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IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ARIZONA

Federal Trade Commission,

Plaintiff,

vs.

Money Now Funding, LLC, an Arizona limited liability  
company, a/k/a Money Now Funded, a/k/a  
Cash4Businesses, a/k/a CashFourBusinesses;

Rose Marketing, LLC, an Arizona limited liability  
company;

DePaola Marketing, LLC, an Arizona limited liability  
company;

Affiliate Marketing Group, LLC, an Arizona limited  
liability company;

Legal Doxs, LLC, an Arizona limited liability company,  
a/k/a First Business, LLC;

US Doc Assist, LLC, an Arizona limited liability  
company, a/k/a First Business, LLC;

Affinity Technologies, LLC, an Arizona limited liability  
company;

Marketing Expert Solutions, LLC, an Arizona limited  
liability company;

Lukeroy K. Rose, a/k/a Luke Rose, individually, as  
manager/member of Defendants Affinity Technologies,  
LLC and Rose Marketing, LLC, and as the *de facto*  
principal of Defendants Money Now Funding, LLC,  
DePaola Marketing, LLC, and Affiliate Marketing  
Group, LLC;

**Filed Under Seal**

Case No. CV-13-01583-  
PHX-ROS

TEMPORARY  
RESTRAINING ORDER,  
ASSET FREEZE,  
APPOINTMENT OF A  
TEMPORARY  
RECEIVER,  
IMMEDIATE ACCESS,  
AND ORDER TO SHOW  
CAUSE WHY A  
PRELIMINARY  
INJUNCTION SHOULD  
NOT ISSUE

1 Cordell Bess, a/k/a Blaine Thompson, also d/b/a JJB  
2 Marketing, individually and as *de facto* officer of  
3 Defendants Money Now Funding, LLC and Rose  
4 Marketing, LLC;

5 Solana DePaola, individually and as *de facto* officer of  
6 Defendant Money Now Funding, LLC and as  
7 manager/member of Defendant DePaola Marketing,  
8 LLC;

9 Jennifer Beckman, individually and as manager/member  
10 of Defendant Marketing Expert Solutions, LLC;

11 William D. Claspell, a/k/a Bill Claspell, an individual;

12 Richard Frost, a/k/a Richard Strickland, an individual;

13 Dino Mitchell, a/k/a Dino Jones, an individual;

14 Clinton Rackley, a/k/a Clinton Fosse, an individual;

15 Lance Himes, a/k/a Lance R. Himes, a/k/a Raymond L.  
16 Himes, a/k/a Lance Haist, individually and as *de facto*  
17 principal of Defendants Legal Doxs, LLC and US Doc  
18 Assist, LLC;

19 Leary Darling, individually, as a member and *de facto*  
20 officer of Defendant US Doc Assist, LLC, and as a *de*  
21 *facto* officer of Defendant Legal Doxs, LLC;

22 Donna F. Duckett, an individual, also d/b/a D&D  
23 Marketing Solutions;

24 Della Frost, an individual, also d/b/a ZoomDocs, also  
25 d/b/a Zoom Docs LLC;

26 Christopher Grimes, an individual, also d/b/a Elite  
27 Marketing Strategies;

28 Alannah M. Harre, an individual, also d/b/a National  
Marketing Group;

Ronald W. Hobbs, a/k/a Ron Hobbs, an individual, also  
d/b/a Ron Hobbs & Associates, also d/b/a Sales  
Academy USA, LLC;

Janine Lilly, an individual, also d/b/a Doc Assistant;

Michael McIntyre, an individual, also d/b/a McIntyre  
Marketing;

Benny Montgomery, an individual, also d/b/a  
Montgomery Marketing;

Virginia Rios, an individual, also d/b/a V&R Marketing

1 Solutions; and )  
2 Kendrick Thomas, an individual, also d/b/a KT )  
3 Advertising, )  
4 Defendants. )

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6 Plaintiff, the Federal Trade Commission (“FTC” or “Commission”), has filed its  
7 Complaint for Permanent Injunction and Other Equitable Relief pursuant to Sections  
8 13(b) and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and  
9 57b, and applied for a temporary restraining order, asset freeze, other equitable relief, and  
10 an order to show cause why a preliminary injunction should not issue pursuant to Rule 65  
11 of the Federal Rules of Civil Procedure, Fed. R. Civ. P. 65, and the Court, having  
12 considered the Complaint, declarations, exhibits, and memorandum of points and  
13 authorities filed in support thereof, and being otherwise advised finds as follows:

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

17 2. There is good cause to believe that Defendants Money Now Funding, LLC,  
18 Rose Marketing, LLC, DePaola Marketing, LLC, Affiliate Marketing Group, LLC, Legal  
19 Doxs, LLC, US Doc Assist, LLC, Affinity Technologies, LLC, Marketing Expert  
20 Solutions, LLC, Lukeroy K. Rose, Cordell Bess, Solana DePaola, Jennifer Beckman,  
21 William D. Claspell, Richard Frost, Dino Mitchell, Clinton Rackley, Lance Himes, Leary  
22 Darling, Donna F. Duckett, Della Frost, Christopher Grimes, Alannah M. Harre, Ronald  
23 W. Hobbs, Janine Lilly, Michael McIntyre, Benny Montgomery, Virginia Rios, and  
24 Kendrick Thomas have engaged in and are likely to engage in acts and practices that  
25 violate Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), the FTC’s Trade Regulation Rule  
26 entitled “Disclosure Requirements and Prohibitions Concerning Business Opportunities”  
27 (“Business Opportunity Rule” or “Rule”), 16 C.F.R. Part 437, as amended, and the FTC’s  
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1 Trade Regulation Rule entitled “Telemarketing Sales Rule” (“TSR” or “Rule”), 16 C.F.R.  
2 Part 310, and that the Commission is likely to prevail on the merits of this action.

