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

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

BCO CONSULTING SERVICES,
INC., a California corporation,
SLA CONSULTING SERVICES,
INC., a California corporation,
GIANNA OLILANG, individually and
as an officer of BCO Consulting
Services, Inc., and SLA Consulting
Services, Inc.,
BRANDON CLORES, individually and
as an officer of BCO Consulting
Services, Inc.,
KISHAN BHAKTA, individually and
as an officer of BCO Consulting
Services, Inc.,
ALLAN RADAM, individually and as
an officer of SLA Consulting
Services, Inc.

Defendants.

Case No. 8:23-cv-00699-JWH-ADS

**PRELIMINARY INJUNCTION
ORDER**

1 Plaintiff Federal Trade Commission (the “FTC”) commenced this civil
2 action on April 24, 2023, pursuant to Sections 13(b) and 19 of the Federal Trade
3 Commission Act (the “FTC Act”), 15 U.S.C. §§ 53(b) and 57b, the
4 Telemarketing and Consumer Fraud and Abuse Prevention Act (the
5 “Telemarketing Act”), 15 U.S.C. §§ 6101-6108, and Section 522(a) of the
6 Gramm-Leach-Bliley Act (the “GLB Act”), 15 U.S.C. § 6822(a). On motion by
7 the FTC, this Court entered an *ex parte* temporary restraining order (the
8 “TRO”) on May 3, 2023, with an asset freeze, the appointment of a receiver,
9 and other equitable relief against Defendants. Defendants SLA Consulting
10 Services Inc. f/k/a Student Loan Advocates LLC, Gianni Olilang, Brandon
11 Clores, Kishan Bhakta, and Allan Radam have stipulated to entry of a
12 preliminary injunction. The Court now enters a preliminary injunction as to
13 BCO Consulting Services, Inc. (“BCO”).

14 I. FINDINGS OF FACT

15 The Court finds as follows:

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

19 B. There is good cause to believe that in numerous instances, BCO has
20 made material misrepresentations regarding its student loan debt relief services;
21 taken advance fees; engaged in illegal telemarketing; and obtained customer
22 information of a financial institution relating to another person by making false,
23 fictitious, or fraudulent statements.

24 C. There is good cause to believe that BCO has engaged in and is likely
25 to engage in acts or practices that violate Section 5(a) of the FTC Act,
26 15 U.S.C. § 45(a), the Telemarketing Sales Rule (the “TSR”), 16 C.F.R.
27 Part 310, and Section 521 of the GLB Act, 15 U.S.C. § 6821, and that the FTC is
28 therefore likely to prevail on the merits of this action. As demonstrated by

1 consumer declarations, consumer complaints, and the additional documentation
2 filed by the FTC, the FTC asserts that it has established a likelihood of success
3 in showing that, in numerous instances BCO:

4 (1) has made deceptive representations in the marketing and sale
5 of student debt relief services in violation of Section 5(a) of the FTC Act,
6 15 U.S.C. § 45(a) and the TSR, 16 C.F.R. § 310.3(a)(2)(x);

7 (2) collected unlawful advance fees from consumers in violation
8 of the TSR, 16 C.F.R. § 310.4(a)(5)(i); and

9 (3) has obtained customer information of a financial institution
10 relating to another person by making false, fictitious, or fraudulent
11 statements, in violation of Section 521 of the GLB Act, 15 U.S.C. § 6821.

12 D. There is good cause to believe that BCO has taken in gross
13 revenues of approximately \$5.5 million as a result of its unlawful practices.

14 E. There is good cause to believe that immediate and irreparable harm
15 will result from BCO's ongoing violations of the FTC Act, the TSR, and the
16 GLB Act, unless BCO is restrained and enjoined by order of this Court.

17 F. There is good cause to believe that immediate and irreparable
18 damage to the Court's ability to grant effective final relief for consumers—
19 including monetary restitution, rescission, disgorgement, or refunds—will occur
20 from the sale, transfer, destruction or other disposition or concealment by BCO
21 of its assets or records, unless BCO is restrained and enjoined by order of this
22 Court.

