registrar shall suspend the  
17 registration of any Internet website used by Stipulating Defendant for the advertising,  
18 marketing, promotion, offering for sale, sale, or provision of services or products  
19 prohibited by Section I of this Order and provide immediate notice to counsel for the  
20 FTC of any other Internet domain names registered by Stipulating Defendant, Stipulating  
21 Defendant's officers, agents, servants, employees, and attorneys, and all other persons in  
22 active concert or participation with any of them who receive actual notice of this Order  
23 by personal service or otherwise.

24 **V.     PROHIBITION ON USE OF CUSTOMER INFORMATION**

25           **IT IS FURTHER ORDERED** that Stipulating Defendant, and her officers,  
26 agents, directors, servants, employees, salespersons, and attorneys, as well as all other  
27 persons or entities in active concert or participation with them, who receive actual notice  
28 of this Order by personal service or otherwise, whether acting directly or through any

1 trust, corporation, subsidiary, division, or other device, are hereby temporarily restrained  
2 and enjoined from using, benefitting from, selling, renting, leasing, transferring, or  
3 otherwise disclosing the name, address, telephone number, email address, Social Security  
4 number, credit card number, debit card number, bank account number, any financial  
5 account number, or any data that enables access to any customer's account, or other  
6 identifying information of any person which the Stipulating Defendant obtained prior to  
7 when this Order is signed, in connection with the marketing or sale of any good or  
8 service, including those who were contacted or are on a list to be contacted by the  
9 Stipulating Defendant; provided that Stipulating Defendant may disclose such identifying  
10 information to the Receiver, a law enforcement agency, or as required by any law,  
11 regulation, or court order.

12 **VI. ASSET FREEZE**

13 **IT IS FURTHER ORDERED** that Stipulating Defendant, and her officers,  
14 agents, servants, employees, and attorneys, and all other persons or entities directly or  
15 indirectly under the control of any of them, and all other persons or entities in active  
16 concert or participation with any of them who receive actual notice of this Order are  
17 hereby temporarily restrained and enjoined from directly or indirectly:

18 A. Transferring, liquidating, converting, encumbering, pledging, loaning,  
19 selling, concealing, dissipating, disbursing, assigning, spending, withdrawing, granting a  
20 lien or security interest or other interest in, or otherwise disposing of any Assets, or any  
21 interest therein, wherever located, including outside the United States, that are:

- 22 1. Asset Freeze Accounts;
- 23 2. owned or controlled, directly or indirectly, by any Defendant, in  
24 whole or in part, or held, in whole or in part, for the benefit of any  
25 Defendant;
- 26 3. in the actual or constructive possession of any Defendant; or
- 27 4. owned, controlled by, or in the actual or constructive possession of  
28 any corporation, partnership, or other entity directly or indirectly owned,

1 managed, or controlled by, or under common control with any Defendant,  
2 including any entity acting under a fictitious name owned by or controlled  
3 by any Defendant, and any Assets held by, for, or under the name of any  
4 Defendant at any bank or savings and loan institution, or with any broker-  
5 dealer, escrow agent, title company, commodity trading company, payment  
6 processing company, precious metal dealer, or other Financial Institution or  
7 depository of any kind;

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

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

12 D. Obtaining a personal or secured loan;

13 E. Incurring liens or encumbrances on real property, personal property or other  
14 Assets in the name, singly or jointly, of any Defendant; and

15 F. Cashing any checks or depositing any money orders or cash received from  
16 consumers, clients, or customers of any Defendant.

17 **IT IS FURTHER ORDERED** that the Assets affected by this Section shall  
18 include: (1) all Assets of Defendants as of the time the TRO was entered; and (2) for  
19 Assets obtained after the time the TRO was entered, only those Assets of Defendants that  
20 are derived, directly or indirectly, from the Defendants' activities as described in the  
21 Commission's Complaint, including the activities of any Receivership Entity. This  
22 Section does not prohibit transfers to the Receiver, as specifically required in the Section  
23 titled "Transfer of Funds to the Receiver by Financial Institutions and Other Third  
24 Parties," nor does it prohibit the repatriation of foreign Assets, as specifically required in  
25 the Section titled "Repatriation of Foreign Assets" of this Order.

