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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

CONSUMER FINANCIAL  
PROTECTION BUREAU,

Plaintiff,

v.

CHANCE GORDON, et al.,

Defendants.

No. CV 12-6147 RSWL (MRWx)  
PRELIMINARY INJUNCTION

In a November 16, 2012 Minute Order, the Court concluded that plaintiff Consumer Financial Protection Bureau (“CFPB” or “Bureau”), was entitled to a Preliminary Injunction in the action it commenced pursuant to: (1) Sections 1031(a), 1036(a), 1054, and 1055 of the Consumer Financial Protection Act of 2010 (“CFPA”), 12 U.S.C. §§ 5531(a), 5536(a), 5564, and 5565; and (2) Section 626 of the Omnibus Appropriations Act, 2009, as amended by Section 1097 of the CFPA, 12 U.S.C. § 5538, and the Mortgage Assistance Relief Services Rule, 16 C.F.R. Part 322, recodified as 12 C.F.R. Part 1015 (“Regulation O”). The Court’s conclusion that the issuance of a Preliminary Injunction is warranted followed the Court’s entry of a Temporary Restraining Order (“TRO”), asset freeze, and appointment of a

1 temporary receiver on July 18, 2012. Consistent with the Court’s November 16, 2012  
2 Minute Order, the Court issues the following Preliminary Injunction:

3 1. This Court has jurisdiction over the subject matter of this case and over all the  
4 parties hereto, and venue in this district is proper;

5 2. There is good cause to believe that Defendants (a) Chance Edward Gordon  
6 (“Gordon”), an individual also d/b/a Gordon & Associates, The Law Offices of Chance E.  
7 Gordon, The Law Offices of C. Edward Gordon, The C.E.G. Law Firm, National Legal  
8 Source, Resource Law Center, Resource Law Group, and Resource Legal Group; (b) The  
9 Gordon Law Firm P.C., a California professional corporation; (c) Abraham Michael Pessar  
10 (“Pessar”), an individual; (d) Division One Investment and Loan, Inc., d/b/a Division One  
11 Business Solutions, D1 Companies, Division One, Division 1, Home Savers National, D1  
12 Marketing Solutions and Relief Council (“Division One Investment”), a corporation; and (e)  
13 Processing Division, L.L.C., a limited liability company, and also d/b/a Qualification Intake  
14 Department, Division One, The Relief Network, and Relief Network (collectively  
15 “Defendants”), have engaged and are likely to continue to engage in acts or practices that  
16 violate section 1036 of the CFPA, 12 U.S.C. § 5536, and Regulation O, 12 C.F.R. Part 1015,  
17 and that the Bureau is therefore likely to prevail on the merits of this action;

18 3. There is good cause to believe that immediate and irreparable damage to the  
19 Court’s ability to grant effective final relief for consumers in the form of monetary  
20 restitution and disgorgement or compensation for unjust enrichment will occur from the  
21 transfer, dissipation, or concealment by Defendants of their assets or business records unless  
22 Defendants continue to be restrained and enjoined by Order of this Court;

23 4. Good cause existed for appointing a temporary receiver over The Gordon Law  
24 Firm P.C., Division One Investment and Loan, Inc., and Processing Division, L.L.C.  
25 (“Receivership Defendants”) and permitting the Bureau access to Defendants’ business  
26 premises at the discretion of the Receiver. The Court now concludes that the receivership  
27 should be wound-down consistent with the terms of this Preliminary Injunction.  
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1           4.       “Document” and “Electronically Stored Information” are synonymous in  
2 meaning and equal in scope to the usage of the terms in Rule 34(a) of the Federal Rules of  
3 Civil Procedure and include but are not limited to:

- 4           i.       The original or a true copy of any written, typed, printed, electronically  
5 stored, transcribed, taped, recorded, filmed, punched, or graphic matter  
6 or other data compilations of any kind, including, but not limited to,  
7 letters, email or other correspondence, messages, memoranda, paper,  
8 interoffice communications, notes, reports, summaries, manuals,  
9 magnetic tapes or discs, tabulations, books, records, checks, invoices,  
10 work papers, journals, ledgers, statements, returns, reports, schedules,  
11 files, charts, logs, electronic files, stored in any medium; and
- 12          ii.      Any electronically created or stored information, including but not  
13 limited to electronic mail, instant messaging, videoconferencing, SMS,  
14 MMS, or other text messaging, and other electronic correspondence  
15 (whether active, archived, unsent, or in a deleted items folder), word  
16 processing files, spreadsheets, databases, unorganized data, document  
17 metadata, presentation files, and sound recordings, whether stored on  
18 any cell phones, smartphones, flash drives, personal digital assistants  
19 (“PDAs”), cards, desktop personal computer and workstations, laptops,  
20 notebooks and other portable computers, or other electronic storage  
21 media, backup disks and tapes, archive disks and tapes, and other forms  
22 of offline storage, whether assigned to individuals or in pools of  
23 computers available for shared use, or personally owned but used for  
24 work-related purposes, whether stored on-site with the computer used  
25 to generate them, stored offsite in another company facility, or stored,  
26 hosted, or otherwise maintained off-site by a third party; and computers  
27 and related offline storage used by Defendants or Defendants’  
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1 participating associates, which may include persons who are not  
2 employees of the company or who do not work on company premises.

