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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

FEDERAL TRADE COMMISSION
Plaintiff,
v.
AUTOMATORS LLC, *et al.*,
Defendants,
PEREGRINE WORLDWIDE, LLC,
Relief Defendant.

Case No. 23-cv-1444-BAS-LSC

ORDER:

- (1) GRANTING *EX PARTE* APPLICATION FOR TEMPORARY RESTRAINING ORDER WITH ASSET FREEZE, APPOINTMENT OF A TEMPORARY RECEIVER, AND OTHER EQUITABLE RELIEF (ECF No. 5);**
- (2) DIRECTING DEFENDANTS TO SHOW CAUSE WHY PRELIMINARY INJUNCTION SHOULD NOT ISSUE; and**
- (3) SETTING PRELIMINARY INJUNCTION HEARING AND BRIEFING SCHEDULE**

1 On August 8, 2023, Plaintiff Federal Trade Commission (“FTC”) commenced this
2 enforcement action against Automators LLC, also d/b/a Automators AI and Ecom Skool,
3 Empire Ecommerce LLC, Onyx Distribution LLC, Stryder Holdings LLC, Pelenea
4 Ventures LLC, Roman Cresto, John Cresto, and Andrew Chapman (collectively,
5 “Defendants”), and Peregrine Worldwide, LLC (“Relief Defendant”). (ECF No. 1.)¹ The
6 FTC alleges Defendants are in violation of Sections 13(b) and 19 of the Federal Trade
7 Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b), 57b; the FTC’s Trade Regulation Rule
8 entitled “Disclosure Requirements and Prohibitions Concerning Business Opportunities”
9 (“Business Opportunity Rule”), 16 C.F.R. Part 437, as amended; and the Consumer
10 Review Fairness Act of 2016 (“CRFA”), 15 U.S.C. § 45b. (ECF No. 1.) The FTC seeks,
11 *inter alia*, a permanent injunction and monetary relief for these alleged violations.

12 The FTC concurrently filed an *ex parte* application for a temporary restraining order
13 and ancillary relief under Federal Rule of Civil Procedure (“Rule”) 65(b) and Sections
14 13(b) and 19 of the FTC Act, pending a hearing on a preliminary injunction. (TRO App.,
15 ECF No. 5.) For the reasons stated below, the Court **GRANTS** the FTC’s request to
16 proceed with its TRO Application on an *ex parte* basis; **GRANTS** the FTC’s request for
17 the relief sought in its TRO Application; **ORDERS** Defendants and Relief Defendant to
18 show cause why a permanent injunction should not issue; and **SETS** a briefing schedule
19 and hearing on the order to show cause.

20 LEGAL STANDARD

21 The FTC moves to obtain a temporary restraining order without notice under
22 Sections 13(b) and 19 of the FTC Act and Rule 65(b). Section 13(b) authorizes the FTC
23 to seek, and a district court to grant, a temporary restraining order or preliminary injunction
24 whenever there is reason to believe that a defendant “is violating, or is about to violate, any
25 provision of law enforced by the [FTC].” 15 U.S.C. § 53(b)(1); *see also F.T.C. v. H.N.*
26 *Singer, Inc.*, 668 F.2d 1107, 1113 (9th Cir. 1982). And although the Supreme Court in
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28 ¹ The FTC lodged the Complaint under seal and in paper format. This Court granted the FTC’s
request to seal this matter. (ECF No. 3.)

1 *AMG Capital Management, LLC v. Federal Trade Commission*, 141 S. Ct. 1341, 1349–52
2 (2021) (“*AMG*”), constrained the FTC from seeking asset freezes and/or receiverships
3 under Section 13(b), such relief still is available under Section 19 of the FTC Act, *see* 15
4 U.S.C. § 57b. *See, e.g., F.T.C. v. Noland*, No. 20-cv-0047, 2021 WL 438466, at *5 (D.
5 Ariz. Sept. 23, 2021) (construing Ninth Circuit precedent in *Securities & Exchange*
6 *Commission v. Liu*, 851 F. App’x 665, 667–69 (9th Cir. 2021), and *Republic of Philippines*
7 *v. Marcos*, 862 F.2d 1355, 1364 (9th Cir. 1988), to find that FTC asset freezes and
8 appointments of receiver are appropriate in connection with Section 19 claims post-*AMG*).

9 Rule 65(b) governs the issuance of a temporary restraining order. Under that Rule,
10 a court may issue a temporary restraining order without notice to the non-moving parties
11 only if:

- 12 (A) Specific facts in an affidavit or a verified complaint clearly show that
13 immediate and irreparable injury, loss, or damage will result to the
14 movant before the adverse party can be heard in opposition; and
15 (B) The movant’s attorney certifies in writing any efforts made to give notice
16 and the reasons why it should not be required.

17 Fed. R. Civ. P. 65(b)(1). “[T]he stringent requirements embodied in Rule 65(b) recognize
18 that ‘our entire jurisprudence runs counter to the notion of court action taken before
19 reasonable notice and an opportunity to be heard has been granted both sides of a dispute.’”
20 *Adobe Sys., Inc. v. S. Sun Prod., Inc.*, 187 F.R.D. 636, 638–39 (S.D. Cal. 1999) (citing
21 *Granny Goose Foods, Inc. v. Brotherhood of Teamsters*, 415 U.S. 423, 438–39 (1974)).

22 This district’s Civil Local Rules further require that, in support of an *ex parte*
23 application, the movant must submit an affidavit or declaration stating:

- 24 (1) that within a reasonable time before the motion the [moving] party
25 informed the opposition party or the opposing party’s attorney when and
26 where the motion would be made; or (2) that the party in good faith attempted
27 to inform the opposing party and the opposing party’s attorney but was unable
28 to do so, specifying the efforts made to inform them; or (3) that for reasons
specified the party should not be required to inform the opposing party’s
attorney.

1 Civ. L.R. 83.3(g).

2 A temporary restraining order generally is considered “an extraordinary remedy that
3 may only be awarded upon a clear showing that the plaintiff is entitled to such relief.”
4 *Winter v. Nat. Res. Def. Council, Inc.*, 555 U.S. 7, 22 (2008). The moving party has the
5 burden of persuasion. *Hill v. McDonough*, 547 U.S. 573, 584 (2006). The standard for a
6 temporary restraining order is identical to the standard that governs a request for a
7 preliminary injunction. *See Stuhlbarg Int’l Sales Co. v. John D. Brush & Co.*, 240 F.3d
8 832, 839 n.7 (9th Cir. 2001). To obtain either a temporary restraining order or a preliminary
9 injunction, the movant must show: (1) a likelihood of success on the merits; (2) a
10 likelihood of irreparable harm to the movant in the absence of preliminary relief; (3) that
11 the balance of equities tips in favor of the moving party; and (4) that an injunction is in the
12 public interest. *Winter*, 555 U.S. 7 at 20. When the government is a party, the final two
13 factors merge into a single inquiry. *Drakes Bay Oyster Co. v. Hewell*, 747 F.3d 1073, 1092
14 (9th Cir. 2014) (citing *Nken v. Holder*, 556 U.S. 418, 435 (2009)).²