26 **VII. RETENTION OF ASSETS AND DOCUMENTS BY THIRD PARTIES**

27 **IT IS FURTHER ORDERED** that any Financial Institution, business entity,  
28 Electronic Data Host, or person served with a copy of this Order that holds, controls, or

1 maintains custody of any account, Document, or Asset of, on behalf of, in the name of,  
2 for the benefit of, subject to withdrawal by, subject to access or use by, or under the  
3 signatory power of the Stipulating Defendant, or other party subject to the Asset Freeze  
4 above, or has held, controlled, or maintained any such account, Document, or Asset,  
5 shall:

6 A. Hold, preserve, and retain within such entity's or person's control, and  
7 prohibit the withdrawal, removal, alteration, assignment, transfer, pledge, hypothecation,  
8 encumbrance, disbursement, dissipation, conversion, sale, liquidation, or other disposal  
9 of such account, Document, or Asset held by or under such entity's or person's control,  
10 except as directed by further order of the Court;

11 B. Provide the Receiver immediate access to electronically stored information  
12 stored, hosted, or otherwise maintained on behalf of the Stipulating Defendant for  
13 forensic imaging;

14 C. Deny access to any safe deposit boxes that are either titled in the name of,  
15 individually or jointly, or subject to access by the Stipulating Defendant or other party  
16 subject to the Asset Freeze above;

17 D. To the extent it does not violate her Fifth Amendment right not to be  
18 compelled to incriminate herself, Stipulating Defendant shall provide to counsel for the  
19 FTC, within one (1) business day, a sworn statement setting forth:

20 1. the identification of each account or Asset titled in the name,  
21 individually or jointly, or held on behalf of or for the benefit of, subject to  
22 withdrawal by, subject to access or use by, or under the signatory power of  
23 the Stipulating Defendant or other party subject to the Asset Freeze above;

24 2. the balance of each such account, or a description of the nature and  
25 value of such Asset, as of the close of business on the day on which this  
26 Order was served, the day before the Order was served, and the average  
27 daily balance for the six months before the Order was served;

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1           3.     the identification of any safe deposit box that is either titled in the  
2           name of, individually or jointly, or is otherwise subject to access or control  
3           by the Stipulating Defendant or other party subject to the Asset Freeze  
4           above; and

5           4.     if the account, safe deposit box, or other Asset has been closed or  
6           removed, the date closed or removed, the balance on said date, and the  
7           name or the person or entity to whom such account or other Asset was  
8           remitted;

9           E.     To the extent it does not violate her Fifth Amendment right not to be  
10          compelled to incriminate herself, Stipulating Defendant shall provide counsel for the  
11          FTC, within three (3) business days after being served with a request, copies of all  
12          Documents pertaining to such account or Asset, including but not limited to: account  
13          statements, account applications, signature cards, underwriting files, checks, deposit  
14          tickets, transfers to and from the accounts, wire transfers, all other debit and credit  
15          instruments or slips, 1099 forms, and safe deposit box logs; and

16          F.     To the extent it does not violate her Fifth Amendment right not to be  
17          compelled to incriminate herself, Stipulating Defendant shall cooperate with all  
18          reasonable requests of the FTC relating to this Order's implementation.

19                **IT IS FURTHER ORDERED** that this Section shall apply to both existing  
20          Documents, records, and Assets and to Documents, records, and Assets acquired after the  
21          date this Order is signed. This Section does not prohibit transfers to the Receiver, as  
22          specifically required in the Section titled "Transfer of Funds to the Receiver by Financial  
23          Institutions and Other Third Parties," nor does it prohibit the repatriation of foreign  
24          Assets, as specifically required in the Section titled "Repatriation of Foreign Assets" of  
25          this Order.

26          **VIII. FINANCIAL STATEMENT AND ACCOUNTING**

27                **IT IS FURTHER ORDERED** that the Stipulating Defendant that has not yet  
28          provided Financial Statements to the FTC in accordance with Section VIII of the TRO,

1 within one (1) business day of service of this Order, shall prepare and deliver to counsel  
2 for the FTC a completed financial statement, accurate as of the date of service of this  
3 Order upon such Stipulating Defendant, in the form of Attachment A to this Order  
4 captioned “Financial Statement of Individual Defendant,” to the extent it does not violate  
5 her Fifth Amendment right not to be compelled to incriminate herself.

6 **IX. CREDIT REPORTS**

7 **IT IS FURTHER ORDERED** that the FTC may obtain credit reports concerning  
8 the Stipulating Defendant pursuant to Section 604(a)(1) of the Fair Credit Reporting Act,  
9 15 U.S.C. § 1681b(a)(1), and that, upon written request, any credit reporting agency from  
10 which such reports are requested shall provide them to the FTC.