23 G. Good cause exists for continuing the receivership over the
24 Receivership Entities, continuing the freeze imposed on BCO's assets pursuant
25 to the TRO issued in this case, and continuing to permit the FTC and the
26 Receiver to take expedited discovery.

27 H. Entry of this Order is in the public interest.
28

1 I. This Court has authority to issue this Order pursuant to
2 Section 13(b) of the FTC Act, 15 U.S.C. § 53(b); Section 19 of the FTC Act,
3 15 U.S.C. § 57b(b); Rule 65 of the Federal Rule of Civil Procedure; and the All
4 Writs Act, 28 U.S.C. § 1651.

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

7 II. DEFINITIONS

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

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

11 B. “Assisting Others” includes:

12 (1) performing customer service functions, including receiving
13 or responding to consumer complaints performing customer service
14 functions, including receiving or responding to consumer complaints;

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

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

23 (4) providing names of, or assisting in the generation of,
24 potential customers;

25 (5) performing marketing, billing, payment processing, or
26 payment services of any kind; or

27 (6) acting or serving as an owner, officer, director, manager, or
28 principal of any entity.

1 C. “BCO” means BCO Consulting Services, Inc., also d/b/a Students
2 Loan Services LLC.

3 D. “Corporate Defendants” means BCO Consulting Services, Inc.,
4 also d/b/a Students Loan Services LLC, and SLA Consulting Services Inc.,
5 f/k/a Student Loan Advocates LLC, and each of their subsidiaries, affiliates,
6 successors, and assigns.

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

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

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

1 H. “Electronic Data Host” means any person or entity in the business
2 of storing, hosting, or otherwise maintaining electronically stored information.
3 This includes, but is not limited to, any entity hosting a website or server, and
4 any entity providing “cloud based” electronic storage.

5 I. “Individual Defendant(s)” means Gianni Olilang, Brandon Clores,
6 Kishan Bhakta, and Allan Radam, individually, or jointly.

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

10 K. “Receivership Entities” means BCO as well as any other entity that
11 has conducted any business related to BCO’s marketing of Debt Relief Services,
12 including receipt of Assets derived from any activity that is the subject of the
13 Complaint in this matter, and that the Receiver determines is controlled or
14 owned by BCO.

15 III. ORDER

16 It is hereby **ORDERED** as follows:

17 1. Prohibition on Deceptive Representations. BCO, its officers,
18 agents, employees, and attorneys, and all other persons in active concert or
19 participation with them, who receive actual notice of this Order by personal
20 service or otherwise, whether acting directly or indirectly, in connection with
21 the advertising, marketing, promoting, or offering for sale of any goods or
22 services, are **RESTRAINED** and **ENJOINED** from:

23 a. misrepresenting or Assisting Others in misrepresenting,
24 expressly or by implication, any material fact, including, but not limited
25 to:

26 i. that consumers who pay for BCO’s program will be
27 enrolled in a loan repayment program and have their loan balances
28 forgiven in whole or in part;

- 1 ii. that most or all of consumers' monthly payments to
- 2 BCO will be applied to their loan balances;
- 3 iii. that BCO is contracted by, or otherwise affiliated with,
- 4 the Department of Education;
- 5 iv. that BCO will assume responsibility for the servicing
- 6 of consumers' student loans; and
- 7 v. any other fact material to consumers concerning any
- 8 good or service, such as: the total costs; any material restrictions,
- 9 limitations, or conditions; or any material aspect of its performance,
- 10 efficacy, nature, or central characteristics; and
- 11 b. making or Assisting Others in making, any representation,
- 12 expressly or by implication, about the benefits, performance, or efficacy of
- 13 any product or service, unless the representation is non-misleading and, at
- 14 the time such representation is made, BCO possesses and relies upon
- 15 competent and reliable evidence that is sufficient in quality and quantity
- 16 based on standards generally accepted in the relevant fields, when
- 17 considered in light of the entire body of relevant and reliable evidence, to
- 18 substantiate that the representation is true.

