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CLERK, U.S. DISTRICT COURT
9/18/17
CENTRAL DISTRICT OF CALIFORNIA
BY: CS DEPUTY

FILED
CLERK, U.S. DISTRICT COURT
9/19/17
CENTRAL DISTRICT OF CALIFORNIA
BY: JMO DEPUTY

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

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FEDERAL TRADE COMMISSION,

Plaintiff,

v.

M&T FINANCIAL GROUP, a
corporation, also d/b/a StuDebt, Student
Debt Relief Group, SDRG, Student
Loan Relief Counselors, SLRC, and
Capital Advocates Group,

AMERICAN COUNSELING CENTER
CORP., a corporation, also d/b/a
StuDebt, Student Debt Relief Group,
SDRG, Student Loan Relief Counselors,
SLRC, and Capital Advocates Group,
and

SALAR TAHOUR, individually, and as
an officer of M&T FINANCIAL
GROUP and AMERICAN
COUNSELING CENTER CORP.,

Defendants.

Case No. CV17-6855-ODW(PLAx)

Ex Parte Temporary Restraining
Order with Asset Freeze,
Appointment of a Receiver, Other
Equitable Relief, and Order to Show
Cause Why a Preliminary Injunction
Should Not Issue

FILED UNDER SEAL

Plaintiff, the Federal Trade Commission (“FTC” or the “Commission”) has
filed a Complaint for 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 the Telemarketing and Consumer Fraud and Abuse Prevention Act
(“Telemarketing Act”), 15 U.S.C. §§ 6101-6108, and has filed an application,
pursuant to Federal Rule of Civil Procedure 65(b), for a Temporary Restraining
Order, asset freeze, Appointment of a Receiver, Other Equitable Relief, and an

1 Order to Show Cause Why a Preliminary Injunction Should Not Issue against
2 M&T Financial Group, American Counseling Center Corp., and Salar Tahour.

3
4 **FINDINGS OF FACT**

5 The Court, having considered the Complaint, the *ex parte* application for a
6 temporary restraining order, declarations, exhibits, and the memorandum of law
7 filed in support thereof, and being otherwise advised, finds that:

- 8 1. This Court has jurisdiction over the subject matter of this case, and
9 there is good cause to believe that it will have jurisdiction over the parties;
- 10 2. Venue in this district is proper;
- 11 3. There is good cause to believe that Defendants M&T Financial Group,
12 American Counseling Center Corp., and Salar Tahour have engaged in and are
13 likely to engage in acts or practices that violate Section 5(a) of the FTC Act, 15
14 U.S.C. § 45(a), and the FTC's Trade Regulation Rule entitled "Telemarketing
15 Sales Rule" ("TSR"), 16 C.F.R. Part 310, and that the Plaintiff is therefore likely to
16 prevail on the merits of this action;
- 17 4. There is good cause to believe that immediate and irreparable harm
18 will result from the Defendants' ongoing violations of Section 5(a) of the FTC Act
19 and the TSR unless Defendants are restrained and enjoined by Order of this Court;
- 20 5. There is good cause to believe that immediate and irreparable damage
21 to the Court's ability to grant effective final relief for consumers, including
22 monetary restitution, rescission, disgorgement, or refunds, will occur from the sale,
23 transfer, or other disposition or concealment by Defendants of their assets or
24 records if Defendants are provided with advance notice of this Order, and that
25 therefore in accordance with Federal Rule of Civil Procedure 65(b), the interests of
26 justice require that this Order be granted without prior notice to Defendants. There
27 is thus good cause for relieving the FTC of the duty to provide Defendants with
28 prior notice of the FTC's application;

1 formulation or provision of, any sales script or other marketing material; (f)
2 providing names of, or assisting in the generation of, potential customers; and (g)
3 performing or providing marketing or billing services of any kind, including
4 performing or providing telemarketing services.

5 3. **“Commission”** or **“FTC”** means the Federal Trade Commission.

6 4. **“Corporate Defendant(s)”** means M&T Financial Group and
7 American Counseling Center Corp., and their successors and assigns, as well as
8 any subsidiaries, and any fictitious business entities or business names created or
9 used by these entities, or any of them.

10 5. **“Debt Relief Service”** means any program or service represented,
11 directly or by implication, to renegotiate, settle, or in any way alter the terms of
12 payment or other terms of the debt between a person and one or more unsecured
13 creditors or debt collectors, including, but not limited to, a reduction in the balance,
14 interest rate, or fees owed by a person to an unsecured creditor or debt collector.

15 6. **“Defendant(s)”** means the Individual Defendant and the Corporate
16 Defendants, individually, collectively, or in any combination.

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

24 8. **“Financial Institution”** means any bank, savings and loan institution,
25 credit union, or any financial depository of any kind, including any brokerage
26 house, trustee, broker-dealer, escrow agent, title company, commodity trading
27 company, or precious metal dealer.

28 9. **“Individual Defendant”** means Salar Tahour, by whatever names he

1 may be known.

2 10. **“Person(s)”** means a natural person, organization, or other legal
3 entity, including a corporation, limited liability company, partnership, sole
4 proprietorship, association, cooperative, or any other group or combination acting
5 as an entity.

6 11. **“Plaintiff”** means the Federal Trade Commission.