11 **X. REPATRIATION OF FOREIGN ASSETS**

12 **IT IS FURTHER ORDERED** that, within three (3) days following the service of  
13 this Order, the Stipulating Defendant shall:

14 A. Transfer to the territory of the United States and provide the FTC and the  
15 Receiver with a full accounting of all Assets, Documents, and records outside of the  
16 territory of the United States that are:

- 17 1. owned or controlled by;
- 18 2. subject to access by;
- 19 3. held in whole or in part for the benefit of;
- 20 4. belonging to any entity that is directly or indirectly owned, managed,  
21 or under the control of; or
- 22 5. belonging to a person under the control of the Stipulating Defendant;

23 B. Hold all repatriated Assets, Documents, and records as required by the  
24 Asset Freeze imposed by this Order; and

25 C. Provide the FTC access to all records of accounts or Assets of the  
26 Stipulating Defendant held by any Financial Institution or other person located outside  
27 the territorial United States by signing the Consent to Release of Financial Records  
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1 attached to this Order as Attachment C and by signing any other Documents required by  
2 any person, including any Financial Institution, or other person holding any such Asset.

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

4 **IT IS FURTHER ORDERED** that Stipulating Defendant, and each of her  
5 successors, assigns, members, officers, agents, servants, employees, and attorneys, and  
6 those persons in active concert or participation with them who receive actual notice of  
7 this Order by 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, that may result in  
10 the encumbrance or dissipation of foreign Assets, or in the hindrance of the repatriation  
11 required by the preceding “Repatriation of Assets” Section of this Order, including, but  
12 not limited to:

13 A. Sending any statement, letter, fax, email or wire transmission, or  
14 telephoning or engaging in any other act, directly or indirectly, that results in a  
15 determination by a foreign trustee or other entity that a “duress” event has occurred under  
16 the terms of a foreign trust agreement until such time that all Assets have been fully  
17 repatriated pursuant to the “Repatriation of Assets” Section of this Order; or

18 B. Notifying any trustee, protector, or other agent of any foreign trust or other  
19 related entities of either the existence of this Order, or of the fact that repatriation is  
20 required pursuant to a court order, until such time that all Assets have been fully  
21 repatriated pursuant to “Repatriation of Assets” Section of this Order.

22 **XII. RECORDKEEPING AND BUSINESS OPERATIONS**

23 **IT IS FURTHER ORDERED** that Stipulating Defendant is hereby temporarily  
24 restrained and enjoined from:

25 A. Failing to create and maintain Documents that, in reasonable detail,  
26 accurately, fairly, and completely reflect her income, disbursements, transactions, and use  
27 of money;

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1           B.     Creating, operating, or exercising any control over any business entity,  
2 including any partnership, limited partnership, joint venture, sole proprietorship, limited  
3 liability company or corporation, without first providing the Commission with a written  
4 statement disclosing: (1) the name of the business entity; (2) the address and telephone  
5 number of the business entity; (3) the names of the business entity's officers, directors,  
6 principals, managers, and employees; and (4) a detailed description of the business  
7 entity's intended activities; and

8           C.     Affiliating with, becoming employed by, or performing any work for any  
9 business that is not a named Stipulating Defendant in this action without first providing  
10 the Commission with a written statement disclosing: (1) the name of the business; (2) the  
11 address and telephone number of the business; and (3) a detailed description of the nature  
12 of the business or employment and the nature of the Stipulating Defendant's duties and  
13 responsibilities in connection with that business or employment.

14 **XIII. APPOINTMENT OF RECEIVER**

15           **IT IS FURTHER ORDERED** that Robb Evans & Associates LLC is appointed  
16 Receiver for the Receivership Entities, with the full power of an equity Receiver. The  
17 Receiver shall be the agent of this Court and solely the agent of this Court in acting as  
18 Receiver under this Order. The Receiver shall be accountable directly to this Court. The  
19 Receiver shall comply with all local rules and laws governing federal equity receivers.

