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

5 **FEDERAL TRADE COMMISSION,**

6 Plaintiff,

7 v.

8 **INTERCONTINENTAL**
9 **SOLUTIONS LLC, et al.,**

10 Defendants.

Case No. 8:23-cv-01495-SB-JDEx

STIPULATED PRELIMINARY
INJUNCTION

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13 Plaintiff Federal Trade Commission (“FTC”) commenced this civil action on
14 August 14, 2023, pursuant to Sections 13(b) and 19 of the Federal Trade Commission
15 Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, the Telemarketing and Consumer
16 Fraud and Abuse Prevention Act (“Telemarketing Act”), 15 U.S.C. §§ 6101-6108, and
17 Section 522(a) of the Gramm-Leach-Bliley Act (“GLB Act”), 15 U.S.C. § 6822(a).
18 (ECF No. 1.) On August 16, 2023, on motion by the FTC, this Court entered an *ex*
19 *parte* temporary restraining order (“TRO”), with an asset freeze, appointment of a
20 receiver, and other equitable relief against the Defendants. (ECF No. 20.) The FTC,
21 Defendants, and the Court-appointed Receiver, by and through their undersigned
22 counsel, have stipulated and agreed to the entry of this preliminary injunction
23 (“Order”).
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FINDINGS OF FACT

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

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

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

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

D. The FTC asserts that there is good cause to believe that Defendants have engaged in and are likely to engage in acts or practices that violate Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), multiple provisions of the FTC’s Telemarketing Sales Rule (“TSR”), 16 C.F.R. Part 310, and Section 521 of the GLB Act, 15 U.S.C. § 6821, and that the FTC is therefore likely to prevail on the merits of this action.

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

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

1 including rescission or reformation of contracts and the refund of money or return of
2 property—will occur from the sale, transfer, destruction or other disposition or
3 concealment by Defendants of their assets or records, unless Defendants are restrained
4 and enjoined by order of this Court.
5

6 G. The FTC asserts that good cause exists for continuing the receivership
7 over the Receivership Entities and continuing the freeze over Defendants’ assets.
8

9 H. Entry of this order is in the public interest.

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

14 J. No security is required of any agency of the United States for issuance of
15 a temporary restraining order. Fed. R. Civ. P. 65(c).
16

17 DEFINITIONS

18 For the purpose of this Order, the following definitions shall apply:
19

20 A. “**Asset**” means any legal or equitable interest in, right to, or claim to, any
21 property, wherever located and by whomever held.
22

23 B. “**Consumer**” means any Person.

24 C. “**Debt Relief Service**” means any program or service represented,
25 directly or by implication, to renegotiate, settle, or in any way alter the terms of
26 payment or other terms of the debt between a person and one or more unsecured
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1 creditors or debt collectors, including, but not limited to, a reduction in the balance,
2 interest rate, or fees owed by a person to an unsecured creditor or debt collector.
3

4 D. **“Defendant(s)”** means Corporate Defendants and Individual Defendants
5 individually, collectively, or in any combination. **“Corporate Defendants”** means
6 Intercontinental Solutions LLC, Express Enrollment LLC, and each of their
7 subsidiaries, affiliates, successors, and assigns. **“Individual Defendant(s)”** means
8 Marco Manzi, Ivan Esquivel, and Robert Kissinger individually, collectively, or in
9 any combination.
10

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

3
4 F. **“Electronic Data Host”** means any person or entity in the business of
5 storing, hosting, or otherwise maintaining electronically stored information. This
6 includes, but is not limited to, any entity hosting a website or server, and any entity
7 providing “cloud based” electronic storage.
8

9 G. **“Person”** means a natural person, an organization or other legal entity,
10 including a corporation, partnership, sole proprietorship, limited liability company,
11 association, cooperative, or any other group or combination acting as an entity .
12

13 H. **“Receiver”** means the temporary receiver appointed in Section XI of this
14 Order and any deputy receivers that shall be named by the temporary receiver.
15