7 12. **“Receiver”** or **“Temporary Receiver”** means the temporary receiver
8 appointed in Section VIII of this Order and any deputy receivers that shall be
9 named by the temporary receiver.

10 13. **“Receivership Defendants”** means Defendants M&T Financial
11 Group and American Counseling Center Corp., and their successors and assigns, as
12 well as any subsidiaries, affiliates, divisions, or sales or customer service
13 operations, and any fictitious business entities or business names created or used
14 by these entities.

15 14. **“Seller”** means any person who, in connection with a Telemarketing
16 transaction, provides, offers to provide, or arranges for others to provide goods or
17 services to the customer in exchange for consideration, whether or not such person
18 is under the jurisdiction of the Commission.

19 15. **“Telemarketer”** means any person who, in connection with
20 telemarketing, initiates or receives telephone calls to or from a customer or donor.

21 16. **“Telemarketing”** means any plan, program, or campaign that is
22 conducted to induce the purchase of goods or services or a charitable contribution
23 by use of one or more telephones.

24 17. **“Telemarketing Sales Rule”** or **“TSR”** means the Telemarketing
25 Sales Rule set forth in 16 C.F.R. Part 310.

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I.

PROHIBITED BUSINESS ACTIVITIES

IT IS ORDERED that Defendants, Defendants’ 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, whether acting directly or indirectly, in connection with the telemarketing, advertising, marketing, promoting, offering for sale, sale, or provision of student loan debt relief services, are temporarily restrained and enjoined from:

A. Misrepresenting, or assisting others in misrepresenting, expressly or by implication, any material fact, including that:

1. Defendants are affiliated or work directly with, or endorsed or sponsored by, the government or the Department of Education;

2. Defendants will enroll consumers in a student loan repayment or forgiveness program that will have their monthly payments reduced to a fixed amount for a fixed number of years;

3. The government repayment or forgiveness program requires consumers to pay a fee to enroll;

4. Consumers’ monthly payments to Defendants will be applied toward consumers’ student loans; and

5. Defendants will assume responsibility for the servicing of consumers’ student loans;

B. Making, or assisting others in making, any representation, expressly or by implication, about the benefits, performance, or efficacy of any product or service, unless the representation is non-misleading and, at the time such representation is made, Defendants possess and rely upon competent and reliable evidence that is sufficient in quality and quantity based on standards generally accepted in the relevant fields, when considered in light of the entire body of relevant and reliable evidence, to substantiate that the representation is true; and

1 C. Requesting or receiving payment of any fee or consideration for debt
2 relief services until and unless:

3 1. Defendants have renegotiated, settled, reduced, or otherwise
4 altered the terms of at least one debt pursuant to a settlement agreement, debt
5 management plan, or other such valid contractual agreement executed by the
6 customer;

7 2. The customer has made at least one payment pursuant to that
8 settlement agreement, debt management plan, or other valid contractual agreement
9 between the customer and the creditor or debt collector; and

10 3. To the extent that debts enrolled in a service are renegotiated,
11 settled, reduced, or otherwise altered individually, the fee or consideration either:

12 a. Bears the same proportional relationship to the total fee for
13 renegotiating, settling, reducing, or altering the terms of the entire debt balance as
14 the individual debt amount bears to the entire debt amount. The individual debt
15 amount and the entire debt amount are those owed at the time the debt was enrolled
16 in the service; or

17 b. Is a percentage of the amount saved as a result of the
18 renegotiation, settlement, reduction, or alteration. The percentage charged cannot
19 change from one individual debt to another. The amount saved is the difference
20 between the amount owed at the time the debt was enrolled in the service and the
21 amount actually paid to satisfy the debt;

22 D. Initiating or causing others to initiate outbound telephone calls to
23 consumers who have registered their telephone numbers on the National Do Not
24 Call Registry; and

25 E. Initiating or causing others to initiate outbound telephone calls to
26 telephone numbers within a given area code without first, either directly or through
27 another person, paying the required annual fee for access to the telephone numbers
28 within that area code that are included in the National Do Not Call Registry.

1 **II.**

2 **SUSPENSION OF COLLECTION ON ACCOUNTS**

3 **IT IS FURTHER ORDERED** that Defendants, Defendants' officers,
4 agents, employees, attorneys, and all other persons in active concert or
5 participation with any of them, who receive actual notice of this Order, whether
6 acting directly or indirectly, are temporarily restrained and enjoined from
7 attempting to collect, collecting, or assigning any right to collect payment for
8 Defendants' debt relief products or services.