3 3. There is good cause to believe that immediate and irreparable harm will  
4 result from Defendants’ ongoing violations of the FTC Act, the Business Opportunity  
5 Rule, and the TSR unless Defendants are restrained and enjoined by Order of this Court.

6 4. There is good cause to believe that immediate and irreparable damage to  
7 the Court’s ability to grant effective final relief for consumers - including the refund of  
8 monies paid, restitution, or rescission or reformation of contract - will occur from the  
9 sale, transfer, or other disposition or concealment by Defendants of assets or records if  
10 Defendants are provided with advance notice of this Order, and that therefore in  
11 accordance with Fed. R. Civ. P. 65(b), the interests of justice require that this Order be  
12 granted without prior notice to Defendants. There is thus good cause for relieving the  
13 Commission of the duty to provide Defendants with prior notice of the Commission’s  
14 application.

15 5. Good cause exists for (a) the appointment of a Temporary Receiver over  
16 Corporate Defendants Money Now Funding, LLC; Rose Marketing, LLC; DePaola  
17 Marketing, LLC; Affiliate Marketing Group, LLC; Legal Doxs, LLC; US Doc Assist,  
18 LLC; Affinity Technologies, LLC; and Marketing Expert Solutions, LLC; (b) freezing of  
19 Defendants’ assets; and (c) the ancillary relief ordered below.

20 6. Considering Plaintiff’s likelihood of ultimate success and weighing the  
21 equities, a Temporary Restraining Order with an asset freeze, the appointment of a  
22 Temporary Receiver, and other equitable relief is in the public interest.

23 7. No security is required of any agency of the United States for issuance of a  
24 restraining order. Fed. R. Civ. P. 65(c).

25 **DEFINITIONS**

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

27 1. “Asset” means any legal or equitable interest in, right to, or claim to, any  
28 real, personal, or intellectual property of any Corporate Defendant or Individual

1 Defendant, or held for the benefit of any Corporate Defendant or Individual Defendant,  
2 wherever located, including, but not limited to, chattel, goods, instruments, equipment,  
3 fixtures, general intangibles, effects, leaseholds, contracts, mail or other deliveries, shares  
4 of stock, securities, inventory, checks, notes, accounts, credits, receivables (as those  
5 terms are defined in the Uniform Commercial Code), cash, trusts, including, but not  
6 limited to, any trust held for the benefit of any of the Defendants, and reserve funds or  
7 any other accounts associated with payments processed by, or on behalf of, any of the  
8 Defendants, including, but not limited to, reserve funds held by payment processors or  
9 financial institutions.

10 For purposes of the Asset Freeze in Section IV, this language does not  
11 prevent the individual defendants from paying bills or making purchases of necessities  
12 with funds obtained by them subsequent to imposition of the asset freeze from any  
13 legitimate source, including but not limited to funds borrowed from family, friends, or  
14 others; income from lawful employment; or charges made to those individual defendants'  
15 credit cards.

16 2. **“Business Opportunity Rule”** means the FTC Rule entitled “Disclosure  
17 Requirements and Prohibitions Concerning Business Opportunities” 16 C.F.R.  
18 Part 437, as amended.

19 3. **“Corporate Defendants”** means Money Now Funding, LLC, Rose  
20 Marketing, LLC, DePaola Marketing, LLC, Affiliate Marketing Group, LLC, Legal  
21 Doxs, LLC, US Doc Assist, LLC, Affinity Technologies, LLC, Marketing Expert  
22 Solutions, LLC and their successors and assigns.

23 4. **“Defendants”** means all of the Individual Defendants and the Corporate  
24 Defendants, individually, collectively, or in any combination.

25 5. The term **“document”** is equal in scope and synonymous in meaning to the  
26 usage of the term in Federal Rule of Civil Procedure 34(a), and includes writings,  
27 drawings, graphs, charts, photographs, audio and video recordings, computer records, and  
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1 any other data compilations from which information can be obtained and translated, if  
2 necessary, through detection devices into reasonably usable form. A draft or non-  
3 identical copy is a separate document within the meaning of the term.

4 6. **“Individual Defendants”** Lukeroy K. Rose, Cordell Bess, Solana DePaola,  
5 Jennifer Beckman, William D. Claspell, Richard Frost, Dino Mitchell, Clinton Rackley,  
6 Lance Himes, Leary Darling, Donna F. Duckett, Della Frost, Christopher Grimes,  
7 Alannah M. Harre, Ronald W. Hobbs, Janine Lilly, Michael McIntyre, Benny  
8 Montgomery, Virginia Rios, and Kendrick Thomas individually, collectively, or in any  
9 combination.

10 7. **“Material”** means likely to affect a person’s choice of, or conduct  
11 regarding, opportunities, products or services.

12 8. **“National Do Not Call Registry”** means the registry of telephone numbers  
13 maintained by the FTC, pursuant to the Telemarketing Sales Rule, 16 C.F.R. section  
14 310.4(b)(1)(iii)(B) , of Persons who do not wish to receive Outbound Telephone Calls to  
15 induce the purchase of goods or services.

16 9. **“Outbound Telephone Call”** means a telephone call initiated by a  
17 telemarketer to induce the purchase of goods or services or to solicit a charitable  
18 contribution.

19 10. **“Person”** means a natural person, organization, or other legal entity,  
20 including a corporation, partnership, proprietorship, association, cooperative, government  
21 or governmental subdivision or agency, or any other group or combination acting as an  
22 entity.