3 5. "Electronic Data Host" means any person or entity that stores, hosts, or  
4 otherwise maintains electronically stored information.

5 6. "Financial institution" means any bank, savings and loan institution, credit  
6 union, or any financial depository of any kind, including, but not limited to, any brokerage  
7 house, trustee, broker-dealer, escrow agent, title company, commodity trading company, or  
8 precious metal dealer.

9 7. "Individual Defendants" means Chance Edward Gordon and Abraham  
10 Michael Pessar, individually, collectively, or in any combination, and each of them by any  
11 other names by which they might be known.

12 8. "Material fact" means any fact that is likely to affect a person's choice of, or  
13 conduct regarding, goods or services.

14 9. "Mortgage assistance relief product or service" means any product, service,  
15 plan, or program, offered or provided to the consumer in exchange for consideration, that is  
16 represented, expressly or by implication, to assist or attempt to assist the consumer with any  
17 of the following:

- 18 i. stopping, preventing, or postponing any mortgage or deed of trust  
19 foreclosure sale for the consumer's dwelling, any repossession of the  
20 consumer's dwelling, or otherwise saving the consumer's dwelling  
21 from foreclosure or repossession;
- 22 ii. negotiating, obtaining, or arranging a modification of any term of  
23 dwelling loan, including a reduction in the amount of interest, principal  
24 balance, monthly payments, or fees;
- 25 iii. obtaining any forbearance or modification in the timing of payments  
26 from any dwelling loan holder or servicer on any dwelling loan;
- 27 iv. negotiating, obtaining, or arranging any extension of the period of time  
28 within which the consumer may (i) cure his or her default on a dwelling

- 1 loan, (ii) reinstate his or her dwelling loan, (iii) redeem a dwelling, or  
2 (iv) exercise any right to reinstate a dwelling loan or redeem a dwelling;  
3 v. obtaining any waiver of an acceleration clause or balloon payment  
4 contained in any promissory note or contract secured by any dwelling;  
5 or  
6 vi. negotiating, obtaining, or arranging (i) a short sale of a dwelling, (ii) a  
7 deed in lieu of foreclosure, (iii) or any other disposition of a dwelling  
8 loan other than a sale to a third party that is not the dwelling loan  
9 holder.

10 The foregoing shall include any manner of claimed assistance, including, but  
11 not limited to, auditing or examining a consumer's mortgage or home loan  
12 application.

13 10. "Person" means an individual, partnership, company, corporation, association  
14 (incorporated or unincorporated), trust, estate, cooperative organization, or other entity.

15 11. "Receivership Assets" means and includes any Asset of any Receivership  
16 Defendant, as defined above, including both existing Assets and Assets acquired after the  
17 date of entry of this Order, and includes any Assets held by a third party, whether a party to  
18 the above-referenced action or not.

19 12. "Receivership Estate" means and includes the estate of the Receivership  
20 Defendants created by this Order, and as may be modified or expanded by subsequent orders  
21 of this Court, including but not limited to all Receivership Assets as defined herein,  
22 regardless of whether such Receivership Assets are held by any Defendant or Individual  
23 Defendant, or third party not presently a party to the above-referenced action.

24 13. "Receivership Defendants" means The Gordon Law Firm P.C., Division One  
25 Investment and Loan, Inc., and Processing Division, L.L.C., and their successors, assigns,  
26 affiliates, or subsidiaries, individually, collectively, or in any combination, and each of them  
27 by whatever names each might be known, provided that the Receiver has reason to believe  
28 they are owned or controlled in whole or in part by any of the Defendants.



- 1 C. The nature of any Defendant's or any other person's relationship with any  
2 mortgage loan holder or servicer, or other secured or unsecured lender;
- 3 D. The amount of time it will take or is likely to take to obtain or arrange a  
4 renegotiation, settlement, modification, or other alteration of the terms of any  
5 secured or unsecured debt, including but not limited to the modifications of  
6 any term of a consumer's home loan, deed of trust, or mortgage, including any  
7 recapitalization or reinstatement agreement; or
- 8 E. The cost of any Defendants' service including that there will be no charge for  
9 all or a portion of such service.