15 **BACKGROUND AND FINDINGS**

16 The FTC filed a substantial volume of declarations and exhibits in support of its
17 TRO Application, in addition to the detailed allegations in its Complaint. (*See* ECF Nos.
18 5-2 to 5-24.) The Court has reviewed those materials and, on that basis, makes the ensuing
19 findings for the limited purpose of the instant TRO Application only. Because this is an
20 expedited *ex parte* application, Defendants and Relief Defendant may challenge these
21 findings before the preliminary injunction hearing, pursuant to the briefing schedule set by
22 this Court. The preliminary injunction hearing is set for **September 19, 2023, at 10:00**
23 **a.m.**

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27 ² Alternatively, the Ninth Circuit “has adopted and applied a version of the sliding scale approach
28 under which a [temporary restraining order] could issue where the likelihood of success is such that serious
questions going to the merits were raised and the balance of hardships tips sharply in [plaintiff’s] favor.”
Alliance for the Wild Rockies v. Cottrell, 632 F.3d 1127, 1131 (9th Cir. 2011) (cleaned up).

1 A. This Court has jurisdiction over the subject matter of this case, and there is
2 good cause to believe that it will have jurisdiction over all parties hereto and that venue in
3 this district is proper.

4 B. The FTC has demonstrated clearly, in accordance with Rule 65(b) and Civil
5 Local Rule 83.3(g), that the interests of justice require that this Order be granted without
6 prior notice to Defendants and Relief Defendant. Specifically, the current record
7 demonstrates that there is good cause to believe that immediate and irreparable damage to
8 the Court's ability to grant effective final relief for consumers—including monetary
9 restitution, rescission, or refunds—will occur from the sale, transfer, destruction or other
10 disposition or concealment by Defendants or Relief Defendant of their assets or records,
11 unless Defendants and Relief Defendant are immediately restrained and enjoined by order
12 of this Court. Thus, there is good cause for relieving the FTC of the duty to provide
13 Defendants and Relief Defendant with prior notice of its Motion for a Temporary
14 Restraining Order.

15 C. The FTC has made a clear *prima facie* showing that, in numerous instances,
16 Defendants, in the marketing and sale of business opportunities and coaching services
17 (“Defendants’ Products”) have: (1) made false or unsubstantiated earnings claims; (2)
18 made material misrepresentations regarding the amount of sales, or gross or net income or
19 profits; (3) failed to furnish prospective purchasers with required disclosure documents and
20 other material information; (4) made earnings claims lacking a reasonable basis or written
21 substantiation at the time earnings claims were made, or without providing the required
22 earnings claim statement to the prospective purchaser; (5) made earnings claims while
23 failing to state in immediate conjunction with those claims the beginning and ending dates
24 when the represented earnings were achieved, and the number and percentage of all persons
25 who purchased Defendants’ business opportunity prior to that ending date who achieved at
26 least the stated level of earnings; (6) disseminated industry financial, earnings, or
27 performance information lacking written substantiation demonstrating that the information
28 reflects, or does not exceed, the typical or ordinary financial earnings, or performance

1 experience, of purchasers of the business opportunity; and (7) required clients to sign
2 termination agreements that include an unlawful non-disparagement clause.

3 D. The current record shows that Defendants have engaged in and are likely to
4 engage in acts or practices that violate Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), the
5 Business Opportunity Rule, and the CRFA and that the FTC is therefore likely to prevail
6 on the merits of this action. Specifically, the FTC has proffered declarations from former
7 clients and employees of Defendants, investigator declarations, web captures of
8 Defendants' marketing materials, consumer complaints, and similar materials that
9 demonstrate a likelihood of success in showing that Defendants, in numerous instances,
10 have made material false or unsubstantiated statements, and engaged in other deceptive
11 acts or practices to entice consumers to purchase Defendants' Products.

12 D. These materials also demonstrate that Defendants have taken at least \$22
13 million from consumers in connection with their unlawful practices.

14 E. Based on these materials, the FTC also has shown that immediate and
15 irreparable harm will result from Defendants' ongoing violations of the FTC Act, the
16 Business Opportunity Rule, and the CRFA unless Defendants are restrained and enjoined
17 by order of this Court.

18 G. Weighing the equities and considering the FTC's likelihood of ultimate
19 success on the merits, a temporary restraining order with an asset freeze, the appointment
20 of a temporary receiver, turnover of business records, expedited discovery, and other
21 equitable relief is in the public interest.

22 H. Accordingly, the current record supports the conclusion that Rule 65(b)
23 authorizes this Court to grant the FTC's request for a temporary restraining order and
24 appoint a temporary receiver over the Receivership Entities (defined *infra*), freeze
25 Defendants' and Relief Defendant's assets, require Defendants and Relief Defendant to
26 turnover business records to the FTC and the temporary receiver, and permit the FTC and
27 the temporary receiver to take expedited discovery.

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1 I. This Court has authority to issue this Order pursuant to Sections 13(b) and 19
2 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b; Fed. R. Civ. P. 65; and the All Writs Act, 28
3 U.S.C. § 1651.

4 J. No security is required of any agency of the United States for issuance of a
5 temporary restraining order. Fed. R. Civ. P. 65(c).

6 **DEFINITIONS**

7 For the purpose of this Order, the following definitions shall apply:

8 A. “**Asset**” means any legal or equitable interest in, right to, or claim to, any
9 property, wherever located and by whomever held.

10 B. “**Assisting Others**” includes the following:

11 1. performing customer service functions, including receiving or responding to
12 consumer complaints;

13 2. formulating or providing, or arranging for the formulation or provision of, any
14 advertising or marketing material, including any telephone sales script, direct
15 mail solicitation, or the design, text, or use of images of any Internet website,
16 email, or other electronic communication;

17 3. formulating or providing, or arranging for the formulation or provision of, any
18 marketing support material or service, including web or Internet Protocol
19 addresses or domain name registration for any Internet websites, affiliate
20 marketing services, or media placement services;

21 4. providing names of, or assisting in the generation of, potential customers;

22 5. performing marketing, billing, payment processing, or payment services of
23 any kind; or

24 6. acting or serving as an owner, officer, director, manager, or principal of any
25 entity.

26 C. “**Corporate Defendants**” means Automators LLC, also d/b/a Automators AI
27 and Ecom Skool; Empire Ecommerce LLC; Onyx Distribution LLC; Stryder Holdings
28 LLC; Pelenea Ventures LLC, and each of their subsidiaries, affiliates, successors, and

1 assigns.

2 D. **“Defendants”** means the Corporate Defendants and the Individual
3 Defendants, individually, collectively, or in any combination.

4 E. **“Defendants’ Products”** means products and services offered by Defendants,
5 including Defendants’ own products and services, and products and services of third parties
6 for whom Defendants advertise.

