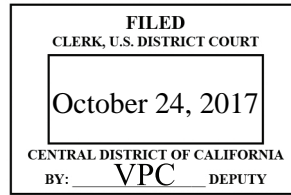


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13 **UNITED STATES DISTRICT COURT**  
 14 **CENTRAL DISTRICT OF CALIFORNIA**

15 FEDERAL TRADE COMMISSION,

16 Plaintiff,

17 vs.

18 ALLIANCE DOCUMENT  
 19 PREPARATION LLC, *et al.*,

20 Defendants, and

21 DIRECT CONSULTING SERVICE  
 22 LLC; and CAPITAL DOC PREP, INC.,

23 Relief Defendants.  
 24  
 25  
 26  
 27  
 28

Civ. No. CV 17-7048 SJO (KSx)

**PRELIMINARY INJUNCTION AND  
 OTHER EQUITABLE RELIEF AS  
 TO SBB HOLDINGS, LLC, and  
 SHAWN GABBAIE**

1 Plaintiff, the Federal Trade Commission (“Commission” or “FTC”), has  
2 filed its Complaint for Permanent Injunction and Other Equitable Relief pursuant  
3 to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C.  
4 § 53(b), and the Telemarketing and Consumer Fraud and Abuse Prevention Act  
5 (“Telemarketing Act”), 15 U.S.C. §§ 6101-6108, and has moved, pursuant to Fed.  
6 R. Civ. P. 65(b), for a preliminary injunction, asset freeze, and other equitable  
7 relief.

8 Plaintiff FTC and Defendants SBB Holdings, LLC, and Shawn Gabbaie  
9 (collectively “Stipulating Defendants”), by and through their counsel, have agreed  
10 to stipulate to entry of a preliminary injunction in the form below without further  
11 notice or hearing. However, the findings of fact set forth below are not admissions  
12 by Stipulating Defendants and are not intended to preclude them from disputing  
13 such findings at later proceedings in this matter or at trial. The stipulation and entry  
14 of this Preliminary Injunction is not to be construed or deemed a waiver of any  
15 claims or defenses that may be raised by Stipulating Defendants in this action.

#### 16 **FINDINGS OF FACT**

17 The Court, having considered the FTC’s Complaint, *ex parte* application for  
18 temporary restraining order, declarations, exhibits, and the memorandum filed in  
19 support of the FTC’s application, and the FTC’s Motion for Preliminary  
20 Injunction, and the evidence presented, now finds that:

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

24 2. There is good cause to believe that that Plaintiff is likely to prevail on  
25 the merits of this action.

26 3. Without admitting or denying any allegations of the Complaint  
27 (except as to personal and subject matter jurisdiction under the instant Complaint,  
28 which Stipulating Defendants admit), Stipulating Defendants consent and stipulate

1 to the entry of a preliminary injunction in the form as evidenced below, without  
2 further notice or hearing.

3 4. Weighing the equities and considering the FTC’s likelihood of  
4 ultimate success on the merits, the stipulated preliminary injunction is in the public  
5 interest.

6 5. No security is required of any agency of the United States for issuance  
7 of a preliminary injunction. Fed. R. Civ. P. 65(c).

8 **ORDER**

9 **DEFINITIONS**

10 For the purpose of this Preliminary Injunction, the following definitions  
11 shall apply:

12 A. “**Asset**” means any legal or equitable interest in, right to, or claim to,  
13 any real or personal property, including, without limitation, chattels, goods,  
14 instruments, equipment, fixtures, general intangibles, leaseholds, mail or other  
15 deliveries, inventory, checks, notes, accounts, credits, contracts, receivables, shares  
16 of stock, and all cash, wherever located and by whomever held.

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

22 C. “**Document**” is synonymous in meaning and equal in scope to the  
23 usage of the terms “**document**” and “**electronically stored information**” in Fed.  
24 R. Civ. P. 34(a), and includes but is not limited to writings, drawings, graphs,  
25 charts, photographs, sound and video recordings, images, Internet sites, web pages,  
26 websites, electronic correspondence, including e-mail and instant messages,  
27 contracts, accounting data, advertisements, FTP Logs, Server Access Logs, books,  
28 written or printed records, handwritten notes, telephone logs, telephone scripts,

1 receipt books, ledgers, personal and business canceled checks and check registers,  
2 bank statements, appointment books, computer records, customer or sales  
3 databases and any other electronically stored information, including Documents  
4 located on remote servers or cloud computing systems, and other data or data  
5 compilations from which information can be obtained directly or, if necessary,  
6 after translation into a reasonably usable form. A draft or non-identical copy is a  
7 separate document within the meaning of the term.

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

12 E. **“Individual Defendant”** means Shawn Gabbaie, aka Shawn  
13 Goodman; and any other names by which he might be known.

14 F. **“Person”** means any individual, group, unincorporated association,  
15 limited or general partnership, corporation or other business entity.

16 G. **“Plaintiff”** means the Federal Trade Commission.

17 H. **“Receiver”** means Thomas W. McNamara. The term “Receiver” also  
18 includes any deputy receivers as may be named by the Receiver.

19 I. **“Receivership Defendant”** means SBB Holdings, LLC.

20 J. **“Seller”** means any person who, in connection with a telemarketing  
21 transaction, provides, offers to provide, or arranges for others to provide goods or  
22 services to a customer in exchange for consideration.