9 **III.**

10 **ASSET FREEZE**

11 **IT IS FURTHER ORDERED** that Defendants, Defendants' officers,
12 agents, employees, attorneys, and all other persons in active concert or
13 participation with any of them, who receive actual notice of this Order, whether
14 acting directly or indirectly, except as provided herein, as stipulated by the parties,
15 or as directed by further order of the Court, are temporarily restrained and enjoined
16 from:
17

18 A. Transferring, liquidating, converting, encumbering, pledging, loaning,
19 selling, concealing, dissipating, disbursing, assigning, spending, withdrawing,
20 granting a lien or security interest or other interest in, or otherwise disposing of any
21 funds, real or personal property, accounts, contracts, shares of stock, lists of
22 consumer names, or other assets, or any interest therein, wherever located,
23 including outside the United States, that are:

24 1. Owned, controlled or held by, in whole or in part, for the benefit
25 of, or subject to access by, or belonging to, any Defendant;

26 2. In the actual or constructive possession of any Defendant; or

27 3. In the actual or constructive possession of, or owned, controlled, or
28 held by, or subject to access by, or belonging to, any other corporation,

1 partnership, trust, or any other entity directly or indirectly owned, managed, or
2 controlled by, or under common control with, any Defendant, including any assets
3 held by or for any Defendant in any account at any bank or savings and loan
4 institution, or with any credit card processing agent, automated clearing house
5 processor, network transaction processor, bank debit processing agent, customer
6 service agent, commercial mail receiving agency, or mail holding or forwarding
7 company, or any credit union, retirement fund custodian, money market or mutual
8 fund, storage company, trustee, or with any broker-dealer, escrow agent, title
9 company, commodity trading company, precious metal dealer, or other financial
10 institution or depository of any kind, either within or outside the territorial United
11 States;

12 B. Opening or causing to be opened any safe deposit boxes, commercial
13 mail boxes, or storage facilities titled in the name of any Defendant, or subject to
14 access by any Defendant or under any Defendant's control, without providing
15 Plaintiff prior notice and an opportunity to inspect the contents in order to
16 determine that they contain no assets covered by this Section;

17 C. Cashing any checks or depositing or processing any payments from
18 customers of Defendants;

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

21 E. Incurring liens or encumbrances on real property, personal property,
22 or other assets in the name, singly or jointly, of any Defendant or of any
23 corporation, partnership, or other entity directly or indirectly owned, managed, or
24 controlled by any Defendant.

25 Notwithstanding the asset freeze provisions of Section III.A through E
26 above, and subject to prior written agreement with the Commission, Individual
27 Defendant may, upon compliance with Section V (Financial Statements) *infra*, pay
28 from their individual personal funds reasonable, usual, ordinary, and necessary

1 living expenses.

2 The funds, property, and assets affected by this Section shall include both
3 existing assets and assets acquired after the effective date of this Order.

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5 **IV.**

6 **DUTIES OF THIRD PARTIES HOLDING DEFENDANTS' ASSETS**

7 **IT IS FURTHER ORDERED** that any financial institution, business entity,
8 or person maintaining or having custody or control of any account or other asset of
9 any Defendant, or any corporation, partnership, or other entity directly or indirectly
10 owned, managed, or controlled by, or under common control with any Defendant,
11 which is served with a copy of this Order, or otherwise has actual or constructive
12 knowledge of this Order, shall:

13 A. Hold and retain within its control and prohibit the withdrawal,
14 removal, assignment, transfer, pledge, hypothecation, encumbrance, disbursement,
15 dissipation, conversion, sale, liquidation, or other disposal of any of the assets,
16 funds, documents, or other property held by, or under its control:

17 1. On behalf of, or for the benefit of, any Defendant or any other
18 party subject to Section III above;

19 2. In any account maintained in the name of, or for the benefit of,
20 or subject to withdrawal by, any Defendant or other party subject to Section III
21 above; and

22 3. That are subject to access or use by, or under the signatory
23 power of, any Defendant or other party subject to Section III above;

24 B. Deny Defendants access to any safe deposit boxes or storage facilities
25 that are either:

26 1. Titled in the name, individually or jointly, of any Defendant, or
27 other party subject to Section III above; or

1 2. Subject to access by any Defendant or other party subject to
2 Section III above;

3 C. Provide Plaintiff, within five (5) days of the date of service of this
4 Order, a sworn statement setting forth:

5 1. The identification number of each account or asset titled in the
6 name, individually or jointly, of any Defendant, or held on behalf of, or for the
7 benefit of, any Defendant or other party subject to Section III above, including all
8 trust accounts managed on behalf of any Defendant or subject to any Defendant's
9 control;

10 2. The balance of each such account, or a description of the nature
11 and value of such asset;

12 3. The identification and location of any safe deposit box,
13 commercial mail box, or storage facility that is either titled in the name,
14 individually or jointly, of any Defendant, or is otherwise subject to access or
15 control by any Defendant or other party subject to Section III above, whether in
16 whole or in part; and

17 4. If the account, safe deposit box, storage facility, or other asset
18 has been closed or removed, the date closed or removed and the balance on said
19 date;

20 D. Within five (5) days of a request from Plaintiff, provide Plaintiff with
21 copies of all records or other documents pertaining to each such account or asset,
22 including originals or copies of account applications, account statements, corporate
23 resolutions, signature cards, checks, drafts, deposit tickets, transfers to and from
24 the accounts, all other debit and credit instruments or slips, currency transaction
25 reports, 1099 forms, and safe deposit box logs; and

26 E. Plaintiff may properly serve this Order on any financial or brokerage
27 institution, business entity or person that holds, controls or maintains custody of
28 any account or asset of any Defendant or has held, controlled or maintained

1 custody of any account or asset of any Defendant at any time since January 2014,
2 by facsimile transmission, hand delivery or overnight carrier. This Section shall
3 apply to existing accounts and assets, assets deposited or accounts opened after the
4 effective date of this Order, and any accounts or assets maintained, held or
5 controlled three years prior to the effective date of this Order. This Section shall
6 not prohibit transfers in accordance with any provision of this Order, any further
7 order of the Court, or by written agreement of the parties.

