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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

**ORDER ENTERING STIPULATED
PRELIMINARY INJUNCTION**

1 Plaintiff Federal Trade Commission (“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, appointment of a receiver, and
9 other equitable relief against the Defendants. The FTC and Defendants BCO
10 Consulting Services Inc., also d/b/a Students Loan Services LLC, SLA
11 Consulting Services Inc. f/k/a Student Loan Advocates LLC, Gianni Olilang,
12 Brandon Clores, Kishan Bhakta, and Allan Radam (the “Stipulating
13 Defendants”), by and through their counsel, have stipulated and agreed to the
14 entry of this preliminary injunction order (the “Order”).

15 I. FINDINGS OF FACT

16 By stipulation of the parties, the Court finds as follows:

17 A. The FTC and Stipulating Defendants have stipulated and agreed to
18 entry of this Order without any admission of wrongdoing or violation of law, and
19 without a finding by the Court of law or fact other than stated below.

20 B. Stipulating Defendants waive all rights to seek judicial review or
21 otherwise challenge or contest the validity of this Order.

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

25 D. The FTC asserts that there is good cause to believe that in
26 numerous instances, Stipulating Defendants have made material
27 misrepresentations regarding their student loan debt relief services; taken
28 advance fees; engaged in illegal telemarketing; and obtained customer

1 information of a financial institution relating to another person by making false,
2 fictitious, or fraudulent statements.

3 E. The FTC asserts that there is good cause to believe that Stipulating
4 Defendants have engaged in and are likely to engage in acts or practices that
5 violate Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), the Telemarketing Sales
6 Rule (the “TSR”), 16 C.F.R. Part 310, and Section 521 of the GLB Act, 15
7 U.S.C. § 6821, and that the FTC is therefore likely to prevail on the merits of
8 this action. As demonstrated by consumer declarations, consumer complaints,
9 and the additional documentation filed by the FTC, the FTC asserts that it has
10 established a likelihood of success in showing that, in numerous instances,
11 Stipulating Defendants:

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

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

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

20 F. The FTC asserts that there is good cause to believe that Stipulating
21 Defendants have taken in gross revenues of approximately \$6.5 million as a
22 result of their unlawful practices.

23 G. The FTC asserts that there is good cause to believe that immediate
24 and irreparable harm will result from Stipulating Defendants’ ongoing violations
25 of the FTC Act, the TSR, and the GLB Act, unless Stipulating Defendants are
26 restrained and enjoined by order of this Court.

27 H. The FTC asserts that there is good cause to believe that immediate
28 and irreparable damage to the Court’s ability to grant effective final relief for

1 consumers – including monetary restitution, rescission, disgorgement, or
2 refunds – will occur from the sale, transfer, destruction or other disposition or
3 concealment by Stipulating Defendants of their assets or records, unless
4 Stipulating Defendants are restrained and enjoined by order of this Court.

5 I. The FTC asserts that good cause exists for continuing the
6 receivership over the Receivership Entities, continuing the freeze imposed on
7 Stipulated Defendants’ assets pursuant to the TRO issued in this case, and
8 continuing to permit the FTC and the Receiver to take expedited discovery.

9 J. The FTC asserts that entry of this order is in the public interest.

10 K. The FTC asserts that this Court has authority to issue this Order
11 pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b); Section 19 of the
12 FTC Act, 15 U.S.C. § 57b(b); Federal Rule of Civil Procedure 65; and the All
13 Writs Act, 28 U.S.C. § 1651.

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

16 **II. DEFINITIONS**

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

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

20 B. “Assisting Others” includes:

21 (1) performing customer service functions, including receiving
22 or responding to consumer complaints performing customer service
23 functions, including receiving or responding to consumer complaints;

24 (2) formulating or providing, or arranging for the formulation or
25 provision of, any advertising or marketing material, including any
26 telephone sales script, direct mail solicitation, or the design, text, or use of
27 images of any Internet website, email, or other electronic communication;
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1 (3) formulating or providing, or arranging for the formulation or
2 provision of, any marketing support material or service, including web or
3 Internet Protocol addresses or domain name registration for any Internet
4 websites, affiliate marketing services, or media placement services;

5 (4) providing names of, or assisting in the generation of,
6 potential customers;

7 (5) performing marketing, billing, payment processing, or
8 payment services of any kind; or

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

11 C. “Stipulating Corporate Defendants” means BCO Consulting
12 Services Inc., also d/b/a Students Loan Services LLC, and SLA Consulting
13 Services Inc., f/k/a Student Loan Advocates LLC, and each of their subsidiaries,
14 affiliates, successors, and assigns.

