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CLERK, U.S. DISTRICT COURT  
7/8/2019  
CENTRAL DISTRICT OF CALIFORNIA  
BY: LB DEPUTY

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**UNDER SEAL**

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

	)	Case No. SACV 19-1333JVS(KESx)
FEDERAL TRADE COMMISSION,	)	
	)	<b>FILED UNDER SEAL</b>
Plaintiff,	)	
	)	<b>EX PARTE TEMPORARY</b>
vs.	)	<b>RESTRAINING ORDER WITH</b>
	)	<b>ASSET FREEZE, APPOINTMENT</b>
ELEGANT SOLUTIONS, INC., et al.,	)	<b>OF RECEIVER, AND OTHER</b>
	)	<b>EQUITABLE RELIEF, AND</b>
Defendants.	)	<b>ORDER TO SHOW CAUSE WHY A</b>
	)	<b>PRELIMINARY INJUNCTION</b>
	)	<b>SHOULD NOT ISSUE</b>
	)	

1 Plaintiff, the Federal Trade Commission, has filed its Complaint for  
2 Permanent Injunction and Other Equitable Relief pursuant to Sections 13(b) and 19  
3 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57(b),  
4 and the Telemarketing and Consumer Fraud and Abuse Prevention Act  
5 (“Telemarketing Act”), 15 U.S.C. §§ 6101-6108. Plaintiff has moved, pursuant to  
6 Fed. R. Civ. P. 65(b), for a temporary restraining order, asset freeze, other  
7 equitable relief, and an order to show cause why a preliminary injunction should  
8 not issue against Defendants.

9 **FINDINGS OF FACT**

10 The Court, having considered the Complaint, the *ex parte* Motion for a  
11 Temporary Restraining Order, declarations, exhibits, and the memorandum of  
12 points and authorities filed in support thereof, and being otherwise advised,  
13 **GRANTS** Plaintiff’s motion for a temporary restraining order and **FINDS** and  
14 **ORDERS** as follows:

15 1. This Court has jurisdiction over the subject matter of this case, and  
16 there is good cause to believe that it will have jurisdiction over the parties;

17 2. Venue in this district is proper;

18 3. There is good cause to believe that Defendants Elegant Solutions,  
19 Inc., Trend Capital Ltd., Dark Island Industries, Inc., Heritage Asset Management,  
20 Inc., Tribune Management, Inc., Mazen Radwan, Rima Radwan, and Dean  
21 Robbins have engaged in and are likely to engage in acts or practices that violate  
22 Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the FTC’s Telemarketing Sales  
23 Rule (“TSR”), 16 C.F.R. Part 310, and that Plaintiff is therefore likely to prevail on  
24 the merits of this action. As demonstrated by consumer declarations and the  
25 additional documentation filed by the FTC, the FTC has established a likelihood of  
26 success in showing that Defendants have made deceptive representations in the  
27 marketing and sale of student loan debt relief services and collected unlawful  
28 advance fees from consumers.

1           4.     There is good cause to believe that immediate and irreparable injury,  
2 loss, or damage will result from Defendants’ ongoing violations of the FTC Act  
3 and the TSR, unless Defendants are restrained and enjoined by Order of this Court;

4           5.     There is good cause to believe that Defendants have caused consumer  
5 harm of at least \$23 million;

6           6.     There is good cause to believe that immediate and irreparable damage  
7 to the Court’s ability to grant effective final relief for consumers—including  
8 monetary restitution, rescission, disgorgement, or refunds—will occur from the  
9 sale, transfer, destruction or other disposition or concealment by Defendants of  
10 their assets or records, unless Defendants are immediately restrained and enjoined  
11 by order of this Court; and that, in accordance with Fed. R. Civ. P. 65(b), the  
12 interests of justice require that this Order be granted without prior notice to  
13 Defendants. Thus, there is good cause for relieving Plaintiff of the duty to provide  
14 Defendants with prior notice of its Application for a Temporary Restraining Order;

15           7.     Good cause exists for appointing a temporary receiver over the  
16 Corporate Defendants and their subsidiaries; freezing Defendants’ assets;  
17 permitting the Plaintiff and the Receiver immediate access to the Defendants’  
18 business premises; and permitting the Plaintiff and the Receiver to take expedited  
19 discovery;

20           8.     Weighing the equities and considering Plaintiff’s likelihood of  
21 ultimate success on the merits, a temporary restraining order with an asset freeze,  
22 the appointment of a temporary receiver, immediate access to business premises,  
23 expedited discovery, and other equitable relief is in the public interest;

24           9.     This Court has authority to issue this Order pursuant to Section 13(b)  
25 of the FTC Act, 15 U.S.C. § 53(b); Federal Rule of Civil Procedure 65; and the All  
26 Writs Act, 28 U.S.C. § 1651.