10 **II.**

11 **DISCLOSURES REQUIRED BY AND REPRESENTATIONS PROHIBITED BY**  
12 **REGULATION O**

13 IT IS FURTHER ORDERED that Defendants and their successors, assigns, officers,  
14 agents, servants, employees, independent contractors, and attorneys, and those persons in  
15 active concert or participation with any of them who receive actual notice of this Order by  
16 personal service, facsimile transmission, email, or otherwise, whether acting directly or  
17 through any corporation, subsidiary, division, or other device, in connection with the  
18 advertising, marketing, promotion, offering for sale, sale, or performance of any good or  
19 service, are hereby restrained and enjoined from engaging in, or assisting others in engaging  
20 in, the following conduct:

- 21 A. Representing, expressly or by implication, that a consumer cannot or should  
22 not contact or communicate with his or her lender or servicer, in violation of  
23 12 C.F.R. § 1015.3(a);
- 24 B. Failing to make the following disclosure clearly and prominently in all general  
25 and consumer-specific commercial communications: "[Name of Company] is  
26 not associated with the government, and our service is not approved by the  
27 government or your lender," in violation of 12 C.F.R. §§ 1015.4(a)(1),  
28 1015.4(b)(2);



- 1 C. Failing to make the following disclosure clearly and prominently in all general  
2 and consumer-specific commercial communications: “Even if you accept this  
3 offer and use our service, your lender may not agree to change your loan,” in  
4 violation of 12 C.F.R. §§ 1015.4(a)(2), 1015.4(b)(3);
- 5 D. Failing to make the following disclosure clearly and prominently in all  
6 consumer-specific commercial communications: “You may stop doing  
7 business with us at any time. You may accept or reject the offer of mortgage  
8 assistance we obtain from your lender [or servicer]. If you reject the offer, you  
9 do not have to pay us. If you accept the offer, you will have to pay us [insert  
10 amount or method for calculating the amount] for our services.” For the  
11 purposes of this section, the amount “you will have to pay” shall consist of the  
12 total amount the consumer must pay to purchase, receive, and use all of the  
13 mortgage assistance relief services that are the subject of the sales offer,  
14 including but not limited to, all fees and charges, in violation of 12 C.F.R. §  
15 1015.4(b)(1);
- 16 E. Failing, in all general commercial communications, consumer-specific  
17 commercial communications, and other communications in cases where any  
18 Defendant or person has represented, expressly or by implication, in  
19 connection with the advertising, marketing, promotion, offering for sale, sale,  
20 or performance of any mortgage assistance relief service, that the consumer  
21 should temporarily or permanently discontinue payments, in whole or in part,  
22 on a dwelling loan, to place clearly and prominently, and in close proximity to  
23 any such representation the following disclosure: “If you stop paying your  
24 mortgage, you could lose your home and damage your credit rating,” in  
25 violation of 12 C.F.R. § 1015.4(c); and
- 26 F. Any other conduct in violation of 12 C.F.R. § 1015 et seq.
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1 **III.**

2 **PROHIBITION ON COLLECTION OF ADVANCE FEES**

3 IT IS FURTHER ORDERED that Defendants and their successors, assigns, officers,  
4 agents, servants, employees, independent contractors, and attorneys, and those persons in  
5 active concert or participation with any of them who receive actual notice of this Order by  
6 personal service, facsimile transmission, email, or otherwise, whether acting directly or  
7 through any corporation, subsidiary, division, or other device, in connection with the  
8 advertising, marketing, promotion, offering for sale, sale, or performance of any mortgage  
9 assistance relief service, are hereby restrained and enjoined from asking for or receiving  
10 payment before consumers have executed a written agreement between the consumer and  
11 the loan holder or servicer that incorporates the offer obtained by Defendants.

12 **IV.**

13 **PRESERVATION OF RECORDS AND TANGIBLE THINGS**

14 IT IS FURTHER ORDERED that Defendants and their successors, assigns, officers,  
15 agents, servants, employees, independent contractors, and attorneys, and those persons in  
16 active concert or participation with any of them who receive actual notice of this Order by  
17 personal service, facsimile transmission, email, or otherwise, whether acting directly or  
18 through any entity, corporation, subsidiary, division, affiliate, or other device, are hereby  
19 enjoined from destroying, erasing, mutilating, concealing, altering, transferring, or otherwise  
20 disposing of, in any manner, directly or indirectly, any Documents or records that relate to  
21 the business practices, or business or personal finances of any Defendant, or other entity  
22 directly or indirectly under the control of any Defendant.

23 **V.**

24 **DISABLEMENT OF WEBSITES**

25 IT IS FURTHER ORDERED that Defendants and their successors, assigns, officers,  
26 agents, servants, employees, independent contractors, and attorneys, and those persons in  
27 active concert or participation with any of them who receive actual notice of this Order by  
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1 personal service, facsimile transmission, email, or otherwise, whether acting directly or  
2 through any entity, corporation, subsidiary, division, affiliate, or other device, shall:

- 3 A. Immediately do whatever is necessary to ensure that any Internet website used  
4 by Defendants for the advertising, marketing, promotion, offering for sale,  
5 sale, or performance of any mortgage assistance relief service, including but  
6 not limited to [www.reliefcouncil.org](http://www.reliefcouncil.org), [www.thereliefnetwork.org](http://www.thereliefnetwork.org),  
7 [www.prelitlaw.com](http://www.prelitlaw.com), [www.resourcelawgroup.com](http://www.resourcelawgroup.com),  
8 [www.resourcelawcenter.com](http://www.resourcelawcenter.com), [www.resourcelegalgroup.com](http://www.resourcelegalgroup.com), and  
9 [www.nationallegalsource.com](http://www.nationallegalsource.com), containing statements, representations, or  
10 omissions prohibited by Sections I and II of this Order cannot be accessed by  
11 the public;
- 12 B. Prevent the destruction or erasure of any Internet website used by Defendants  
13 for the advertising, marketing, promotion, offering for sale, sale, or  
14 performance of any mortgage assistance relief service, by preserving such  
15 website in the format in which it is maintained currently; and
- 16 C. Immediately notify in writing counsel for the Bureau of any other Internet  
17 website operated or controlled by any Defendant not listed in Subsections  
18 V.A. above.