23 11. **“Plaintiff”** means the Federal Trade Commission.

24 12. **“Receiver”** means the temporary receiver appointed in Section XIII of this  
25 Order and any deputy receivers that shall be named by the temporary receiver.

26 13. **“Receivership Defendants”** means the Corporate Defendants.  
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1 F. Any material aspect of the performance, efficacy, nature, or central  
2 characteristics any product or service.

3 II.

4 **PROHIBITIONS RELATED TO THE SALE AND MARKETING OF BUSINESS**  
5 **OR WORK AT HOME OPPORTUNITIES**

6 **IT IS THEREFORE ORDERED** that Defendants and their Representatives,  
7 whether acting directly or indirectly, in connection with the advertising, marketing,  
8 promotion, offering for sale, or sale of any business opportunity or Work-at-home  
9 opportunity, are **hereby temporarily restrained and enjoined** from:

10 A. Failing to disclose, or disclose adequately, in writing material information  
11 pertaining to the any opportunity at least seven (7) days before the consumer signs a  
12 contract or makes a payment in connection with that opportunity including:

- 13 1. Basic identifying information of the seller of the opportunity,  
14 including the seller's name, business address, and telephone number;
- 15 2. Any civil or criminal actions against the seller or affiliates of the  
16 seller for misrepresentation, fraud, or unfair or deceptive practices  
17 within the 10 years preceding the date that the opportunity is offered;
- 18 3. Material terms and conditions of any cancellation or refund policy;  
19 or
- 20 4. Any claim of actual or potential earnings that purchasers of the  
21 opportunity may experience.

22 B. Making any earnings claims unless there is (1) a reasonable basis for the  
23 claim at the time the claim is made; and (2) written substantiation for the earnings claim  
24 in the possession of Defendants' at the time the claim is made;

25 C. Violating the Business Opportunity Rule, 16 C.F.R. Part 437, as amended,  
26 a copy of which is attached.



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**III.**

**PROHIBITIONS AGAINST VIOLATING  
THE TELEMARKETING SALES RULE**

**IT IS THEREFORE ORDERED** that Defendants and their Representatives, whether acting directly or indirectly, in connection with Telemarketing of any product or service, are **hereby temporarily restrained and enjoined** from engaging in violations of the Telemarketing Sales Rule, 16 C.F.R. Part 310, including, but not limited to:

A. Initiating, or causing others to initiate, an outbound telephone call (1) to a person's telephone number on the National Do Not Call Registry or (2) to a person who previously has stated that he or she does not wish to receive an outbound telephone call made by or on behalf of the seller whose goods or services are being offered;

B. Causing the telephone to ring or engaging persons in telephone conversation repeatedly or continuously, with intent to annoy, abuse, or harass the person at the called number;

C. Threatening, intimidating, or the using of profane or obscene language; or

D. Initiating outbound telephone calls to a telephone number within a given area code on behalf of a seller who has not, either directly or through another person, paid the required annual fee for access to the telephone numbers within that area code that are included in the National Do Not Call Registry.

**IV.**

**ASSET FREEZE**

**IT IS FURTHER ORDERED** that Defendants and their Representatives, whether acting directly indirectly, are **hereby temporarily restrained and enjoined** from:

A. Transferring, liquidating, converting, encumbering, pledging, loaning, selling, concealing, dissipating, disbursing, assigning, spending, conveying, gifting, withdrawing, granting a lien or security interest or other interest in, or otherwise disposing of any funds, real or personal property, accounts, contracts, consumer lists,

1 shares of stock, or other assets, or any interest therein, wherever located, whether within  
2 the United States or within a jurisdiction outside the United States, that are: (1) owned or  
3 controlled by any of the Defendants, in whole or in part; (2) held for the benefit of any of  
4 the Defendants; (3) in the actual or constructive possession of any of the Defendants; or  
5 (4) owned, controlled by, or in the actual or constructive possession of, or otherwise held  
6 for the benefit of any corporation, partnership, or other entity directly or indirectly  
7 owned, managed, or controlled by any of the Defendants including, but not limited to,  
8 any assets held by or for, or subject to access by any of the Defendants at any bank or  
9 savings and loan institution, or with any broker-dealer, escrow agent, title company,  
10 commodity trading company, precious metals dealer, or other financial institution or  
11 depository institution of any kind;

12 B. Opening or causing to be opened any safe deposit boxes titled in the name  
13 of, or subject to access by, any of the Defendants;

14 C. Incurring charges or cash advances on any credit card issued in the name,  
15 singly or jointly, of any of the Corporate Defendants;

16 D. Obtaining a personal or secured loan encumbering the assets of any of the  
17 Defendants, or any corporation, partnership, or other entity directly or indirectly owned,  
18 managed, or controlled by any of the Defendants; or

19 E. Incurring liens or other encumbrances on real property, personal property or  
20 other assets titled in the name, singly or jointly, of any of the Defendants or any  
21 corporation, partnership, or other entity directly or indirectly owned, managed, or  
22 controlled by any of the Defendants.

23 *Provided*, that the assets affected by this Section IV shall include: (1) all assets of  
24 any of the Defendants as of the time of issuance of this Order; and (2) assets obtained  
25 after the time of issuance of this Order if the assets are derived from the conduct alleged  
26 in the Commission's Complaint.

V.