20 **XIV. COOPERATION WITH THE RECEIVER**

21           **IT IS FURTHER ORDERED** that to the extent it does not violate her Fifth  
22 Amendment right not to be compelled to incriminate herself, Stipulating Defendant shall  
23 fully cooperate with and assist the Receiver. Stipulating Defendant's cooperation and  
24 assistance shall include, but not be limited to, providing any information to the Receiver  
25 that the Receiver deems necessary to exercise the authority and discharge the  
26 responsibilities of the Receiver under this Order; providing any login, password, or  
27 biometric identifier required to access any computer or electronic files or information in  
28 or on any medium; and advising all persons who owe money to the Receivership Entities

1 that all debts should be paid directly to the Receiver. Stipulating Defendant is hereby  
2 restrained and enjoined from directly or indirectly:

3 A. Transacting any of the business of the Receivership Entities;

4 B. Excusing debts owed to the Receivership Entities;

5 C. Destroying, secreting, defacing, transferring, or otherwise altering or  
6 disposing of any Documents of the Receivership Entities;

7 D. Transferring, receiving, altering, selling, encumbering, pledging, assigning,  
8 liquidating, or otherwise disposing of any Assets owned, controlled, or in the possession  
9 or custody of, or in which an interest is held or claimed by, the Receivership Entities, or  
10 the Receiver;

11 E. Failing to provide any assistance or information requested by the Receiver  
12 in connection with obtaining possession, custody, or control of any Assets within the  
13 receivership estate that the Receiver or the FTC has identified; or

14 F. Doing any act or thing whatsoever to interfere with the Receiver's taking  
15 and keeping custody, control, possession, or managing of the Assets or Documents  
16 subject to this receivership; or to harass or interfere with the Receiver in any way; or to  
17 interfere in any manner with the exclusive jurisdiction of this Court over the Assets or  
18 Documents of the Receivership Entities; or to refuse to cooperate with the Receiver or the  
19 Receiver's duly authorized agents in the exercise of their duties or authority under any  
20 Order of this Court.

21 **XV. DUTIES AND AUTHORITY OF RECEIVER**

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

24 A. Assume full control of the Receivership Entities by removing, as the  
25 Receiver deems necessary or advisable, any director, officer, independent contractor,  
26 employee, attorney, or agent of any Receivership Entity from control of, management of,  
27 or participation in, the affairs of the Receivership Entities;

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1           B. Take exclusive custody, control, and possession of all Assets and  
2 Documents of, or in the possession, custody, or under the control of, any Receivership  
3 Entity and other persons or entities whose interests are now held by or under the  
4 direction, possession, custody, or control of any Receivership Entity, wherever situated.  
5 The Receiver shall have full power to divert mail; change usernames, passwords or other  
6 log-in credentials for any online access to accounts held by any Receivership Entity (such  
7 as online access to financial accounts and remote access to electronic Documents held by  
8 cloud service providers, email service providers and web hosts); and take possession of  
9 all electronic Documents of the Receivership Entities stored remotely by copying all such  
10 Documents and obtaining the assistance of the FTC's litigation support staff for the  
11 purpose of obtaining electronic Documents stored remotely. The Receiver shall assume  
12 control over the income and profits therefrom and all sums of money now or hereafter  
13 due or owing to the Receivership Entities. *Provided, however,* that the Receiver shall not  
14 attempt to collect any amount from a consumer if the Receiver believes the consumer was  
15 a victim of the unfair or deceptive acts or practices or other violations of law alleged in  
16 the Complaint in this matter, without prior Court approval;

17           C. Take all steps necessary to secure the business premises of the Receivership  
18 Entities, which may include, but are not limited to, taking the following steps as the  
19 Receiver deems necessary or advisable: (1) serving and filing this Order; (2) completing  
20 a written inventory of all receivership Assets; (3) obtaining pertinent information from all  
21 employees and other agents of the Receivership Entities, including, but not limited to, the  
22 name, home address, Social Security number, job description, method of compensation,  
23 and all accrued and unpaid commissions and compensation of each such employee or  
24 agent; (4) video-recording and/or photographing all portions of the location at which any  
25 Receivership Entity conducts business or has Assets; (5) changing the locks and alarm  
26 codes and disconnecting any computer networks or other means of access to  
27 electronically stored information or other Documents maintained at that location; or (6)  
28 requiring any persons present on the premises at the time this Order is served to leave the

1 premises, to provide the Receivers with proof of identification, and/or to demonstrate to  
2 the satisfaction of the Receiver that such persons are not removing from the premises  
3 Documents or Assets of the Receivership Entities. Such authority shall include, but not  
4 be limited to, the authority to order any owner, director, officer, employee, or agent of the  
5 Receivership Entities to leave the business premises;