## 19 VI.

### 20 SUSPENSION OF INTERNET DOMAIN NAME REGISTRATIONS

21 IT IS FURTHER ORDERED that Defendants and their successors, assigns, officers,  
22 agents, servants, employees, independent contractors, and attorneys, and those persons in  
23 active concert or participation with any of them who receive actual notice of this Order by  
24 personal service, facsimile transmission, email, or otherwise, whether acting directly or  
25 through any entity, corporation, subsidiary, division, affiliate, or other device, shall suspend  
26 the registration of any internet website used by Defendants for the advertising, marketing,  
27 promotion, offering for sale, sale, or performance of any mortgage assistance relief service,  
28 and containing statements, representations, or omissions prohibited by Sections I and II of

1 this Order, including, but not limited to [www.reliefcouncil.org](http://www.reliefcouncil.org), [www.thereliefnetwork.org](http://www.thereliefnetwork.org),  
2 [www.prelitlaw.com](http://www.prelitlaw.com), [www.resourcelawgroup.com](http://www.resourcelawgroup.com), [www.resourcelawcenter.com](http://www.resourcelawcenter.com),  
3 [www.resourcelegalgroup.com](http://www.resourcelegalgroup.com), and [www.nationallegalsource.com](http://www.nationallegalsource.com), and provide immediate  
4 notice to counsel for the Bureau of any other Internet domain names registered or controlled  
5 by any Defendants.

6 **VII.**

7 **ASSET FREEZE**

8 IT IS FURTHER ORDERED that except as specified below, Defendants and their  
9 successors, assigns, officers, agents, servants, employees, independent contractors, and  
10 attorneys, and all persons directly or indirectly under the control of any of them, including  
11 any financial institution, and all other persons in active concert or participation with any of  
12 them who receive actual notice of this Order by personal service, facsimile, email, or  
13 otherwise, are hereby restrained and enjoined from directly or indirectly:

- 14 A. Selling, liquidating, assigning, transferring, converting, loaning,  
15 hypothecating, disbursing, gifting, conveying, encumbering, pledging,  
16 concealing, dissipating, spending, withdrawing, or otherwise disposing of any  
17 Asset that is:
- 18 1. in the actual or constructive possession of any Defendant; or
  - 19 2. in the actual or constructive possession of, or owned or controlled by,  
20 or subject to access by, or belonging to, any corporation, partnership,  
21 trust or other entity directly or indirectly owned, managed or controlled  
22 by any Defendant;
- 23 B. Opening, or causing to be opened, any safe deposit box, commercial mail box,  
24 or storage facility belonging to, for the use or benefit of, controlled by, or  
25 titled in the name of any Defendant, or subject to access by any Defendant;
- 26 C. Incurring charges or cash advances on any credit card, stored value card, debit  
27 card or charge card issued in the name, singly or jointly, of any Defendant or  
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1 any other entity directly or indirectly owned, managed, or controlled by any  
2 Defendant;

3 D. Obtaining a personal or secured loan; or

4 E. Cashing any checks from consumers, clients, or customers of any Defendant.

5 IT IS FURTHER ORDERED that except as specified below, the Assets affected by  
6 this Section shall include: (a) all Assets of each Defendant as of the time this Order is  
7 entered, and (b) those Assets obtained or received after entry of this Order that are derived,  
8 directly or indirectly, from the actions alleged in the CFPB's Complaint. This Section does  
9 not prohibit transfers to the Temporary Receiver or to the Court's registry, nor does it  
10 prohibit the Repatriation of Foreign Assets, as specifically required in Section X of this  
11 Order.

12 Provided however, that upon entry of this Order, the freeze of the following accounts  
13 shall be dissolved and no longer subject to the provisions of the Asset Freeze:

- 14 1. Account in the name of Division One Investment and Loan, Inc. at Wells  
15 Fargo, Account Number xxxxxx5971;
- 16 2. Account in the name of Division One Investment and Loan, Inc. at Wells  
17 Fargo, Account Number xxxxxx9816;
- 18 3. Account in the name of Division One Investment and Loan, Inc. at Wells  
19 Fargo, Account Number xxxxxx0768; and
- 20 4. Account in the name of Division One Investment and Loan, Inc. at Wells  
21 Fargo, Account Number xxxxxx1335.

22 The CFPB and Pessar agree that no further funds will be released for any purpose,  
23 including living expenses or attorneys' fees, while this Preliminary Injunction is in place.

24 IT IS FURTHER ORDERED that upon entry of this Order, the Receiver shall release  
25 Pessar's personal Sony computer to him.