15 D. “Stipulating Defendant(s)” means Stipulating Corporate
16 Defendants and Stipulating Individual Defendants individually, collectively, or
17 in any combination.

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

24 F. “Document” is synonymous in meaning and equal in scope to the
25 usage of “document” and “electronically stored information” in Rule 34(a) if
26 the Federal Rule of Civil Procedure, and includes writings, drawings, graphs,
27 charts, photographs, sound and video recordings, images, Internet sites, web
28 pages, websites, electronic correspondence, including e-mail and instant

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

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

14 H. “Stipulating Individual Defendant(s)” means Gianni Olilang,
15 Brandon Clores, Kishan Bhakta, and Allan Radam, individually, collectively, or
16 in any combination.

17 I. “Receiver” means the receiver appointed in Section III.12 of this
18 Order and any deputy receivers that shall be named by the receiver.

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

25 III. ORDER

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

27 1. Prohibition on Deceptive Representations. Stipulating Defendants,
28 Stipulating Defendants’ officers, agents, employees, and attorneys, and all other

1 persons in active concert or participation with them, who receive actual notice of
2 this Order by personal service or otherwise, whether acting directly or
3 indirectly, in connection with the advertising, marketing, promoting, or offering
4 for sale of any goods or services, are **RESTRAINED** and **ENJOINED** from:

5 a. misrepresenting or Assisting Others in misrepresenting,
6 expressly or by implication, any material fact, including, but not limited
7 to:

8 (1) that consumers who pay for Stipulating Defendant's
9 program will be enrolled in a loan repayment program and have
10 their loan balances forgiven in whole or in part;

11 (2) that most or all of consumers' monthly payments to
12 Stipulating Defendants will be applied to their loan balances;

13 (3) that Stipulating Defendants are contracted by, or
14 otherwise affiliated with, the Department of Education;

15 (4) that Stipulating Defendants will assume responsibility
16 for the servicing of consumers' student loans; and

17 (5) any other fact material to consumers concerning any
18 good or service, such as: the total costs; any material restrictions,
19 limitations, or conditions; or any material aspect of its performance,
20 efficacy, nature, or central characteristics; and

21 b. making or Assisting Others in making, any representation,
22 expressly or by implication, about the benefits, performance, or efficacy of
23 any product or service, unless the representation is non-misleading and, at
24 the time such representation is made, Stipulating Defendants possess and
25 rely upon competent and reliable evidence that is sufficient in quality and
26 quantity based on standards generally accepted in the relevant fields,
27 when considered in light of the entire body of relevant and reliable
28 evidence, to substantiate that the representation is true.

1 2. Prohibition on Collection of Advance Fees. Stipulating
2 Defendants, and their officers, agents, employees, and those persons or entities
3 in active concert or participation with any of them who receive actual notice of
4 this Order, whether acting directly or indirectly, are hereby **RESTRAINED** and
5 **ENJOINED** from providing, offering to provide, or arranging for others to
6 provide any Debt Relief Service and requesting or receiving payment of any fees
7 or consideration for any Debt Relief Service, until and unless:

8 a. the seller or telemarketer has renegotiated, settled, reduced,
9 or otherwise altered the terms of at least one debt pursuant to a settlement
10 agreement, debt management plan, or other such valid contractual
11 agreement executed by the customer;

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

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

18 i. bears the same proportional relationship to the total
19 fee for renegotiating, settling, reducing, or altering the terms of the
20 entire debt balance as the individual debt amount bears to the entire
21 debt amount. The individual debt amount and the entire debt
22 amount are those owed at the time the debt was enrolled in the
23 service; or

24 ii. is a percentage of the amount saved as a result of the
25 renegotiation, settlement, reduction, or alteration. The percentage
26 charged cannot change from one individual debt to another. The
27 amount saved is the difference between the amount owed at the
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1 time the debt was enrolled in the service and the amount actually
2 paid to satisfy the debt.