7 F. **“Document”** is synonymous in meaning and equal in scope to the usage of
8 “document” and “electronically stored information” in Federal Rule of Civil Procedure
9 34(a), Fed. R. Civ. P. 34(a), and includes writings, drawings, graphs, charts, photographs,
10 sound and video recordings, images, Internet sites, web pages, websites, electronic
11 correspondence, including e-mail and instant messages, contracts, accounting data,
12 advertisements, FTP Logs, Server Access Logs, books, written or printed records,
13 handwritten notes, telephone logs, telephone scripts, receipt books, ledgers, personal and
14 business canceled checks and check registers, bank statements, appointment books,
15 computer records, customer or sales databases and any other electronically stored
16 information, including Documents located on remote servers or cloud computing systems,
17 and other data or data compilations from which information can be obtained directly or, if
18 necessary, after translation into a reasonably usable form. A draft or non-identical copy is
19 a separate document within the meaning of the term.

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

24 H. **“Earnings Claim(s)”** means any oral, written, or visual representation to a
25 consumer, prospective purchaser, or investor that conveys, expressly or by implication, a
26 specific level or range of actual or potential sales, or gross or net income or profits,
27 revenues, financial gains, percentage gains, or return on investment. Earnings Claims
28 include, but are not limited to: (a) any chart, table, or mathematical calculation that

1 demonstrates possible results based upon a combination of variables; (b) any statements
2 from which a consumer, prospective purchaser, or investor can reasonably infer that he or
3 she will earn a minimum level of income (e.g., “earn enough money to buy a McLaren
4 Spider,” “earn a six-figure income,” or “earn your investment back within one year”); (c)
5 references to quitting one’s job, not having to work, or living off income from online sales;
6 (d) references to increased purchases or savings, including a home, cars, boats, vacations,
7 or travel; (e) any statements, claims, success stories, endorsements, or testimonials about
8 the performance or profitability of representatives, endorsers, instructors or customers; and
9 (f) any representation, even hypothetical, of how much money a consumer could or would
10 earn.

11 I. **“General Media”** means all print, electronic, internet, social networking,
12 radio, and other media outlets.

13 J. **“Individual Defendant(s)”** means Roman Cresto; John Cresto; and Andrew
14 Chapman, individually, collectively, or in any combination.

15 K. **“Person”** means any natural person or any entity, corporation, partnership, or
16 association of persons.

17 L. **“Receiver”** means the temporary receiver appointed in Section XI of this
18 Order and any deputy receivers that shall be named by the temporary receiver.

19 M. **“Receivership Entities”** means Corporate Defendants and Relief Defendant,
20 as well as any other entity that has conducted any business related to the marketing or sale
21 of Defendants’ Products, including receipt of Assets derived from any activity that is the
22 subject of the Complaint in this matter, and that the Receiver determines is controlled or
23 owned by any Defendant.

24 N. **“Relief Defendant”** means Peregrine Worldwide, LLC and each of its
25 subsidiaries, affiliates, and assigns.

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ORDER

I. PROHIBITED BUSINESS ACTIVITIES

IT IS THEREFORE ORDERED that Defendants, Defendants’ officers, agents, affiliate marketers, employees, and attorneys, and all other persons in active concert or participation with them, who receive actual notice of this Order by personal service or otherwise, whether acting directly or indirectly, in connection with the advertising, marketing, promoting, or offering for sale of any goods or services, are temporarily restrained and enjoined from:

A. Making any Earnings Claims or Assisting Others in making any Earnings Claims, unless the Earnings Claim is non-misleading, and, at the time the Earnings Claims are made, Defendants (1) have a reasonable basis for the claim; (2) have in their possession written materials that substantiate the claimed earnings and that the claimed earnings are typical for consumers similarly situated to those to whom the claim is made; and (3) make the written substantiation for Earnings Claims available upon request to the consumer, potential purchaser or investor, the Receiver, and the FTC;

B. Failing to provide any consumer, potential purchaser, or investor with disclosure documents in the form and manner required by 16 C.F.R. §§ 437.2, 437.3(a)(1)-(5), and 437.4;

C. Misrepresenting or Assisting Others in misrepresenting, expressly or by implication, that Defendants’ Products:

1. will allow purchasers to earn a specific level or range of actual or potential sales, or gross or net income or profits, revenues, financial gains, percentage gains, or return on investment with little to no effort on their part; and

2. will use Artificial Intelligence (AI) machine-learning to maximize revenues;

D. Making or Assisting Others in making false or unsubstantiated testimonials about Defendants, Defendants’ Products, or companies advertised by Defendants, or failing to disclose that positive reviews of, and testimonials about, Defendants, Defendants’

1 Products, or companies advertised by Defendants, have been from Corporate Defendants'
2 owners, officers, employees, affiliate marketers or agents;

3 E. Misrepresenting or Assisting Others in misrepresenting, expressly or by
4 implication, any other material fact concerning Defendants' Products, such as: the total
5 costs; the amount of time necessary to achieve the represented results; any material
6 restrictions, limitations, or conditions; any material aspect of their performance, efficacy,
7 nature, or central characteristics; or any material aspect of the nature or terms of the refund,
8 cancellation, exchange, repurchase, or remedy policies; and

9 F. Prohibiting or restricting any consumer, potential purchaser, or investor from
10 communicating reviews, performance assessments, and similar analyses about Defendants'
11 Products or the conduct of Defendants or companies advertised by Defendants related
12 thereto; or that impose a penalty or fee against any consumer, potential purchaser, or
13 investor who engages in such communications.

14 **II. PROHIBITION ON RELEASE OF CUSTOMER INFORMATION**

15 **IT IS FURTHER ORDERED** that Defendants, Defendants' officers, agents,
16 affiliate marketers, employees, and attorneys, and all other persons in active concert or
17 participation with any of them, who receive actual notice of this Order, whether acting
18 directly or indirectly, are hereby temporarily restrained and enjoined from:

19 A. Selling, renting, leasing, transferring, or otherwise disclosing, the name,
20 address, birth date, telephone number, email address, credit card number, bank account
21 number, Social Security number, or other financial or identifying information of any Person
22 that any Defendant obtained in connection with any activity that pertains to the subject
23 matter of this Order; and

24 B. Benefitting from or using the name, address, birth date, telephone number,
25 email address, credit card number, bank account number, Social Security number, or other
26 financial or identifying information of any Person that any Defendant obtained in
27 connection with any activity that pertains to the subject matter of this Order.

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1 subject to access by any Defendant or Relief Defendant, except as necessary to comply
2 with written requests from the Receiver acting pursuant to its authority under this Order;

3 C. Incurring charges or cash advances on any credit, debit, or ATM card issued
4 in the name, individually or jointly, of any Corporate Defendant or any corporation,
5 partnership, or other entity directly or indirectly owned, managed, or controlled by any
6 Defendant or Relief Defendant or of which any Defendant or Relief Defendant is an officer,
7 director, member, or manager. This includes any corporate bankcard or corporate credit
8 card account for which any Defendant or Relief Defendant is, or was on the date that this
9 Order was signed, an authorized signor; or

10 D. Cashing any checks or depositing any money orders or cash received from
11 consumers, clients, or customers of any Defendant or Relief Defendant.