26 Also provided however, that Gordon may dissipate a maximum of \$2,500 per month  
27 for necessary and reasonable living expenses from whatever income Gordon received after  
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1 entry of the TRO, or may obtain after the entry of this Preliminary Injunction, that is not  
2 derived, directly or indirectly, from the actions alleged in the CFPB's Complaint.

3 **VIII.**

4 **RETENTION OF ASSETS AND RECORDS BY FINANCIAL INSTITUTIONS AND**  
5 **OTHER THIRD PARTIES**

6 IT IS FURTHER ORDERED that, except as otherwise ordered by this Court, any  
7 financial or brokerage institution, business entity, electronic data host, Internet or  
8 "e-currency" payment processor, or person served with a copy of this Order, or who  
9 otherwise has actual or constructive knowledge of this Order, that holds, controls, or  
10 maintains custody of any account, Document, or Asset of, on behalf of, in the name of, for  
11 the benefit of, subject to withdrawal by, subject to access or use by, or under the signatory  
12 power of any Defendant or other party subject to Section VII above, or has held, controlled,  
13 or maintained any such account, Document, or Asset at any time since January 1, 2010,  
14 shall:

- 15 A. Hold, preserve, and retain within such person's control, and prohibit the  
16 withdrawal, removal, alteration, assignment, transfer, pledge, hypothecation,  
17 encumbrance, disbursement, dissipation, conversion, sale, liquidation, or other  
18 disposal of such account, Document, or Asset held by or under such person's  
19 control, except as directed by further order of the Court or as directed in  
20 writing by the Temporary Receiver regarding accounts, Documents, or Assets  
21 held in the name of or benefit of any Receivership Defendant;
- 22 B. Provide the Receiver, the Receiver's agents, the Bureau, and the Bureau's  
23 agents immediate access to Documents, including those electronically stored,  
24 hosted, or otherwise maintained on behalf of Defendants for forensic imaging  
25 or copying;
- 26 C. Deny access to any safe deposit box, commercial mail box, or storage facility  
27 belonging to, for the use or benefit of, controlled by, or titled in the name of  
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1 any Defendant, or subject to access by any Defendant or other party subject to  
2 Section VII (Asset Freeze) above;

3 D. Provide to counsel for the Bureau and the Receiver, within fourteen (14) days,  
4 a sworn statement setting forth:

- 5 1. Information sufficient to identify each account or Asset titled in the  
6 name, individually or jointly, or held on behalf of or for the benefit of,  
7 subject to withdrawal by, subject to access or use by, or under the  
8 signatory power of any Defendant or other party subject to Section VII  
9 above, whether in whole or in part;
- 10 2. the balance of each such account, or a description of the nature and  
11 value of such Asset, as of the close of business on the day on which this  
12 Order is served;
- 13 3. the identification of any safe deposit box, commercial mail box, or  
14 storage facility belonging to, for the use or benefit of, controlled by, or  
15 titled in the name of any Defendant, or subject to access by any  
16 Defendant or other party subject to Section VII above, whether in  
17 whole or in part; and
- 18 4. if the account, safe deposit box, or other Asset has been closed or  
19 removed, the date closed or removed, the balance on said date, and the  
20 name or the person or entity to whom such account or other Asset was  
21 remitted;

22 E. Provide to counsel for the Bureau and the Receiver, within twenty-one days  
23 after being served with a request, copies of all Documents pertaining to such  
24 account or Asset, including but not limited to originals or copies of account  
25 applications, account statements, signature cards, checks, drafts, deposit  
26 tickets, transfers to and from the accounts, all other debit and credit  
27 instruments or slips, currency transaction reports, 1099 forms, and safe deposit  
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1 box logs; provided that such institution or custodian may charge a reasonable  
2 fee; and

3 IT IS FURTHER ORDERED that the accounts subject to this provision include: (a)  
4 all Assets of each Defendant deposited as of the time this Order is entered, and (b) those  
5 Assets deposited after entry of this Order that are derived from the actions alleged in the  
6 CFPB's Complaint. This Section does not prohibit transfers to the Temporary Receiver or  
7 to the Court's registry, nor does it prohibit the Repatriation of Foreign Assets, as specifically  
8 required in Section X of this Order.

9 IT IS FURTHER ORDERED that the Bureau is granted leave, pursuant to Fed. R.  
10 Civ. P. 45, to subpoena Documents immediately from any financial or brokerage institution,  
11 business entity, electronic data host, or person served with a copy of this Order that holds,  
12 controls, or maintains custody of any account, Document, or Asset of, on behalf of, in the  
13 name of, for the benefit of, subject to withdrawal by, subject to access or use by, or under  
14 the signatory power of any Defendant or other party subject to Section VII above, or has  
15 held, controlled, or maintained any such account, Document, or Asset at any time since  
16 January 1, 2010, and such financial or brokerage institution, business entity, electronic data  
17 host or person shall respond to such subpoena within the time required by law after service.