3 3. Prohibition on Release of Customer Information. Stipulating
4 Defendants, Stipulating Defendants' officers, agents, employees, and attorneys,
5 and all other persons in active concert or participation with any of them, who
6 receive actual notice of this Order, whether acting directly or indirectly, are
7 hereby **RESTRAINED** and **ENJOINED** from:

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

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

20 Provided, however, that Stipulating Defendants may disclose such identifying
21 information to a law enforcement agency, to their attorneys as required for their
22 defense, as required by any law, regulation, or court order, or in any filings,
23 pleadings, or discovery in this action in the manner required by the Federal
24 Rules of Civil Procedure and by any protective order in the case.

25 4. Asset Freeze. Stipulating Defendants and their officers, agents,
26 employees, and attorneys, and all other persons in active concert or participation
27 with any of them, who receive actual notice of this Order, whether acting
28 directly or indirectly, are hereby **RESTRAINED** and **ENJOINED** from:

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

5 i. owned or controlled, directly or indirectly, by any
6 Stipulating Defendant;

7 ii. held, in part or in whole, for the benefit of any
8 Stipulating Defendant;

9 iii. in the actual or constructive possession of any
10 Stipulating Defendant; or

11 iv. owned or controlled by, in the actual or constructive
12 possession of, or otherwise held for the benefit of, any corporation,
13 partnership, asset protection trust, or other entity that is directly or
14 indirectly owned, managed, or controlled by any Stipulating
15 Defendant.

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

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

1 d. Cashing any checks or depositing any money orders or cash
2 received from consumers, clients, or customers of any Stipulating
3 Defendant.

4 The Assets affected by this Section shall include: (1) all Assets of Stipulating
5 Defendants as of the time this Order is entered; and (2) Assets obtained by
6 Stipulating Defendants after this Order is entered if those Assets are derived
7 from any activity that is the subject of the Complaint in this matter or that is
8 prohibited by this Order. This Section does not prohibit any transfers to the
9 Receiver or repatriation of foreign Assets specifically required by this order.
10 *Provided, however, that* by no later than May 31, 2023, Stipulating Defendant
11 Gianni Olilang may withdraw up to \$3,873 from his personal account ending in
12 6256 at Chase Bank; Stipulating Defendant Allan Radam may withdraw up to
13 \$3,873 from his personal account ending in 2074 at Chase Bank; and Stipulating
14 Defendant Brandon Clores may withdraw up to \$3,550 from his personal
15 account ending in 6822 at TD AmeriTrade.

16 5. Duties of Asset Holders and Other Third Parties. Any financial or
17 brokerage institution, Electronic Data Host, credit card processor, payment
18 processor, merchant bank, acquiring bank, independent sales organization, third
19 party processor, payment gateway, insurance company, business entity, or
20 person who receives actual notice of this Order (by service or otherwise) that:
21 (1) has held, controlled, or maintained custody, through an account or
22 otherwise, of any Stipulating Document on behalf of any Stipulating Defendant
23 or any Asset that has been owned or controlled, directly or indirectly, by any
24 Stipulating Defendant; held, in part or in whole, for the benefit of any
25 Stipulating Defendant; in the actual or constructive possession of any
26 Stipulating Defendant; or owned or controlled by, in the actual or constructive
27 possession of, or otherwise held for the benefit of, any corporation, partnership,
28 asset protection trust, or other entity that is directly or indirectly owned,

1 managed or controlled by any Stipulating Defendant; (2) has held, controlled, or
2 maintained custody, through an account or otherwise, of any Document or Asset
3 associated with credits, debits, or charges made on behalf of any Stipulating
4 Defendant, including reserve funds held by payment processors, credit card
5 processors, merchant banks, acquiring banks, independent sales organizations,
6 third party processors, payment gateways, insurance companies, or other
7 entities; or (3) has extended credit to any Stipulating Defendant, including
8 through a credit card account, shall:

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

18 b. Deny any person, except the Receiver, access to any safe
19 deposit box, commercial mailbox, or storage facility that is titled in the
20 name of any Stipulating Defendant, either individually or jointly, or
21 otherwise subject to access by any Stipulating Defendant;

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

25 i. The identification number of each such account or
26 Asset;

27 ii. The balance of each such account, or a description of
28 the nature and value of each such Asset as of the close of business

1 on the day on which this Order is served, and, if the account or
2 other Asset has been closed or removed, the date closed or
3 removed, the total funds removed in order to close the account, and
4 the name of the person or entity to whom such account or other
5 Asset was remitted; and

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

10 d. Upon the request of the FTC or the Receiver, promptly
11 provide the FTC and the Receiver with copies of all records or other
12 Documents pertaining to any account covered by this Section or Asset,
13 including originals or copies of account applications, account statements,
14 signature cards, checks, drafts, deposit tickets, transfers to and from the
15 accounts, including wire transfers and wire transfer instructions, all other
16 debit and credit instruments or slips, currency transaction reports, 1099
17 forms, and all logs and records pertaining to safe deposit boxes,
18 commercial mail boxes, and storage facilities.