19 2. Prohibition on Collection of Advance Fees. BCO and its officers,
20 agents, employees, and those persons or entities in active concert or
21 participation with any of them who receive actual notice of this Order, whether
22 acting directly or indirectly, are hereby **RESTRAINED** and **ENJOINED** from
23 providing, offering to provide, or arranging for others to provide any Debt Relief
24 Service and requesting or receiving payment of any fees or consideration for any
25 Debt Relief Service, until and unless:

- 26 a. the seller or telemarketer has renegotiated, settled, reduced,
- 27 or otherwise altered the terms of at least one debt pursuant to a settlement

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1 agreement, debt management plan, or other such valid contractual
2 agreement executed by the customer;

3 b. the customer has made at least one payment pursuant to that
4 settlement agreement, debt management plan, or other valid contractual
5 agreement between the customer and the creditor or debt collector; and

6 c. to the extent that debts enrolled in a service are renegotiated,
7 settled, reduced, or otherwise altered individually, the fee or
8 consideration either:

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

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

21 3. Prohibition on Release of Customer Information. BCO, its 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 **RESTRAINED** and **ENJOINED** from:

25 a. Selling, renting, leasing, transferring, or otherwise disclosing,
26 the name, address, birth date, telephone number, email address, credit
27 card number, bank account number, Social Security number, or other
28 financial or identifying information of any person that any Defendant

1 obtained in connection with any activity that pertains to the subject
2 matter of this Order; and

3 b. Benefitting from or using the name, address, birth date,
4 telephone number, email address, credit card number, bank account
5 number, Social Security number, or other financial or identifying
6 information of any person that any Defendant obtained in connection with
7 any activity that pertains to the subject matter of this Order.

8 Provided, however, that BCO may disclose such identifying information to a law
9 enforcement agency, to its attorneys as required for its defense, as required by
10 any law, regulation, or court order, or in any filings, pleadings, or discovery in
11 this action in the manner required by the Federal Rules of Civil Procedure and
12 by any protective order in the case.

13 4. Asset Freeze. BCO and its officers, agents, employees, and
14 attorneys, and all other persons in active concert or participation with any of
15 them, who receive actual notice of this Order, whether acting directly or
16 indirectly, are hereby **RESTRAINED** and **ENJOINED** from:

17 a. Transferring, liquidating, converting, encumbering,
18 pledging, loaning, selling, concealing, dissipating, disbursing, assigning,
19 relinquishing, spending, withdrawing, granting a lien or security interest
20 or other interest in, or otherwise disposing of any Assets that are:

21 i. owned or controlled, directly or indirectly, by any

22 Defendant;

23 ii. held, in part or in whole, for the benefit of any

24 Defendant;

25 iii. in the actual or constructive possession of any

26 Defendant; or

27 iv. owned or controlled by, in the actual or constructive

28 possession of, or otherwise held for the benefit of, any corporation,

1 partnership, asset protection trust, or other entity that is directly or
2 indirectly owned, managed, or controlled by any Defendant.

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

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

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

18 The Assets affected by this Section shall include: (1) all Assets of Defendants as
19 of the time this Order is entered; and (2) Assets obtained by Defendants after
20 this Order is entered if those Assets are derived from any activity that is the
21 subject of the Complaint in this matter or that is prohibited by this Order. This
22 Section does not prohibit any transfers to the Receiver or repatriation of foreign
23 Assets specifically required by this order.

24 5. Duties of Asset Holders and Other Third Parties. Any financial or
25 brokerage institution, Electronic Data Host, credit card processor, payment
26 processor, merchant bank, acquiring bank, independent sales organization, third
27 party processor, payment gateway, insurance company, business entity, or
28 person who receives actual notice of this Order (by service or otherwise) that