## 18 IX.

### 19 CONSUMER CREDIT REPORTS

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

## 24 X.

### 25 REPATRIATION OF FOREIGN ASSETS

26 IT IS FURTHER ORDERED that, within thirty days following the service of this  
27 Order, each Defendant shall:





- 1 occurred under the terms of a foreign trust agreement until such time that all  
2 Assets have been fully repatriated pursuant to Section X of this Order; or  
3 B. Notifying any trustee, protector, or other agent of any foreign trust or other  
4 related entities of either the existence of this Order, or of the fact that  
5 repatriation is required pursuant to a court order, until such time that all Assets  
6 have been fully repatriated pursuant to Section X of this Order.

7 **XII.**

8 **RECEIVERSHIP PROVISIONS**

9 IT IS FURTHER ORDERED that Robb Evans & Associates LLC, 11450 Sheldon  
10 Street, Sun Valley, CA 91352-1121, shall continue as Temporary Receiver ("Temporary  
11 Receiver") to wind down the affairs and marshal the records and assets of the Receivership  
12 Defendants. The Temporary Receiver shall be the agent of this Court and solely the agent of  
13 this Court in acting as Temporary Receiver under this Order. The Temporary Receiver shall  
14 be accountable directly to this Court. The Temporary Receiver shall comply with all laws  
15 and Local Rules of this Court governing federal equity receivers, including but not limited to  
16 Local Rules 66-1 through 66-5.1 and Local Rule 66-8, and is authorized and directed to:

- 17 A. Take any and all steps that the Temporary Receiver concludes are appropriate  
18 to wind down the Receivership Defendants.
- 19 B. Continue to exercise full control over the Receivership Defendants and  
20 continue to collect, marshal, and take custody, control, and possession of all  
21 the funds, property, premises, accounts, documents, mail, and other assets of,  
22 or in the possession or under the control of the Receivership Defendants,  
23 wherever situated, the income and profits therefrom, and all sums of money  
24 now or hereafter due or owing to the Receivership Defendants, with full power  
25 to collect, receive, and take possession of all goods, chattels, rights, credits,  
26 monies, effects, lands leases, books and records, limited partnership records,  
27 work papers, and records of accounts, including computer-maintained  
28 information, contracts, financial records, monies on hand in banks and other

1 financial institutions, and other papers and documents of other individuals,  
2 partnerships, or corporations whose interest are now held by or under the  
3 direction, possession, custody, or control of the Receivership Defendants  
4 ("Receivership Estate");

5 C. Continue to have full control over the management and personnel of the  
6 Receivership Defendants, including the authority to remove, as the Temporary  
7 Receiver deems necessary or advisable, any director, officer independent  
8 contractor, employee, or agent of the Receivership Defendants from control of,  
9 management of, or participation in the affairs of the Receivership Defendants.

10 D. Make payments and disbursements from the Receivership Estate that are  
11 necessary or advisable for carrying out the directions of, or exercising the  
12 authority granted by, this Order. The Temporary Receiver shall apply to the  
13 Court for prior approval of any payment of any debt or obligation incurred by  
14 the Receivership Defendant prior to the date of entry of the temporary  
15 restraining order in this action, except payments that the Temporary Receiver  
16 deems necessary or advisable to secure and liquidate assets of the  
17 Receivership Defendant, such as rental payments or payment of liens;

18 E. Continue to perform all acts necessary or advisable to prevent unauthorized  
19 transfer, withdrawal, or misapplication of Receivership Assets;

20 F. Continue to maintain accurate records of all receipts and expenditures made as  
21 Temporary Receiver;

22 G. Continue to defend, compromise, adjust, or otherwise dispose of any or all  
23 actions or proceedings instituted in the past or in the future against the  
24 Temporary Receiver in its role as Temporary Receiver, or against the  
25 Receivership Defendant, as the Temporary Receiver deems necessary and  
26 advisable to carry out the Temporary Receiver's mandate under this Order;

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- 1 H. Continue to maintain bank accounts created as designated depositories for  
2 funds of the Receivership Defendant, and make all payments and  
3 disbursements from the Receivership Estate from such an account;
- 4 I. Continue to perform all incidental acts that the Temporary Receiver deems to  
5 be advisable or necessary, which includes retaining, hiring, or dismissing any  
6 employees, independent contractors, or agents;
- 7 J. Continue to cooperate with reasonable requests for information or assistance  
8 from any state or federal law enforcement agency;
- 9 K. Continue to store documents and records of the Defendants relating to these  
10 proceedings by keeping such documents and records in a secure locked storage  
11 facility or the Temporary Receiver's locked facility until entry of a final and  
12 non-appealable judgment, and continuing to provide the Bureau with access to  
13 such documents and records upon reasonable request and notice, and to  
14 provide Defendants with access upon reasonable request or upon order of the  
15 Court. The purpose of this access shall be to inspect, inventory, and copy any  
16 and all Documents and records or in the possession of the Temporary  
17 Receiver, provided that those Documents and property are not removed from  
18 the custody and control of the Temporary Receiver. The Temporary Receiver  
19 shall have the discretion to determine the time, manner, and reasonable  
20 conditions of such access. After entry of a final and non-appealable judgment,  
21 the Temporary Receiver shall dispose of or arrange for the disposal of the  
22 stored records as it sees fit, provided that to safeguard the privacy of  
23 consumers, records containing personal financial information shall be  
24 shredded, incinerated, or otherwise disposed of in a secure manner;
- 25 L. Dispose of, or arrange for the disposal of, the records of the Receivership  
26 Defendant that are not related to this action or that the Temporary Receiver  
27 deems appropriate to release to Defendants, except that prior to disposing of  
28 any such records belonging to Defendants the Temporary Receiver shall offer