12 The Assets affected by this Section shall include: (1) all Assets of Defendants and
13 Relief Defendant as of the time this Order is entered; and (2) Assets obtained by Defendants
14 or Relief Defendant after this Order is entered if those Assets are derived from any activity
15 that is the subject of the Complaint in this matter or that is prohibited by this Order. This
16 Section does not prohibit any transfers to the Receiver or repatriation of foreign Assets
17 specifically required by this order.

18 **IV. DUTIES OF ASSET HOLDERS AND OTHER THIRD PARTIES**

19 **IT IS FURTHER ORDERED** that any financial or brokerage institution, Electronic
20 Data Host, credit card processor, payment processor, merchant bank, acquiring bank,
21 independent sales organization, third party processor, payment gateway, insurance
22 company, third party automation fulfillment company advertised by Corporate Defendants,
23 business entity, or Person who receives actual notice of this Order (by service or otherwise)
24 that:

25 (a) has held, controlled, or maintained custody, through an account or otherwise, of
26 any Document on behalf of any Defendant or Relief Defendant or any asset that has been
27 owned or controlled, directly or indirectly, by any Defendant or Relief Defendant; held, in
28 part or in whole, for the benefit of any Defendant or Relief Defendant; in the actual or

1 constructive possession of any Defendant or Relief Defendant; or owned or controlled by,
2 in the actual or constructive possession of, or otherwise held for the benefit of, any
3 corporation, partnership, asset protection trust, or other entity that is directly or indirectly
4 owned, managed or controlled by any Defendant or Relief Defendant;

5 (b) has held, controlled, or maintained custody, through an account or otherwise, of
6 any Document or asset associated with credits, debits, or charges made on behalf of any
7 Defendant or Relief Defendant, including reserve funds held by payment processors, credit
8 card processors, merchant banks, acquiring banks, independent sales organizations, third
9 party processors, payment gateways, insurance companies, or other entities; or

10 (c) has extended credit to any Defendant or Relief Defendant, including through a
11 credit card account, shall:

12 A. Hold, preserve, and retain within its control and prohibit the withdrawal,
13 removal, alteration, assignment, transfer, pledge, encumbrance, disbursement, dissipation,
14 relinquishment, conversion, sale, or other disposal of any such Document or Assets, as well
15 as all Documents or other property related to such Assets, except by further order of this
16 Court; provided, however, that this provision does not prohibit an Individual Defendant
17 from incurring charges on a personal credit card established prior to entry of this Order, up
18 to the pre-existing credit limit;

19 B. Deny any Person, except the Receiver, access to any safe deposit box,
20 commercial mail box, or storage facility that is titled in the name of any Defendant or Relief
21 Defendant, either individually or jointly, or otherwise subject to access by any Defendant
22 or Relief Defendant;

23 C. Provide FTC's counsel and the Receiver, within three (3) days of receiving a
24 copy of this Order, a sworn statement setting forth, for each asset or account covered by
25 this Section:

- 26 1. The identification number of each such account or Asset;
- 27 2. The balance of each such account, or a description of the nature and value of
- 28 each such asset as of the close of business on the day on which this Order is served,

1 and, if the account or other Asset has been closed or removed, the date closed or
2 removed, the total funds removed in order to close the account, and the name of the
3 Person or entity to whom such account or other asset was remitted; and

4 3. The identification of any safe deposit box, commercial mailbox, or storage
5 facility that is either titled in the name, individually or jointly, of any Defendant or
6 Relief Defendant, or is otherwise subject to access by any Defendant or Relief
7 Defendant; and

8 D. Upon the request of FTC's counsel or the Receiver, promptly provide FTC's
9 counsel and the Receiver with copies of all records or other Documents pertaining to any
10 account or Asset covered by this Section, including originals or copies of account
11 applications, account statements, signature cards, checks, drafts, deposit tickets, transfers
12 to and from the accounts, including wire transfers and wire transfer instructions, all other
13 debit and credit instruments or slips, currency transaction reports, 1099 forms, and all logs
14 and records pertaining to safe deposit boxes, commercial mail boxes, and storage facilities.
15 Provided, however, that this Section does not prohibit any transfers to the Receiver or
16 repatriation of foreign Assets specifically required by this Order.

17 **V. FINANCIAL DISCLOSURES**

18 **IT IS FURTHER ORDERED** that each Defendant and Relief Defendant, within
19 five (5) days of service of this Order upon them, shall prepare and deliver to FTC's counsel
20 and the Receiver:

21 A. completed financial statements on the forms attached to this Order as
22 **Attachment A** (Financial Statement of Individual Defendant) for each Individual
23 Defendant, and **Attachment B** (Financial Statement of Corporate Defendant) for each
24 Corporate Defendant or Relief Defendant; and

25 B. completed **Attachment C** (IRS Form 4506, Request for Copy of a Tax Return)
26 for each Individual and Corporate Defendant.

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

2 **IT IS FURTHER ORDERED** that Defendants and Relief Defendant, Defendants’
3 and Relief Defendant’s agents, affiliate marketers, employees, and attorneys, and all other
4 Persons in active concert or participation with any of them, who receive actual notice of
5 this Order, whether acting directly or indirectly, are hereby temporarily restrained and
6 enjoined from taking any action, directly or indirectly, which may result in the
7 encumbrance or dissipation of foreign assets, or in the hindrance of the repatriation
8 required by this Order, including, but not limited to:

9 A. Sending any communication or engaging in any other act, directly or
10 indirectly, that results in a determination by a foreign trustee or other entity that a “duress”
11 event has occurred under the terms of a foreign trust agreement until such time that
12 Defendants’ and Relief Defendant’s Assets have been fully repatriated pursuant to this
13 Order; or

14 B. Notifying any trustee, protector or other agent of any foreign trust or other
15 related entities of either the existence of this Order, or of the fact that repatriation is required
16 pursuant to a court order, until such time that Defendants’ and Relief Defendant’s Assets
17 have been fully repatriated pursuant to this Order.

18 **VIII. CONSUMER CREDIT REPORTS**

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

23 **IX. PRESERVATION OF RECORDS**

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

1 A. Destroying, erasing, falsifying, writing over, mutilating, concealing, altering,
2 transferring, or otherwise disposing of, in any manner, directly or indirectly, Documents
3 that relate to: (1) the business, business practices, Assets, or business or personal finances
4 of any Defendant or Relief Defendant; (2) the business practices or finances of entities
5 directly or indirectly under the control of any Defendant or Relief Defendant; or (3) the
6 business practices or finances of entities directly or indirectly under common control with
7 any other Defendant or Relief Defendant; and

8 B. Failing to create and maintain Documents that, in reasonable detail,
9 accurately, fairly, and completely reflect Defendants' or Relief Defendant's incomes,
10 disbursements, transactions, and use of Defendants' or Relief Defendant's Assets.