1 (1) has held, controlled, or maintained custody, through an account or
2 otherwise, of BCO, on behalf of BCO, or any Asset that has been owned or
3 controlled, directly or indirectly, by BCO; held, in part or in whole, for the
4 benefit of BCO; in the actual or constructive possession of BCO; or owned or
5 controlled by, in the actual or constructive possession of, or otherwise held for
6 the benefit of, any corporation, partnership, asset protection trust, or other
7 entity that is directly or indirectly owned, managed or controlled by BCO;
8 (2) has held, controlled, or maintained custody, through an account or
9 otherwise, of any Document or Asset associated with credits, debits, or charges
10 made on behalf of BCO, including reserve funds held by payment processors,
11 credit card processors, merchant banks, acquiring banks, independent sales
12 organizations, third party processors, payment gateways, insurance companies,
13 or other entities; or (3) has extended credit to BCO, including through a credit
14 card account, shall:

15 a. Hold, preserve, and retain within its control and prohibit the
16 withdrawal, removal, alteration, assignment, transfer, pledge,
17 encumbrance, disbursement, dissipation, relinquishment, conversion,
18 sale, or other disposal of any such Document or Asset, as well as all
19 Documents or other property related to such Assets, except by further
20 order of this Court;

21 b. Deny any person, except the Receiver, access to any safe
22 deposit box, commercial mailbox, or storage facility that is titled in the
23 name of BCO, either individually or jointly, or otherwise subject to access
24 by BCO;

25 c. Provide the FTC and the Receiver, within three (3) days of
26 receiving a copy of this Order, a sworn statement setting forth, for each
27 Asset or account covered by this Section:
28

- 1 i. The identification number of each such account or
2 Asset;
- 3 ii. The balance of each such account, or a description of
4 the nature and value of each such Asset as of the close of business
5 on the day on which this Order is served, and, if the account or
6 other Asset has been closed or removed, the date closed or
7 removed, the total funds removed in order to close the account, and
8 the name of the person or entity to whom such account or other
9 Asset was remitted; and
- 10 iii. The identification of any safe deposit box, commercial
11 mailbox, or storage facility that is either titled in the name,
12 individually or jointly, of BCO, or is otherwise subject to access by
13 BCO; and
- 14 d. Upon the request of the FTC or the Receiver, promptly
15 provide the FTC and the Receiver with copies of all records or other
16 Documents pertaining to any account covered by this Section or Asset,
17 including originals or copies of account applications, account statements,
18 signature cards, checks, drafts, deposit tickets, transfers to and from the
19 accounts, including wire transfers and wire transfer instructions, all other
20 debit and credit instruments or slips, currency transaction reports, 1099
21 forms, and all logs and records pertaining to safe deposit boxes,
22 commercial mail boxes, and storage facilities.

23 Provided, however, that this Section does not prohibit any transfers to the
24 Receiver or repatriation of foreign Assets specifically required by this order.

25 6. Financial Disclosures. BCO, to the extent it has not done so
26 pursuant to the TRO, within three (3) days of service of this Order upon it, shall
27 prepare and deliver to the FTC and the Receiver:
28

1 a. completed Attachment B (Financial Statement of Corporate
2 Defendant) for BCO; and

3 b. completed Attachment C (IRS Form 4506, Request for Copy
4 of a Tax Return) for BCO.

5 7. Foreign Asset Repatriation. To the extent not already done
6 pursuant to the TRO, within five (5) days following the service of this Order,
7 BCO shall:

8 a. Provide the FTC and the Receiver with a full accounting,
9 verified under oath and accurate as of the date of this Order, of all Assets,
10 Documents, and accounts outside of the United States which are:

11 i. titled in the name, individually or jointly, of BCO;

12 ii. held by any person or entity for the benefit of BCO or
13 for the benefit of, any corporation, partnership, asset protection
14 trust, or other entity that is directly or indirectly owned, managed,
15 or controlled by BCO; or

16 iii. under the direct or indirect control, whether jointly or
17 singly, of BCO;

18 b. Take all steps necessary to provide the FTC and Receiver
19 access to all Documents and records that may be held by third parties
20 located outside of the territorial United States of America, including
21 signing the Consent to Release of Financial Records appended to this
22 Order as Attachment D;

23 c. Transfer to the territory of the United States all Documents
24 and Assets located in foreign countries which are:

25 i. titled in the name, individually or jointly, of BCO;

26 ii. held by any person or entity for the benefit of BCO or
27 for the benefit of, any corporation, partnership, asset protection
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1 trust, or other entity that is directly or indirectly owned, managed,
2 or controlled by BCO; or

3 iii. under the direct or indirect control, whether jointly or
4 singly, of BCO; and

5 d. The same business day as any repatriation:

6 i. notify the Receiver and the FTC of the name and
7 location of the financial institution or other entity that is the
8 recipient of such Documents or Assets; and

9 ii. serve this Order on any such financial institution or
10 other entity.