1 the Defendants the opportunity to retrieve the documents. If the Defendants  
2 fail to make arrangements within 14 days of the Temporary Receiver's offer,  
3 the Temporary Receiver is authorized to dispose of such documents as it sees  
4 fit, provided that to safeguard the privacy of consumers, records containing  
5 personal financial information shall be shredded, incinerated, or otherwise  
6 disposed of in a secure manner;

7 M. Perform all acts necessary to protect, conserve, preserve, and prevent waste or  
8 dissipation of the non-liquid assets until their sale; and

9 N. Sell the non-liquid assets without further order of the Court, including any  
10 remaining office equipment and furniture, with the exception of the office  
11 furniture in suites 2105, 2111, and 2118 at 5454 Wilshire Boulevard, Los  
12 Angeles, CA, which the Temporary Receiver has released to the Defendants,  
13 provided that if the Defendants fail to remove such equipment and furniture by  
14 a date set by the Temporary Receiver, the Temporary Receiver is authorized to  
15 dispose of such equipment and furniture as it sees fit.

16 Provided however, that upon entry of this Order, the Temporary Receiver shall  
17 relinquish control of Suite 915 at 5455 Wilshire Boulevard, Los Angeles, CA 91210 to  
18 Defendant Division One Investment and Loan, Inc. to engage in real estate transactions that  
19 are outside the scope of mortgage assistance relief services subject to Regulation O.  
20 Defendant Division One Investment and Loan, Inc. will be solely responsible for payment of  
21 utilities and rent for Suite 915 as of the date that possession is released to Defendant  
22 Division One Investment and Loan, Inc.

### 23 **XIII.**

#### 24 **COOPERATION WITH TEMPORARY RECEIVER**

25 IT IS FURTHER ORDERED that:

26 A. To the extent not already done pursuant to the TRO issued in this case,  
27 Defendants, and their successors, assigns, officers, agents, directors, servants,  
28 employees, salespersons, independent contractors, attorneys, and corporations,

1 and all other persons or entities in active concert or participation with them,  
2 who receive actual notice of this Order by personal service or otherwise,  
3 whether acting directly or through any trust, corporation, subsidiary, division,  
4 or other device, or any of them, shall fully cooperate with and assist the  
5 Temporary Receiver. Defendants' cooperation and assistance shall include,  
6 but not be limited to:

- 7 1. Providing any information to the Temporary Receiver that the  
8 Temporary Receiver deems necessary to exercising the authority and  
9 discharging the responsibilities of the Temporary Receiver under this  
10 Order, including but not limited to allowing the Temporary Receiver to  
11 inspect Documents and Assets and to partition office space;
- 12 2. Providing any username or password and executing any documents  
13 required to access any computer or electronic files in any medium,  
14 including but not limited to electronically stored information stored,  
15 hosted or otherwise maintained by an electronic data host; and
- 16 3. Advising all persons who owe money to the Receivership Defendant  
17 that all debts should be paid directly to the Temporary Receiver.

18 B. Defendants and their successors, assigns, officers, directors, agents, servants,  
19 employees, attorneys, and all other persons or entities directly or indirectly, in  
20 whole or in part, under their control, and all other persons in active concert or  
21 participation with who receive actual notice of this Order by personal service  
22 or otherwise, shall not interfere in any manner, directly or indirectly with the  
23 custody, possession, management, or control by the Temporary Receiver of  
24 Assets and Documents, and are hereby restrained and enjoined from directly or  
25 indirectly:

- 26 1. Transacting any of the business of the Receivership Defendant;
- 27 2. Destroying, secreting, erasing, mutilating, defacing, concealing,  
28 altering, transferring or otherwise disposing of, in any manner, directly

1 or indirectly, any Documents or equipment of the Receivership  
2 Defendant, including but not limited to contracts, agreements, consumer  
3 files, consumer lists, consumer addresses and telephone numbers,  
4 correspondence, advertisements, brochures, sales material, sales  
5 presentations, Documents evidencing or referring to Defendants'  
6 services, training materials, scripts, data, computer tapes, disks, or other  
7 computerized records, books, written or printed records, handwritten  
8 notes, telephone logs, "verification" or "compliance" tapes or other  
9 audio or video tape recordings, receipt books, invoices, postal receipts,  
10 ledgers, personal and business canceled checks and check registers,  
11 bank statements, appointment books, copies of federal, state or local  
12 business or personal income or property tax returns, photographs,  
13 mobile devices, electronic storage media, accessories, and any other  
14 Documents, records or equipment of any kind that relate to the business  
15 practices or business or personal finances of the Receivership  
16 Defendant or any other entity directly or indirectly under the control of  
17 the Receivership Defendant;