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

1 **DEFINITIONS**

2 For the purpose of this Temporary Restraining Order (“Order”), the following  
3 definitions shall apply:

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

6 B. “**Assisting Others**” includes: (a) performing customer service  
7 functions, including receiving or responding to consumer complaints performing  
8 customer service functions, including receiving or responding to consumer  
9 complaints; (b) formulating or providing, or arranging for the formulation or  
10 provision of, any advertising or marketing material, including any telephone sales  
11 script, direct mail solicitation, or the design, text, or use of images of any Internet  
12 website, email, or other electronic communication; (c) formulating or providing, or  
13 arranging for the formulation or provision of, any marketing support material or  
14 service, including web or Internet Protocol addresses or domain name registration  
15 for any Internet websites, affiliate marketing services, or media placement  
16 services; (d) providing names of, or assisting in the generation of, potential  
17 customers; (e) performing marketing, billing, payment processing, or payment  
18 services of any kind; or (f) acting or serving as an owner, officer, director,  
19 manager, or principal of any entity.services.

20 C. “**Corporate Defendants**” means Elegant Solutions, Inc., also doing  
21 business as Federal Direct Group, Trend Capital Ltd., also doing business as  
22 Mission Hills Federal, Dark Island Industries, Inc., also doing business as Federal  
23 Direct Group and Cosmopolitan Funding Inc., Heritage Asset Management, Inc.,  
24 also doing business as National Secure Processing, Tribune Management, Inc., also  
25 doing business as the Student Loan Group, and each of their subsidiaries, affiliates,  
26 successors, and assigns.

27 D. “**Debt Relief Service**” means any program or service represented,  
28 directly or by implication, to renegotiate, settle, or in any way alter the terms of

1 payment or other terms of the debt between a person and one or more unsecured  
2 creditors or debt collectors, including, but not limited to, a reduction in the balance,  
3 interest rate, or fees owed by a person to an unsecured creditor or debt collector.

4 E. **“Defendant(s)”** means Corporate Defendants and Individual  
5 Defendants, individually, collectively, or in any combination.

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

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

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

28 I. **“Individual Defendants”** mean Mazen Radwan, Rima Radwan, and

1 Dean Robbins, by whatever names they may be known.

2 J. “**Person**” means a natural person, organization, or other legal entity,  
3 including a corporation, partnership, proprietorship, association, cooperative, or  
4 any other group or combination acting as an entity.

5 K. “**Receiver**” means the temporary receiver appointed in Section XIV  
6 of this Order and any deputy receivers that shall be named by the temporary

7 L. “**Receivership Entities**” means Corporate Defendants as well as any  
8 other entity that has conducted any business related to Defendants’ marketing of  
9 Debt Relief Services, including receipt of Assets derived from any activity that is  
10 the subject of the Complaint in this matter, and that the Receiver determines is  
11 controlled or owned by any Defendant.

12 M. “**Seller**” means any person who, in connection with a Telemarketing  
13 transaction, provides, offers to provide, or arranges for others to provide goods or  
14 services to the customer in exchange for consideration.

15 N. “**Telemarketer**” means any person who, in connection with  
16 telemarketing, initiates or receives telephone calls to or from a customer or donor.  
17 16 C.F.R. § 310.2(cc).

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

22 **I. PROHIBITION ON DECEPTIVE REPRESENTATIONS**

23 **IT IS THEREFORE ORDERED** that Defendants, Defendants’ officers,  
24 agents, employees, and attorneys, and all other persons in active concert or  
25 participation with them, who receive actual notice of this Order by personal service  
26 or otherwise, whether acting directly or indirectly, in connection with the  
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1 advertising, marketing, promoting, or offering for sale of any Debt Relief Service,  
2 are temporarily restrained and enjoined from:

3 A. misrepresenting or assisting others in misrepresenting, expressly or by  
4 implication any material fact, including, but not limited to:

- 5 1. that consumers who purchase Defendants' debt relief services  
6 will be enrolled in a repayment plan that will reduce their  
7 monthly payments to a lower, specific amount or have or their  
8 loan balances forgiven in whole or in part;
- 9 2. that most or all of consumers' monthly payments to Defendants  
10 will be applied towards consumers' student loans;
- 11 3. that Defendants will assume responsibility for the servicing of  
12 consumers' student loans; and