**DUTIES OF ASSET HOLDERS**

**IT IS FURTHER ORDERED** that any financial or brokerage institution, credit card processing company, payment processor, merchant bank, acquiring bank, independent sales organization, business entity, or person served with a copy of this Order, or who otherwise has actual knowledge of this Order, that (a) holds, controls or maintains custody of any account, safe deposit box, or other asset of any of the Defendants, (b) holds, controls, or maintains custody of any asset associated with credits, debits, or charges made on behalf of any of the Defendants, including, but not limited to, reserve funds held by payment processors or other entities, or (c) has held, controlled, or maintained any such account, safe deposit box, or other asset at any time since August 1, 2010 shall:

A. Hold and retain within its control and prohibit the withdrawal, removal, assignment, transfer, pledge, encumbrance, disbursement, dissipation, conversion, sale, or other disposal of any such asset, except by further order of the Court;

B. Deny any person, except the Receiver acting pursuant to Section XIV of this Order, access to any safe deposit box that is titled in the name of, individually or jointly, or otherwise subject to access by, any of the Defendants;

C. Provide the Commission's counsel and to the Temporary Receiver, within five (5) business days of receiving a copy of this Order, a sworn statement setting forth:

1. The identification number of each such account or asset titled in the name, individually or jointly, of any of the Defendants, or held on behalf of or for the benefit of any of the Defendants;
2. The balance of each such account, or a description of the nature and value of such asset as of the close of business on the day on which this Order is served, and, if the account or other asset has been closed or removed, the date closed or removed, the total funds

1 removed in order to close the account, and the name of the person or  
2 entity to whom such account or other asset was remitted; and  
3 3. The identification of any safe deposit box that is titled in the name  
4 of, individually or jointly, or otherwise subject to access by any of  
5 the Defendants; and

6 D. Upon request by the Commission, promptly provide the Commission with  
7 copies of all records or other documentation pertaining to each such account or asset,  
8 including, but not limited to, originals or copies of account applications, account  
9 statements, signature cards, checks, drafts, deposit tickets, transfers to and from the  
10 accounts, all other debit and credit instruments or slips, currency transaction reports,  
11 1099 forms, and safe deposit box logs.

12 VI.

13 FINANCIAL DISCLOSURES

14 **IT IS FURTHER ORDERED** that within three (3) calendar days of service of  
15 this Order, each of the Defendants shall prepare and deliver the following forms to  
16 counsel for the Commission and to the Receiver:

17 A. Completed financial statements on the forms attached to this Order as  
18 Attachment A (Financial Statement of Individual Defendant) for themselves individually  
19 and Attachment B (Financial Statement of Corporate Defendant) for each business entity  
20 under which they conduct business or of which they are an officer, and for each trust for  
21 which any Defendant is a trustee. The financial statements shall be accurate as of the  
22 date of entry of this Order. Each Defendant shall include in the financial statements a full  
23 accounting of all funds and assets, whether located inside or outside of the United States,  
24 that are: (1) titled in the name of such Defendant, jointly, severally, or individually; (2)  
25 held by any person or entity for the benefit of such Defendant; or (3) under the direct or  
26 indirect control of such Defendant. Defendants shall attach to these completed financial  
27 statements copies of all local, state, provincial, and federal income and property tax  
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1 returns, with attachments and schedules, as called for by the instructions to the financial  
2 statements; and

3 B. Attachment C (Consent to Release and Request for Copy of Tax Return).

4 **VII.**

5 **REPATRIATION OF ASSETS AND DOCUMENTS**

6 **IT IS FURTHER ORDERED** that within five (5) days following the service of  
7 this Order, each of the Defendants shall:

8 A. Provide the Commission and the Receiver with a full accounting of all  
9 funds, documents, and assets outside of the United States which are: (1) titled in the  
10 name, individually or jointly, of any of the Defendants; or (2) held by any person or  
11 entity for the benefit of any of the Defendants; or (3) under the direct or indirect control,  
12 whether jointly or singly, of any of the Defendants;

13 B. Transfer to the territory of the United States and deliver to the Receiver all  
14 funds, documents, and assets located in foreign countries which are: (1) titled in the  
15 name individually or jointly of any of the Defendants; or (2) held by any person or entity,  
16 for the benefit of any of the Defendants; or (3) under the direct or indirect control of any  
17 of the Defendants, whether jointly or singly;

18 C. Provide the Commission access to all records of accounts or assets of any  
19 of the Defendants held by financial institutions located outside the territorial United  
20 States by signing the Consent to Release of Financial Records appended to this Order as  
21 Attachment C.

22 **VIII.**

23 **NON-INTERFERENCE WITH REPATRIATION**

24 **IT IS FURTHER ORDERED** that Defendants and their Representatives are  
25 hereby temporarily restrained and enjoined from taking any action, directly or indirectly,  
26 which may result in the encumbrance or dissipation of foreign assets, or in the hindrance  
27 of the repatriation required by Section VII of this Order, including, but not limited to:  
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1 pages, consumer complaints, rate decks, call detail records, telephone logs, telephone  
2 scripts, contracts, correspondence, email, corporate books and records, accounting data,  
3 financial statements, receipt books, ledgers, personal and business canceled checks and  
4 check registers, bank statements, calendars, appointment books, and tax returns; and

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

8 **XI.**

9 **NOTIFICATION OF NEW BUSINESS ACTIVITY**

10 **IT IS FURTHER ORDERED** that Defendants and their Representatives,  
11 whether acting directly or through any entity, corporation, subsidiary, division, director,  
12 manager, member, affiliate, independent contractor, accountant, financial advisor, or  
13 other device, are hereby temporarily restrained and enjoined from creating, operating, or  
14 exercising any control over any new business entity, whether newly formed or previously  
15 inactive, including any partnership, limited partnership, joint venture, sole proprietorship,  
16 or corporation, without first providing counsel for the FTC with a written statement  
17 disclosing: (1) the name of the business entity; (2) the address and telephone number of  
18 the business entity; (3) the names of the business entity's officers, directors, principals,  
19 managers, members, and employees; and (4) a detailed description of the business  
20 entity's intended activities.