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

21 6. Financial Disclosures. Stipulating Defendant, to the extent they
22 have not each done so pursuant to the TRO, within three (3) days of service of
23 this Order upon them, shall prepare and deliver to the FTC and the Receiver:

24 a. completed financial statements on the forms attached to this
25 Order as Attachment A (Financial Statement of Individual Defendant) for
26 each Stipulating Individual Defendant, and Attachment B (Financial
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1 Statement of Corporate Defendant) for each Stipulating Corporate
2 Defendant; and

3 b. completed Attachment C (IRS Form 4506, Request for Copy
4 of a Tax Return) for each Stipulating Individual and Corporate
5 Defendant.

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

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

12 ii. titled in the name, individually or jointly, of any
13 Stipulating Defendant;

14 iii. held by any person or entity for the benefit of any
15 Stipulating Defendant or for the benefit of, any corporation,
16 partnership, asset protection trust, or other entity that is directly or
17 indirectly owned, managed, or controlled by any Stipulating
18 Defendant; or

19 iv. under the direct or indirect control, whether jointly or
20 singly, of any Stipulating Defendant;

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

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

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- 1 i. titled in the name, individually or jointly, of any
- 2 Stipulating Defendant;
- 3 ii. held by any person or entity for the benefit of any
- 4 Stipulating Defendant or for the benefit of, any corporation,
- 5 partnership, asset protection trust, or other entity that is directly or
- 6 indirectly owned, managed, or controlled by any Stipulating
- 7 Defendant; or
- 8 iii. under the direct or indirect control, whether jointly or
- 9 singly, of any Stipulating Defendant; and
- 10 d. The same business day as any repatriation:
 - 11 i. notify the Receiver and the FTC of the name and
 - 12 location of the financial institution or other entity that is the
 - 13 recipient of such Documents or Assets; and
 - 14 ii. serve this Order on any such financial institution or
 - 15 other entity.

16 8. Non-Interference with Repatriation. Stipulating Defendants,

17 Stipulating Defendants’ officers, agents, employees, and attorneys, and all other

18 persons in active concert or participation with any of them, who receive actual

19 notice of this Order, whether acting directly or indirectly, are hereby

20 **RESTRAINED** and **ENJOINED** from taking any action, directly or indirectly,

21 which may result in the encumbrance or dissipation of foreign Assets, or in the

22 hindrance of the repatriation required by this Order, including, but not limited

23 to:

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

1 b. Notifying any trustee, protector or other agent of any foreign
2 trust or other related entities of either the existence of this Order, or of
3 the fact that repatriation is required pursuant to a court order, until such
4 time that all Stipulating Defendants' Assets have been fully repatriated
5 pursuant to this Order.

6 9. Consumer Credit Reports. The FTC may obtain credit reports
7 concerning any Stipulating Defendants pursuant to Section 604(a)(1) of the Fair
8 Credit Reporting Act, 15 U.S.C. 1681b(a)(1), and that, upon written request, any
9 credit reporting agency from which such reports are requested shall provide
10 them to the FTC.

11 10. Preservation of Records. Stipulating Defendants, Stipulating
12 Defendants' officers, agents, employees, and attorneys, and all other persons in
13 active concert or participation with any of them, who receive actual notice of
14 this Order, whether acting directly or indirectly, are hereby **RESTRAINED** and
15 **ENJOINED** from:

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

19 i. the business, business practices, Assets, or business or
20 personal finances of any Stipulating Defendant;

21 ii. the business practices or finances of entities directly or
22 indirectly under the control of any Stipulating Defendant; or

23 iii. the business practices or finances of entities directly or
24 indirectly under common control with any other Stipulating
25 Defendant; and

26 b. Failing to create and maintain Documents that, in reasonable
27 detail, accurately, fairly, and completely reflect Stipulating Defendants'
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1 incomes, disbursements, transactions, and use of Stipulating Defendants'
2 Assets.