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

20 **II. PROHIBITION ON COLLECTION OF ADVANCE FEES**

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

25 A. providing, offering to provide, or arranging for others to provide any  
26 Debt Relief Service and requesting or receiving payment of any fees or  
27 consideration for any Debt Relief Service, until and unless:  
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- 1           1.     the seller or telemarketer has renegotiated, settled, reduced, or  
2                     otherwise altered the terms of at least one debt pursuant to a  
3                     settlement agreement, debt management plan, or other such  
4                     valid contractual agreement executed by the customer;
- 5           2.     the customer has made at least one payment pursuant to that  
6                     settlement agreement, debt management plan, or other valid  
7                     contractual agreement between the customer and the creditor or  
8                     debt collector; and
- 9           3.     to the extent that debts enrolled in a service are renegotiated,  
10                    settled, reduced, or otherwise altered individually, the fee or  
11                    consideration either:
  - 12                    a.     bears the same proportional relationship to the total fee  
13                            for renegotiating, settling, reducing, or altering the terms  
14                            of the entire debt balance as the individual debt amount  
15                            bears to the entire debt amount. The individual debt  
16                            amount and the entire debt amount are those owed at the  
17                            time the debt was enrolled in the service; or
  - 18                    b.     is a percentage of the amount saved as a result of the  
19                            renegotiation, settlement, reduction, or alteration. The  
20                            percentage charged cannot change from one individual  
21                            debt to another. The amount saved is the difference  
22                            between the amount owed at the time the debt was  
23                            enrolled in the service and the amount actually paid to  
24                            satisfy the debt.

25  
26 **III. PROHIBITION ON RELEASE OF CUSTOMER INFORMATION**

27           **IT IS FURTHER ORDERED** that Defendants, Defendants' officers,  
28 agents, employees, and attorneys, and all other Persons in active concert or



1 participation with any of them, who receive actual notice of this Order, whether  
2 acting directly or indirectly, are hereby temporarily restrained and enjoined from:

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

8 B. Benefitting from or using the name, address, birth date, telephone  
9 number, email address, credit card number, bank account number, Social Security  
10 number, or other financial or identifying information of any person that any  
11 Defendant obtained in connection with any activity that pertains to the subject  
12 matter of this Order.

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

18 **IV. ASSET FREEZE**

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

23 A. Transferring, liquidating, converting, encumbering, pledging, loaning,  
24 selling, concealing, dissipating, disbursing, assigning, relinquishing, spending,  
25 withdrawing, granting a lien or security interest or other interest in, or otherwise  
26 disposing of any Assets, wherever located, including outside the United States, that  
27 are:  
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1. owned or controlled, directly or indirectly, by any Defendant, including, but not limited to those for which a Defendant is a signatory on the account;
2. held, in part or in whole, for the benefit of any Defendant;
3. in the actual or constructive possession of any Defendant; or
4. owned or controlled by, in the actual or constructive possession of, or otherwise held for the benefit of, any corporation, partnership, asset protection trust, or other entity that is directly or indirectly owned, managed or controlled by any Defendant, including any Assets that are held by or for any Defendant in any account at any Financial Institution, whether within or without the territorial United States, or with any credit card processing agent, automated clearing house processor, network transaction processor, bank debit processing agent, customer service agent, commercial mail receiving agency, mail holding or forwarding company, credit union, retirement fund custodian, money market or mutual fund, or storage company, including but not limited to the following accounts:

<b>Bank</b>	<b>Acct. Name or Merchant Name</b>	<b>Acct or Merchant ID Last Four Digits</b>
Bank of the West	Trend Capital, Ltd.	9337
Bank of the West	Trend Capital, Ltd.	8715
Bank of the West	Trend Capital, Ltd.	8836
Bank of the West	Trend Capital, Ltd.	8844
Comerica Bank	Dark Island Industries, Inc. DBA Radwan Classic Cars and RCC and RCC Motors	4682
Comerica Bank	Dark Island Industries, Inc. DBA Radwan Classic Cars and RCC and RCC Motors	5790
Wells Fargo Bank	Elegant Solutions, Inc.	2938
Wells Fargo Bank	Elegant Solutions, Inc.	9116
Wells Fargo Bank	Elegant Solutions, Inc.	9108
Citibank	Heritage Asset Management, Inc.	9357
Florida Capital Bank	Merchant name: EDU Student Loan	7277
Florida Capital Bank	Merchant name: FDG Student Loan	7645

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

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

1 D. Cashing any checks or depositing or processing any payments  
2 received from consumers, clients, or customers of any Defendant.