23 K. **“Stipulating Defendants”** means Receivership Defendant and  
24 Individual Defendant, individually, collectively, or in any combination.

25 L. **“Telemarketer”** means any person who, in connection with  
26 telemarketing, initiates or receives telephone calls to or from a customer or donor.  
27 16 C.F.R. § 310.2(ff).

1 M. “**Telemarketing**” means a plan, program, or campaign (whether or  
2 not covered by the TSR, 16 C.F.R. Part 310) that is conducted to induce the  
3 purchase of goods or services or a charitable contribution by use of one or more  
4 telephones.

5 **I. REPRESENTATIONS PROHIBITED BY § 5 OF THE FTC ACT**

6 **IT IS FURTHER ORDERED** that Stipulating Defendants, their officers,  
7 agents, servants, employees, and attorneys, and all other persons who are in active  
8 concert or participation with any of them, who receive actual notice of this Order,  
9 by personal service or otherwise, whether acting directly or indirectly, in  
10 connection with the advertising, marketing, promoting, or offering for sale, sale, or  
11 provision of any Debt Relief Service, are hereby preliminarily restrained and  
12 enjoined from:

13 A. Misrepresenting or assisting others in misrepresenting, expressly or by  
14 implication, that:

- 15 1. Stipulating Defendants are part of, affiliated with, or work  
16 directly with the government, government loan programs, the  
17 Department of Education (“ED”), or consumers’ loan servicers;
- 18 2. Consumers who purchase Stipulating Defendants’ Debt Relief  
19 Services generally will have their monthly payments reduced or their  
20 loan balances forgiven in whole or in part;
- 21 3. Consumers are qualified for, or are approved to receive loan  
22 forgiveness or other programs that will permanently lower or  
23 eliminate their loan payments or balances; and
- 24 4. Any other fact material to consumers concerning any Debt  
25 Relief Service, such as: the total costs; any material restrictions,  
26 limitations, or conditions; or any material aspect of its performance,  
27 efficacy, nature, or central characteristics; and  
28

1 B. Making or assisting others in making, any representation, expressly or  
2 by implication, about the benefits, performance, or efficacy of any Debt Relief  
3 Service, unless the representation is non-misleading and, at the time such  
4 representation is made, Stipulating Defendants possess and rely upon competent  
5 and reliable evidence that is sufficient in quality and quantity based on standards  
6 generally accepted in the relevant fields, when considered in light of the entire  
7 body of relevant and reliable evidence, to substantiate that the representation is  
8 true.

9 **II. REPRESENTATIONS PROHIBITED BY THE TSR**

10 **IT IS FURTHER ORDERED** that Stipulating Defendants, their officers,  
11 agents, servants, employees, and attorneys, and all other persons who are in active  
12 concert or participation with any of them, who receive actual notice of this Order,  
13 whether acting directly or indirectly, in connection with providing, offering to  
14 provide, or arranging for others to provide any Debt Relief Service, are hereby  
15 preliminarily restrained and enjoined from:

16 A. Providing, offering to provide, or arranging for others to provide any  
17 Debt Relief Service and requesting or receiving payment of any fees or  
18 consideration for any Debt Relief Service until and unless:

- 19 1. The Seller or Telemarketer has renegotiated, settled, reduced, or  
20 otherwise altered the terms of at least one debt pursuant to a  
21 settlement agreement, debt management plan, or other such valid  
22 contractual agreement executed by the customer;  
23 2. The customer has made at least one payment pursuant to that  
24 settlement agreement, debt management plan, or other valid  
25 contractual agreement between the customer and the creditor or debt  
26 collector; and  
27  
28

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

4           a. Bears the same proportional relationship to the total fee  
5 for renegotiating, settling, reducing, or altering the terms of the  
6 entire debt balance as the individual debt amount bears to the  
7 entire debt amount. The individual debt amount and the entire  
8 debt amount are those owed at the time the debt was enrolled in  
9 the service; or

10          b. Is a percentage of the amount saved as a result of the  
11 renegotiation, settlement, reduction, or alteration. The  
12 percentage charged cannot change from one individual debt to  
13 another. The amount saved is the difference between the  
14 amount owed at the time the debt was enrolled in the service  
15 and the amount actually paid to satisfy the debt requesting or  
16 receiving payment of any fees or consideration for any debt  
17 relief service;

18          B. Misrepresenting directly or indirectly, expressly or by implication,  
19 that Stipulating Defendants are affiliated with, or endorsed or sponsored by, the  
20 government, government loan programs, the ED, or consumers' loan servicers;

21          C. Misrepresenting, directly or indirectly, expressly or by implication,  
22 any material aspect of their Debt Relief Services, including, but not limited to, that:

- 23           1. Consumers who purchase Stipulating Defendants' Debt Relief  
24 Services generally will have their monthly payments reduced or  
25 their loan balances forgiven in whole or in part; and  
26           2. Consumers are qualified for, or are approved to receive loan  
27 forgiveness or other programs that will permanently lower or  
28 eliminate their loan payments or balances.