6 D. Conserve, hold, and manage all receivership Assets, and perform all acts  
7 necessary or advisable to preserve the value of those Assets, in order to prevent any  
8 irreparable loss, damage, or injury to consumers, including, but not limited to, obtaining  
9 an accounting of the Assets and preventing the transfer, withdrawal, or misapplication of  
10 Assets;

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

12 F. Prevent the inequitable distribution of Assets and determine, adjust, and  
13 protect the interests of consumers and creditors who have transacted business with the  
14 Receivership Entities;

15 G. Manage and administer the business of the Receivership Entities until  
16 further order of this Court by performing all incidental acts that the Receiver deems to be  
17 advisable or necessary, which includes retaining, hiring, or dismissing any employees,  
18 independent contractors, or agents;

19 H. Continue and conduct the businesses of the Stipulating Defendants in such  
20 manner, to such extent, and for such duration as the Receiver may in good faith deem to  
21 be necessary or appropriate to operate the businesses profitably, using the Assets of the  
22 receivership estate, and lawfully, if at all;

23 I. Choose, engage, and employ attorneys, accountants, appraisers,  
24 investigators, and other independent contractors and technical specialists, as the Receiver  
25 deems advisable or necessary in the performance of their duties and responsibilities,  
26 including but not limited to the law firm in which the Receiver is a partner;

27 J. Make payments and disbursements from the receivership estate that are  
28 necessary or advisable for carrying out the directions of, or exercising the authority

1 granted by, this Order. The Receiver shall apply to the Court for prior approval of any  
2 payment of any debt or obligation incurred by the Receivership Entities prior to the date  
3 this Order is signed, except payments that the Receiver deems necessary or advisable to  
4 secure Assets of the Receivership Entities, such as rental payments;

5 K. Collect any money due or owing to the Receivership Entities;

6 L. Institute, compromise, adjust, appear in, intervene in, or become party to  
7 such actions or proceedings in state, federal or foreign courts that the Receiver deems  
8 necessary and advisable to preserve or recover the Assets or Documents of the  
9 Receivership Entities, or to carry out the Receiver's mandate under this Order;

10 M. Defend, compromise, adjust, or otherwise dispose of any or all actions or  
11 proceedings instituted against the Receivership Entities or the Receiver that the Receiver  
12 deems necessary and advisable to preserve the Assets of the Receivership Entities, or to  
13 carry out the Receiver's mandate under this Order;

14 N. Take depositions and issue subpoenas to obtain Documents and records  
15 pertaining to the receivership and compliance with this Order. Subpoenas may be served  
16 by electronic mail, by agents or attorneys of the Receiver and by agents of any process  
17 server retained by the Receiver;

18 O. Open one or more bank accounts as designated depositories for funds of the  
19 Receivership Entities. The Receiver shall deposit all funds of the Receivership Entities in  
20 such a designated account and shall make all payments and disbursements from the  
21 receivership estate from such an account;

22 P. Maintain accurate records of all receipts and expenditures made by the  
23 Receiver; and

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

26 **XVI. TRANSFER OF FUNDS TO THE RECEIVER BY FINANCIAL**  
27 **INSTITUTIONS AND OTHER THIRD PARTIES**

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1           **IT IS FURTHER ORDERED** that, upon service of a copy of this Order, any  
2 Financial Institution shall cooperate with all reasonable requests of counsel for the FTC  
3 and the Receiver relating to implementation of this Order, including transferring funds at  
4 the Receiver's direction and producing records related to the Assets and sales of the  
5 Receivership Entities.

6 **XVII. RECEIVER'S REPORTS**

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

19 **XVIII. RECEIVER'S BOND**

20           **IT IS FURTHER ORDERED** that, pursuant to 28 U.S.C. § 754, the Court will  
21 exercise its discretion and waive the receiver's bond.

22 **XIX. COMPENSATION OF THE RECEIVER**

23           **IT IS FURTHER ORDERED** that the Receiver, and all persons or entities  
24 retained or hired by the Receiver as authorized under this Order, shall be entitled to  
25 reasonable compensation for the performance of duties undertaken pursuant to this Order  
26 and for the cost of actual out-of-pocket expenses incurred by them from the Assets now  
27 held by or in the possession or control of, or which may be received by, the Receivership  
28 Entities. The Receiver shall file with the Court and serve on the parties a request for the

1 payment of reasonable compensation at the time of the filing of any report required by  
2 the “Receiver’s Reports” Section of this Order. The Receiver shall not increase the fees  
3 or rates used as the bases for such fee applications without prior approval of the Court.