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

22 **ORDER**

23 **PROHIBITED CONDUCT**

24
25 **I. IT IS THEREFORE ORDERED** that Defendants, Defendants’ officers,
26 agents, employees, and attorneys, and all other persons in active concert or
27 participation with them, who receive actual notice of this Order by personal service or
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1 otherwise, whether acting directly or indirectly, in connection with the advertising,
2 marketing, promoting, or offering for sale of any goods or services, are temporarily
3 restrained and enjoined from engaging in or assisting others engaged in:
4

5 A. Misrepresenting or assisting others in misrepresenting, directly or
6 indirectly, expressly or by implication, any material fact, including but not limited to:
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8 B. That Consumers who purchase any Debt Relief Service will be enrolled
9 in a repayment plan that will reduce their monthly payments to a lower, specific
10 amount or have their loan balances forgiven in whole or in part;
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12 1. That most or all of Consumers' monthly payments to any Person will be
13 applied toward consumers' student loans;
14

15 2. That any Person will assume responsibility for the servicing and
16 repayment of consumers' student loans;
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18 3. That any Person is affiliated with the U.S. Department of Education or
19 part of a federal government program; or
20

21 4. Any other fact material to Consumers concerning any Debt Relief
22 Service, such as: the total costs; any material restrictions, limitations, or conditions;
23 or any material aspect of its performance, efficacy, nature, or central characteristics;
24

25 C. Making or assisting others in making, any representation, expressly or by
26 implication, about the benefits, performance, or efficacy of any product or service,
27 unless the representation is non-misleading and, at the time such representation is
28 made, Defendants possess and rely upon competent and reliable evidence that is

1 sufficient in quality and quantity based on standards generally accepted in the relevant
2 fields, when considered in light of the entire body of relevant and reliable evidence, to
3 substantiate that the representation is true.
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5 D. Charging or receiving money or other valuable consideration for the
6 performance of any Debt Relief Service before such service is fully performed; and
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8 E. Creating or causing to be created, directly or indirectly, a remotely
9 created payment order, including a remotely created check, as payment for any good
10 or service offered or sold through telemarketing.
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12 **PROHIBITION ON RELEASE OF CUSTOMER INFORMATION**

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

18 A. Selling, renting, leasing, transferring, or otherwise disclosing, the name,
19 address, birth date, telephone number, email address, credit card number, bank
20 account number, Social Security number, or other financial or identifying information
21 of any person that any Defendant obtained in connection with any activity that
22 pertains to the subject matter of this Order; and
23
24

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

3
4 C. *Provided, however,* that Defendants may disclose such identifying
5 information to a law enforcement agency, to their attorneys as required for their
6 defense, as required by any law, regulation, or court order, or in any filings, pleadings
7 or discovery in this action in the manner required by the Federal Rules of Civil
8 Procedure and by any protective order in the case.
9

10 **ASSET FREEZE**

11
12 **III. IT IS FURTHER ORDERED** that, except as set forth in Sections III.F, III.G,
13 and III.H, Defendants and their officers, agents, employees, and attorneys, and all
14 other persons in active concert or participation with any of them, who receive actual
15 notice of this Order, whether acting directly or indirectly, are temporarily restrained
16 and enjoined from:
17

18 A. Transferring, liquidating, converting, encumbering, pledging, loaning,
19 selling, concealing, dissipating, disbursing, assigning, relinquishing, spending,
20 withdrawing, granting a lien or security interest or other interest in, or otherwise
21 disposing of any Assets that are:
22

- 23
24 1. owned or controlled, directly or indirectly, by any Defendant;
25 2. held, in part or in whole, for the benefit of any Defendant;
26 3. in the actual or constructive possession of any Defendant; or
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1 4. owned or controlled by, in the actual or constructive possession of, or
2 otherwise held for the benefit of, any corporation, partnership, asset protection trust,
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4 or other entity that is directly or indirectly owned, managed or controlled by any
5 Defendant.