11 **X. REPORT OF NEW BUSINESS ACTIVITY**

12 **IT IS FURTHER ORDERED** that Defendants, Defendants' officers, agents,
13 affiliate marketers, employees, and attorneys, and all other persons in active concert or
14 participation with any of them, who receive actual notice of this Order, whether acting
15 directly or indirectly, are hereby temporarily restrained and enjoined from creating,
16 operating, or exercising any control over any business entity, whether newly formed or
17 previously inactive, including any partnership, limited partnership, joint venture, sole
18 proprietorship, limited liability company, or corporation, without first providing the FTC's
19 counsel and the Receiver with a written statement disclosing: (1) the name of the business
20 entity; (2) the address and telephone number of the business entity; (3) the names of the
21 business entity's officers, directors, principals, managers, and employees; and (4) a detailed
22 description of the business entity's intended activities.

23 **XI. TEMPORARY RECEIVER**

24 **IT IS FURTHER ORDERED** that **Michael Dunn of DunnLaw, P.A.**, is appointed
25 as temporary receiver of the Receivership Entities with full powers of an equity receiver.
26 The Receiver shall be solely the agent of this Court in acting as Receiver under this Order.

27 **XII. DUTIES AND AUTHORITY OF RECEIVER**

28 **IT IS FURTHER ORDERED** that the Receiver is directed and authorized to

1 accomplish the following:

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

6 B. Take exclusive custody, control, and possession of all Assets and Documents
7 of, or in the possession, custody, or under the control of, any Receivership Entity, wherever
8 situated;

9 C. Take exclusive custody, control, and possession of all Documents or Assets
10 associated with credits, debits, or charges made on behalf of any Receivership Entity,
11 wherever situated, including reserve funds held by payment processors, credit card
12 processors, merchant banks, acquiring banks, independent sales organizations, third party
13 processors, payment gateways, insurance companies, or other entities;

14 D. Conserve, hold, manage, and prevent the loss of all Assets of the Receivership
15 Entities, and perform all acts necessary or advisable to preserve the value of those Assets.
16 The Receiver shall assume control over the income and profits therefrom and all sums of
17 money now or hereafter due or owing to the Receivership Entities. The Receiver shall
18 have full power to sue for, collect, and receive, all Assets of the Receivership Entities and
19 of other persons or entities whose interests are now under the direction, possession,
20 custody, or control of, the Receivership Entities. *Provided*, however, that the Receiver shall
21 not attempt to collect any amount from a consumer if the Receiver believes the consumer's
22 debt to the Receivership Entities has resulted from the deceptive acts or practices or other
23 violations of law alleged in the Complaint in this matter, without prior Court approval;

24 E. Obtain, conserve, hold, manage, and prevent the loss of all Documents of the
25 Receivership Entities, and perform all acts necessary or advisable to preserve such
26 Documents. The Receiver shall: divert mail; preserve all Documents of the Receivership
27 Entities that are accessible via electronic means (such as online access to financial accounts
28 and access to electronic documents held onsite or by Electronic Data Hosts, by changing

1 usernames, passwords, or other log-in credentials); take possession of all electronic
2 Documents of the Receivership Entities stored onsite or remotely; take whatever steps
3 necessary to preserve all such Documents; and obtain the assistance of the FTC's Digital
4 Forensic Unit for the purpose of obtaining electronic documents stored onsite or remotely;

5 F. Choose, engage, and employ attorneys, accountants, appraisers, and other
6 independent contractors and technical specialists without further order of the Court, as the
7 Receiver deems advisable or necessary in the performance of duties and responsibilities
8 under the authority granted by this Order;

9 G. Make payments and disbursements from the receivership estate that are
10 necessary or advisable for carrying out the directions of, or exercising the authority granted
11 by, this Order, and to incur, or authorize the making of, such agreements as may be
12 necessary and advisable in discharging his or her duties as Receiver. The Receiver shall
13 apply to the Court for prior approval of any payment of any debt or obligation incurred by
14 the Receivership Entities prior to the date of entry of this Order, except payments that the
15 Receiver deems necessary or advisable to secure Assets of the Receivership Entities, such
16 as rental payments;

17 H. Take all steps necessary to secure and take exclusive custody of each location
18 from which the Receivership Entities operate their businesses. Such steps may include,
19 but are not limited to, any of the following, as the Receiver deems necessary or advisable:
20 (1) securing the location by changing the locks and alarm codes and disconnecting any
21 internet access or other means of access to the computers, servers, internal networks, or
22 other records maintained at that location; and (2) requiring any persons present at the
23 location to leave the premises, to provide the Receiver with proof of identification, and/or
24 to demonstrate to the satisfaction of the Receiver that such persons are not removing from
25 the premises Documents or Assets of the Receivership Entities. Law enforcement
26 personnel, including, but not limited to, police or sheriffs, may assist the Receiver in
27 implementing these provisions in order to keep the peace and maintain security. If
28 requested by the Receiver, the United States Marshal will provide appropriate and

1 necessary assistance to the Receiver to implement this Order and is authorized to use any
2 necessary and reasonable force to do so;

3 I. Take all steps necessary to prevent the modification, destruction, or erasure of
4 any web page or website registered to and operated, in whole or in part, by any Defendant,
5 and to provide access to all such web page or websites to the FTC's representatives, agents,
6 and assistants, as well as Defendants and their representatives;

7 J. Enter into and cancel contracts and purchase insurance as advisable or
8 necessary;

9 K. Prevent the inequitable distribution of Assets and determine, adjust, and
10 protect the interests of consumers who have transacted business with the Receivership
11 Entities;

12 L. Make an accounting, as soon as practicable, of the Assets and financial
13 condition of the receivership and file the accounting with the Court and deliver copies
14 thereof to all parties;

15 M. Institute, compromise, adjust, appear in, intervene in, defend, dispose of, or
16 otherwise become party to any legal action in state, federal or foreign courts or arbitration
17 proceedings as the Receiver deems necessary and advisable to preserve or recover the
18 Assets of the Receivership Entities, or to carry out the Receiver's mandate under this Order,
19 including but not limited to, actions challenging fraudulent or voidable transfers;

20 N. Issue subpoenas to obtain Documents and records pertaining to the
21 Receivership, and conduct discovery in this action on behalf of the receivership estate, in
22 addition to obtaining other discovery as set forth in this Order;

23 O. Open one or more bank accounts at designated depositories for funds of the
24 Receivership Entities. The Receiver shall deposit all funds of the Receivership Entities in
25 such designated accounts and shall make all payments and disbursements from the
26 receivership estate from such accounts. The Receiver shall serve copies of monthly
27 account statements on all parties;

1 P. Maintain accurate records of all receipts and expenditures incurred as
2 Receiver;

3 Q. Allow the FTC's representatives, agents, and assistants, as well as Defendants'
4 representatives and Defendants themselves, reasonable access to the premises of the
5 Receivership Entities, or any other premises where the Receivership Entities conduct
6 business. The purpose of this access shall be to inspect and copy any and all books, records,
7 Documents, accounts, and other property owned by, or in the possession of, the
8 Receivership Entities or their agents. The Receiver shall have the discretion to determine
9 the time, manner, and reasonable conditions of such access;