21 **XII.**

22 **PROHIBITION ON RELEASE OF CONSUMER INFORMATION**

23 **IT IS FURTHER ORDERED** that Defendants and their Representatives,  
24 whether acting directly or indirectly, are hereby temporarily restrained and enjoined from  
25 selling, renting, leasing, transferring, using, disclosing, or otherwise benefitting from the  
26 name, address, telephone number, credit card number, bank account number, email  
27 address, or other identifying information of any Person who: (1) paid money to the  
28 Defendants, (2) was previously contacted by the Defendants in connection with the sale

1 of business opportunities, Work-at-home opportunities, or any service to assist in the  
2 creation, advertising, marketing, promotion, or operation of a business opportunity or  
3 work-at-home opportunity, including, but not limited to website development,  
4 advertising, marketing, lead generation, social media promotion, search engine  
5 optimization, training, and business establishment services, (3) who was on a list to be  
6 contacted by the Defendants; provided, however, that Defendants may disclose such  
7 identifying information to a law enforcement agency or as required by any law,  
8 regulation, or court order.

9 **XIII.**

10 **APPOINTMENT OF TEMPORARY RECEIVER**

11 **IT IS FURTHER ORDERED** that Peter S. Davis of Simon Consulting, LLC is  
12 appointed temporary receiver for the Receivership Defendants, as well as for any  
13 affiliates, subsidiaries, divisions, or telephone sales or customer service operations,  
14 wherever located, with the full power of an equity receiver. The Receiver shall be the  
15 agent of this Court, and solely the agent of this Court, in acting as Receiver under this  
16 Order. The Receiver shall be accountable directly to this Court.

17 **XIV.**

18 **RECEIVER'S DUTIES**

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

21 A. Assume full control of the Receivership Defendants by removing, as the  
22 Receiver deems necessary or advisable, any director, officer, independent contractor,  
23 employee, or agent of any of the Receivership Defendants, including any Defendant,  
24 from control of, management of, or participation in, the affairs of the Receivership  
25 Defendants;

26 B. Take exclusive custody, control, and possession of all assets and documents  
27 of, or in the possession, custody, or under the control of, the Receivership Defendants,  
28 wherever situated. The Receiver shall have full power to divert mail and to sue for,



1 collect, receive, take in possession, hold, and manage all assets and documents of the  
2 Receivership Defendants and other persons or entities whose interests are now under the  
3 direction, possession, custody, or control of, the Receivership Defendants. The Receiver  
4 shall assume control over the income and profits therefrom and all sums of money now or  
5 hereafter due or owing to the Receivership Defendants. *Provided, however,* that the  
6 Receiver shall not attempt to collect any amount from a consumer if the Receiver  
7 believes the consumer was a victim of the unfair or deceptive acts or practices or other  
8 violations of law alleged in the Complaint in this matter, without prior Court approval;

9 C. Take all steps necessary to secure each location from which the  
10 Receivership Defendants operate their business. Such steps may include, but are not  
11 limited to, any of the following, as the Receiver deems necessary or advisable:  
12 (1) serving this Order; (2) completing a written inventory of all Receivership assets;  
13 (3) obtaining pertinent information from all employees and other agents of the  
14 Receivership Defendants, including, but not limited to, the name, home address, Social  
15 Security Number, job description, passwords or access codes, method of compensation,  
16 and all accrued and unpaid commissions and compensation of each such employee or  
17 agent; (4) photographing and videotaping any or all portions of the location; (5) securing  
18 the location by changing the locks and disconnecting any computer modems or other  
19 means of access to the computer or other records maintained at that location; and (6)  
20 requiring any persons present on the premises at the time this Order is served to leave the  
21 premises, to provide the Receiver with proof of identification, or to demonstrate to the  
22 satisfaction of the Receiver that such persons are not removing from the premises  
23 documents or assets of the Receivership Defendants. Law enforcement personnel,  
24 including, but not limited to, police or sheriffs, may assist the Receiver in implementing  
25 these provisions in order to keep the peace and maintain security. If requested by the  
26 Receiver, the United States Marshals Service will provide appropriate and necessary  
27 assistance to the Receiver to implement this Order and is authorized to use any necessary  
28 and reasonable force to do so;

1 D. Suspend business operations of the Receivership Defendants if in the  
2 judgment of the Receiver such operations cannot be continued legally and profitably;

3 E. Conserve, hold, and manage all assets of the Receivership Defendants, and  
4 perform all acts necessary or advisable to preserve the value of those assets in order to  
5 prevent any irreparable loss, damage, or injury to consumers or creditors of the  
6 Receivership Defendants, including, but not limited to, obtaining an accounting of the  
7 assets and preventing the unauthorized transfer, withdrawal, or misapplication of assets;

8 F. Enter into contracts and purchase insurance as advisable or necessary;

9 G. Prevent the inequitable distribution of assets and determine, adjust, and  
10 protect the interests of consumers and creditors who have transacted business with the  
11 Receivership Defendants;

12 H. Manage and administer the business of the Receivership Defendants until  
13 further order of this Court by performing all incidental acts that the Receiver deems to be  
14 advisable or necessary, which includes but is not limited to retaining, hiring, or  
15 dismissing any employees, independent contractors, or agents;

16 I. Choose, engage, and employ attorneys, accountants, appraisers, and other  
17 independent contractors and technical specialists, as the Receiver deems advisable or  
18 necessary in the performance of duties and responsibilities under the authority granted by  
19 this Order;