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

11 C. Incurring charges or cash advances on any credit, debit, or ATM card
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13 issued in the name, individually or jointly, of any Corporate Defendant or any
14 corporation, partnership, or other entity directly or indirectly owned, managed, or
15 controlled by any Defendant or of which any Defendant is an officer, director,
16 member, or manager as of the date of the entry of this Order. This includes any
17 corporate bankcard or corporate credit card account for which any Defendant is, or
18 was on the date that this Order was signed, an authorized signor; or
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20

21 D. Cashing any checks or depositing any money orders or cash received
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23 from consumers, clients, or customers of any Defendant.

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

4 F. Immediately upon receipt of a copy of this Order (1) Wells Fargo Bank
5 shall release from the asset freeze (a) account number xxxx0656 in the name of Marco
6 Manzi and (b) account number xxxx3719 in the name of Robert Kissinger, and (2) JP
7 Morgan Chase Bank shall release from the asset freeze account number xxxx4438 in
8 the name of Ivan Esquivel.
9

10 G. Individual Defendants may retain and spend income received from
11 employment unrelated to Debt Relief Services performed after the date of entry of this
12 Order, provided that such income be first deposited into the respective accounts
13 released pursuant to Section III.F of this Order. Within five (5) business days upon
14 deposit of any such funds, and prior to the withdrawal of any such funds, Individual
15 Defendants shall identify to the FTC's counsel and the Receiver all deposits of income
16 received from employment unrelated to Debt Relief Services performed after the date
17 of entry of this Order, the amount and source of the income, and the identity of the
18 employer. Individual Defendants shall also provide the FTC and the Receiver
19 documentation (e.g., a pay stub) evidencing the source and nature of such
20 deposit. The Receiver may request the Individual Defendants provide additional
21 documentation concerning the source and nature of the proposed deposit as he deems
22 necessary. The Receiver may object to any proposed deposit of this income within
23 three (3) business days of identification and provision of documentation upon a
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1 determination that the funds violate any provision of this Order, including a
2 determination that the funds relate to Debt Relief Services. Upon the Receiver's
3 objection, the funds must be transferred into an account of the Individual Defendants
4 which is subject to the asset freeze imposed by Section III of this Order. Individual
5 Defendants shall cooperate with the Receiver in the same manner as set forth in
6 Section XV of this Order.
7
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9 H. Individual Defendants may retain and spend Assets acquired by loan or
10 gift after the date of entry of this Order only after identifying such Assets to FTC
11 counsel, and provided that such income be first deposited into the respective accounts
12 released pursuant to Section III.F of this Order. This sub-section shall not apply to
13 loans or gifts valued at less than \$500.
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16 **DUTIES OF ASSET HOLDERS AND OTHER THIRD PARTIES**

17 **IV. IT IS FURTHER ORDERED** that any financial or brokerage
18 institution, Electronic Data Host, credit card processor, payment processor, merchant
19 bank, acquiring bank, independent sales organization, third party processor, payment
20 gateway, insurance company, business entity, or person who receives actual notice of
21 this Order (by service or otherwise) that: (a) has held, controlled, or maintained
22 custody, through an account or otherwise, of any Document on behalf of any
23 Defendant or any Asset that has been owned or controlled, directly or indirectly, by
24 any Defendant; held, in part or in whole, for the benefit of any Defendant; in the
25 actual or constructive possession of any Defendant; or owned or controlled by, in the
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1 actual or constructive possession of, or otherwise held for the benefit of, any
2 corporation, partnership, asset protection trust, or other entity that is directly or
3 indirectly owned, managed or controlled by any Defendant; (b) has held, controlled,
4 or maintained custody, through an account or otherwise, of any Document or Asset
5 associated with credits, debits, or charges made on behalf of any Defendant, including
6 reserve funds held by payment processors, credit card processors, merchant banks,
7 acquiring banks, independent sales organizations, third party processors, payment
8 gateways, insurance companies, or other entities; or (c) has extended credit to any
9 Defendant, including through a credit card account, shall:
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13 A. Hold, preserve, and retain within its control and prohibit the withdrawal,
14 removal, alteration, assignment, transfer, pledge, encumbrance, disbursement,
15 dissipation, relinquishment, conversion, sale, or other disposal of any such Document
16 or Asset, as well as all Documents or other property related to such Assets, except for
17 those Assets identified in Sections III.F, III.G, and III.H of this Order or except by
18 further order of this Court or, with respect to any Document or Asset owned by, held
19 in the name of, for the benefit of, or otherwise controlled by any Receivership Entity,
20 as directed in writing by the Receiver; provided, however, that this provision does not
21 prohibit Individual Defendants from incurring charges on a personal credit card
22 established prior to entry of this Order, up to the pre-existing credit limit;
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1 B. Deny any person, except the Receiver, access to any safe deposit box,
2 commercial mail box, or storage facility that is titled in the name of any Defendant,
3 either individually or jointly, or otherwise subject to access by any Defendant;
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5 C. Provide the FTC's counsel and the Receiver, within three (3) days of
6 receiving a copy of this Order, a sworn statement setting forth, for each Asset or
7 account covered by this Section:
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9 1. The identification number of each such account or Asset;