3 11. Report of New Business Activity. Stipulating Defendants,
4 Stipulating Defendants' officers, agents, employees, and attorneys, and all other
5 persons in active concert or participation with any of them, who receive actual
6 notice of this Order, whether acting directly or indirectly, are hereby
7 **RESTRAINED** and **ENJOINED** from creating, operating, or exercising any
8 control over any business entity, whether newly formed or previously inactive,
9 including any partnership, limited partnership, joint venture, sole
10 proprietorship, or corporation, without first providing the FTC and the Receiver
11 with a written statement disclosing:

- 12 a. the name of the business entity;
- 13 b. the address and telephone number of the business entity;
- 14 c. the names of the business entity's officers, directors,
15 principals, managers, and employees; and
- 16 d. a detailed description of the business entity's intended
17 activities.

18 12. Receiver. Thomas W. McNamara shall continue to serve as
19 Receiver of the Receivership Entities with full powers of an equity receiver. The
20 Receiver shall be solely the agent of this Court in acting as Receiver under this
21 Order.

22 13. Duties and Authorities of Receiver. The Receiver is directed and
23 authorized to accomplish the following:

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

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

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

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

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

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

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

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

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

24 i. securing the location by changing the locks and alarm
25 codes and disconnecting any internet access or other means of
26 access to the computers, servers, internal networks, or other
27 records maintained at that location; and
28

1 ii. requiring any persons present at the location to leave
2 the premises, to provide the Receiver with proof of identification,
3 and/or to demonstrate to the satisfaction of the Receiver that such
4 persons are not removing from the premises Documents or Assets
5 of the Receivership Entities. Law enforcement personnel,
6 including, but not limited to, police or sheriffs, may assist the
7 Receiver in implementing these provisions in order to keep the
8 peace and maintain security. If requested by the Receiver, the
9 United States Marshal will provide appropriate and necessary
10 assistance to the Receiver to implement this Order and is
11 authorized to use any necessary and reasonable force to do so;

12 i. Take all steps necessary to prevent the modification,
13 destruction, or erasure of any web page or website registered to and
14 operated, in whole or in part, by any Stipulating Defendants, and to
15 provide access to all such web page or websites to the FTC's
16 representatives, agents, and assistants, as well as Stipulating Defendants
17 and their representatives;

18 j. Enter into and cancel contracts and purchase insurance as
19 advisable or necessary;

20 k. Prevent the inequitable distribution of Assets and determine,
21 adjust, and protect the interests of consumers who have transacted
22 business with the Receivership Entities;

23 l. Make an accounting, as soon as practicable, of the Assets and
24 financial condition of the receivership and file the accounting with the
25 Court and deliver copies thereof to all parties;

26 m. Institute, compromise, adjust, appear in, intervene in,
27 defend, dispose of, or otherwise become party to any legal action in state,
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1 federal or foreign courts or arbitration proceedings as the Receiver deems
2 necessary and advisable to preserve or recover the Assets of the
3 Receivership Entities, or to carry out the Receiver's mandate under this
4 Order, including but not limited to, actions challenging fraudulent or
5 voidable transfers;

6 n. Issue subpoenas to obtain Documents and records pertaining
7 to the Receivership, and conduct discovery in this action on behalf of the
8 receivership estate, in addition to obtaining other discovery as set forth in
9 this Order;

10 o. Open one or more bank accounts at designated depositories
11 for funds of the Receivership Entities. The Receiver shall deposit all
12 funds of the Receivership Entities in such designated accounts and shall
13 make all payments and disbursements from the receivership estate from
14 such accounts. The Receiver shall serve copies of monthly account
15 statements on all parties;

16 p. Maintain accurate records of all receipts and expenditures
17 incurred as Receiver;

18 q. Allow the FTC's representatives, agents, and assistants, as
19 well as Stipulating Defendants' representatives and Stipulating
20 Defendants themselves, reasonable access to the premises of the
21 Receivership Entities, or any other premises where the Receivership
22 Entities conduct business. The purpose of this access shall be to inspect
23 and copy any and all books, records, Documents, accounts, and other
24 property owned by, or in the possession of, the Receivership Entities or
25 their agents. The Receiver shall have the discretion to determine the
26 time, manner, and reasonable conditions of such access;

27 r. Allow the FTC's representatives, agents, and assistants, as
28 well as Stipulating Defendants and their representatives reasonable access

1 to all Documents in the possession, custody, or control of the
2 Receivership Entities;

3 s. Cooperate with reasonable requests for information or
4 assistance from any state or federal civil or criminal law enforcement
5 agency;