1       **III. PROHIBITION ON RELEASE OF CUSTOMER INFORMATION**

2       **IT IS FURTHER ORDERED** that Stipulating Defendants, their officers,  
3 agents, servants, employees, attorneys, and all other persons who are in active  
4 concert or participation with any of them, who receive actual notice of this Order,  
5 whether acting directly or indirectly, are hereby preliminarily restrained and  
6 enjoined from:

7       A. Selling, renting, leasing, transferring, or otherwise disclosing, the  
8 name, address, birth date, telephone number, email address, credit card number,  
9 bank account number, Social Security number, or other financial or identifying  
10 information of any person that the Stipulating Defendants obtained in connection  
11 with any activity that pertains to the subject matter of this Order; and

12       B. Benefitting from or using the name, address, birth date, telephone  
13 number, email address, credit card number, bank account number, Social Security  
14 number, or other financial or identifying information of any person that the  
15 Stipulating Defendants obtained in connection with any activity that pertains to the  
16 subject matter of this Order.

17       *Provided, however,* that Stipulating Defendants may disclose such  
18 identifying information to a law enforcement agency, as required by any law,  
19 regulation, or court order, or in any filings, pleadings or discovery in this action in  
20 the manner required by the Federal Rules of Civil Procedure and by any protective  
21 order in the case.

22       **IV. ASSET FREEZE**

23       **IT IS FURTHER ORDERED** that, except upon further order of the Court  
24 or by agreement between the FTC and the Stipulating Defendants, including an  
25 agreement to release reasonable and ordinary living expenses, Stipulating  
26 Defendants, and their officers, agents, servants, employees, and attorneys, and all  
27 other persons who are in active concert or participation with any of them, who  
28



1 receive actual notice of this Order, whether acting directly or indirectly, are hereby  
2 preliminarily restrained and enjoined from:

3       A. Transferring, liquidating, converting, encumbering, pledging, loaning,  
4 selling, concealing, dissipating, disbursing, assigning, relinquishing, spending,  
5 withdrawing, granting a lien or security interest or other interest in, or otherwise  
6 disposing of any Assets of the Stipulating Defendants, wherever located, including  
7 outside the United States, that are:

- 8           1. Owned or controlled, directly or indirectly, by any Stipulating  
9           Defendant;
- 10          2. held, in part or in whole, for the benefit of any Stipulating  
11          Defendant;
- 12          3. In the actual or constructive possession of any Stipulating  
13          Defendant; or
- 14          4. Owned or controlled by, in the actual or constructive possession of,  
15          or otherwise held for the benefit of, any corporation, partnership, asset  
16          protection trust, or other entity that is directly or indirectly owned,  
17          managed or controlled by any Stipulating Defendant.

18       B. Opening or causing to be opened any safe deposit boxes, commercial  
19 mail boxes, or storage facilities titled in the name of any Stipulating Defendant or  
20 subject to access by any Stipulating Defendant, except as necessary to comply with  
21 written requests from the Receiver acting pursuant to its authority under this Order;

22       C. Incurring charges or cash advances on any credit or bank card issued  
23 in the name, individually or jointly, of any Stipulating Defendant, or any  
24 corporation, partnership, or other entity directly or indirectly owned, managed, or  
25 controlled by any Stipulating Defendant, or of which any Stipulating Defendant is  
26 an officer, director, member, or manager; or

27       D. Cashing any checks or depositing any money orders or cash received  
28 from consumers, clients, or customers of any Stipulating Defendant.

1 The Assets affected by this Section shall include: (1) all Assets of the  
2 Stipulating Defendants as of the time this Order is entered; (2) Assets obtained by  
3 the Stipulating Defendants after this Order is entered if those Assets are derived  
4 from any activity that is the subject of the Complaint in this matter or that is  
5 prohibited by this Order. This Section does not prohibit any transfers to the  
6 Receiver or repatriation of foreign Assets specifically required by this Order.

7 **V. RETENTION OF ASSETS AND DOCUMENTS BY THIRD PARTIES**

8 **IT IS FURTHER ORDERED** that, subject to an order of the Court or  
9 agreement between the FTC and the Stipulating Defendants, and pending final  
10 resolution of this case, any financial or brokerage institution, Electronic Data Host,  
11 credit card processor, payment processor, merchant bank, acquiring bank,  
12 independent sales organization, third party processor, payment gateway, insurance  
13 company, business entity, or person who receives actual notice of this Order (by  
14 service or otherwise) and that (a) holds, controls, or maintains custody, through an  
15 account or otherwise, of any Document or Asset that is: owned or controlled,  
16 directly or indirectly, by any Stipulating Defendant; held, in part or in whole, for  
17 the benefit of any Stipulating Defendant; in the actual or constructive possession of  
18 any Stipulating Defendant; or owned or controlled by, in the actual or constructive  
19 possession of, or otherwise held for the benefit of, any corporation, partnership,  
20 asset protection trust, or other entity that is directly or indirectly owned, managed,  
21 or controlled by any Stipulating Defendant; (b) holds, controls, or maintains  
22 custody of any Document or Asset associated with credits, debits or charges made  
23 on behalf of the Stipulating Defendants, including reserve funds held by payment  
24 processors, credit card processors, merchant banks, acquiring banks, independent  
25 sales organizations, third party processors, payment gateways, insurance  
26 companies, or other entities; or (c) has held, controlled, or maintained custody of  
27 any such Document, Asset, or account at any time since the date of entry of this  
28 Order shall:

1           A.     Hold, preserve, and retain within its control and prohibit the  
2 withdrawal, removal, alteration, assignment, transfer, pledge, encumbrance,  
3 disbursement, dissipation, relinquishment, conversion, sale, or other disposal of  
4 any such Document or Asset, as well as all Documents or other property related to  
5 such Assets, except by further order of this Court;

6           B.     Deny any Person, except the Receiver with respect to the  
7 Receivership Defendant, access to any safe deposit box, commercial mail box, or  
8 storage facility that is titled in the name of any Stipulating Defendant, either  
9 individually or jointly, or otherwise subject to access by any Stipulating  
10 Defendant;

11           C.     Provide FTC counsel with respect to Stipulating Defendants, and the  
12 Receiver with respect to the Receivership Defendant, within three (3) business  
13 days of receiving a copy of this Order, a sworn statement setting forth:

- 14               1.     The identification number of each such account or Asset;
- 15               2.     The balance of each such account, or a description of the nature  
16                   and value of each such Asset as of the close of business on the  
17                   day on which this Order is served, and, if the account or other  
18                   Asset has been closed or removed, the date closed or removed,  
19                   the total funds removed in order to close the account, and the  
20                   name of the person or entity to whom such account or other  
21                   Asset was remitted and all user names, passwords or other  
22                   information necessary to have full and complete access to all  
23                   accounts; and
- 24               3.     The identification of any safe deposit box, commercial mail  
25                   box, or storage facility that is either titled in the name,  
26                   individually or jointly, of any Stipulating Defendant, or is  
27                   otherwise subject to access by any Stipulating Defendant; and  
28

1 D. Upon the request of FTC counsel or the Receiver, promptly provide  
2 FTC counsel and the Receiver with copies of all records or other Documents  
3 pertaining to such account or Asset, including originals or copies of account  
4 applications, account statements, signature cards, checks, drafts, deposit tickets,  
5 transfers to and from the accounts, including wire transfers and wire transfer  
6 instructions, all other debit and credit instruments or slips, currency transaction  
7 reports, 1099 forms, and all logs and records pertaining to safe deposit boxes,  
8 commercial mail boxes, and storage facilities.

#### 9 VI. FINANCIAL STATEMENTS AND ACCOUNTING

10 IT IS FURTHER ORDERED that each Stipulating Defendant, no later  
11 than October 24, 2017, shall prepare and deliver to Plaintiff's counsel and the  
12 Receiver: (1) completed financial statements on the forms attached to this Order as  
13 **Attachment A** (Financial Statement of Individual Defendant), and **Attachment B**  
14 (Financial Statement of Corporate Defendant); and (2) a completed statement,  
15 verified under oath, of all payments, transfers or assignments of funds, property  
16 worth \$5,000 or more, and other assets, since January 1, 2015. Such statement  
17 shall include: (a) the amount transferred or assigned; (b) the name of each  
18 transferee or assignee; (c) the date of the transfer or assignment; and (d) the type  
19 and amount of consideration paid by the Stipulating Defendant. Each statement  
20 shall specify the name and address of each financial institution and brokerage firm  
21 at which the Stipulating Defendant has in accounts or safe deposit boxes. Said  
22 statements shall include assets held in foreign as well as domestic accounts.

#### 23 VII. FOREIGN ASSET REPATRIATION

24 IT IS FURTHER ORDERED that within five (5) days following the  
25 service of this Order, if they have not already done so, each Stipulating Defendant  
26 shall:

27 A. Provide Plaintiff's counsel and the Receiver with a full accounting,  
28 verified under oath and accurate as of the date of this Order, of all Assets,

1 Documents, and accounts outside of the United States which are: (1) titled in the  
2 name, individually or jointly, of any Stipulating Defendant; (2) held by any person  
3 or entity for the benefit of any Stipulating Defendant or for the benefit of, any  
4 corporation, partnership, asset protection trust, or other entity that is directly or  
5 indirectly owned, managed, or controlled by any Stipulating Defendant; or (3)  
6 under the direct or indirect control, whether jointly or singly, of any Stipulating  
7 Defendant;

8 B. Take all steps necessary to provide Plaintiff's counsel and the  
9 Receiver access to all Documents and records that may be held by third parties  
10 located outside of the territorial United States of America, including signing, if  
11 they have not already done so, the Consent to Release of Financial Records  
12 appended to this Order as **Attachment C**.

13 C. Transfer to the territory of the United States and deliver to the  
14 Receiver all Documents and Assets located in foreign countries which are: (1)  
15 titled in the name, individually or jointly, of the Receivership Defendant; (2) held  
16 by any person or entity for the benefit of the Receivership Defendant, or for the  
17 benefit of, any corporation, partnership, asset protection trust, or other entity that is  
18 directly or indirectly owned, managed, or controlled by the Receivership  
19 Defendant; or (3) under the direct or indirect control, whether jointly or singly, of  
20 the Receivership Defendant; and

21 D. The same business day as any repatriation, (1) notify the Receiver and  
22 counsel for Plaintiff of the name and location of the financial institution or other  
23 entity that is the recipient of such Documents or Assets; and (2) serve this Order on  
24 any such financial institution or other entity.