20 J. Make payments and disbursements from the receivership estate that are  
21 necessary or advisable for carrying out the directions of, or exercising the authority  
22 granted by, this Order. The Receiver shall apply to the Court for prior approval of any  
23 payment of any debt or obligation incurred by the Receivership Defendants prior to the  
24 date of entry of this Order, except payments that the Receiver deems necessary or  
25 advisable to secure assets of the Receivership Defendants, such as rental payments;

26 K. Institute, compromise, adjust, appear in, intervene in, or become party to  
27 such actions or proceedings in state, federal or foreign courts or arbitration proceedings  
28 as the Receiver deems necessary and advisable to preserve or recover the assets of the

1 Receivership Defendants, or that the Receiver deems necessary and advisable to carry out  
2 the Receiver's mandate under this Order, including, but not limited to, actions  
3 challenging fraudulent or voidable transfers;

4 L. Defend, compromise, adjust, or otherwise dispose of any or all actions or  
5 proceedings instituted in the past or in the future against the Receiver in his role as  
6 Receiver, or against the Receivership Defendants, as the Receiver deems necessary and  
7 advisable to preserve the assets of the Receivership Defendants, or as the Receiver deems  
8 necessary and advisable to carry out the Receiver's mandate under this Order;

9 M. Issue subpoenas to obtain documents and records pertaining to the  
10 Receivership, and conduct discovery in this action on behalf of the Receivership estate;

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

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

18 P. Cooperate with reasonable requests for information or assistance from any  
19 state or federal law enforcement agency;

20 Q. File reports with the Court on a timely basis and at regular intervals or as  
21 otherwise directed by the Court.

22 **XV.**

23 **TRANSFER OF RECEIVERSHIP PROPERTY TO RECEIVER**

24 **IT IS FURTHER ORDERED that:**

25 A. Immediately upon service of this Order upon them, or within a period  
26 permitted by the Receiver, Defendants, their Representatives, and any other person or  
27 entity with possession, custody or control of assets or documents relating to the  
28

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

- 3 1. All assets of the Receivership Defendants;
- 4 2. All documents of the Receivership Defendants, including, but not  
5 limited to, books and records of accounts, all financial and  
6 accounting records, balance sheets, income statements, bank records  
7 (including monthly statements, canceled checks, records of wire  
8 transfers, and check registers), client lists, title documents and other  
9 papers;
- 10 3. All assets belonging to other persons or entities whose interests are  
11 now under the direction, possession, custody, or control of the  
12 Receivership Defendants;
- 13 4. All computers and data in whatever form used to conduct the  
14 business of the Receivership Defendants; and
- 15 5. All keys, codes, and passwords necessary to gain or to secure access  
16 to any assets or documents of the Receivership Defendants,  
17 including, but not limited to, access to their business premises,  
18 means of communication, accounts, computer systems, or other  
19 property.

20 B. In the event any person or entity fails to deliver or transfer any asset or  
21 otherwise fails to comply with any provision of this Section, the Receiver may file *ex*  
22 *parte* an Affidavit of Non-Compliance regarding the failure. Upon filing of the affidavit,  
23 the Court may authorize, without additional process or demand, Writs of Possession or  
24 Sequestration or other equitable writs requested by the Receiver. The writs shall  
25 authorize and direct the United States Marshals Service or any sheriff or deputy sheriff of  
26 any county to seize the asset, document, or other item and to deliver it to the Receiver.  
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**XVI.**

**PROVISION OF INFORMATION TO RECEIVER**

**IT IS FURTHER ORDERED** that Defendants shall provide to the Receiver, immediately upon request, the following:

A. A list of all assets and property, including accounts, of the Receivership Defendants that are held in any name other than the name of a Receivership Defendant, or by any person or entity other than a Receivership Defendant; and

B. A list of all agents, employees, officers, servants or those persons in active concert and participation with the Individual Defendants and Receivership Defendants who have been associated with or done business with the Receivership Defendants.

**XVII.**

**COOPERATION WITH THE RECEIVER**

**IT IS FURTHER ORDERED** that Defendants, their Representatives, and all other persons or entities served with a copy of this Order shall fully cooperate with and assist the Receiver in taking and maintaining possession, custody, or control of the assets of the Receivership Defendants. This cooperation and assistance shall include, but not be limited to: providing information to the Receiver that the Receiver deems necessary in order to exercise the authority and discharge the responsibilities of the Receiver under this Order; providing any password required to access any computer, electronic file, or telephonic data in any medium; advising all persons who owe money to the Receivership Defendants that all debts should be paid directly to the Receiver; and transferring funds at the Receiver's direction and producing records related to the assets and sales of the Receivership Defendants. The entities obligated to cooperate with the Receiver under this provision include, but are not limited to, banks, broker-dealers, savings and loans, escrow agents, title companies, commodity trading companies, precious metals dealers and other financial institutions and depositories of any kind, payment processors, payment gateways, insurance companies, as well as all third-party billing agents, common carriers, and other telecommunications companies.