10 R. Allow the FTC's representatives, agents, and assistants, as well as Defendants
11 and their representatives, reasonable access to all Documents in the possession, custody, or
12 control of the Receivership Entities;

13 S. Cooperate with reasonable requests for information or assistance from any
14 state or federal civil or criminal law enforcement agency;

15 T. Suspend business operations of the Receivership Entities if in the judgment
16 of the Receiver such operations cannot be continued legally and profitably;

17 U. If the Receiver identifies a nonparty entity as a Receivership Entity, promptly
18 notify the entity as well as the parties, and inform the entity that it can challenge the
19 Receiver's determination by filing a motion with the Court. *Provided*, however, that the
20 Receiver may delay providing such notice until the Receiver has established control of the
21 nonparty entity and its assets and records, if the Receiver determines that notice to the
22 entity or the parties before the Receiver establishes control over the entity may result in the
23 destruction of records, dissipation of assets, or any other obstruction of the Receiver's
24 control of the entity;

25 V. If in the Receiver's judgment the business operations cannot be continued
26 legally and profitably, take all steps necessary to ensure that any of the Receivership
27 Entities' web pages or websites relating to the activities alleged in the Complaint cannot be
28 accessed by the public, or are modified for consumer education and/or informational

1 purposes, and take all steps necessary to ensure that any telephone numbers associated with
2 the Receivership Entities cannot be accessed by the public, or are answered solely to
3 provide consumer education or information regarding the status of operations; and

4 W. Prepare a written report at or before any hearing described in Paragraph
5 XXVI, that describes (1) the steps taken by the Receiver to implement the terms of the
6 Order; (2) the value of all assets and sum of all liabilities of the Receivership Entities; (3)
7 the steps the Receiver intends to take in the future to protect receivership assets, recover
8 receivership assets from third parties, and adjust receivership liabilities; (4) the Receiver's
9 opinion on whether any portion of the business of any of the Receivership Entities can
10 continue to operate legally and profitably; and (5) any other matters which the Receiver
11 believes should be brought to the Court's attention.

12 **XIII. TRANSFER OF RECEIVERSHIP PROPERTY TO RECEIVER**

13 **IT IS FURTHER ORDERED** that Defendants and the Relief Defendant and any
14 other person, with possession, custody or control of property of, or records relating to, the
15 Receivership Entities shall, upon notice of this Order by personal service or otherwise,
16 fully cooperate with and assist the Receiver in taking and maintaining possession, custody,
17 or control of the Assets and Documents of the Receivership Entities and immediately
18 transfer or deliver to the Receiver possession, custody, and control of, the following:

19 A. All Assets held by or for the benefit of the Receivership Entities;

20 B. All Documents or Assets associated with credits, debits, or charges made on
21 behalf of any Receivership Entity, wherever situated, including reserve funds held by
22 payment processors, credit card processors, merchant banks, acquiring banks, independent
23 sales organizations, third party processors, payment gateways, insurance companies, or
24 other entities, and commission payments and funds held by third party Amazon Automation
25 companies;

26 C. All Documents of or pertaining to the Receivership Entities; including all
27 communications occurring via electronic mail, electronic messaging service, or encrypted
28 messaging service (including but not limited to Signal, Discord, Slack, or WhatsApp);

1 D. All computers, electronic devices, mobile devices and machines used to
2 conduct the business of the Receivership Entities; even if such computers, electronic
3 devices, mobile devices, and machines are also used for non-business purposes;

4 E. All Assets and Documents belonging to other persons or entities whose
5 interests are under the direction, possession, custody, or control of the Receivership
6 Entities, including third party automation fulfillment companies; and

7 F. All keys, codes, user names, and passwords necessary to gain or to secure
8 access to any Assets or Documents of or pertaining to the Receivership Entities, including
9 access to their business premises, means of communication, accounts, computer systems
10 (onsite and remote), Electronic Data Hosts, encrypted messaging services, or other
11 property.

12 In the event that any person or entity fails to deliver or transfer any Asset or
13 Document, or otherwise fails to comply with any provision of this Section, the Receiver
14 may file an Affidavit of Non-Compliance regarding the failure and a motion seeking
15 compliance or a contempt citation.

16 **XIV. PROVISION OF INFORMATION TO RECEIVER**

17 **IT IS FURTHER ORDERED** that Defendants and the Relief Defendant shall
18 immediately provide to the Receiver:

19 A. A list of all Documents pertaining to the Receivership Entities' Earnings
20 Claims and other representations related to the marketing, advertising, promotion, offer for
21 sale, or sale of Defendants' Products, including any such Documents belonging to other
22 persons or entities whose interests are under the direction, custody, or control, or in the
23 possession, of the Receivership Entities;

24 B. A list of all Assets and accounts of the Receivership Entities that are held in
25 any name other than the name of a Receivership Entity, or by any person or entity other
26 than a Receivership Entity;

1 C. A list of all agents, affiliate marketers, employees, officers, attorneys,
2 servants, and those persons in active concert and participation with the Receivership
3 Entities, or who have been associated or done business with the Receivership Entities; and

4 D. A description of any documents covered by attorney-client privilege or
5 attorney work product, including files where such documents are likely to be located,
6 authors or recipients of such documents, and search terms likely to identify such electronic
7 documents.

8 **XV. COOPERATION WITH THE RECEIVER**

9 **IT IS FURTHER ORDERED** that Defendants; Receivership Entities; Defendants'
10 or Receivership Entities' officers, agents, affiliate marketers, employees, and attorneys, all
11 other persons in active concert or participation with any of them, and any other person with
12 possession, custody, or control of property or records relating to the Receivership Entities
13 who receive actual notice of this Order shall fully cooperate with and assist the Receiver.
14 This cooperation and assistance shall include, but is not limited to, providing information
15 to the Receiver that the Receiver deems necessary to exercise the authority and discharge
16 the responsibilities of the Receiver under this Order; providing any keys, codes, user
17 names, and passwords required to access any computers, electronic devices, mobile
18 devices, and machines (onsite or remotely) and any cloud account (including specific
19 method to access account) or electronic file in any medium; advising all persons who owe
20 money to any Receivership Entity (including third party automation fulfillment companies)
21 that all debts should be paid directly to the Receiver; and transferring funds at the
22 Receiver's direction and producing records related to the Assets, sales, and refunds of the
23 Receivership Entities.

24 **XVI. NON-INTERFERENCE WITH THE RECEIVER**

25 **IT IS FURTHER ORDERED** that Defendants; Receivership Entities; Defendants'
26 or Receivership Entities' officers, agents, affiliate marketers, employees, attorneys, and all
27 other persons in active concert or participation with any of them, who receive actual notice
28

1 of this Order, and any other person served with a copy of this Order, are hereby restrained
2 and enjoined from directly or indirectly:

3 A. Interfering with the Receiver's efforts to manage, or take custody, control, or
4 possession of, the Assets or Documents subject to the receivership;

5 B. Transacting any of the business of the Receivership Entities;

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

9 D. Refusing to cooperate with the Receiver or the Receiver's duly authorized
10 agents in the exercise of their duties or authority under any order of this Court.