8
9 **V.**

10 **FINANCIAL STATEMENTS**

11 **IT IS FURTHER ORDERED** that each Defendant shall serve upon
12 counsel for Plaintiff, no later than five (5) business days after service of this Order,
13 a completed financial statement accurate as of the date of entry of this Order, on
14 the forms served on Defendants with this Order for Individual Defendant and for
15 Corporate Defendants, as the case may be, signed under penalty of perjury.

16 The financial statements shall include assets held outside the territory of the
17 United States, shall be accurate as of the date of the entry of this Order, and shall
18 be verified under oath. Defendants shall attach to these completed financial
19 statements copies of all local, state, provincial, and federal income and property tax
20 returns, with attachments and schedules, as called for by the instructions to the
21 financial statements.

22
23 **VI.**

24 **MAINTAIN RECORDS AND REPORT NEW BUSINESS ACTIVITY**

25 **IT IS FURTHER ORDERED** that Defendants, Defendants' officers,
26 agents, employees, attorneys, and all other persons in active concert or
27 participation with any of them, who receive actual notice of this Order, whether
28 acting directly or indirectly, are temporarily restrained and enjoined from:

1 **B. RECEIVERSHIP DUTIES**

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

4 1. Assume full control of the Receivership Defendants by
5 removing, as the Receiver deems necessary or advisable, any director, officer,
6 employee, independent contractor, or agent of the Receivership Defendants,
7 including the Individual Defendant, from control of, management of, or
8 participation in, the affairs of the Receivership Defendants;

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

19 3. Use any means necessary to take possession of and to secure all
20 areas of the business premises of the Receivership Defendants. Such steps may
21 include the following as the Receiver deems necessary or advisable: (a) serving
22 this Order; (b) completing a written inventory of all receivership assets; (c)
23 obtaining pertinent information from all employees and other agents of the
24 Receivership Defendants, including the name, home address, Social Security
25 number, job description, method of compensation, and all accrued and unpaid
26 commissions and compensation of each such employee or agent; (d) videotaping
27 all portions of the locations; (e) securing the locations by changing the locks and
28 disconnecting any computer modems or other means of access to the computer or

1 other records maintained at the locations; (f) requiring any persons present on the
2 premises at the time this Order is served to leave the premises, to provide the
3 Receiver with proof of identification, or to demonstrate to the satisfaction of the
4 Receiver that such persons are not removing from the premises documents or
5 assets of the Receivership Defendants; and/or (g) employ the assistance of law
6 enforcement officers as the Receiver deems necessary to implement the provisions
7 of this Order;

8 4. Conserve, hold, and manage all receivership assets, and
9 perform all acts necessary or advisable to preserve the value of those assets, in
10 order to prevent any irreparable loss, damage, or injury to consumers or to
11 creditors of the Receivership Defendants, including obtaining an accounting of the
12 assets and preventing transfer, withdrawal, or misapplication of assets, and
13 including the authority to liquidate or close out any open securities or commodity
14 futures positions of the Receivership Defendants;

15 5. Enter into contracts and purchase insurance as advisable or
16 necessary;

17 6. Prevent the inequitable distribution of assets and determine,
18 adjust, and protect the interests of consumers and creditors who have transacted
19 business with the Receivership Defendants;

20 7. Manage and administer the business of the Receivership
21 Defendants until further order of this Court by performing all incidental acts that
22 the Receiver deems to be advisable or necessary, which includes retaining, hiring,
23 or dismissing any employees, independent contractors, or agents;

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

28

1 9. Make payments and disbursements from the receivership estate
2 that are necessary or advisable for carrying out the directions of, or exercising the
3 authority granted by, this Order. The Receiver shall apply to the Court for prior
4 approval of any payment of any debt or obligation incurred by the Receivership
5 Defendants prior to the date of entry of this Order, except payments that the
6 Receiver deems necessary or advisable to secure assets of the Receivership
7 Defendants, such as rental payments;

8 10. Determine and implement the manner in which the
9 Receivership Defendants will comply with, and prevent violations of, this Order
10 and all other applicable laws;

11 11. Institute, compromise, adjust, appear in, intervene in, or
12 become party to such actions or proceedings in state, federal or foreign courts that
13 the Receiver deems necessary and advisable to preserve or recover the assets of the
14 Receivership Defendants or that the Receiver deems necessary and advisable to
15 carry out the Receiver's mandate under this Order;

16 12. Defend, compromise, adjust, or otherwise dispose of any or all
17 actions or proceedings instituted in the past or in the future against the Receiver in
18 his or her role as Receiver, or against the Receivership Defendants that the
19 Receiver deems necessary and advisable to preserve the assets of the Receivership
20 Defendants or that the Receiver deems necessary and advisable to carry out the
21 Receiver's mandate under this Order;

22 13. Continue and conduct the business of the Receivership
23 Defendants in such manner, to such extent, and for such duration as the Receiver
24 may in good faith deem to be necessary or appropriate to operate the business
25 profitably and lawfully, if at all; provided, however, that the continuation and
26 conduct of the business shall be conditioned upon the Receiver's good faith
27 determination that the business can be lawfully operated at a profit using the assets
28 of the receivership estate;