**XVIII.**

**INTERFERENCE WITH THE RECEIVER**

**IT IS FURTHER ORDERED** that Defendants, their Representatives, corporations, subsidiaries, divisions, or affiliates are hereby restrained and enjoined from directly or indirectly:

- A. Interfering with the Receiver managing, or taking custody, control, or possession of the assets or documents subject to this Receivership;
- B. Transacting any of the business of the Receivership Defendants or any substantially similar name;
- C. Transferring, receiving, altering, selling, encumbering, pledging, assigning, liquidating, or otherwise disposing of any assets owned, controlled, or in the possession or custody of, or in which an interest is held or claimed by, the Receivership Defendants, or the Receiver;
- D. Destroying, secreting, defacing, transferring, or otherwise altering or disposing of any documents of the Receivership Defendants, including, but not limited to, books, records, accounts, or any other papers;
- E. Excusing debts owed to the Receivership Defendants;
- F. Refusing to cooperate with the Receiver or the Receiver's duly authorized agents in the exercise of their duties or authority under any order of this Court; and
- G. Harassing or interfering with the Receiver in any way.

**XIX.**

**STAY OF ACTIONS AGAINST RECEIVERSHIP DEFENDANTS**

**IT IS FURTHER ORDERED** that:

- A. Except by leave of this Court, during pendency of the Receivership ordered herein, Defendants, their Representatives, and all investors, creditors, stockholders, lessors, customers and other persons seeking to establish or enforce any claim, right, or interest against or on behalf of Defendants, and all others acting for or on behalf of such

1 persons, are hereby enjoined from taking action that would interfere with the exclusive  
2 jurisdiction of this Court over the assets or documents of the Receivership Defendants,  
3 including, but not limited to:

- 4 1. Petitioning, or assisting in the filing of a petition, that would cause  
5 any Receivership Defendant to be placed in bankruptcy;
- 6 2. Commencing, prosecuting, or continuing a judicial, administrative,  
7 or other action or proceeding against the Receivership Defendants,  
8 including the issuance or employment of process against the  
9 Receivership Defendants, *except* that such actions may be  
10 commenced if necessary to toll any applicable statute of limitations;
- 11 3. Filing or enforcing any lien on any asset of the Receivership  
12 Defendants; taking or attempting to take possession, custody, or  
13 control of any asset of the Receivership Defendants; accelerating the  
14 due date of any obligation; or attempting to foreclose, forfeit, alter,  
15 or terminate any interest in any asset of the Receivership  
16 Defendants, whether such acts are part of a judicial proceeding, are  
17 acts of self-help, or otherwise;
- 18 4. Initiating any other process or proceeding that would interfere with  
19 the Receiver managing or taking custody, control, or possession of,  
20 the assets or documents subject to this receivership.

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

1 **XX.**

2 **COMPENSATION OF RECEIVER**

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

13 **XXI.**

14 **RECEIVER'S BOND**

15 **IT IS FURTHER ORDERED** that the Receiver shall file with the Clerk of this  
16 Court a bond in the sum of \$10,000.00, with sureties to be approved by the Court,  
17 conditioned that the Receiver will well and truly perform the duties of the office and  
18 abide by and perform all acts the Court directs. 28 U.S.C. § 754.

19 **XXII.**

20 **IMMEDIATE ACCESS TO BUSINESS PREMISES AND DOCUMENTS**

21 **IT IS FURTHER ORDERED** that:

22 A. In order to allow Plaintiff and the Receiver to preserve assets and evidence  
23 relevant to this action and to expedite discovery, Plaintiff and Receiver, and their  
24 representatives, agents, contractors, and assistants, shall have immediate access to any  
25 and all business premises, storage facilities, and all other business locations owned,  
26 controlled, or used by the Receivership Defendants. Such locations include, but are not  
27 limited to, 8125 N. 23rd Ave., Suite 110, Phoenix, Arizona 85021.



1           B.     The Receiver and Plaintiff, and their representatives, agents, contractors,  
2 and assistants, are authorized to employ the assistance of the United States Postal  
3 Inspection Service, the United States Marshals Service, the Oregon Department of  
4 Justice, and other federal, state, or local law enforcement officers as they deem necessary  
5 to effect service and to peacefully implement the provisions of this Order.

6           C.     The Receiver shall allow Plaintiff and its representatives, agents,  
7 contractors, and assistants, and the Oregon Department of Justice access to the business  
8 premises of the Receivership Defendants to inspect and copy Documents relevant to this  
9 action. The Receiver and Plaintiff, and their representatives, agents, contractors, and  
10 assistants, are authorized to remove documents from the Receivership Defendants'  
11 premises in order that they may be inspected, inventoried, and copied. The Documents  
12 so removed shall be returned within three (3) days of completing inventorying and  
13 copying.

14           D.     The Receiver shall allow the Defendants reasonable access to the premises  
15 and business records of the Receivership Defendants within his possession for the  
16 purpose of inspecting and copying materials relevant to this action. The Receiver shall  
17 have the discretion to determine the time, manner, and reasonable conditions of such  
18 access.

19           E.     Defendants and all agents or employees of Defendants shall provide the  
20 FTC and the Receiver with any necessary means of access to documents, including,  
21 without limitation, the locations of Corporate Defendants' business premises and storage  
22 facilities, keys and computer access codes of all computers used to conduct Corporate  
23 Defendants' business, and storage area access information.

24           F.     If any property, records, documents, or computer files relating to  
25 Receivership Defendants' finances or business practices are located in the residence of  
26 any Defendant or are otherwise in the custody or control of any Defendant, then such  
27 Defendant shall produce them to counsel for the FTC and the Receiver within twenty-  
28 four (24) hours of service of this Order, along with any codes or passwords needed for

1 access. In order to prevent the destruction of computer data, upon service of this Order  
2 upon Defendants, any such computers shall be powered down in the normal course for  
3 the operating system used on such computers and shall not be powered up or used again  
4 until produced for copying and inspection.