6 t. Suspend business operations of the Receivership Entities if in
7 the judgment of the Receiver such operations cannot be continued legally
8 and profitably;

9 u. If the Receiver identifies a nonparty entity as a Receivership
10 Entity, promptly notify the entity as well as the parties, and inform the
11 entity that it can challenge the Receiver's determination by filing a motion
12 with the Court. Provided, however, that the Receiver may delay
13 providing such notice until the Receiver has established control of the
14 nonparty entity and its assets and records, if the Receiver determines that
15 notice to the entity or the parties before the Receiver establishes control
16 over the entity may result in the destruction of records, dissipation of
17 assets, or any other obstruction of the Receiver's control of the entity; and

18 v. If in the Receiver's judgment the business operations cannot
19 be continued legally and profitably, take all steps necessary to ensure that
20 any of the Receivership Entities' web pages or websites relating to the
21 activities alleged in the Complaint cannot be accessed by the public, or are
22 modified for consumer education and/or informational purposes, and take
23 all steps necessary to ensure that any telephone numbers associated with
24 the Receivership Entities cannot be accessed by the public, or are
25 answered solely to provide consumer education or information regarding
26 the status of operations.

27 14. Transfer of Receivership Property to Receiver. To the extent not
28 already done so pursuant to the TRO, Stipulating Defendants and any other

1 person, with possession, custody or control of property of, or records relating to,
2 the Receivership Entities shall, upon notice of this Order by personal service or
3 otherwise, fully cooperate with and assist the Receiver in taking and maintaining
4 possession, custody, or control of the Assets and Documents of the Receivership
5 Entities and immediately transfer or deliver to the Receiver possession, custody,
6 and control of, the following:

7 a. All Assets held by or for the benefit of the Receivership
8 Entities;

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

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

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

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

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

26 In the event that any person or entity fails to deliver or transfer any Asset or
27 Document, or otherwise fails to comply with any provision of this Section, the
28

1 Receiver may file an Affidavit of Non-Compliance regarding the failure and a
2 motion seeking compliance or a contempt citation.

3 15. Provision of Information to Receiver. To the extent not already
4 done so pursuant to the TRO, Stipulating Defendants shall immediately provide
5 to the Receiver:

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

9 b. A list of all agents, employees, officers, attorneys, servants
10 and those persons in active concert and participation with the
11 Receivership Entities, or who have been associated or done business with
12 the Receivership Entities; and

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

17 16. Cooperation with the Receiver. Stipulating Defendants;
18 Receivership Entities; Stipulating Defendants' or Receivership Entities'
19 officers, agents, employees, and attorneys, all other persons in active concert or
20 participation with any of them, and any other person with possession, custody,
21 or control of property of or records relating to the Receivership entities who
22 receive actual notice of this Order shall fully cooperate with and assist the
23 Receiver. This cooperation and assistance shall include, but is not limited to,
24 providing information to the Receiver that the Receiver deems necessary to
25 exercise the authority and discharge the responsibilities of the Receiver under
26 this Order; providing any keys, codes, user names and passwords required to
27 access any computers, electronic devices, mobile devices, and machines (onsite
28 or remotely) and any cloud account (including specific method to access

1 account) or electronic file in any medium; advising all persons who owe money
2 to any Receivership Entity that all debts should be paid directly to the Receiver;
3 and transferring funds at the Receiver's direction and producing records related
4 to the Assets and sales of the Receivership Entities.

5 17. Non-Interference with the Receiver. Stipulating Defendants;
6 Receivership Entities; Stipulating Defendants' or Receivership Entities'
7 officers, agents, employees, attorneys, and all other persons in active concert or
8 participation with any of them, who receive actual notice of this Order, and any
9 other person served with a copy of this Order, are hereby **RESTRAINED** and
10 **ENJOINED** from directly or indirectly:

11 a. Interfering with the Receiver's efforts to manage, or take
12 custody, control, or possession of, the Assets or Documents subject to the
13 receivership;

14 b. Transacting any of the business of the Receivership Entities;

15 c. Transferring, receiving, altering, selling, encumbering,
16 pledging, assigning, liquidating, or otherwise disposing of any Assets
17 owned, controlled, or in the possession or custody of, or in which an
18 interest is held or claimed by, the Receivership Entities; or

19 d. Refusing to cooperate with the Receiver or the Receiver's
20 duly authorized agents in the exercise of their duties or authority under
21 any order of this Court.