1 14. Issue subpoenas to obtain documents and records pertaining to
2 the receivership, and conduct discovery in this action on behalf of the receivership
3 estate;

4 15. Open one or more bank accounts as designated depositories for
5 funds of the Receivership Defendants. The Receiver shall deposit all funds of the
6 Receivership Defendants in such a designated account and shall make all payments
7 and disbursements from the receivership estate from such an account;

8 16. Maintain accurate records of all receipts and expenditures that
9 he or she makes as Receiver;

10 17. Cooperate with reasonable requests for information or
11 assistance from any state or federal law enforcement agency, including Plaintiff;
12 and

13 18. File reports with the Court on a timely and reasonable basis.

14 **C. COOPERATION WITH THE RECEIVER**

15 **IT IS FURTHER ORDERED** that:

16 1. Defendants, Defendants' officers, agents, employees, and
17 attorneys, and all other persons in active concert or participation with any of them,
18 who receive actual notice of this Order, whether acting directly or indirectly, shall
19 fully cooperate with and assist the Receiver. This cooperation and assistance shall
20 include, but not be limited to:

21 a. Providing any information to the Receiver that the
22 Receiver deems necessary to exercising the authority and discharging the
23 responsibilities of the Receiver under this Order;

24 b. Providing any password required to access any computer,
25 electronic file, or telephonic data in any medium; or

26 c. Advising all persons who owe money to the Receivership
27 Defendants that all debts should be paid directly to the Receiver.
28

1 2. Defendants, Defendants' officers, agents, employees, and
2 attorneys, and all other persons in active concert or participation with any of them,
3 who receive actual notice of this Order, whether acting directly or indirectly, are
4 restrained and enjoined from directly or indirectly:

5 a. Transacting any of the business of the Receivership
6 Defendants;

7 b. Destroying, secreting, defacing, transferring, or otherwise
8 altering or disposing of any documents of the Receivership Defendants, including
9 books, records, accounts, writings, drawings, graphs, charts, photographs, audio
10 and video recordings, computer records, and other data compilations,
11 electronically-stored records, or any other records of any kind or nature;

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

16 d. Excusing debts owed to the Receivership Defendants;

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

23 f. Doing any act or refraining from any act whatsoever to
24 interfere with the Receiver's taking custody, control, possession, or managing of
25 the assets or documents subject to this receivership; or to harass or interfere with
26 the Receiver in any way; or to interfere in any manner with the exclusive
27 jurisdiction of this Court over the assets or documents of the Receivership
28 Defendants; or to refuse to cooperate with the Receiver or the Receiver's duly

1 authorized agents in the exercise of their duties or authority under any Order of this
2 Court; or

3 g. Filing, or causing to be filed, any petition on behalf of the
4 Receivership Defendants for relief under the United States Bankruptcy Code, 11
5 U.S.C. § 101 *et seq.*, without prior permission from this Court.

6 **D. DELIVERY OF RECEIVERSHIP PROPERTY**

7 **IT IS FURTHER ORDERED** that:

8 1. Immediately upon service of this Order upon them, or within
9 such period as may be permitted by the Receiver, Defendants or any other person
10 or entity shall transfer or deliver possession, custody, and control of the following
11 to the Receiver:

12 a. All assets of the Receivership Defendants, including
13 assets subject to repatriation pursuant to Section X, *infra*;

14 b. All documents of the Receivership Defendants, including
15 books and records of accounts, all financial and accounting records, balance sheets,
16 income statements, bank records (including monthly statements, canceled checks,
17 records of wire transfers, and check registers), client lists, title documents and
18 other papers;

19 c. All assets belonging to members of the public now held
20 by the Receivership Defendants; and

21 d. All keys, codes, and passwords necessary to gain or to
22 secure access to any assets or documents of the Receivership Defendants,
23 including access to their business premises, means of communication, accounts,
24 computer systems (onsite and remote), commercial and post office mail boxes,
25 virtual offices, electronic data hosts, or other property.

26 2. In the event any person or entity fails to deliver or transfer any
27 receivership asset or document or otherwise fails to comply with any provision of
28 this Section, the Receiver may file *ex parte* an Affidavit of Non-Compliance

1 regarding the failure. Upon filing of the affidavit, the Court may authorize,
2 without additional process or demand, Writs of Possession or Sequestration or
3 other equitable writs requested by the Receiver. The writs shall authorize and
4 direct the United States Marshal or any sheriff or deputy sheriff of any county, or
5 any other federal or state law enforcement officer, to seize the asset, document, or
6 other thing and to deliver it to the Receiver.

7 **E. TRANSFER OF FUNDS TO THE RECEIVER**

8 **IT IS FURTHER ORDERED** that, upon service of a copy of this Order, all
9 financial institutions, finance companies, commercial lending companies, credit
10 card processing agents or agents providing electronic funds transfer services or
11 automated clearing house processing, brokerage houses, escrow agents, money
12 market or mutual funds, title companies, commodity futures merchants,
13 commodity trading companies, precious metal dealers, trustees, or other financial
14 institutions or depositories of any kind, shall cooperate with all reasonable requests
15 of the Receiver relating to implementation of this Order, including transferring
16 funds at his or her direction and producing records related to the assets of the
17 Receivership Defendants.