10 2. The balance of each such account, or a description of the nature and
11 value of each such Asset as of the close of business on the day on which this Order is
12 served, and, if the account or other Asset has been closed or removed, the date closed
13 or removed, the total funds removed in order to close the account, and the name of the
14 person or entity to whom such account or other Asset was remitted; and
15

16 3. The identification of any safe deposit box, commercial mail box, or
17 storage facility that is either titled in the name, individually or jointly, of any
18 Defendant, or is otherwise subject to access by any Defendant; and
19

20 D. Upon the request of FTC counsel or the Receiver, promptly provide FTC
21 counsel and the Receiver with copies of all records or other Documents pertaining to
22 any account covered by this Section or Asset, including originals or copies of account
23 applications, account statements, signature cards, checks, drafts, deposit tickets,
24 transfers to and from the accounts, including wire transfers and wire transfer
25 instructions, all other debit and credit instruments or slips, currency transaction
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1 reports, 1099 forms, and all logs and records pertaining to safe deposit boxes,
2 commercial mail boxes, and storage facilities.

3
4 E. Provided, that a financial institution does not have to provide the
5 information required in Sections IV.C and D of this Order if (1) the financial
6 institution has complied with the similar provisions set forth in the TRO and (2) the
7 information provided has not changed.
8

9 F. Provided, that this Section does not prohibit any transfers to the Receiver
10 or repatriation of foreign Assets specifically required by this Order.
11

12 FINANCIAL DISCLOSURES

13 V. **IT IS FURTHER ORDERED** that each Defendant, within five (5) days
14 of service of this Order upon them, shall prepare and deliver to FTC counsel and the
15 Receiver:
16

17 A. completed financial statements on the forms attached to the TRO as
18 **Attachment A** (Financial Statement of Individual Defendant) for each Individual
19 Defendant, and **Attachment B** (Financial Statement of Corporate Defendant) for each
20 Corporate Defendant; and
21

22 B. completed the form attached to the TRO as **Attachment C** (IRS Form
23 4506, Request for Copy of a Tax Return) for each Defendant.
24

25 C. Provided, that Defendants do not have to provide such financial reports if
26 (1) they have complied with the similar provision set forth in the TRO and (2) the
27 information provided has not changed.
28

1 **FOREIGN ASSET REPATRIATION**

2 **VI. IT IS FURTHER ORDERED** that, within five (5) days following the
3 service of this Order, each Defendant shall:
4

5 A. Provide FTC counsel and the Receiver with a full accounting, verified
6 under oath and accurate as of the date of this Order, of all Assets, Documents, and
7 accounts outside of the United States which are: (1) titled in the name, individually or
8 jointly, of any Defendant; (2) held by any person or entity for the benefit of any
9 Defendant or for the benefit of, any corporation, partnership, asset protection trust, or
10 other entity that is directly or indirectly owned, managed or controlled by any
11 Defendant; or (3) under the direct or indirect control, whether jointly or singly, of any
12 Defendant;
13 Defendant;
14