## 25 **VIII. NON-INTERFERENCE WITH REPATRIATION**

26 **IT IS FURTHER ORDERED** that Stipulating Defendants, their officers,  
27 agents, servants, employees, and attorneys, and all other Persons who are in active  
28 concert or participation with any of them, who receive actual notice of this Order,

1 whether acting directly or indirectly, are hereby restrained and enjoined from  
2 taking any action, directly or indirectly, which may result in the encumbrance or  
3 dissipation of foreign Assets, or in the hindrance of the repatriation required by this  
4 Order, including, but not limited to:

5 A. Sending any communication or engaging in any other act, directly or  
6 indirectly, that results in a determination by a foreign trustee or other entity that a  
7 “duress” event has occurred under the terms of a foreign trust agreement until such  
8 time that all Stipulating Defendants’ Assets have been fully repatriated pursuant to  
9 this Order; or

10 B. Notifying any trustee, protector or other agent of any foreign trust or  
11 other related entities of either the existence of this Order, or of the fact that  
12 repatriation is required pursuant to a court order, until such time that all Stipulating  
13 Defendants’ Assets have been fully repatriated pursuant to this Order.

14 **IX. CONSUMER CREDIT REPORTS**

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

20 **X. PRESERVATION OF RECORDS**

21 **IT IS FURTHER ORDERED** that Stipulating Defendants, and their  
22 officers, agents, employees, and attorneys, and all other Persons in active concert  
23 or participation with any of them, who receive actual notice of this Order, whether  
24 acting directly or indirectly, are hereby preliminarily restrained and enjoined from:

25 A. Destroying, erasing, falsifying, writing over, mutilating, concealing,  
26 altering, transferring, or otherwise disposing of, in any manner, directly or  
27 indirectly, Documents that relate to: (1) the business, business practices, Assets, or  
28 business or personal finances of any Stipulating Defendant; (2) the business

1 practices or finances of entities directly or indirectly under the control of any  
2 Stipulating Defendant; or (3) the business practices or finances of entities directly  
3 or indirectly under common control with any other Stipulating Defendant; and

4 B. Failing to create and maintain Documents that, in reasonable detail,  
5 accurately, fairly, and completely reflect Stipulating Defendants' incomes,  
6 disbursements, transactions, and use of Stipulating Defendants' Assets.

7 **XI. RECEIVER**

8 **IT IS FURTHER ORDERED** that Thomas W. McNamara is appointed as  
9 Receiver of the Receivership Defendant with full powers of an equity receiver.

10 The Receiver shall be solely the agent of this Court in acting as Receiver under this  
11 Order.

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

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

15 A. Assume full control of Receivership Defendant by removing, as the  
16 Receiver deems necessary or advisable, any director, officer, independent  
17 contractor, employee, attorney, or agent of the Receivership Defendant from  
18 control of, management of, or participation in, the affairs of the Receivership  
19 Defendant;

20 B. Take exclusive custody, control, and possession of all Assets and  
21 Documents of, or in the possession, custody, or under the control of, the  
22 Receivership Defendant, wherever situated;

23 C. Obtain, conserve, hold, manage, and prevent the loss of all Assets of  
24 the Receivership Defendant, and perform all acts necessary or advisable to  
25 preserve the value of those Assets. The Receiver shall assume control over the  
26 income and profits therefrom and all sums of money now or hereafter due or owing  
27 to the Receivership Defendant. The Receiver shall have full power to sue for,  
28 collect, and receive, all Assets of the Receivership Defendant and of other persons

1 or entities whose interests are now under the direction, possession, custody, or  
2 control of, the Receivership Defendant. *Provided, however,* that the Receiver shall  
3 not attempt to collect any amount from a consumer if the Receiver believes the  
4 consumer's debt to the Receivership Defendant has resulted from the deceptive  
5 acts or practices or other violations of law alleged in the Complaint in this matter,  
6 without prior Court approval;

7 D. Obtain, conserve, hold, manage, and prevent the loss of all Documents  
8 of the Receivership Defendant, and perform all acts necessary or advisable to  
9 preserve such Documents, including imaging the Receivership Defendant's  
10 servers, computers, and electronic devices, as well as imaging smart phones and  
11 mobile devices of the Individual Defendant to the extent that the Receiver believes  
12 there is data of or concerning the Receivership Defendant on these items. The  
13 Receiver shall: divert mail; preserve all Documents of the Receivership Defendant  
14 that are accessible via electronic means such as online access to financial accounts  
15 and access to electronic documents held onsite or by Electronic Data Hosts, by  
16 changing usernames, passwords or other log-in credentials; take possession of all  
17 electronic Documents of the Receivership Defendant stored onsite or remotely;  
18 take whatever steps necessary to preserve all such Documents; and obtain the  
19 assistance of the FTC's Digital Forensic Unit for the purpose of obtaining  
20 electronic documents stored onsite or remotely;

21 E. Choose, engage, and employ attorneys, accountants, appraisers, and  
22 other independent contractors and technical specialists, as the Receiver deems  
23 advisable or necessary in the performance of duties and responsibilities under the  
24 authority granted by this Order, including, but not limited to, the law firm in which  
25 the Receiver is a partner;