18 **F. STAY OF ACTIONS**

19 **IT IS FURTHER ORDERED** that:

20 1. Except by leave of this Court, during pendency of the
21 receivership ordered herein, Defendants and all other persons and entities be and
22 hereby are stayed from taking any action to establish or enforce any claim, right, or
23 interest for, against, on behalf of, in, or in the name of, the Receivership
24 Defendants, any of its subsidiaries, affiliates, partnerships, assets, documents, or
25 the Receiver or the Receiver's duly authorized agents acting in their capacities as
26 such, including the following actions:
27
28

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

4 b. Accelerating the due date of any obligation or claimed
5 obligation; filing, perfecting or enforcing any lien; taking or attempting to take
6 possession, custody, or control of any asset; attempting to foreclose, forfeit, alter,
7 or terminate any interest in any asset, whether such acts are part of a judicial
8 proceeding, are acts of self-help, or otherwise, or setoff of any debt owing to the
9 Receivership Defendants that arose before the date of this Order against any claim
10 against the Receivership Defendants;

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

15 d. Doing any act or thing whatsoever to interfere with the
16 Receiver taking custody, control, possession, or management of the assets or
17 documents subject to this receivership, or to harass or interfere with the Receiver
18 in any way, or to interfere in any manner with the exclusive jurisdiction of this
19 Court over the assets or documents of the Receivership Defendants.

20 2. This Order does not stay:

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

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

26 c. The enforcement of a judgment, other than a money
27 judgment, obtained in an action or proceeding by a governmental unit to enforce
28 such governmental unit's police or regulatory power.

1 acting directly or indirectly, and the Receiver, shall allow Plaintiff, Plaintiff's
2 representatives, agents, and assistants, as well as the Receivership Defendants'
3 representatives, and the Individual Defendant, reasonable access to all of
4 Receivership Defendants' business premises, or any other premises where the
5 Receivership Defendants conduct business or customer service operations. Such
6 locations include 11766 Wilshire Boulevard, Suites 310 and 405, Los Angeles,
7 California and 11400 West Olympic Boulevard, Suite 200, Los Angeles,
8 California.

9 The purpose of this access shall be to inspect and copy any and all books,
10 records, documents, accounts, and other property owned by, or in the possession
11 of, the Receivership Defendants or their agents. The Receiver shall have the
12 discretion to determine the time, manner, and reasonable conditions of such access.
13 Plaintiff may remove materials from the Receivership Defendants' business
14 premises to inspect, inventory, and copy such materials. Plaintiff shall return
15 materials so removed within five (5) business days of completing said inventory
16 and copying. Plaintiff's access to Defendants' documents pursuant to this Section
17 shall not provide grounds for any Defendant to object to any subsequent request for
18 documents served by Plaintiff.

19
20 **X.**

21 **REPATRIATION OF ASSETS AND DOCUMENTS**

22 **IT IS FURTHER ORDERED** that Defendants shall:

23 A. Within three (3) business days following service of this Order, take
24 such steps as are necessary to repatriate to the territory of the United States of
25 America all documents and assets that are located outside such territory and are
26 held by or for Defendants or are under Defendants' direct or indirect control,
27 jointly, severally, or individually;

28 B. Within three (3) business days following service of this Order,

1 provide Plaintiff with a full accounting of all documents and assets that are located
2 outside of the territory of the United States of America or that have been
3 transferred to the territory of the United States of America pursuant to Subsection
4 A above and are held by or for any Defendant or are under any Defendant's direct
5 or indirect control, jointly, severally, or individually, including the names and
6 addresses of any foreign or domestic financial institution or other entity holding
7 the documents and assets, along with the account numbers and balances;

8 C. Hold and retain all such documents and assets and prevent any
9 transfer, disposition, or dissipation whatsoever of any such documents or assets;
10 and

11 D. Within three (3) business days following service of this Order,
12 provide Plaintiff access to Defendants' records and documents held by financial
13 institutions or other entities outside the territory of the United States of America,
14 by signing and delivering to Plaintiff's counsel the Consent to Release of Financial
15 Records attached to this Order as Attachment A.

16
17 **XI.**

18 **INTERFERENCE WITH REPATRIATION**

19 **IT IS FURTHER ORDERED** that Defendants are temporarily restrained
20 and enjoined from taking any action, directly or indirectly, which may result in the
21 encumbrance or dissipation of foreign assets, or in the hindrance of the repatriation
22 required by the preceding Section X of this Order, including:

23 A. Sending any statement, letter, facsimile, e-mail or wire transmission,
24 or telephoning or engaging in any other act, directly or indirectly, that results in a
25 determination by a foreign trustee or other entity that a "duress" event has occurred
26 under the terms of a foreign trust agreement, until such time that assets have been
27 fully repatriated pursuant to the preceding Section of this Order; and

28 B. Notifying any trustee, protector or other agent of any foreign trust or

1 other related entities of either the existence of this Order, or of the fact that
2 repatriation is required pursuant to a Court Order, until such time as assets have
3 been fully repatriated pursuant to the preceding Section of this Order.
4