22 18. Stay of Actions. Except by leave of this Court, during the pendency
23 of the receivership ordered herein, Stipulating Defendants, Stipulating
24 Defendants' officers, agents, employees, attorneys, and all other persons in
25 active concert or participation with any of them, who receive actual notice of
26 this Order, and their corporations, subsidiaries, divisions, or affiliates, and all
27 investors, creditors, stockholders, lessors, customers and other persons seeking
28 to establish or enforce any claim, right, or interest against or on behalf of

1 Stipulating Defendants, and all others acting for or on behalf of such persons, are
2 hereby enjoined from taking action that would interfere with the exclusive
3 jurisdiction of this Court over the Assets or Documents of the Receivership
4 Entities, including, but not limited to:

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

8 b. Commencing, prosecuting, or continuing a judicial,
9 administrative, or other action or proceeding against the Receivership
10 Entities, including the issuance or employment of process against the
11 Receivership Entities, except that such actions may be commenced if
12 necessary to toll any applicable statute of limitations;

13 c. Filing or enforcing any lien on any asset of the Receivership
14 Entities, taking or attempting to take possession, custody, or control of
15 any Asset of the Receivership Entities; or attempting to foreclose, forfeit,
16 alter, or terminate any interest in any Asset of the Receivership Entities,
17 whether such acts are part of a judicial proceeding, are acts of self-help, or
18 otherwise; or

19 Provided, however, that this Order does not stay: (1) the commencement or
20 continuation of a criminal action or proceeding; (2) the commencement or
21 continuation of an action or proceeding by a governmental unit to enforce such
22 governmental unit's police or regulatory power; or (3) the enforcement of a
23 judgment, other than a money judgment, obtained in an action or proceeding by
24 a governmental unit to enforce such governmental unit's police or regulatory
25 power.

26 19. Compensation of Receiver. The Receiver and all personnel hired
27 by the Receiver as herein authorized, including counsel to the Receiver and
28 accountants, are entitled to reasonable compensation for the performance of

1 duties pursuant to this Order and for the cost of actual out-of-pocket expenses
2 incurred by them, from the Assets now held by, in the possession or control of,
3 or which may be received by, the Receivership Entities. The Receiver shall file
4 with the Court and serve on the parties periodic requests for the payment of
5 such reasonable compensation, with the first such request filed no more than
6 sixty (60) days after the date of entry of this Order. The Receiver shall not
7 increase the hourly rates used as the bases for such fee applications without prior
8 approval of the Court.

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

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

28

1 22. Expedited Discovery. Notwithstanding the provisions of the
2 Rules 26(d) and (f) and 30(a)(2)(A)(iii), and pursuant to Rules 30(a), 33, 34, and
3 45, the FTC and the Receiver are granted leave, at any time after service of this
4 Order, to conduct limited expedited discovery for the purpose of discovering:
5 (1) the nature, location, status, and extent of Stipulating Defendants' Assets;
6 (2) the nature, location, and extent of Stipulating Defendants' business
7 transactions and operations; (3) Documents reflecting Stipulating Defendants'
8 business transactions and operations; or (4) compliance with this Order. The
9 limited expedited discovery set forth in this Section shall proceed as follows:

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

19 b. The FTC and the Receiver may serve upon parties requests
20 for production of Documents or inspection that require production or
21 inspection within five (5) days of service, provided, however, that
22 three (3) days of notice shall be deemed sufficient for the production of
23 any such Documents that are maintained or stored only in an electronic
24 format.

25 c. The FTC and the Receiver may serve upon parties
26 interrogatories that require response within five (5) days after the FTC
27 serves such interrogatories;
28

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

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

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

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

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

24 24. Correspondence and Service on the FTC. For the purpose of this
25 Order, all correspondence and service of pleadings on the FTC shall be
26 addressed to the FTC's counsel of record.

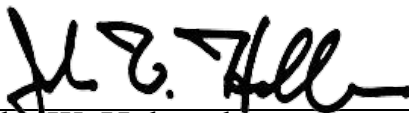
27 25. Duration of the Order. This Order shall expire upon entry of a final
28 judgment in this case.

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26. Retention of Jurisdiction. This Court shall retain jurisdiction of this matter for all purposes.

IT IS SO ORDERED.

Dated: May 22, 2023



John W. Holcomb
UNITED STATES DISTRICT JUDGE