26 F. Make payments and disbursements from the receivership estate that  
27 are necessary or advisable for carrying out the directions of, or exercising the  
28 authority granted by, this Order, and to incur, or authorize the making of, such



1 agreements as may be necessary and advisable in discharging his or her duties as  
2 Receiver. The Receiver shall apply to the Court for prior approval of any payment  
3 of any debt or obligation incurred by the Receivership Defendant prior to the date  
4 of entry of this Order, except payments that the Receiver deems necessary or  
5 advisable to secure Assets of the Receivership Defendant, such as rental payments;

6 G. Take all steps necessary to secure and take exclusive custody of each  
7 location from which the Receivership Defendant operates its businesses. Such  
8 steps may include, but are not limited to, any of the following, as the Receiver  
9 deems necessary or advisable: (1) securing the location by changing the locks and  
10 alarm codes and disconnecting any Internet access or other means of access to the  
11 computers, servers, internal networks, or other records maintained at that location;  
12 and (2) requiring any persons present at the location to leave the premises, to  
13 provide the Receiver with proof of identification, and/or to demonstrate to the  
14 satisfaction of the Receiver that such persons are not removing from the premises  
15 Documents or Assets of the Receivership Defendant. Law enforcement personnel,  
16 including, but not limited to, police or sheriffs, may assist the Receiver in  
17 implementing these provisions in order to keep the peace and maintain security. If  
18 requested by the Receiver, the United States Marshal will provide appropriate and  
19 necessary assistance to the Receiver to implement this Order and is authorized to  
20 use any necessary and reasonable force to do so;

21 H. Take all steps necessary to prevent the modification, destruction, or  
22 erasure of any web page or website registered to and operated, in whole or in part,  
23 by the Receivership Defendant, and to provide access to all such web page or  
24 websites to Plaintiff's representatives, agents, and assistants, as well as the  
25 Receivership Defendant, and its representatives;

26 I. Enter into and cancel contracts and purchase insurance as advisable or  
27 necessary;

1 J. Prevent the inequitable distribution of Assets and determine, adjust,  
2 and protect the interests of consumers who have transacted business with the  
3 Receivership Defendant;

4 K. Make an accounting, as soon as practicable, of the Assets and  
5 financial condition of the receivership and file the accounting with the Court and  
6 deliver copies thereof to all parties;

7 L. Institute, compromise, adjust, appear in, intervene in, defend, dispose  
8 of, or otherwise become party to any legal action in state, federal or foreign courts  
9 or arbitration proceedings as the Receiver deems necessary and advisable to  
10 preserve or recover the Assets of the Receivership Defendant, or to carry out the  
11 Receiver's mandate under this Order, including but not limited to, actions  
12 challenging fraudulent or voidable transfers;

13 M. Issue subpoenas to obtain Documents and records pertaining to the  
14 Receivership, and conduct discovery in this action on behalf of the receivership  
15 estate;

16 N. Open one or more bank accounts at designated depositories for funds  
17 of the Receivership Defendant. The Receiver shall deposit all funds of the  
18 Receivership Defendant in such designated accounts and shall make all payments  
19 and disbursements from the receivership estate from such accounts. The Receiver  
20 shall serve copies of monthly account statements on all parties;

21 O. Maintain accurate records of all receipts and expenditures incurred as  
22 Receiver;

23 P. Allow the Plaintiff's representatives, agents, and assistants, as well as  
24 the Stipulating Defendants' representatives and the Stipulating Defendants'  
25 themselves, reasonable access to the premises of the Receivership Defendant, or  
26 any other premises where the Receivership Defendant conducts business. The  
27 purpose of this access shall be to inspect and copy any and all books, records,  
28 Documents, accounts, and other property owned by, or in the possession of, the

1 Receivership Defendant, or its agents. The Receiver shall have the discretion to  
2 determine the time, manner, and reasonable conditions of such access;

3 Q. Allow the Plaintiff's representatives, agents, and assistants, as well as  
4 Stipulating Defendants and their representatives reasonable access to all  
5 Documents in the possession, custody, or control of the Receivership Defendant;

6 R. Cooperate with reasonable requests for information or assistance from  
7 any state or federal civil or criminal law enforcement agency;

8 S. Suspend business operations of the Receivership Defendant if, in the  
9 judgment of the Receiver, such operations cannot be continued legally and  
10 profitably;

11 T. Take all steps necessary to ensure that any of the Receivership  
12 Defendant's web pages or websites relating to Debt Relief Services cannot be  
13 accessed by the public, or are modified for consumer education and/or  
14 informational purposes, if the Receiver deems it necessary or advisable;

15 U. Take all steps necessary to ensure that any telephone numbers  
16 associated with the Receivership Defendant cannot be accessed by the public, or  
17 are answered solely to provide consumer education or information regarding the  
18 status of operations, if the Receiver deems it necessary or advisable; and

19 V. File timely reports with the Court at reasonable intervals, or as  
20 otherwise directed by the Court.

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

22 **IT IS FURTHER ORDERED** that Stipulating Defendants, and any other  
23 person with possession, custody, or control of property of, or records relating to the  
24 Receivership Defendant shall, upon notice of this Order by personal service or  
25 otherwise, fully cooperate with and assist the Receiver in taking and maintaining  
26 possession, custody, or control of the Assets and Documents of the Receivership  
27 Defendant and immediately transfer or deliver to the Receiver possession, custody,  
28 and control of the following:

1 A. All Assets held by, or for the benefit of, the Receivership Defendant;

2 B. All Documents of or pertaining to, the Receivership Defendant;

3 C. All computers, electronic devices, mobile devices and machines used  
4 to conduct the business of the Receivership Defendant;

5 D. All Assets and Documents belonging to other persons or entities  
6 whose interests are under the direction, possession, custody, or control of the  
7 Receivership Defendant; and

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

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

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

18 **IT IS FURTHER ORDERED** that Stipulating Defendants shall  
19 immediately provide to the Receiver:

20 A. A list of all Assets and accounts of the Receivership Defendant that  
21 are held in any name other than the name of the Receivership Defendant, or by any  
22 person or entity other than the Receivership Defendant; and

23 B. A list of all agents, employees, officers, attorneys, and servants of the  
24 Receivership Defendant, and those persons in active concert and participation with  
25 the Receivership Defendant, or who have been associated with or done business  
26 with the Receivership Defendant.

1                                   **XV. COOPERATION WITH THE RECEIVER**

2           **IT IS FURTHER ORDERED** that the Stipulating Defendants, their  
3 officers, agents, servants, employees, attorneys, all other persons who are in active  
4 concert or participation with any of them, and any other person with possession,  
5 custody, or control of property or of records relating to the Receivership Defendant  
6 who receive actual notice of this Order shall fully cooperate with and assist the  
7 Receiver. This cooperation and assistance shall include, but is not limited to,  
8 providing information to the Receiver that the Receiver deems necessary to  
9 exercise the authority and discharge the responsibilities of the Receiver under this  
10 Order; providing any keys, codes, user names and passwords required to access  
11 any computers, electronic devices, mobile devices, or machines (onsite or  
12 remotely) or any cloud account (including the specific method used to access the  
13 account) or electronic file in any medium and completing a questionnaire provided  
14 by the Receiver; advising all persons who owe money to the Receivership  
15 Defendant that all debts should be paid directly to the Receiver; and transferring  
16 funds at the Receiver’s direction and producing records related to the Assets and  
17 sales of the Receivership Defendant.

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

19           **IT IS FURTHER ORDERED** that the Stipulating Defendants, their  
20 officers, agents, servants, employees, and attorneys, and all other persons who are  
21 in active concert or participation with any of them, who receive actual notice of  
22 this Order, and any other person served with a copy of this Order, are hereby  
23 restrained and enjoined from directly or indirectly:

24           A.     Interfering with the Receiver’s efforts to manage, or take custody,  
25 control, or possession of, the Assets or Documents subject to the receivership;

26           B.     Transacting any of the business of the Receivership Defendant;

27           C.     Transferring, receiving, altering, selling, encumbering, pledging,  
28 assigning, liquidating, or otherwise disposing of any Assets owned, controlled, or

1 in the possession or custody of, or in which an interest is held or claimed by, the  
2 Receivership Defendant; or

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

6 **XVII. STAY OF ACTIONS**

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

18 A. Filing or assisting in the filing of a petition for relief under the  
19 Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, or of any similar insolvency proceeding  
20 on behalf of the Stipulating Defendants;

21 B. Commencing, prosecuting, or continuing a judicial, administrative, or  
22 other action or proceeding against the Stipulating Defendants, including the  
23 issuance or employment of process against the Stipulating Defendants, except that  
24 such actions may be commenced if necessary to toll any applicable statute of  
25 limitations; or

26 C. Filing or enforcing any lien on any Asset of the Stipulating  
27 Defendants, taking or attempting to take possession, custody, or control of any  
28 Asset of the Stipulating Defendants, attempting to foreclose, forfeit, alter, or

1 terminate any interest in any Asset of the Stipulating Defendants, whether such  
2 acts are part of a judicial proceeding, are acts of self-help, or otherwise.

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

### 9 **XVIII. COMPENSATION OF RECEIVER**

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

### 20 **XIX. RECEIVER'S BOND**

21 **IT IS FURTHER ORDERED** that the Receiver shall file with the Clerk of  
22 this Court a bond in the sum of \$15,000.00 with sureties to be approved by the  
23 Court, conditioned that the Receiver will well and truly perform the duties of the  
24 office and abide by and perform all acts the Court directs. 28 U.S.C. § 754.

### 25 **XX. WITHDRAWAL OF RECEIVER**

26 **IT IS FURTHER ORDERED** that the Receiver and professionals retained  
27 by the Receiver, including but not limited to, his attorneys and accountants, are  
28 hereby authorized to withdraw from his or her respective appointments or

1 representations and apply for payment of their professional fees and costs at any  
2 time after the date of this Order, for any reason in their sole discretion, by sending  
3 written notice seven (7) days prior to the date of the intended withdrawal to the  
4 Court and to the parties along with a written report reflecting the Receiver's work,  
5 findings, and recommendations, as well as an accounting for all funds and assets in  
6 the possession or control of the Receiver. The Receiver shall be relieved of all  
7 liabilities and responsibilities, and the Receiver shall be exonerated and the  
8 receivership deemed closed seven (7) days from the date of mailing of such notice  
9 of withdrawal. The Court will retain jurisdiction to consider the fee applications,  
10 report, and accounting submitted by the Receiver.