5 **XXIII.**

6 **EXPEDITED DISCOVERY**

7 **IT IS FURTHER ORDERED** that, notwithstanding the time periods, notice  
8 provisions, and other requirements of Rules 26(d), 26(f), and 30(a)(2)(c) of the Federal  
9 Rules of Civil Procedure, and pursuant to Federal Rules of Civil Procedure 30(a), 34, and  
10 45, the Commission and the Receiver are granted leave, at any time after entry of this  
11 Order, to conduct limited expedited discovery as to parties and non-parties for the  
12 purpose of discovering: (1) the nature, location, status, and extent of Defendants' Assets;  
13 (2) the nature and location of documents reflecting Defendants' businesses, business  
14 transactions, and operations; and (3) the nature and location of Documents reflecting the  
15 Defendants' businesses activities. The limited expedited discovery set forth in this  
16 Section shall proceed as follows:

17 A. The Commission and the Receiver may take the depositions of parties and  
18 non-parties. Forty-eight hours (48) notice shall be sufficient notice for such depositions.  
19 Deposition transcripts that have not been signed by the witness may be used the  
20 preliminary injunction hearing in this matter. The limitations set forth in Federal Rule of  
21 Civil Procedure 30(a)(2) and 31(a)(2) regarding subsequent depositions of an individual  
22 shall not apply to depositions taken pursuant to this Section, and those depositions shall  
23 not count toward the deposition limit set forth in said rules;

24 B. The Commission and the Receiver may serve upon parties requests for  
25 production of documents or inspection that require production or inspection within three  
26 (3) calendar days of service, and may serve subpoenas upon non-parties that direct  
27 production or inspection within five (5) calendar days of service;

28

1 C. The Commission and the Receiver may serve deposition notices and other  
2 discovery requests upon the parties to this action by facsimile or overnight courier, and  
3 depositions may be taken by telephone or other remote electronic means; and

4 D. Any discovery taken pursuant to this Order is in addition to, and is not  
5 subject to, the presumptive limits on discovery set forth in the Federal Rules of Civil  
6 Procedure and Local Rules of this Court. If a Defendant fails to appear for a properly  
7 noticed deposition or fails to comply with a request for production or inspection, that  
8 Defendant may be prohibited from introducing evidence at the hearing on the  
9 Commission's request for a preliminary injunction.

10 **XXIV.**

11 **SERVICE OF THIS ORDER**

12 **IT IS FURTHER ORDERED** that copies of this Order may be served by any  
13 means, including facsimile transmission, upon any financial institution or other entity or  
14 Person that may have possession, custody, or control of any documents or assets of any  
15 of the Defendants, or that may otherwise be subject to any provision of this Order.  
16 Service upon any branch or office of any financial institution shall effect service upon the  
17 entire financial institution.

18 **XXV.**

19 **SERVICE UPON PLAINTIFF**

20 **IT IS FURTHER ORDERED** that all correspondence and service of pleadings or  
21 other documents related to this Order or Plaintiff's motion for a preliminary injunction  
22 shall be addressed to

23 Rhonda Perkins  
24 Janet Ammerman  
25 Federal Trade Commission  
26 600 Pennsylvania Ave., NW, Room H-286  
27 Washington, DC 20580  
28 Fax: 202-326-3395  
Email: rperkins@ftc.gov; jammerman1@ftc.gov

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**XXVI.**

**DEFENDANTS' DUTY TO DISTRIBUTE ORDER**

**IT IS FURTHER ORDERED** that Defendants shall immediately provide a copy of this Order to each of their affiliates, subsidiaries, divisions, sales entities, successors, assigns, officers, directors, employees, independent contractors, client companies, agents, attorneys, spouses, and representatives, and shall, within five (5) days from the date of entry of this Order, provide the Commission with a sworn statement that: (1) confirms that Defendants have provided copies of the Order as required by this paragraph; and (2) lists the names and addresses of each entity or person to whom Defendants provided a copy of the Order. Furthermore, Defendants shall not take any action that would encourage officers, agents, directors, employees, salespersons, independent contractors, attorneys, subsidiaries, affiliates, successors, assigns or other persons or entities in active concert or participation with them to disregard this Order or believe that they are not bound by its provisions.

**XXVII.**

**DURATION OF TEMPORARY RESTRAINING ORDER**

**IT IS FURTHER ORDERED** that the Temporary Restraining Order granted herein shall expire fourteen (14) days from the date of entry noted below unless, within such time, the Order is extended for an additional period not to exceed fourteen (14) days for good cause shown, or unless, as to any Defendant, such Defendant consents to an extension for a longer period.

**XXVIII.**

**PRELIMINARY INJUNCTION HEARING**

**IT IS FURTHER ORDERED** pursuant to Federal Rule of Civil Procedure 65(b), that each Defendant shall appear before this Court in **Courtroom 604** at the United States Court for the District of Arizona, Sandra Day O'Connor U.S. Courthouse, located at 401 W. Washington Street, Phoenix, AZ 85003, on the **14th day of August 2013, at 1:30 p.m.**, to show cause, if there is any, why this Court should not enter a Preliminary

1 Injunction enjoining the violations of law alleged in the Commission's Complaint,  
2 continuing the freeze of their Assets, continuing the receivership, and imposing such  
3 additional relief as may be appropriate pending final adjudication of the Complaint filed  
4 in this matter.

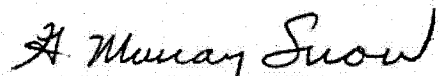
5 **XXIX.**

6 **RETENTION OF JURISDICTION**

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

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10 **IT IS SO ORDERED:**

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12 **DATED**, this 5th day of August, 2013.

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15 \_\_\_\_\_  
16 G. Murray Snow  
17 United States District Judge

18 cc: All Counsel  
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