4 **XX. RECEIVER’S ACCESS TO BUSINESS PREMISES AND RECORDS**

5 **IT IS FURTHER ORDERED** that:

6 A. The Receiver, and his representatives, agents, and assistants, shall have  
7 immediate access to all business premises and storage facilities, owned, controlled, or  
8 used by any Receivership Entity, including but not limited to the offices and facilities at:  
9 13201 North 35<sup>th</sup> Avenue, Suite B12, Phoenix, AZ 85029; 13201 North 35<sup>th</sup> Avenue,  
10 Suite B20, Phoenix, AZ 85029; 4045 East McDowell Road, Phoenix, AZ 85008; 10640  
11 North 28<sup>th</sup> Drive, Phoenix, AZ 85053; and any offsite commercial mail boxes or virtual  
12 offices used by any Receivership Entity. The Receiver is authorized to employ the  
13 assistance of law enforcement as he deems necessary to effect service and peacefully  
14 implement this Order. The Receiver may exclude Receivership Entities and their  
15 employees from part or all of the business premises during the immediate access. The  
16 purpose of the immediate access shall be to effect service and to inspect and copy the  
17 business and financial records of the Receivership Entities, including forensic imaging of  
18 electronically stored information. Such business records include, but are not limited to,  
19 correspondence, contracts, emails, and financial data;

20 B. The Receiver and its representatives, agents, and assistants, shall have the  
21 right to remove materials from the above-listed premises for inspection and copying;

22 C. Receivership Entities and all employees or agents of Receivership Entities  
23 shall provide the Receiver with any necessary means of access to Documents and records,  
24 including, without limitation, the locations of the Receivership Entities’ business  
25 premises, keys and combinations to locks, alarm codes, computer access codes, and  
26 storage area access information;

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1 D. If any Individual Stipulating Defendant possesses a smartphone or tablet on  
2 receivership premises, they will turn over the device to the Receiver for imaging. Within  
3 two (2) business days, the Receiver will return the device; and

4 E. If any Documents, computers, smartphones, tablets, or electronic data  
5 storage devices containing information related to the business practices or finances of the  
6 Receivership Entities are at a location other than those listed herein, including but not  
7 limited to, the personal residence of the Stipulating Defendant, then, immediately upon  
8 notice of this Order, Stipulating Defendant shall produce to the Receiver all such  
9 Documents, computers, smartphones, tablets, or electronic data storage devices. To  
10 prevent the destruction of electronic data, upon service of this Order upon any  
11 Receivership Entity, any computers, smartphones, tablets, or electronic data storage  
12 devices containing such information shall be powered down (turned off) in the normal  
13 course for the operating systems used on such devices and shall not be used until  
14 produced for copying and inspection, along with any codes needed for access. For any  
15 smartphone or tablet that contains information related to the business practices or  
16 finances of the Receivership Entities that is in the personal possession of a Stipulating  
17 Defendant, the Receiver shall image that device and return it to the Stipulating Defendant  
18 within two (2) business days.

19 **XXI. PARTIES' ACCESS TO BUSINESS PREMISES AND RECORDS**

20 **IT IS FURTHER ORDERED** that the Receiver shall allow the FTC, the  
21 Stipulating Defendant, and their representatives reasonable access to the premises of the  
22 Receivership Entities. The purpose of this access shall be to inspect, inventory, and copy  
23 any Documents and other property owned by, or in the possession of, the Receivership  
24 Entities, provided that those Documents and property are not removed from the premises  
25 without the permission of the Receiver. The Receiver shall have the discretion to  
26 determine the time, manner, and reasonable conditions of such access. The Receiver will  
27 segregate all materials subject to an attorney-client privilege held by a Receivership  
28 Entity's clients and shall not make these materials available to either the FTC or

1 Stipulating Defendant without the clients' consent. The FTC's access to any Documents  
2 pursuant to this provision shall not provide grounds for the Stipulating Defendant to  
3 object to any subsequent request for Documents served by the FTC.