11 8. Non-Interference with Repatriation. BCO, its officers, agents,
12 employees, and attorneys, and all other persons in active concert or participation
13 with any of them, who receive actual notice of this Order, whether acting
14 directly or indirectly, are hereby **RESTRAINED** and **ENJOINED** from taking
15 any action, directly or indirectly, which may result in the encumbrance or
16 dissipation of foreign Assets, or in the hindrance of the repatriation required by
17 this Order, including, but not limited to:

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

23 b. Notifying any trustee, protector or other agent of any foreign
24 trust or other related entities of either the existence of this Order, or of
25 the fact that repatriation is required pursuant to a court order, until such
26 time that all Defendants’ Assets have been fully repatriated pursuant to
27 this Order.

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1 9. Preservation of Records. BCO, its officers, agents, employees, and
2 attorneys, and all other persons in active concert or participation with any of
3 them, who receive actual notice of this Order, whether acting directly or
4 indirectly, are hereby **RESTRAINED** and **ENJOINED** from:

5 a. Destroying, erasing, falsifying, writing over, mutilating,
6 concealing, altering, transferring, or otherwise disposing of, in any
7 manner, directly or indirectly, Documents that relate to:

8 i. the business, business practices, Assets, or business or
9 personal finances of any Defendant;

10 ii. the business practices or finances of entities directly or
11 indirectly under the control of any Defendant; or

12 iii. the business practices or finances of entities directly or
13 indirectly under common control with any other Defendant; and

14 b. Failing to create and maintain Documents that, in reasonable
15 detail, accurately, fairly, and completely reflect BCO's incomes,
16 disbursements, transactions, and use of BCO's Assets.

17 10. Report of New Business Activity. BCO, its 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
20 directly or indirectly, are hereby **RESTRAINED** and **ENJOINED** from
21 creating, operating, or exercising any control over any business entity, whether
22 newly formed or previously inactive, including any partnership, limited
23 partnership, joint venture, sole proprietorship, or corporation, without first
24 providing the FTC and the Receiver with a written statement disclosing:

25 a. the name of the business entity;

26 b. the address and telephone number of the business entity;

27 c. the names of the business entity's officers, directors,
28 principals, managers, and employees; and

1 d. a detailed description of the business entity’s intended
2 activities.

3 11. Receiver. Thomas W. McNamara shall continue to serve as
4 Receiver of the Receivership Entities with full powers of an equity receiver. The
5 Receiver shall be solely the agent of this Court in acting as Receiver under this
6 Order.

7 12. Duties and Authorities of Receiver. The Receiver is directed and
8 authorized to accomplish the following:

9 a. Assume full control of Receivership Entities by removing, as
10 the Receiver deems necessary or advisable, any director, officer,
11 independent contractor, employee, attorney, or agent of any Receivership
12 Entity from control of, management of, or participation in, the affairs of
13 the Receivership Entity;

14 b. Take exclusive custody, control, and possession of all Assets
15 and Documents of, or in the possession, custody, or under the control of,
16 any Receivership Entity, wherever situated;

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

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

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

8 e. Obtain, conserve, hold, manage, and prevent the loss of all
9 Documents of the Receivership Entities, and perform all acts necessary or
10 advisable to preserve such Documents. The Receiver shall: divert mail;
11 preserve all Documents of the Receivership Entities that are accessible via
12 electronic means (such as online access to financial accounts and access to
13 electronic documents held onsite or by Electronic Data Hosts, by
14 changing usernames, passwords or other log-in credentials; take
15 possession of all electronic Documents of the Receivership Entities stored
16 onsite or remotely; take whatever steps necessary to preserve all such
17 Documents; and obtain the assistance of the FTC's Digital Forensic Unit
18 for the purpose of obtaining electronic documents stored onsite or
19 remotely.