3 E. Incurring liens or encumbrances on real property, personal property,  
4 or other Assets in the name, singly or jointly, of Corporate Defendants or of any  
5 corporation, partnership, or other entity directly or indirectly owned, managed, or  
6 controlled by any Defendant.

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

13 **V. DUTIES OF ASSET HOLDERS AND OTHER THIRD PARTIES**

14 **IT IS FURTHER ORDERED** that any Financial Institution, Electronic  
15 Data Host, credit card processor, payment processor, merchant bank, acquiring  
16 bank, independent sales organization, third party processor, payment gateway,  
17 insurance company, business entity, or person who receives actual notice of this  
18 Order (by service or otherwise) and that (a) has held, controlled, or maintained  
19 custody, through an account or otherwise, of any Document on behalf of any  
20 Defendant or any Asset that has been owned or controlled, directly or indirectly, by  
21 any Defendant; held, in part or in whole, for the benefit of any Defendant; in the  
22 actual or constructive possession of any Defendant; or owned or controlled by, in  
23 the actual or constructive possession of, or otherwise held for the benefit of, any  
24 corporation, partnership, asset protection trust, or other entity that is directly or  
25 indirectly owned, managed, or controlled by any Defendant; (b) has held,  
26 controlled, or maintained custody, through an account or otherwise, of any  
27 Document or Asset associated with accounts, credits, debits, or charges made on  
28 behalf of any Defendant, including reserve funds held by payment processors,

1 credit card processors, merchant banks, acquiring banks, independent sales  
2 organizations, third party processors, payment gateways, insurance companies, or  
3 other entities; or (c) has extended credit to any Defendant, including through a  
4 credit card account, shall:

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

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

16       C. Provide Plaintiff's counsel and the Receiver, within **five (5)** business  
17 days of receiving a copy of this Order, a sworn statement setting forth, for each  
18 Asset or account covered by this Section:

- 19           1. The identification number of each such account or Asset;
- 20           2. The balance of each such account, or a description of the nature  
21           and value of each such Asset as of the close of business on the  
22           day on which this Order is served, and, if the account or other  
23           Asset has been closed or removed, the date closed or removed,  
24           the total funds removed in order to close the account, and the  
25           name of the Person to whom such account or other Asset was  
26           remitted; and
- 27           3. The identification of any safe deposit box, commercial mail  
28           box, or storage facility that is either titled in the name,

1 individually or jointly, of any Defendant, or is otherwise subject  
2 to access by any Defendant; and

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

13 **VI. FINANCIAL DISCLOSURES**

14 **IT IS FURTHER ORDERED** that each Defendant, within five (5) days of  
15 service of this Order upon them, shall prepare and deliver to Plaintiff's counsel and  
16 the Receiver (1) completed financial statements on the forms attached to this Order  
17 as **Attachment A** (Financial Statement of Individual Defendant) for each  
18 Individual Defendant, and **Attachment B** (Financial Statement of Corporate  
19 Defendant) for each Corporate Defendant and (2) completed **Attachment C** (IRS  
20 Dorm 4506, Request for Copy of a Tax Return) for each Individual and Corporate  
21 Defendant.

22 **VII. FOREIGN ASSET REPATRIATION**

23 **IT IS FURTHER ORDERED** that within five (5) days following the  
24 service of this Order, each Defendant shall:

25 A. Provide Plaintiff's counsel and the Receiver with a full accounting,  
26 verified under oath and accurate as of the date of this Order, of all Assets,  
27 Documents, and accounts outside of the United States which are: (1) titled in the  
28 name, individually or jointly, of any Defendant; (2) held by any person for the

1 benefit of any Defendant or for the benefit of, any corporation, partnership, asset  
2 protection trust, or other entity that is directly or indirectly owned, managed, or  
3 controlled by any Defendant; or (3) under the direct or indirect control, whether  
4 jointly or singly, of any Defendant;

5 B. Take all steps necessary to provide Plaintiff's counsel and Receiver  
6 access to all Documents and records that may be held by third parties located  
7 outside of the territorial United States of America, including signing the Consent to  
8 Release of Financial Records appended to this Order as **Attachment D**.

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

16 D. The same business day as any repatriation, (1) notify the Receiver and  
17 counsel for Plaintiff of the name and location of the Financial Institution or other  
18 entity that is the recipient of such Documents or Assets; and (2) serve this Order on  
19 any such Financial Institution or other entity.