5 **XII.**

6 **EXPEDITED DISCOVERY**

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

11 A. Take the deposition of any person, whether or not a party, for the
12 purpose of discovering the nature, location, status, and extent of the assets of
13 Defendants, and Defendants' affiliates and subsidiaries; the nature and location of
14 documents reflecting the business transactions of Defendants, and Defendants'
15 affiliates and subsidiaries; the location of any premises where Defendants, directly
16 or through any third party, conduct business operations; the Defendants'
17 whereabouts; and/or the applicability of any evidentiary privileges to this action;
18 and

19 B. Demand the production of documents from any person, whether or not
20 a party, relating to the nature, status, and extent of the assets of Defendants, and
21 Defendants' affiliates and subsidiaries; the nature and location of documents
22 reflecting the business transactions of Defendants, and Defendants' affiliates and
23 subsidiaries; the location of any premises where Defendants, directly or through
24 any third party, conduct business operations; the Defendants' whereabouts; and/or
25 the applicability of any evidentiary privileges to this action.

26 Three (3) days notice shall be deemed sufficient for any such deposition,
27 five (5) days notice shall be deemed sufficient for the production of any such
28 documents, and twenty-four (24) hours notice shall be deemed sufficient for the

1 production of any such documents that are maintained or stored only as electronic
2 data. The provisions of this Section shall apply both to parties to this case and to
3 non-parties. The limitations and conditions set forth in Federal Rules of Civil
4 Procedure 30(a)(2)(A)(ii) and 31(a)(2)(A)(ii) regarding subsequent depositions of
5 an individual shall not apply to depositions taken pursuant to this Section. Any
6 such depositions taken pursuant to this Section shall not be counted toward any
7 limit on the number of depositions under the Federal Rules of Civil Procedure,
8 including those set forth in Federal Rules of Civil Procedure 30(a)(2)(A) and
9 31(a)(2)(A). Service of discovery upon a party, taken pursuant to this Section,
10 shall be sufficient if made through the means described in Section XVIII of this
11 Order.

12
13 **XIII.**

14 **DISTRIBUTION OF ORDER BY DEFENDANTS**

15 **IT IS FURTHER ORDERED** that Defendants shall immediately provide a
16 copy of this Order to each of their corporations, subsidiaries, affiliates, partners,
17 divisions, sales entities, successors, assigns, members, officers, directors,
18 employees, independent contractors, agents, servants, attorneys, spouses,
19 representatives, and any other persons in active concert or participation with
20 them. Within **five (5) calendar days** following service of this Order, Defendants
21 shall file with this Court and serve on Plaintiff an affidavit identifying the name,
22 title, addresses, telephone numbers, date of service, and manner of service of the
23 persons and entities Defendants have served with a copy of this Order in
24 compliance with this provision.

1 **XIV.**

2 **EXPIRATION DATE OF TEMPORARY RESTRAINING ORDER**

3 **IT IS FURTHER ORDERED** that the Temporary Restraining Order
4 granted herein shall expire on October 2, 2017, at 5:00 p.m. (Pacific Time),
5 unless within such time, the Order, for good cause shown, is extended, or
6 unless, as to any Defendant, the Defendant consents that it should be extended
7 for a longer period of time.

8 **XV.**

9 **ORDER TO SHOW CAUSE REGARDING PRELIMINARY INJUNCTION**

10 **IT IS FURTHER ORDERED**, pursuant to Federal Rule of Civil
11 Procedure 65, that each Defendant shall appear before this Court on the 2nd day
12 of October, 2017, at 10:00 o'clock a.m. (Pacific Time), at the United States
13 Courthouse, United States District Court for the Central District of California,
14 Los Angeles, California, Courtroom 5D, to show cause, if there is any, why this
15 Court should not enter a Preliminary Injunction, pending final ruling on the
16 Complaint against Defendants, enjoining them from further violations of Section
17 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the TSR, 16
18 C.F.R. Part 310, continuing the freeze of their assets, making the temporary
19 Receiver's appointment permanent and imposing such additional relief as may be
20 appropriate.
21

22 **XVI.**

23 **BRIEFS AND AFFIDAVITS CONCERNING PRELIMINARY**
24 **INJUNCTION**

25 **IT IS FURTHER ORDERED** that Defendants shall file with the Court and
26 serve on Plaintiff's counsel any answering affidavits, pleadings, motions, expert
27 reports or declarations, and/or legal memoranda no later than **five (5) business**
28

1 **days** prior to the hearing on Plaintiff's request for a preliminary injunction.
2 Plaintiff may file responsive or supplemental pleadings, materials, affidavits,
3 motions, or memoranda with the Court and serve the same on counsel for
4 Defendants no later than **two (2) business days** prior to the preliminary
5 injunction hearing in this matter, provided that service shall be performed by
6 personal or overnight delivery, by electronic filing, by electronic mail, or by
7 facsimile, and documents shall be delivered so that they shall be received by the
8 other parties no later than 4:00 p.m. (Pacific Time) on the appropriate dates
9 listed in this Section.