11 **XVII. STAY OF ACTIONS**

12 **IT IS FURTHER ORDERED** that, except by leave of this Court, during the
13 pendency of the receivership ordered herein, Defendants and Relief Defendant,
14 Defendants' and Relief Defendant's officers, agents, affiliate marketers, employees,
15 attorneys, and all other persons in active concert or participation with any of them, who
16 receive actual notice of this Order, and their corporations, subsidiaries, divisions, or
17 affiliates, and all investors, creditors, stockholders, lessors, customers and other persons
18 seeking to establish or enforce any claim, right, or interest against or on behalf of
19 Defendants or Relief Defendant, and all others acting for or on behalf of such persons, are
20 hereby enjoined from taking action that would interfere with the exclusive jurisdiction of
21 this Court over the Assets or Documents of the Receivership Entities, including, but not
22 limited to:

23 A. Filing or assisting in the filing of a petition for relief under the Bankruptcy
24 Code, 11 U.S.C. § 101 *et seq.*, or of any similar insolvency proceeding on behalf of the
25 Receivership Entities;

26 B. Commencing, prosecuting, or continuing a judicial, administrative, or other
27 action or proceeding against the Receivership Entities, including the issuance or
28

1 employment of process against the Receivership Entities, except that such actions may be
2 commenced if necessary to toll any applicable statute of limitations; or

3 C. Filing or enforcing any lien on any asset of the Receivership Entities, taking
4 or attempting to take possession, custody, or control of any Asset of the Receivership
5 Entities; or attempting to foreclose, forfeit, alter, or terminate any interest in any Asset of
6 the Receivership Entities, whether such acts are part of a judicial proceeding, are acts of
7 self-help, or otherwise.

8 *Provided*, however, that this Order does not stay: (1) the commencement or
9 continuation of a criminal action or proceeding; (2) the commencement or continuation of
10 an action or proceeding by a governmental unit to enforce such governmental unit's police
11 or regulatory power; or (3) the enforcement of a judgment, other than a money judgment,
12 obtained in an action or proceeding by a governmental unit to enforce such governmental
13 unit's police or regulatory power.

14 **XVIII. COMPENSATION OF RECEIVER**

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

25 **XIX. RECEIVER'S BOND**

26 **IT IS FURTHER ORDERED** that the Receiver shall file with the Clerk of this
27 Court a bond in the sum of \$35,000 with sureties to be approved by the Court, conditioned
28 that the Receiver will well and truly perform the duties of the office and abide by and

1 perform all acts the Court directs. 28 U.S.C. § 754.

2 **XX. IMMEDIATE PRODUCTION OF BUSINESS RECORDS**

3 **IT IS FURTHER ORDERED** that the Corporate Defendants and Relief Defendant
4 shall allow the Receiver and FTC's employees and agents access to the Corporate
5 Defendants' and Relief Defendant's business records to inspect and copy Documents in
6 preparation for the preliminary injunction hearing and to identify and locate assets.

7 The Corporate Defendants and Relief Defendant shall, within two (2) days of
8 receiving notice of this Order, produce to the FTC for inspection, inventory, and copying,
9 at a location designated by FTC, the following materials: (1) all customer information,
10 including names, phone numbers, addresses, e-mail addresses, customer complaints, and
11 payment information for all consumers who have purchased Corporate Defendants'
12 business opportunities and coaching services or were sold business opportunities through
13 the Defendants; (2) all contracts, including termination contracts, with customers and third
14 party automation fulfillment companies; (3) any correspondence, including electronic
15 correspondence, that refers or relates to the Corporate Defendants' business opportunities
16 and coaching services and those business opportunities advertised by the Corporate
17 Defendants; (4) an electronic copy of all advertisements for the Corporate Defendants'
18 business opportunities and coaching services; (5) all telephone scripts used during the sales
19 process; (6) all slide decks, sales projections, charts, and spreadsheets used during the sales
20 process; (7) all Documents pertaining to Earnings Claims and other representations related
21 to the marketing, advertising, promotion, offer for sale, or sale of Defendants' business
22 opportunities and coaching services and those business opportunities advertised by the
23 Corporate Defendants, including substantiation for any Earnings Claims; and (8)
24 accounting information, including profit and loss statements, annual reports, receipt books,
25 ledgers, personal and business canceled checks and check registers, bank statements,
26 appointment books, copies of federal, state or local business or personal income or property
27 tax returns, and 1099 forms. The FTC shall return any materials produced pursuant to this
28 Paragraph within seven (7) days of the Corporate Defendants' production.

1 **XXI. IMMEDIATE ACCESS TO BUSINESS PREMISES AND RECORDS**

2 **IT IS FURTHER ORDERED** that:

3 A. In order to allow the FTC and the Receiver to preserve Assets and evidence
4 relevant to this action and to expedite discovery, the FTC and the Receiver, and their
5 representatives, agents, contractors, and assistants, shall have immediate access to the
6 business premises and storage facilities, owned, controlled, or used by the Receivership
7 Entities. Such locations include, but are not limited to any offsite location or commercial
8 mailbox used by the Receivership Entities. The Receiver may exclude Defendants, Relief
9 Defendant, Receivership Entities, and their employees from the business premises during
10 the immediate access;

11 B. The FTC and the Receiver, and their representatives, agents, contractors, and
12 assistants, are authorized to remove Documents from the Receivership Entities' premises
13 in order that they may be inspected, inventoried, and copied. The FTC shall return any
14 removed materials to the Receiver within five (5) business days of completing inventorying
15 and copying, or such time as is agreed upon by the FTC and the Receiver;

16 C. The FTC's access to the Receivership Entities' documents pursuant to this
17 Section shall not provide grounds for any Defendant to object to any subsequent request
18 for documents served by the FTC;

19 D. The FTC and the Receiver, and their representatives, agents, contractors, and
20 assistants, are authorized to obtain the assistance of federal, state, and local law
21 enforcement officers as they deem necessary to effect service and to implement peacefully
22 the provisions of this Order;

23 E. If any Documents, computers, or electronic storage devices containing
24 information related to the business practices or finances of the Receivership Entities are at
25 any location, including personal residence(s) of any Defendant, then, immediately upon
26 receiving notice of this order, Defendants, Relief Defendant, and Receivership Entities
27 shall produce to the Receiver all such Documents, computers, and electronic storage
28 devices, along with any codes or passwords needed for access. In order to prevent the

1 destruction of computer data, upon service of this Order, any such computers or electronic
2 storage devices shall be powered down in the normal course of the operating system used
3 on such devices and shall not be powered up or used until produced for copying and
4 inspection; and

5 F. If any communications or records of any Receivership Entity are stored with
6 an Electronic Data Host, such Entity shall, immediately upon receiving notice of this order,
7 provide the Receiver with the username, passwords, and any other login credential needed
8 to access the communications and records, and shall not attempt to access, or cause a third-
9 party to attempt to access, the communications or records.