20 **VIII. NON-INTERFERENCE WITH REPATRIATION**

21 **IT IS FURTHER ORDERED** that Defendants, Defendants' officers,  
22 agents, employees, and attorneys, and all other Persons in active concert or  
23 participation with any of them, who receive actual notice of this Order, whether  
24 acting directly or indirectly, are hereby temporarily restrained and enjoined from  
25 taking any action, directly or indirectly, which may result in the encumbrance or  
26 dissipation of foreign Assets, or in the hindrance of the repatriation required by this  
27 Order, including, but not limited to:

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

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

10 **XI. CONSUMER CREDIT REPORTS**

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

16 **XII. PRESERVATION OF RECORDS**

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

21           A.     Destroying, erasing, falsifying, writing over, mutilating, concealing,  
22 altering, transferring, or otherwise disposing of, in any manner, directly or  
23 indirectly, Documents that relate to: (1) the business, business practices, Assets, or  
24 business or personal finances of any Defendant; (2) the business practices or  
25 finances of entities directly or indirectly under the control of any Defendant; or (3)  
26 the business practices or finances of entities directly or indirectly under common  
27 control with any other Defendant; and  
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1           B.     Failing to create and maintain Documents that, in reasonable detail,  
2 accurately, fairly, and completely reflect Defendants' incomes, disbursements,  
3 transactions, and use of Defendants' Assets.

4           **XIII.   REPORT OF NEW BUSINESS ACTIVITY**

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

17           **XIV.   TEMPORARY RECEIVER**

18           **IT IS FURTHER ORDERED** that **Thomas W. McNamara** is appointed  
19 as temporary receiver of the Receivership Entities with full powers of an equity  
20 receiver. The Receiver shall be solely the agent of this Court in acting as Receiver  
21 under this Order.

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

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

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

1           B. Take exclusive custody, control, and possession of all Assets and  
2 Documents of, or in the possession, custody, or under the control of, any  
3 Receivership Entity, wherever situated;

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

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

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

1 Entities stored onsite or remotely; take whatever steps necessary to preserve all  
2 such Documents; and obtain the assistance of the FTC's Digital Forensic Unit for  
3 the purpose of obtaining electronic documents stored onsite or remotely;

4 F. Choose, engage, and employ attorneys, accountants, appraisers, and  
5 other independent contractors and technical specialists, as the Receiver deems  
6 advisable or necessary in the performance of duties and responsibilities under the  
7 authority granted by this Order, including, but not limited to, McNamara Smith  
8 LLP, the law firm in which the Receiver is a partner;

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

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

1 requested by the Receiver, the United States Marshal will provide appropriate and  
2 necessary assistance to the Receiver to implement this Order and is authorized to  
3 use any necessary and reasonable force to do so;

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

9 J. Enter into and cancel contracts and purchase insurance as advisable or  
10 necessary;

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

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

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

23 N. Secure the issuance of subpoenas to obtain Documents and records  
24 pertaining to the Receivership, and conduct discovery in this action on behalf of  
25 the receivership estate;

26 O. Open one or more bank accounts at designated depositories for funds  
27 of the Receivership Entities. The Receiver shall deposit all funds of the  
28 Receivership Entities in such designated accounts and shall make all payments and

1 disbursements from the receivership estate from such accounts. The Receiver shall  
2 serve copies of monthly account statements on all parties;

3 P. Maintain accurate records of all receipts and expenditures incurred as  
4 Receiver;

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

13 R. Allow the Plaintiff's representatives, agents, and assistants, as well as  
14 Defendants and their representatives reasonable access to all Documents in the  
15 possession, custody, or control of the Receivership Entities;

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

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

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

1 V. If in the Receiver's judgment the business operations cannot be  
2 continued legally and profitably, take all steps necessary to ensure that any of the  
3 Receivership Entities' web pages or websites relating to the activities alleged in the  
4 Complaint cannot be accessed by the public, or are modified for consumer  
5 education and/or informational purposes, and take all steps necessary to ensure that  
6 any telephone numbers associated with the Receivership Entities cannot be  
7 accessed by the public, or are answered solely to provide consumer education of  
8 information regarding the status of operations.;

9 **XVI. TRANSFER OF RECEIVERSHIP PROPERTY TO RECEIVER**

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

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

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

23 C. All Documents of or pertaining to the Receivership Entities;

24 D. All computers, electronic devices, mobile devices and machines used  
25 to conduct the business of the Receivership Entities;

26 E. All Assets and Documents belonging to other persons or entities  
27 whose interests are under the direction, possession, custody, or control of the  
28 Receivership Entities; and

1 F. All keys, codes, user names and passwords necessary to gain access or  
2 to secure access to any Assets or Documents of or pertaining to the Receivership  
3 Entities, including access to their business premises, means of communication,  
4 accounts, computer systems (onsite and remote), Electronic Data Hosts, or other  
5 property.