15 B. Take all steps necessary to provide FTC counsel and Receiver access to
16 all Documents and records that may be held by third parties located outside of the
17 territorial United States of America, including signing the Consent to Release of
18 Financial Records appended to the TRO as **Attachment D**.
19

20 C. Transfer to the territory of the United States all Documents and Assets
21 located in foreign countries which are: (1) titled in the name, individually or jointly, of
22 any Defendant; (2) held by any person or entity for the benefit of any Defendant or for
23 the benefit of, any corporation, partnership, asset protection trust, or other entity that
24 is directly or indirectly owned, managed or controlled by any Defendant; or (3) under
25 the direct or indirect control, whether jointly or singly, of any Defendant; and
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1 D. The same business day as any repatriation, (1) notify the Receiver and
2 FTC counsel of the name and location of the financial institution or other entity that is
3 the recipient of such Documents or Assets; and (2) serve this Order on any such
4 financial institution or other entity.
5

6 **NON-INTERFERENCE WITH REPATRIATION**
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8 **VII. IT IS FURTHER ORDERED** that Defendants, Defendants’ officers,
9 agents, employees, and attorneys, and all other persons in active concert or
10 participation with any of them, who receive actual notice of this Order, whether acting
11 directly or indirectly, are temporarily restrained and enjoined from taking any action,
12 directly or indirectly, which may result in the encumbrance or dissipation of foreign
13 Assets, or in the hindrance of the repatriation required by this Order, including, but
14 not limited to:
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17 A. Sending any communication or engaging in any other act, directly or
18 indirectly, that results in a determination by a foreign trustee or other entity that a
19 “duress” event has occurred under the terms of a foreign trust agreement until such
20 time that all Defendants’ Assets have been fully repatriated pursuant to this Order; or
21

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

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

PRESERVATION OF RECORDS

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

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

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

1 **REPORT OF NEW BUSINESS ACTIVITY**

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

17 **CONTINUATION OF RECEIVERSHIP**

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

24 **DUTIES AND AUTHORITY OF RECEIVER**

25 **XII. IT IS FURTHER ORDERED** that the Receiver is directed and
26 authorized to accomplish the following:
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1 A. Assume full control of Receivership Entities by removing, as the
2 Receiver deems necessary or advisable, any director, officer, independent contractor,
3 employee, attorney, or agent of any Receivership Entity from control of, management
4 of, or participation in, the affairs of the Receivership Entity;
5

6 B. Take exclusive custody, control, and possession of all Assets and
7 Documents of, or in the possession, custody, or under the control of, any Receivership
8 Entity, wherever situated;
9

10 C. Take exclusive custody, control, and possession of all Documents or
11 Assets associated with credits, debits, or charges made on behalf of any Receivership
12 Entity, wherever situated, including reserve funds held by payment processors, credit
13 card processors, merchant banks, acquiring banks, independent sales organizations,
14 third party processors, payment gateways, insurance companies, or other entities;
15

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

3
4 E. Obtain, conserve, hold, manage, and prevent the loss of all Documents of
5 the Receivership Entities, and perform all acts necessary or advisable to preserve such
6 Documents. The Receiver shall: divert mail; preserve all Documents of the
7 Receivership Entities that are accessible via electronic means (such as online access to
8 financial accounts and access to electronic documents held onsite or by Electronic
9 Data Hosts), by changing usernames, passwords or other log-in credentials; take
10 possession of all electronic Documents of the Receivership Entities stored onsite or
11 remotely; take whatever steps necessary to preserve all such Documents; and obtain
12 the assistance of the FTC's Digital Forensic Unit for the purpose of obtaining
13 electronic documents stored onsite or remotely.
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17 F. Choose, engage, and employ attorneys, accountants, appraisers, and other
18 independent contractors and technical specialists, as the Receiver deems advisable or
19 necessary in the performance of duties and responsibilities under the authority granted
20 by this Order;
21