20 f. Choose, engage, and employ attorneys, accountants,
21 appraisers, and other independent contractors and technical specialists, as
22 the Receiver deems advisable or necessary in the performance of duties
23 and responsibilities under the authority granted by this Order;

24 g. Make payments and disbursements from the receivership
25 estate that are necessary or advisable for carrying out the directions of, or
26 exercising the authority granted by, this Order, and to incur, or authorize
27 the making of, such agreements as may be necessary and advisable in
28 discharging his or her duties as Receiver. The Receiver shall apply to the

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

5 h. Take all steps necessary to secure and take exclusive custody
6 of each location from which the Receivership Entities operate their
7 businesses. Such steps may include, but are not limited to, any of the
8 following, as the Receiver deems necessary or advisable:

9 i. securing the location by changing the locks and alarm
10 codes and disconnecting any internet access or other means of
11 access to the computers, servers, internal networks, or other
12 records maintained at that location; and

13 ii. requiring any persons present at the location to leave
14 the premises, to provide the Receiver with proof of identification,
15 and/or to demonstrate to the satisfaction of the Receiver that such
16 persons are not removing from the premises Documents or Assets
17 of the Receivership Entities. Law enforcement personnel,
18 including, but not limited to, police or sheriffs, may assist the
19 Receiver in implementing these provisions in order to keep the
20 peace and maintain security. If requested by the Receiver, the
21 United States Marshal will provide appropriate and necessary
22 assistance to the Receiver to implement this Order and is
23 authorized to use any necessary and reasonable force to do so;

24 i. Take all steps necessary to prevent the modification,
25 destruction, or erasure of any web page or website registered to and
26 operated, in whole or in part, by BCO, and to provide access to all such
27 web page or websites to the FTC's representatives, agents, and assistants,
28 as well as Defendants and their representatives;

- 1 j. Enter into and cancel contracts and purchase insurance as
2 advisable or necessary;
- 3 k. Prevent the inequitable distribution of Assets and determine,
4 adjust, and protect the interests of consumers who have transacted
5 business with the Receivership Entities;
- 6 l. Make an accounting, as soon as practicable, of the Assets and
7 financial condition of the receivership and file the accounting with the
8 Court and deliver copies thereof to all parties;
- 9 m. Institute, compromise, adjust, appear in, intervene in,
10 defend, dispose of, or otherwise become party to any legal action in state,
11 federal or foreign courts or arbitration proceedings as the Receiver deems
12 necessary and advisable to preserve or recover the Assets of the
13 Receivership Entities, or to carry out the Receiver’s mandate under this
14 Order, including but not limited to, actions challenging fraudulent or
15 voidable transfers;
- 16 n. Issue subpoenas to obtain Documents and records pertaining
17 to the Receivership, and conduct discovery in this action on behalf of the
18 receivership estate, in addition to obtaining other discovery as set forth in
19 this Order;
- 20 o. Open one or more bank accounts at designated depositories
21 for funds of the Receivership Entities. The Receiver shall deposit all
22 funds of the Receivership Entities in such designated accounts and shall
23 make all payments and disbursements from the receivership estate from
24 such accounts. The Receiver shall serve copies of monthly account
25 statements on all parties;
- 26 p. Maintain accurate records of all receipts and expenditures
27 incurred as Receiver;
- 28

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

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

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

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

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

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

10 13. Transfer of Receivership Property to Receiver. To the extent not
11 already done so pursuant to the TRO, BCO and any other person, with
12 possession, custody or control of property of, or records relating to, the
13 Receivership Entities shall, upon notice of this Order by personal service or
14 otherwise, fully cooperate with and assist the Receiver in taking and maintaining
15 possession, custody, or control of the Assets and Documents of the Receivership
16 Entities and immediately transfer or deliver to the Receiver possession, custody,
17 and control of, the following:

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

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

26 c. All Documents of or pertaining to the Receivership Entities;

27 d. All computers, electronic devices, mobile devices, and
28 machines used to conduct the business of the Receivership Entities;

1 e. All Assets and Documents belonging to other persons or
2 entities whose interests are under the direction, possession, custody, or
3 control of the Receivership Entities; and

4 f. All keys, codes, usernames, and passwords necessary to gain
5 or to secure access to any Assets or Documents of or pertaining to the
6 Receivership Entities, including access to their business premises, means
7 of communication, accounts, computer systems (onsite and remote),
8 Electronic Data Hosts, or other property.

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

13 14. Provision of Information to Receiver. To the extent not already
14 done so pursuant to the TRO, BCO shall immediately provide to the Receiver:

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

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

22 c. A description of any documents covered by attorney-client
23 privilege or attorney work product, including files where such documents
24 are likely to be located, authors or recipients of such documents, and
25 search terms likely to identify such electronic documents.

26 15. Cooperation with the Receiver. BCO; Receivership Entities;
27 BCO's or Receivership Entities' officers, agents, employees, and attorneys, all
28 other persons in active concert or participation with any of them, and any other

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

14 16. Non-Interference with the Receiver. BCO; Receivership Entities;
15 BCO's or Receivership Entities' officers, agents, employees, attorneys, and all
16 other persons in active concert or participation with any of them, who receive
17 actual notice of this Order, and any other person served with a copy of this
18 Order, are hereby **RESTRAINED** and **ENJOINED** from directly or indirectly:

- 19 a. Interfering with the Receiver's efforts to manage, or take
20 custody, control, or possession of, the Assets or Documents subject to the
21 receivership;
- 22 b. Transacting any of the business of the Receivership Entities;
- 23 c. Transferring, receiving, altering, selling, encumbering,
24 pledging, assigning, liquidating, or otherwise disposing of any Assets
25 owned, controlled, or in the possession or custody of, or in which an
26 interest is held or claimed by, the Receivership Entities; or
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1 d. Refusing to cooperate with the Receiver or the Receiver's
2 duly authorized agents in the exercise of their duties or authority under
3 any order of this Court.

4 17. Stay of Actions. Except by leave of this Court, during the pendency
5 of the receivership ordered herein, BCO, its officers, agents, employees,
6 attorneys, and all other persons in active concert or participation with any of
7 them, who receive actual notice of this Order, and their corporations,
8 subsidiaries, divisions, or affiliates, and all investors, creditors, stockholders,
9 lessors, customers and other persons seeking to establish or enforce any claim,
10 right, or interest against or on behalf of BCO, and all others acting for or on
11 behalf of such persons, are hereby enjoined from taking action that would
12 interfere with the exclusive jurisdiction of this Court over the Assets or
13 Documents of the Receivership Entities, including, but not limited to:

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

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

22 c. Filing or enforcing any lien on any asset of the Receivership
23 Entities, taking, or attempting to take possession, custody, or control of
24 any Asset of the Receivership Entities; or attempting to foreclose, forfeit,
25 alter, or terminate any interest in any Asset of the Receivership Entities,
26 whether such acts are part of a judicial proceeding, are acts of self-help, or
27 otherwise.
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1 Provided, however, that this Order does not stay: (1) the commencement or
2 continuation of a criminal action or proceeding; (2) the commencement or
3 continuation of an action or proceeding by a governmental unit to enforce such
4 governmental unit's police or regulatory power; or (3) the enforcement of a
5 judgment, other than a money judgment, obtained in an action or proceeding by
6 a governmental unit to enforce such governmental unit's police or regulatory
7 power.

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

19 19. Receiver's Bond. The bond in the sum of \$15,000 previously filed
20 by the Receiver with the Clerk of this Court shall remain in effect, conditioned
21 that the Receiver will well and truly perform the duties of the office and abide by
22 and perform all acts the Court directs. 28 U.S.C. § 754.