#### 4 **XXII. LIMITED EXPEDITED DISCOVERY**

5 **IT IS FURTHER ORDERED** that, in addition to any other discovery allowed in  
6 this case, the Receiver and the FTC are granted leave to conduct certain expedited  
7 discovery and that in lieu of the time periods, notice provisions, and other requirements  
8 of the applicable Local Rules for this District and Rules 26, 30, 34, and 45 of the Federal  
9 Rules of Civil Procedure, the Receiver and the FTC are granted leave to:

10 A. Depose, on three (3) days' notice, any party or non-party for the purpose of  
11 discovering: (1) the nature, location, status, and extent of Assets of Stipulating  
12 Defendant; (2) the nature and location of Documents and business records of Stipulating  
13 Defendant; and (3) compliance with this Order. Any such depositions shall not be  
14 counted toward any deposition limit set forth in the Federal Rules of Civil Procedure or  
15 this Court's Local Rules and shall not preclude the FTC from subsequently deposing the  
16 same person during discovery on the merits in this case. Depositions may be taken by  
17 telephone, video conference, or other remote means. Any deposition taken pursuant to  
18 this Section that has not been reviewed and signed by the deponent may be used by any  
19 party for purposes of any preliminary injunction hearing;

20 B. Serve upon parties interrogatories or requests for production of Documents  
21 or inspection that require a response, production or inspection within four (4) days of  
22 service, and may serve subpoenas upon non-parties that direct production or inspection  
23 within seven (7) days of service, for the purpose of discovering: (1) the nature, location,  
24 status, and extent of Assets of Stipulating Defendant; (2) the nature and location of  
25 Documents and business records of Stipulating Defendant; and (3) compliance with this  
26 Order; provided, however, that forty-eight (48) hours' notice shall be deemed sufficient  
27 for the production of any such Documents that are maintained or stored as electronic  
28 data. Any such interrogatories or requests for production or inspection shall not count

1 toward any limit on discovery set forth in the Federal Rules of Civil Procedure or this  
2 Court's Local Rules;

3 C. For purposes of this Section, serve deposition notices and other discovery  
4 requests upon the parties to this action personally or by facsimile, email, certified or  
5 registered mail, or private courier (including a process server) with a receipt from the  
6 courier showing delivery; and

7 D. Pursuant to Fed. R. Civ. P. 45, subpoena Documents immediately from any  
8 Financial Institution, business entity, Electronic Data Host, or person served with a copy  
9 of this Order that holds, controls, or maintains custody of any account, Document, or  
10 Asset of, on behalf of, in the name of, for the benefit of, subject to withdrawal by, subject  
11 to access or use by, or under the signatory power of the Stipulating Defendant or other  
12 party subject to the Asset Freeze above, or has held, controlled, or maintained any such  
13 account, Document, or Asset. The recipient shall respond to such subpoena within three  
14 (3) business days after service. The FTC and the Receiver may effect service by  
15 electronic mail.

16 **XXIII. BANKRUPTCY PETITIONS**

17 **IT IS FURTHER ORDERED** that, in light of the appointment of the Receiver,  
18 the Receivership Entities are hereby prohibited from filing petitions for relief under the  
19 United States Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, without prior permission from  
20 this Court.

21 **XXIV. STAY OF ACTIONS**

22 **IT IS FURTHER ORDERED** that:

23 A. Except by leave of this Court, during the pendency of the Receivership  
24 ordered herein, the Receivership Entities and all customers, principals, investors,  
25 creditors, stockholders, lessors, and other persons seeking to establish or enforce any  
26 claim, right, or interest against or on behalf of the Receivership Entity, and all others  
27 acting for or on behalf of such persons, including attorneys, trustees, agents, sheriffs,  
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1 constables, marshals, and other officers and their deputies, and their respective attorneys,  
2 servants, agents, and employees be and are hereby stayed from:

3 1. Commencing, prosecuting, continuing, entering, or enforcing any  
4 suit or proceeding, except that such actions may be filed to toll any  
5 applicable statute of limitations;

6 2. Accelerating the due date of any obligation or claimed obligation;  
7 filing or enforcing any lien; taking or attempting to take possession,  
8 custody, or control of any Asset; attempting to foreclose, forfeit, alter, or  
9 terminate any interest in any Asset, whether such acts are part of a judicial  
10 proceeding, are acts of self-help, or otherwise;

11 3. Executing, issuing, serving, or causing the execution, issuance or  
12 service of, any legal process, including but not limited to attachments,  
13 garnishments, subpoenas, writs of replevin, writs of execution, or any other  
14 form of process, whether specified in this Order or not; or

15 4. Doing any act or thing whatsoever to interfere with the Receiver's  
16 taking custody, control, possession, or management of Assets or  
17 Documents subject to this receivership; or to harass or interfere with the  
18 Receiver in any way; or to interfere in any manner with the exclusive  
19 jurisdiction of this Court over the Assets or Documents of the Receivership  
20 Entities.