22 G. Make payments and disbursements from the receivership estate that are
23 necessary or advisable for carrying out the directions of, or exercising the authority
24 granted by, this Order, and to incur, or authorize the making of, such agreements as
25 may be necessary and advisable in discharging his or her duties as Receiver. The
26 Receiver shall apply to the Court for prior approval of any payment of any debt or
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1 obligation incurred by the Receivership Entities prior to the date of entry of this
2 Order, except payments that the Receiver deems necessary or advisable to secure
3 Assets of the Receivership Entities, such as rental payments;
4

5 H. Take all steps necessary to secure and take exclusive custody of each
6 location from which the Receivership Entities operate their businesses. Such steps
7 may include, but are not limited to, any of the following, as the Receiver deems
8 necessary or advisable: (1) securing the location by changing the locks and alarm
9 codes and disconnecting any internet access or other means of access to the
10 computers, servers, internal networks, or other records maintained at that location; and
11 (2) requiring any persons present at the location to leave the premises, to provide the
12 Receiver with proof of identification, and/or to demonstrate to the satisfaction of the
13 Receiver that such persons are not removing from the premises Documents or Assets
14 of the Receivership Entities. Law enforcement personnel, including, but not limited
15 to, police or sheriffs, may assist the Receiver in implementing these provisions in
16 order to keep the peace and maintain security. If requested by the Receiver, the
17 United States Marshal will provide appropriate and necessary assistance to the
18 Receiver to implement this Order and is authorized to use any necessary and
19 reasonable force to do so;
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25 I. Take all steps necessary to prevent the modification, destruction, or
26 erasure of any web page or website registered to and operated, in whole or in part, by
27
28

1 any Defendants, and to provide access to all such web page or websites to Plaintiff's
2 representatives, agents, and assistants, as well as Defendants and their representatives;
3

4 J. Enter into and cancel contracts and purchase insurance as advisable or
5 necessary;

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

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

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

21 N. Issue subpoenas to obtain Documents and records pertaining to the
22 Receivership, and conduct discovery in this action on behalf of the receivership estate,
23 in addition to obtaining other discovery as set forth in this Order;
24

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

1 Entities in such designated accounts and shall make all payments and disbursements
2 from the receivership estate from such accounts. The Receiver shall serve copies of
3 monthly account statements on all parties;
4

5 P. Maintain accurate records of all receipts and expenditures incurred as
6 Receiver;
7

8 Q. Allow the FTC's representatives, agents, and assistants, as well as
9 Defendants' representatives and Defendants themselves, reasonable access to the
10 premises of the Receivership Entities, or any other premises where the Receivership
11 Entities conduct business. The purpose of this access shall be to inspect and copy any
12 and all books, records, Documents, accounts, and other property owned by, or in the
13 possession of, the Receivership Entities or their agents. The Receiver shall have the
14 discretion to determine the time, manner, and reasonable conditions of such access;
15
16

17 R. Allow the FTC's representatives, agents, and assistants, as well as
18 Defendants and their representatives reasonable access to all Documents in the
19 possession, custody, or control of the Receivership Entities;
20

21 S. Cooperate with reasonable requests for information or assistance from
22 any state or federal civil or criminal law enforcement agency;
23

24 T. Suspend business operations of the Receivership Entities if in the
25 judgment of the Receiver such operations cannot be continued legally and profitably;
26

27 U. If the Receiver identifies a nonparty entity as a Receivership Entity,
28 promptly notify the entity as well as the parties, and inform the entity that it can

1 challenge the Receiver's determination by filing a motion with the Court. Provided,
2 however, that the Receiver may delay providing such notice until the Receiver has
3 established control of the nonparty entity and its assets and records, if the Receiver
4 determines that notice to the entity or the parties before the Receiver establishes
5 control over the entity may result in the destruction of records, dissipation of assets, or
6 any other obstruction of the Receiver's control of the entity; and
7
8