11 **XXI. DISTRIBUTION OF ORDER BY STIPULATING DEFENDANTS**

12 **IT IS FURTHER ORDERED** that Stipulating Defendants shall  
13 immediately provide a copy of this Order to each affiliate, telemarketer, marketer,  
14 sales entity, successor, assign, member, officer, director, employee, agent,  
15 independent contractor, attorney, spouse, former spouse, subsidiary, division, and  
16 representative of any Stipulating Defendant and any company owned or controlled  
17 by any Stipulating Defendant, and shall, within three (3) calendar days from the  
18 date of entry of this Order provide Plaintiff and the Receiver with a sworn  
19 statement that this provision of the Order has been satisfied, which statement shall  
20 include the names, physical addresses, phone number, and email addresses of each  
21 such person or entity who received a copy of the Order. Furthermore, Stipulating  
22 Defendants shall not take any action that would encourage officers, agents,  
23 members, directors, employees, salespersons, independent contractors, attorneys,  
24 subsidiaries, affiliates, successors, assigns or other persons or entities in active  
25 concert or participation with them to disregard this Order or believe that they are  
26 not bound by its provisions.

27 **XXII. EXPEDITED DISCOVERY**

28 **IT IS FURTHER ORDERED** that, notwithstanding the provisions of the



1 Fed. R. Civ. P. 26(d) and (f) and 30(a)(2)(C), and pursuant to Fed. R. Civ. P.  
2 30(a), 34, and 45, Plaintiff and the Receiver are granted leave, at any time after  
3 service of this Order, to conduct limited expedited discovery for the purpose of  
4 discovering: (1) the nature, location, status, and extent of Stipulating Defendants'  
5 Assets; (2) the nature location and extent of Stipulating Defendants' business  
6 transactions and operations; (3) Documents reflecting Stipulating Defendants'  
7 business transactions and operations; or (4) compliance with this Order. The  
8 limited expedited discovery set forth in this Section shall proceed as follows:

9 A. Plaintiff and the Receiver may take the deposition of parties and non-  
10 parties. Forty-eight (48) hours' notice shall be sufficient notice for such  
11 depositions. The limitations and conditions set forth in Fed. R. Civ. P. 30(a)(2)(B)  
12 and 31(a)(2)(B) regarding subsequent depositions of an individual shall not apply  
13 to depositions taken pursuant to this Section. Any such deposition taken pursuant  
14 to this Section shall not be counted towards the deposition limit set forth in Rules  
15 30(a)(2)(A) and 31(a)(2)(A) and depositions may be taken by telephone or other  
16 remote electronic means;

17 B. Plaintiff and the Receiver may serve upon the parties requests for  
18 production of Documents or inspection that requires production or inspection  
19 within five (5) days of service; *provided*, however, that three (3) days of notice  
20 shall be deemed sufficient for the production of any such Documents that are  
21 maintained or stored only in electronic format.

22 C. Plaintiff and the Receiver may serve upon parties interrogatories that  
23 require response within five (5) days after Plaintiff serves such interrogatories.

24 D. Plaintiff and the Receiver may serve subpoenas upon non-parties that  
25 direct production or inspection within five (5) days of service.

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

28

1 F. Any expedited discovery taken pursuant to this Section is in addition  
2 to, and is not subject to, the limits on discovery set forth in the Federal Rules of  
3 Civil Procedure and the Local Rules of this Court. The expedited discovery  
4 permitted by the Section does not require a meeting or conference of the parties,  
5 pursuant to Fed. R. Civ. P. 26(d) and (f).

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

8 **XXIII. SERVICE OF THIS ORDER**

9 **IT IS FURTHER ORDERED** that copies of this Order may be served by  
10 any means, including facsimile transmission, electronic mail or other electronic  
11 messaging, personal or overnight delivery, U.S. Mail or FedEx, by agents and  
12 employees of Plaintiff, by any law enforcement agency, or by private process  
13 server, upon any Stipulating Defendant or any Person (including any financial  
14 institution) that may have possession, custody, or control of any Asset or  
15 Document of any Stipulating Defendant, or that may be subject to any provision of  
16 this Order pursuant to Fed. R. Civ. P. 65(d)(2). For purposes of this Section,  
17 service upon any branch, subsidiary, affiliate or office of any entity shall effect  
18 service upon the entire entity.

19 **XXIV. CORRESPONDENCE AND SERVICE ON PLAINTIFF**

20 **IT IS FURTHER ORDERED** that, for the purpose of this Order, all  
21 correspondence and service of pleadings on Plaintiff shall be addressed to:

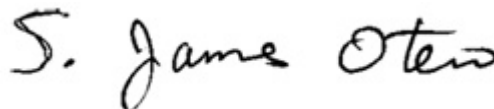
22 Eleanor Durham  
23 Federal Trade Commission  
24 915 2<sup>nd</sup> Ave., Suite 2896  
25 Seattle, WA 98174  
26 Phone: (206) 220-4476  
27 Fax: (206) 220-6366  
28 edurham@ftc.gov

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**XXV. RETENTION OF JURISDICTION**

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

**SO ORDERED**, this 24th day of October, 2017, at 3:50 p.m.



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The Honorable S. James Otero  
UNITED STATES DISTRICT JUDGE