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

10 **XVII. PROVISION OF INFORMATION TO RECEIVER**

11 **IT IS FURTHER ORDERED** that Defendants shall immediately provide  
12 to the Receiver:

13 A. A list of all Assets and accounts of the Receivership Entities that are  
14 held in any name other than the name of a Receivership Entity, or by any person  
15 other than a Receivership Entity; and

16 B. A list of all agents, employees, officers, attorneys, servants, and those  
17 persons in active concert and participation with the Receivership Entities, or who  
18 have been associated with or done business with the Receivership Entities; and

19 C. A description of any Documents covered by attorney-client privilege  
20 or attorney work product, including files where such Documents are likely to be  
21 located, authors or recipients of such documents, and search terms likely to  
22 identify such electronic documents..

23 **XVIII. COOPERATION WITH THE RECEIVER**

24 **IT IS FURTHER ORDERED** that the Defendants, Receivership Entities,  
25 Defendants' or Receivership Entities' officers, agents, employees, and attorneys,  
26 all other persons in active concert or participation with any of them, and any other  
27 person with possession, custody, or control of property or of records relating to the  
28 Receivership Entities who receive actual notice of this Order shall fully cooperate

1 with and assist the Receiver. This cooperation and assistance shall include, but is  
2 not limited to, providing information to the Receiver that the Receiver deems  
3 necessary to exercise the authority and discharge the responsibilities of the  
4 Receiver under this Order; providing any keys, codes, user names and passwords  
5 required to access any computers, electronic devices, mobile devices, or machines  
6 (onsite or remotely) or any cloud account (including the specific method used to  
7 access the account) or electronic file in any medium; advising all persons who owe  
8 money to any Receivership Entity that all debts should be paid directly to the  
9 Receiver; and transferring funds at the Receiver's direction and producing records  
10 related to the Assets and sales of the Receivership Entities.

11 **XIX. NON-INTERFERENCE WITH THE RECEIVER**

12 **IT IS FURTHER ORDERED** that the Defendants, Receivership Entities,  
13 Defendants' or Receivership Entities' officers, agents, employees, attorneys, and  
14 all other persons in active concert or participation with any of them, who receive  
15 actual notice of this Order, and any other person served with a copy of this Order,  
16 are hereby restrained and enjoined from directly or indirectly:

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

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

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

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



1 **XX. STAY OF ACTIONS**

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

12 A. Filing or assisting in the filing of a petition for relief under the  
13 Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, or of any similar insolvency proceeding  
14 on behalf of the Receivership Entities **without the prior approval of the Receiver**  
15 **and the Court;**

16 B. Commencing, prosecuting, or continuing a judicial, administrative, or  
17 other action or proceeding against the Receivership Entities, including the issuance  
18 or employment of process against the Receivership Entities, except that such  
19 actions may be commenced if necessary to toll any applicable statute of  
20 limitations; or

21 C. Filing or enforcing any lien on any Asset of the Receivership Entities,  
22 taking or attempting to take possession, custody, or control of any Asset of the  
23 Receivership Entities, attempting to foreclose, forfeit, alter, or terminate any  
24 interest in any Asset of the Receivership Entities, whether such acts are part of a  
25 judicial proceeding, are acts of self-help, or otherwise.

26 *Provided, however,* that this Order does not stay: (1) the commencement or  
27 continuation of a criminal action or proceeding; (2) the commencement or  
28 continuation of an action or proceeding by a governmental unit to enforce such

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

4 **XXI. COMPENSATION OF RECEIVER**

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

15 **XXII. RECEIVER'S BOND**

16 **IT IS FURTHER ORDERED** that the Receiver shall file with the Clerk of  
17 this Court a bond in the sum of **\$25,000** with sureties to be approved by the Court,  
18 conditioned that the Receiver will well and truly perform the duties of the office  
19 and abide by and perform all acts the Court directs. 28 U.S.C. § 754.