23 20. Distribution of Order by BCO. BCO shall immediately provide a
24 copy of this Order to each affiliate, telemarketer, marketer, sales entity,
25 successor, assign, member, officer, director, employee, agent, independent
26 contractor, client, attorney, spouse, subsidiary, division, and representative of
27 BCO, and shall, to the extent not already done so pursuant to the TRO, within
28 three (3) days from the date of entry of this Order, provide the FTC and the

1 Receiver with a sworn statement that this provision of the Order has been
2 satisfied, which statement shall include the names, physical addresses, phone
3 number, and email addresses of each such person or entity who received a copy
4 of the Order. Furthermore, BCO shall not take any action that would encourage
5 officers, agents, members, directors, employees, salespersons, independent
6 contractors, attorneys, subsidiaries, affiliates, successors, assigns or other
7 persons or entities in active concert or participation with them to disregard this
8 Order or believe that they are not bound by its provisions.

9 21. Expedited Discovery. Notwithstanding the provisions of the
10 Rule 26(d) and (f) and 30(a)(2)(A)(iii), and pursuant to Rule 30(a), 33, 34, and
11 45, the FTC and the Receiver are granted leave, at any time after service of this
12 Order, to conduct limited expedited discovery for the purpose of discovering
13 (1) the nature, location, status, and extent of BCO's Assets; (2) the nature,
14 location, and extent of BCO's business transactions and operations;
15 (3) Documents reflecting BCO's business transactions and operations; or
16 (4) compliance with this Order. The limited expedited discovery set forth in
17 this Section shall proceed as follows:

18 a. The FTC and the Receiver may take the deposition of parties
19 and non-parties. Forty-eight (48) hours' notice shall be sufficient notice
20 for such depositions. The limitations and conditions set forth in
21 Rules 30(a)(2)(A) and 31(a)(2)(A) of the Federal Rules of Civil Procedure
22 regarding subsequent depositions of an individual shall not apply to
23 depositions taken pursuant to this Section. Any such deposition taken
24 pursuant to this Section shall not be counted towards the deposition limit
25 set forth in Rules 30(a)(2)(A) and 31(a)(2)(A) and depositions may be
26 taken by telephone or other remote electronic means;

27 b. The FTC and the Receiver may serve upon parties requests
28 for production of Documents or inspection that require production or

1 inspection within five (5) days of service, provided, however, that
2 three (3) days of notice shall be deemed sufficient for the production of
3 any such Documents that are maintained or stored only in an electronic
4 format.

5 c. The FTC and the Receiver may serve upon parties
6 interrogatories that require response within five (5) days after the FTC
7 serves such interrogatories;

8 d. The FTC and the Receiver may serve subpoenas upon non-
9 parties that direct production or inspection within five (5) days of service.

10 e. Service of discovery upon a party to this action, taken
11 pursuant to this Section, shall be sufficient if made by facsimile, email, or
12 by overnight delivery.

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

18 g. The Parties are exempted from making initial disclosures
19 under Rule 26(a)(1) until further order of this Court.

20 22. Service of this Order. Copies of this Order may be served by any
21 means, including facsimile transmission, electronic mail or other electronic
22 messaging, personal or overnight delivery, U.S. Mail or FedEx, by agents and
23 employees of the FTC, by any law enforcement agency, or by private process
24 server, upon any Defendant or any person (including any financial institution)
25 that may have possession, custody or control of any Asset or Document of BCO,
26 or that may be subject to any provision of this Order pursuant to Rule 65(d)(2).
27 For purposes of this Section, service upon any branch, subsidiary, affiliate, or
28 office of any entity shall effect service upon the entire entity.

1 23. Correspondence and Service on the FTC. For the purpose of this
2 Order, all correspondence and service of pleadings on the FTC shall be
3 addressed to the FTC’s counsel of record.

4 24. Duration of the Order. This Order shall expire upon entry of a final
5 judgment in this case.

6 25. Retention of Jurisdiction. This Court shall retain jurisdiction of
7 this matter for all purposes.

8 **IT IS SO ORDERED.**

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10 Dated: May 22, 2023



John W. Holcomb
UNITED STATES DISTRICT JUDGE

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