9 V. If in the Receiver's judgment the business operations cannot be continued
10 legally and profitably, take all steps necessary to ensure that any of the Receivership
11 Entities' web pages or websites relating to the activities alleged in the Complaint
12 cannot be accessed by the public, or are modified for consumer education and/or
13 informational purposes, and take all steps necessary to ensure that any telephone
14 numbers associated with the Receivership Entities cannot be accessed by the public,
15 or are answered solely to provide consumer education or information regarding the
16 status of operations.
17
18
19

20 **TRANSFER OF RECEIVERSHIP PROPERTY TO RECEIVER**

21 **XIII. IT IS FURTHER ORDERED** that Defendants and any other Person,
22 with possession, custody or control of property of, or records relating to, the
23 Receivership Entities shall, upon notice of this Order by personal service or otherwise,
24 fully cooperate with and assist the Receiver in taking and maintaining possession,
25 custody, or control of the Assets and Documents of the Receivership Entities and
26
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28

1 immediately transfer or deliver to the Receiver possession, custody, and control of, the
2 following:

- 3
- 4 A. All Assets held by or for the benefit of the Receivership Entities;
- 5 B. All Documents or Assets associated with credits, debits, or charges made
6 on behalf of any Receivership Entity, wherever situated, including reserve funds held
7 by payment processors, credit card processors, merchant banks, acquiring banks,
8 independent sales organizations, third party processors, payment gateways, insurance
9 companies, or other entities;
- 10
- 11
- 12 C. All Documents of or pertaining to the Receivership Entities;
- 13 D. All computers, electronic devices, mobile devices and machines used to
14 conduct the business of the Receivership Entities;
- 15
- 16 E. All Assets and Documents belonging to other persons or entities whose
17 interests are under the direction, possession, custody, or control of the Receivership
18 Entities; and
- 19
- 20 F. All keys, codes, user names and passwords necessary to gain or to secure
21 access to any Assets or Documents of or pertaining to the Receivership Entities,
22 including access to their business premises, means of communication, accounts,
23 computer systems (onsite and remote), Electronic Data Hosts, or other property.
- 24
- 25 G. In the event that any person or entity fails to deliver or transfer any Asset
26 or Document, or otherwise fails to comply with any provision of this Section, the
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28

1 Receiver may file an Affidavit of Non-Compliance regarding the failure and a motion
2 seeking compliance or a contempt citation.
3

4 **PROVISION OF INFORMATION TO RECEIVER**

5 **XIV. IT IS FURTHER ORDERED** that Defendants shall immediately
6 provide to the Receiver:
7

8 A. A list of all Assets and accounts of the Receivership Entities that are held
9 in any name other than the name of a Receivership Entity, or by any person or entity
10 other than a Receivership Entity;
11

12 B. A list of all agents, employees, officers, attorneys, servants and those
13 persons in active concert and participation with the Receivership Entities, or who have
14 been associated or done business with the Receivership Entities; and
15

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

21 **COOPERATION WITH THE RECEIVER**

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

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

14 **NON-INTERFERENCE WITH THE RECEIVER**

15
16 **XVI. IT IS FURTHER ORDERED** that Defendants, Receivership Entities,
17 Defendants' or Receivership Entities' officers, agents, employees, attorneys, and all
18 other persons in active concert or participation with any of them, who receive actual
19 notice of this Order, and any other person served with a copy of this Order, are
20 temporarily restrained and enjoined from directly or indirectly:
21

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

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

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

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

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

7
8 **STAY OF ACTIONS**

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

20
21
22 A. Filing or assisting in the filing of a petition for relief under the
23 Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, or of any similar insolvency proceeding on
24 behalf of the Receivership Entities;
25

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

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

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

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

19
20 **XVIII. IT IS FURTHER ORDERED** that the Receiver and all personnel hired
21 by the Receiver as herein authorized, including counsel to the Receiver and
22 accountants, are entitled to reasonable compensation for the performance of duties
23 pursuant to this Order and for the cost of actual out-of-pocket expenses incurred by
24 them, from the Assets now held by, in the possession or control of, or which may be
25 received by, the Receivership Entities. The Receiver shall file with the Court and
26 serve on the parties periodic requests for the payment of such reasonable
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1 compensation, with the first such request filed no more than sixty (60) days after the
2 date of entry of this Order. The Receiver shall not increase the hourly rates used as
3 the bases for such fee applications without prior approval of the Court.
4