20 **XXIII. IMMEDIATE ACCESS TO BUSINESS PREMISES AND RECORDS**

21 **IT IS FURTHER ORDERED** that:

22 A. In order to allow Plaintiff and the Receiver to preserve Assets and  
23 evidence relevant to this action and to expedite discovery, Plaintiff and the  
24 Receiver, and their representatives, agents, contractors, and assistants, shall have  
25 immediate access to the business premises and storage facilities owned, controlled,  
26 or used by the Receivership Entities. Such locations include, but are not limited to,  
27 3 Studebaker, Irvine, CA 92618 and any offsite location or commercial mailbox  
28 used by the Receivership Entities. The Receiver is expressly permitted to inspect

1 any businesses located at 3 Studebaker, Irvine, CA 92618 that is operated by any  
2 of the Receivership Entities, or related in any manner to debt relief services or  
3 student loans. The Receiver may exclude Defendants Receivership Entities and  
4 their employees from the business premises during the immediate access.

5 B. Plaintiff and the Receiver, and their representatives, agents,  
6 contractors, and assistants, are authorized to remove Documents from the  
7 Corporate Defendants' premises in order that they may be inspected, inventoried,  
8 and copied. Plaintiff shall return any removed materials to the Receiver within  
9 five (5) business days of completing inventorying and copying, or such time as is  
10 agreed upon by Plaintiff and the Receiver;

11 C. Plaintiff's access to the Receivership Entities' documents pursuant to  
12 this Section shall not provide grounds for any Defendant to object to any  
13 subsequent request for documents served by Plaintiff.

14 D. Plaintiff and the Receiver, and their representatives, agents,  
15 contractors, and assistants, are authorized to obtain the assistance of federal, state,  
16 and local law enforcement officers as they deem necessary to effect service and to  
17 implement peacefully the provisions of this Order;

18 E. If any Documents, computers, or electronic storage devices containing  
19 information related to the business practices or finances of the Receivership Entities  
20 are at a location other than those listed herein, including personal residence(s) of  
21 any Defendant, then, immediately upon receiving notice of this order, Defendants  
22 and Receivership Entities shall produce to the Receiver all such Documents,  
23 computers, and electronic storage devices, along with any codes or passwords  
24 needed for access. In order to prevent the destruction of computer data, upon  
25 service of this Order, any such computers or electronic storage devices shall be  
26 powered down in the normal course of the operating system used on such devices  
27 and shall not be powered up or used until produced for copying and inspection; and  
28

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

7 **XXIV. DISTRIBUTION OF ORDER BY DEFENDANTS**

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

22 **XXV. LIMITED EXPEDITED DISCOVERY**

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

1 and operations; (3) Documents reflecting Defendants' business transactions and  
2 operations; or (4) compliance with this Order. The limited expedited discovery set  
3 forth in this Section shall proceed as follows:

4 A. Plaintiff and the Receiver may take the deposition of parties and non-  
5 parties. **Seventy-two (72)** hours' notice shall be sufficient notice for such  
6 depositions. The limitations and conditions set forth in Fed. R. Civ. P. 30(a)(2)(B)  
7 and 31(a)(2)(B) regarding subsequent depositions of an individual shall not apply  
8 to depositions taken pursuant to this Section. Any such deposition taken pursuant  
9 to this Section shall not be counted towards the deposition limit set forth in Rules  
10 30(a)(2)(A) and 31(a)(2)(A) and depositions may be taken by telephone or other  
11 remote electronic means;

12 B. Plaintiff and the Receiver may serve upon parties requests for  
13 production of Documents or inspection that require production or inspection within  
14 five (5) days of service.

15 C. Plaintiff and the Receiver may serve upon parties interrogatories that  
16 require response within five (5) days after service of such interrogatories;

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

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

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

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

28

1 **XXVI. SERVICE OF THIS ORDER**

2 **IT IS FURTHER ORDERED** that copies of this Order as well as the  
3 Motion for Temporary Restraining Order and all other pleadings, Documents, and  
4 exhibits filed contemporaneously with that Motion (other than the complaint and  
5 summons), may be served by any means, including facsimile transmission,  
6 electronic mail or other electronic messaging, personal or overnight delivery, U.S.  
7 Mail or FedEx, by agents and employees of Plaintiff, by any law enforcement  
8 agency, or by private process server, upon any Defendant or any Person (including  
9 any Financial Institution) that may have possession, custody, or control of any  
10 Asset or Document of any Defendant, or that may be subject to any provision of  
11 this Order pursuant to Fed. R. Civ. P. 65(d)(2). For purposes of this Section,  
12 service upon any branch, subsidiary, affiliate or office of any entity shall effect  
13 service upon the entire entity. **Service shall be made on Defendants no later**  
14 **than 5:00 p.m. (PST), July 10, 2019. Plaintiff shall file proof of service no**  
15 **later than July 15, 2019.**