10 **XVII.**

11 **MOTION FOR LIVE TESTIMONY; WITNESS IDENTIFICATION**

12 **IT IS FURTHER ORDERED** that the question of whether this Court
13 should enter a preliminary injunction pursuant to Rule 65 of the Federal Rules of
14 Civil Procedure enjoining the Defendants during the pendency of this action shall
15 be resolved on the pleadings, declarations, exhibits, and memoranda filed by, and
16 oral argument of, the parties. Live testimony shall be heard only on further order
17 of this Court or on motion filed with the Court and served on counsel for the
18 other parties at least **five (5) business days** prior to the preliminary injunction
19 hearing in this matter. Such motion shall set forth the name, address, and
20 telephone number of each proposed witness, a detailed summary or affidavit
21 revealing the substance of each proposed witness's expected testimony, and an
22 explanation of why the taking of live testimony would be helpful to this Court.
23 Any papers opposing a timely motion to present live testimony or to present live
24 testimony in response to another party's timely motion to present live testimony
25 shall be filed with this Court and served on the other parties at least **two (2)**
26 **business days** prior to the preliminary injunction hearing in this matter, provided
27 that service shall be performed by personal or overnight delivery, by electronic
28 filing, by electronic mail, or by facsimile, and documents shall be delivered so
that they shall be

1 received by the other parties no later than 4:00 p.m. (Pacific Time) on the
2 appropriate dates provided in this Section.

3 *Provided further, however,* that an evidentiary hearing on Plaintiff's request
4 for a preliminary injunction is not necessary unless Defendants demonstrate that
5 they have, and intend to introduce, evidence that raises a genuine and material
6 factual issue.

7
8 **XVIII.**

9 **SERVICE OF THIS ORDER**

10 **IT IS FURTHER ORDERED** that copies of this Order may be distributed by
11 United States First Class Mail, overnight delivery, facsimile, electronic mail, or
12 personally, by agents or employees of Plaintiff, by agents or employees of the
13 Receiver, by any law enforcement agency, or by private process server, upon any
14 person, financial institution, or other entity that may have possession or control of
15 any property, property right, document, or asset of any Defendant, or that may be
16 subject to any provision of this Order. Service upon any branch or office of any
17 financial institution or entity shall effect service upon the entire financial
18 institution or entity.

19
20 **XIX.**

21 **CONSUMER REPORTING AGENCIES**

22 **IT IS FURTHER ORDERED** that, pursuant to Section 604 of the Fair
23 Credit Reporting Act, 15 U.S.C. § 1681b, any consumer reporting agency may
24 furnish a consumer or credit report concerning any Defendant to Plaintiff.

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XX.

SERVICE UPON PLAINTIFF

IT IS FURTHER ORDERED that Defendants shall serve all pleadings, memoranda, correspondence, affidavits, declarations, or other documents related to this Order or Plaintiff’s motion for a preliminary injunction by: (1) e-mail to jwei@ftc.gov, slevine1@ftc.gov, or aaustin2@ftc.gov; and (2) facsimile transmission to (312) 960-5600, hand delivery to the offices of the Federal Trade Commission, at 230 S. Dearborn Street, Room 3030, Chicago, Illinois 60604, to the attention of Joannie Wei, or overnight shipment through a third-party commercial carrier for delivery at the address listed above.

XXI.

RETENTION OF JURISDICTION

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

SO ORDERED, this 19th day of September, 2017, at 9:36 a.m.



Hon. Otis D. Wright II
United States District Judge
Central District of California

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

M&T FINANCIAL GROUP, a
corporation, also d/b/a StuDebt, Student
Debt Relief Group, SDRG, Student
Loan Relief Counselors, SLRC, and
Capital Advocates Group,

AMERICAN COUNSELING CENTER
CORP., a corporation, also d/b/a
StuDebt, Student Debt Relief Group,
SDRG, Student Loan Relief Counselors,
SLRC, and Capital Advocates Group,
and

SALAR TAHOUR, individually, and as
an officer of M&T FINANCIAL
GROUP and AMERICAN
COUNSELING CENTER CORP.,

Defendants.

Case No. _____

Consent to Release of Financial Records

I, _____, of _____ (city
or province and country), do hereby direct any person, bank, savings and loan
association, credit union, depository institution, finance company, commercial
lending company, payment processor, payment processing entity, common carrier,
customs broker, commercial mail receiving agency, mail holding and/or
forwarding company, brokerage house, escrow agent, money market or mutual

1 fund, title company, commodity trading company, or trustee, that holds, controls or
2 maintains custody of assets, wherever located, that are owned or controlled by me,
3 or any of the above Defendants, in whole or in part, or at which I, or any of the
4 above Defendants, have an account of any kind upon which I am authorized to
5 draw, and its officers, employees and agents, to disclose all information and deliver
6 copies of all documents of every nature in its possession or control which relate to
7 the said accounts to any attorney for Plaintiff, and to give evidence relevant
8 thereto, in the above captioned matter, *FTC v. M&T Financial Group, et al.*, now
9 pending in the United States District Court for the Central District of California,
10 and this shall be irrevocable authority for so doing. This direction is intended to
11 apply to the laws of countries other than the United States of America which
12 restrict or prohibit the disclosure of bank or other financial information without the
13 consent of the holder of the account, and shall be construed as consent with respect
14 thereto, and the same shall apply to any of the accounts for which I may be the
15 relevant principal.

16
17 Dated: _____, 2017

18
19 _____
20 [Signature]

21 _____
22 [Print Name]