5 **RECEIVER'S BOND**

6 **XIX. IT IS FURTHER ORDERED** that bond in the sum of **\$25,000**
7
8 previously filed by the Receiver with the Clerk of this Court shall remain in effect,
9 conditioned that the Receiver will well and truly perform the duties of the office and
10 abide by and perform all acts the Court directs. 28 U.S.C. § 754.
11

12 **RECEIVER'S REPORTS**

13 **XX. IT IS FURTHER ORDERED** that the Receiver shall report periodically
14 to this Court regarding (1) the steps taken by the Receiver to implement the terms of
15 this Order, (2) the value of all liquidated and unliquidated Assets of the Receivership
16 Entities, (3) the sum of all liabilities of the Receivership Entities, (4) the steps the
17 Receiver intends to take in the future to (a) prevent any diminution in the value of
18 Assets of the Receivership Entities, (b) pursue receivership assets from third parties,
19 and (c) adjust the liabilities of the Receivership Entities, if appropriate, (5) whether
20 the business of the Receivership Entities can be operated lawfully and profitably, and
21 (6) any other matters that the Receiver believes should be brought to the Court's
22 attention. Provided, however, that if any of the required information would hinder the
23 Receiver's ability to pursue receivership assets, the portions of the Receiver's report
24 containing such information may be filed under seal and not served on the parties.
25
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DISTRIBUTION OF ORDER BY DEFENDANTS

1
2 **XXI. IT IS FURTHER ORDERED** that Defendants shall immediately
3
4 provide a copy of this Order to each affiliate, telemarketer, marketer, sales entity,
5
6 successor, assign, member, officer, director, employee, agent, independent contractor,
7
8 client, attorney, spouse, subsidiary, division, and representative of any Defendant, and
9
10 shall, within ten (10) days from the date of entry of this Order, and provide FTC
11
12 counsel and the Receiver with a sworn statement that this provision of the Order has
13
14 been satisfied, which statement shall include the names, physical addresses, phone
15
16 number, and email addresses of each such person or entity who received a copy of the
17
18 Order. Furthermore, Defendants shall not take any action that would encourage
19
20 officers, agents, members, directors, employees, salespersons, independent
21
22 contractors, attorneys, subsidiaries, affiliates, successors, assigns or other persons or
23
24 entities in active concert or participation with them to disregard this Order or believe
25
26 that they are not bound by its provisions.
27
28

SERVICE OF THIS ORDER

21 **XXII. IT IS FURTHER ORDERED** that copies of this Order may be served
22
23 by any means, including facsimile transmission, electronic mail or other electronic
24
25 messaging, personal or overnight delivery, U.S. Mail or FedEx, by agents and
26
27 employees of the FTC, by any law enforcement agency, or by private process server,
28
29 upon any Defendant or any person (including any financial institution) that may have
30
31 possession, custody or control of any Asset or Document of any Defendant, or that

1 may be subject to any provision of this Order pursuant to Rule 65(d)(2) of the Federal
2 Rules of Civil Procedure. For purposes of this Section, service upon any branch,
3 subsidiary, affiliate or office of any entity shall effect service upon the entire entity.
4

5 **CORRESPONDENCE AND SERVICE ON THE FTC**

6 **XXIII. IT IS FURTHER ORDERED** that, for the purpose of this Order, all
7 correspondence and service of pleadings on the FTC shall be done via email to FTC
8 counsel Carlton Mosley at cmosley@ftc.gov, Gregory Ashe at gashe@ftc.gov, and
9 Jeffrey Tang at jtang@ftc.gov.
10
11

12 **RETENTION OF JURISDICTION**

13 **XXIV. IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of
14 this matter for all purposes.
15

16 **IT IS SO ORDERED.**

17
18
19 Dated: August 30, 2023



20 Stanley Blumenfeld, Jr.
21 United States District Judge
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