16 **XXVII. CORRESPONDENCE AND SERVICE ON PLAINTIFF**

17 **IT IS FURTHER ORDERED** that, for the purpose of this Order,  
18 Defendants shall serve all pleadings or other documents related to this Order, or  
19 Plaintiff's application for a preliminary injunction by (1) email at  
20 mgrajales@ftc.gov and sjacobson@ftc.gov; and (2) facsimile transmission to (202)  
21 326-3768, or by hand delivery or overnight shipment via third-party carrier to the  
22 offices of:

23 K. Michelle Grajales  
24 Federal Trade Commission  
25 600 Pennsylvania Ave., NW, CC-10232  
26 Washington, DC 20580

26 **XXVIII. PRELIMINARY INJUNCTION HEARING**

27 **IT IS FURTHER ORDERED** that, pursuant to Fed. R. Civ. P. 65(b),  
28 Defendants shall appear before this Court on the **19th** day of **July**, 2019, at **1:30**

1 **p.m.**, to show cause, if there is any, why this Court should not enter a preliminary  
2 injunction, pending final ruling on the Complaint against Defendants, enjoining the  
3 violations of the law alleged in the Complaint, continuing the freeze of Assets,  
4 continuing the receivership, and imposing such additional relief as may be  
5 appropriate.

6 **XXIX. BRIEFS AND AFFIDAVITS CONCERNING PRELIMINARY**  
7 **INJUNCTION**

8 **IT IS FURTHER ORDERED** that:

9 A. Defendants shall file with the Court and serve on Plaintiff's counsel  
10 any answering pleadings, affidavits, motions, expert reports or declarations, or  
11 legal memoranda no later than **four (4)** business days prior to the order to show  
12 cause hearing scheduled pursuant to this Order. Plaintiff may file responsive or  
13 supplemental pleadings, materials, affidavits, or memoranda with the Court and  
14 serve the same on counsel for Defendants no later than **noon** one (1) business day  
15 prior to the order to show cause hearing. *Provided that* such affidavits, pleadings,  
16 motions, expert reports, declarations, legal memoranda, or oppositions must be  
17 served by personal or overnight delivery, facsimile, or email, and be received by  
18 the other party or parties no later than 5:00 p.m. (PT) on the appropriate dates set  
19 forth in this Section, **except as otherwise provided.**

20 B. An evidentiary hearing on Plaintiff's request for a preliminary  
21 injunction is not necessary unless Defendants demonstrate that they have, and  
22 intend to introduce, evidence that raises a genuine and material factual issue. The  
23 question of whether this Court should enter a preliminary injunction shall be  
24 resolved on the pleadings, declarations, exhibits, and memoranda filed by, and oral  
25 argument of, the parties. Live testimony shall be heard only on further order of  
26 this Court. Any motion to permit such testimony shall be filed with the Court and  
27 served on counsel for the other parties at least five (5) business days prior to the  
28 preliminary injunction hearing in this matter. Such motion shall set forth the name,

1 address, and telephone number of each proposed witness, a detailed summary or  
2 affidavit revealing the substance of each proposed witness's expected testimony,  
3 and an explanation of why the taking of live testimony would be helpful to this  
4 Court. Any papers opposing a timely motion to present live testimony or to  
5 present live testimony in response to another party's timely motion to present live  
6 testimony shall be filed with this Court and served on the other parties at least three  
7 (3) days prior to the order to show cause hearing.

8 *Provided, however,* that service shall be performed by personal or overnight  
9 delivery, facsimile, or email, and Documents shall be delivered so that they shall  
10 be received by the other parties no later than 5:00 p.m. (PT) on the appropriate  
11 dates provided in this Section.

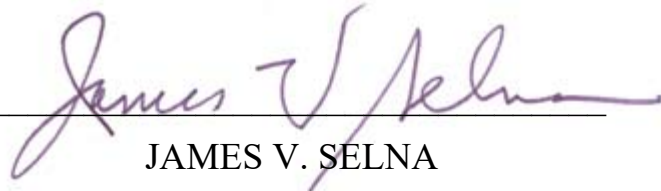
12 **XXX. DURATION OF THE ORDER**

13 **IT IS FURTHER ORDERED** that this Order shall expire fourteen (14)  
14 days from the date of entry noted below, unless within such time, the Order is  
15 extended for good cause shown or, as to any Defendant, the Defendant consents to  
16 an additional period pursuant to Fed. R. Civ. P. 65(b)(2).

17 **XXXI. RETENTION OF JURISDICTION**

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

20  
21  
22 Dated: July 8, 2019 at 4:04p.m.



JAMES V. SELNA

UNITED STATES DISTRICT JUDGE