10 **XXII. DISTRIBUTION OF ORDER BY DEFENDANTS**

11 **IT IS FURTHER ORDERED** that Defendants shall immediately provide a copy
12 of this Order to each affiliate, telemarketer, marketer, sales entity, successor, assign,
13 member, officer, director, employee, agent, independent contractor, client, attorney,
14 spouse, subsidiary, division, and representative of any Defendant, and shall, within ten (10)
15 days from the date of entry of this Order, provide the FTC and the Receiver with a sworn
16 statement that this provision of the Order has been satisfied, which statement shall include
17 the names, physical addresses, phone numbers, and email addresses of each such person or
18 entity who received a copy of the Order. Furthermore, Defendants shall not take any action
19 that would encourage officers, agents, members, directors, employees, salespersons,
20 independent contractors, attorneys, subsidiaries, affiliates, successors, assigns or other
21 persons or entities in active concert or participation with them to disregard this Order or
22 believe that they are not bound by its provisions.

23 **XXIII. EXPEDITED DISCOVERY**

24 **IT IS FURTHER ORDERED** that, notwithstanding the provisions of the Fed. R.
25 Civ. P. 26(d) and (f) and 30(a)(2)(A)(iii), and pursuant to Fed. R. Civ. P. 30(a), 33, 34, and
26 45, the FTC and the Receiver are granted leave, at any time after service of this Order, to
27 conduct limited expedited discovery for the purpose of discovering: (1) the nature,
28 location, status, and extent of Defendants' and Relief Defendant's Assets; (2) the nature,

1 location, and extent of Defendants' and Relief Defendant's business transactions and
2 operations; (3) Documents reflecting Defendants' and Relief Defendant's business
3 transactions and operations, including Documents reflecting any substantiation for any
4 Earnings Claims; and (4) compliance with this Order. The limited expedited discovery set
5 forth in this Section shall proceed as follows:

6 A. The FTC and the Receiver may take the deposition of parties and non-parties.
7 Forty-eight (48) hours' notice shall be sufficient notice for such depositions. The limitations
8 and conditions set forth in Rules 30(a)(2)(B) and 31(a)(2)(B) of the Federal Rules of Civil
9 Procedure regarding subsequent depositions of an individual or corporation shall not apply
10 to depositions taken pursuant to this Section. Any such deposition taken pursuant to this
11 Section shall not be counted towards the deposition limit set forth in Rules 30(a)(2)(A) and
12 31(a)(2)(A) and depositions may be taken by telephone or other remote electronic means;

13 B. The FTC and the Receiver may serve upon parties' requests for production of
14 Documents or inspection that require production or inspection within five (5) days of
15 service, provided, however, that three (3) days of notice shall be deemed sufficient for the
16 production of any such Documents that are maintained or stored only in an electronic
17 format;

18 C. The FTC and the Receiver may serve upon parties interrogatories that require
19 response within five (5) days after service of the interrogatories;

20 D. The FTC and the Receiver may serve subpoenas upon non-parties that direct
21 production or inspection within five (5) days of service;

22 E. Service of discovery upon a party to this action, taken pursuant to this Section,
23 shall be sufficient if made by facsimile, email, or by personal or overnight delivery;

24 F. Any expedited discovery taken pursuant to this Section is in addition to, and
25 is not subject to, the limits on discovery set forth in the Federal Rules of Civil Procedure
26 and the Local Rules of this Court. The expedited discovery permitted by this Section does
27 not require a meeting or conference of the parties, pursuant to Rules 26(d) & (f) of the
28 Federal Rules of Civil Procedure; and

1 G. The Parties are exempted from making initial disclosures under Fed. R. Civ.
2 P. 26(a)(1) until further order of this Court.

3 **XXIV. SERVICE OF THIS ORDER**

4 **IT IS FURTHER ORDERED** that copies of this Order as well as the Motion for
5 Temporary Restraining Order and all other pleadings, documents, and exhibits filed
6 contemporaneously with that Motion (other than the complaint and summons), may be
7 served by any means, including facsimile transmission, electronic mail or other electronic
8 messaging, personal or overnight delivery, U.S. Mail or FedEx, by agents and employees
9 of the FTC, by any law enforcement agency, or by private process server, upon any
10 Defendant, Relief Defendant, or any Person (including any financial institution) that may
11 have possession, custody or control of any Asset or Document of any Defendant or Relief
12 Defendant, or that may be subject to any provision of this Order pursuant to Rule 65(d)(2)
13 of the Federal Rules of Civil Procedure. For purposes of this Section, service upon any
14 branch, subsidiary, affiliate, or office of any entity shall effect service upon the entire
15 entity.

16 **XXV. CORRESPONDENCE AND SERVICE ON FTC**

17 **IT IS FURTHER ORDERED** that, for the purpose of this Order, all
18 correspondence and service of pleadings on the FTC shall be done via email to: Colleen
19 Robbins at crobbs@ftc.gov and Christopher E. Brown at cbrown3@ftc.gov.

20 **XXVI. PRELIMINARY INJUNCTION HEARING**

21 **IT IS FURTHER ORDERED** that, pursuant to Fed. R. Civ. P. 65(b), Defendants
22 and Relief Defendant shall appear before this Court on the **September 19, 2023, at 10:00**
23 **a.m.**, to show cause, why this Court should not enter a preliminary injunction, pending
24 final ruling on the Complaint against Defendants and Relief Defendant, enjoining the
25 violations of the law alleged in the Complaint, continuing the freeze of their Assets,
26 continuing the receivership, and imposing such additional relief as may be appropriate.

27 //

28 //

XXVII. PRELIMINARY INJUNCTION HEARING BRIEFING SCHEDULE

IT IS FURTHER ORDERED that:

A. Defendants and Relief Defendant shall file with the Court and serve on the FTC’s counsel any answering pleadings, affidavits, motions, expert reports or declarations, or legal memoranda **by no later than September 11, 2023**. The FTC may file responsive or supplemental pleadings, materials, affidavits, or memoranda with the Court and serve the same on counsel for Defendants and Relief Defendant **by no later than September 15, 2023**. Affidavits, pleadings, motions, expert reports, declarations, legal memoranda or oppositions must be served by personal or overnight delivery, facsimile or email, and be received by the other party or parties **by no later than 5:00 p.m.** on the appropriate dates set forth in this Section.

B. Defendants may request an evidentiary hearing and the presentation of live witnesses if they believe that is warranted. They will advise the Court and the FTC as early as possible with such a request, and will provide a statement explaining why they are making that request. Otherwise, and unless ordered differently by the Court, the preliminary injunction hearing will not include live witnesses or evidentiary proceedings.

XXVIII. DURATION OF THE ORDER

IT IS FURTHER ORDERED that this Order shall expire fourteen (14) days from the date of entry noted below, unless within such time, the Order is extended for an additional period pursuant to Fed. R. Civ. P. 65(b)(2).

IT IS SO ORDERED.

DATED: August 11, 2023


Hon. Cynthia Bashant
United States District Judge