21 B. This Section does not stay:

22 1. The commencement or continuation of a criminal action or  
23 proceeding;

24 2. The commencement or continuation of an action or proceeding by a  
25 governmental unit to enforce such governmental unit's police or regulatory  
26 power;

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1           3.     The enforcement of a judgment, other than a money judgment,  
2           obtained in an action or proceeding by a governmental unit to enforce such  
3           governmental unit's police or regulatory power; or

4           4.     The issuance to the Receivership Entities of a notice of tax  
5           deficiency.

6           **XXV. ACKNOWLEDGMENT OF RECEIPT OF ORDER BY**  
7           **STIPULATING DEFENDANT**

8           **IT IS FURTHER ORDERED** that the Stipulating Defendant, within three (3)  
9           business days of receipt of this Order, must submit to counsel for the FTC a truthful  
10          sworn statement acknowledging receipt of this Order.

11          **XXVI. 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 via electronic  
15          submission and Federal Express to:

16                Elsie B. Kappler  
17                Hong Park  
18                Federal Trade Commission  
19                600 Pennsylvania Ave., NW, Mail Drop CC-9528  
20                Washington, DC 20580  
21                Telephone: (202) 326-2466 (Kappler), -2158 (Park)  
22                [ekappler@ftc.gov](mailto:ekappler@ftc.gov), [hpark@ftc.gov](mailto:hpark@ftc.gov)

23          **XXVII. COOPERATION WITH FTC**

24          **IT IS FURTHER ORDERED** that Stipulating Defendant shall fully cooperate  
25          with and assist the FTC in this case. Stipulating Defendant's cooperation and assistance  
26          shall include, but not be limited to testifying at any hearing and providing any  
27          information to the FTC that the FTC deems necessary to obtain relief for consumers in  
28          this case. Nothing herein shall prevent Stipulating Defendant from asserting any privilege  
29          against self-incrimination that she may have under the Fifth Amendment.

1 **XXVIII. ASSERTION OF FIFTH AMENDMENT PRIVILEGE**

2 **IT IS FURTHER ORDERED** that if Stipulating Defendant asserts the Fifth  
3 Amendment privilege against self-incrimination to any request for information or  
4 assistance allowed under this Order, other than in testimony at trial or deposition,  
5 Stipulating Defendant shall provide the requesting party a written statement that  
6 affirmatively states she is asserting the Fifth Amendment privilege and identifies with  
7 specificity the question or request to which she is asserting the privilege. Such written  
8 statement shall be provided within five (5) days of the request, or within the timeframe  
9 for responding to such request as set forth in this Order, whichever is later.

10 **XXIX. SERVICE OF THIS ORDER**

11 **IT IS FURTHER ORDERED** that copies of this Order may be served by  
12 facsimile, email, hand-delivery, personal or overnight delivery, or U.S. Mail, by agents  
13 and employees of the FTC or any state or federal law enforcement agency or by private  
14 process server, upon any Financial Institution or other entity or person that may have  
15 possession, custody, or control of any Documents or Assets of the Stipulating Defendant,  
16 or that may otherwise be subject to any provision of this Order. Service upon any branch  
17 or office of any Financial Institution shall effect service upon the entire Financial  
18 Institution.

19 **XXX. DISTRIBUTION OF ORDER**

20 **IT IS FURTHER ORDERED** that within three (3) calendar days after service of  
21 this Order, Stipulating Defendant shall provide a copy of this Order to each of her agents,  
22 employees, directors, officers, subsidiaries, affiliates, attorneys, independent contractors,  
23 representatives, franchisees, affiliates, and all persons in active concert or participation  
24 with them. Within five (5) calendar days following this Order, Stipulating Defendant  
25 shall provide the FTC with an affidavit identifying the names, titles, addresses, and  
26 telephone numbers of the persons that Stipulating Defendant has served with a copy of  
27 this Order in compliance with this provision.

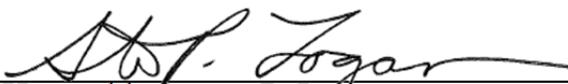
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**XXXI. RETENTION OF JURISDICTION**

**IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of this matter for all purposes of construction, modification, and enforcement of this Order.

Dated this 28th day of October, 2016.

  
\_\_\_\_\_  
Honorable Steven P. Logan  
United States District Judge