- 18 3. Transferring, receiving, altering, selling, encumbering, pledging,  
19 assigning, liquidating, or otherwise disposing of any Assets owned,  
20 controlled, or in the possession or custody of, or in which an interest is  
21 held or claimed by, the Receivership Defendant, or the Temporary  
22 Receiver;
- 23 4. Excusing debts owed to the Receivership Defendant;
- 24 5. Failing to notify the Temporary Receiver of any Asset, including  
25 accounts, of a Receivership Defendant held in any name other than the  
26 name of the Receivership Defendant, or by any person or entity other  
27 than the Receivership Defendant, or failing to provide any assistance or  
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1 information requested by the Temporary Receiver in connection with  
2 obtaining possession, custody, or control of such Assets;

3 6. Failing to create and maintain books, records, and accounts which, in  
4 reasonable detail, accurately, fairly, and completely reflect the incomes,  
5 Assets, disbursements, transactions and use of monies by the  
6 Defendants or any other entity directly or indirectly under the control of  
7 the Defendants;

8 7. Doing any act or refraining from any act whatsoever to interfere with  
9 the Temporary Receiver's taking custody, control, possession, or  
10 managing of the Assets or Documents subject to this Receivership; or  
11 to harass or to interfere with the Temporary Receiver in any way; or to  
12 interfere in any manner with the exclusive jurisdiction of this Court  
13 over the Assets or Documents of the Receivership Defendant; or to  
14 refuse to cooperate with the Temporary Receiver or the Temporary  
15 Receiver's duly authorized agents in the exercise of their duties or  
16 authority under any Order of this Court; and

17 8. Filing, or causing to be filed, any petition on behalf of the Receivership  
18 Defendant for relief under the United States Bankruptcy Code, 11  
19 U.S.C. § 101 et seq., without prior permission from this Court.

20 **XIV.**

21 **COMPENSATION FOR TEMPORARY RECEIVER**

22 IT IS FURTHER ORDERED that the Temporary Receiver and all personnel hired by  
23 the Temporary Receiver as herein authorized, including counsel to the Temporary Receiver  
24 and accountants, are entitled to reasonable compensation for the performance of duties  
25 pursuant to this Order, and for the cost of actual out-of-pocket expenses incurred by them,  
26 from the Assets now held by or in the possession or control of, or which may be received by,  
27 the Receivership Defendant. The Temporary Receiver shall not increase the hourly rates  
28 used as the bases for such fee applications without prior approval of the Court.



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**XV.**

**RECEIVER'S FINAL REPORT AND DISBURSEMENT**

IT IS FURTHER ORDERED that:

- A. No later than forty-five (45) days from the entry of this Order, the Temporary Receiver shall file and serve on the parties a report and accounting ("the Final Report") to the Court that details the steps taken to dissolve the Receivership estate. The Final Report must include an accounting of the Receivership estate's finances and total assets and a description of what other actions, if any, must be taken to wind down the Receivership. Included with the Final Report, the Temporary Receiver shall file its final application for payment of compensation and expenses associated with its performance of its duties as Temporary Receiver. The only remaining responsibility of the Temporary Receiver after the Court's approval of the Final Report shall be the storage and access to documents as provided Section XI.L.
- B. The Receiver shall mail copies of the Final Report to all known creditors of the Receivership Defendant with a notice stating that any objections to paying any assets of the Receivership Defendant to satisfy the Temporary Receiver's costs and expenses must be submitted to the Court and served by mail upon the Temporary Receiver and the parties within thirty (30) days of the mailing of the Final Report.
- C. The Court will review the Final Report and any objections to the report and absent a valid objection, will issue an order directing that the Temporary Receiver:
1. Pay the reasonable costs and expenses of administering the Receivership, including compensation of the Temporary Receiver and the Temporary Receiver's personnel authorized by Section XIII of this Order or other orders of this Court and the actual out-of-pocket costs incurred by the Temporary Receiver in carrying out its duties; and



1 against, on behalf of, in, or in the name of, the Receivership Defendant, any of  
2 their subsidiaries, affiliates, partnerships, Assets, Documents, or the  
3 Temporary Receiver or the Temporary Receiver's duly authorized agents  
4 acting in their capacities as such, including, but not limited to, the following  
5 actions:

- 6 1. Commencing, prosecuting, continuing, entering, or enforcing any suit  
7 or proceeding, except that such actions may be filed to toll any  
8 applicable statute of limitations;
- 9 2. Accelerating the due date of any obligation or claimed obligation; filing  
10 or enforcing any lien; taking or attempting to take possession, custody,  
11 or control of any Asset; attempting to foreclose, forfeit, alter, or  
12 terminate any interest in any Asset, whether such acts are part of a  
13 judicial proceeding, are acts of self-help, or otherwise;
- 14 3. Executing, issuing, serving, or causing the execution, issuance or  
15 service of, any legal process, including, but not limited to, attachments,  
16 garnishments, subpoenas, writs of replevin, writs of execution, or any  
17 other form of process whether specified in this Order or not; or
- 18 4. Doing any act or thing whatsoever to interfere with the Temporary  
19 Receiver taking custody, control, possession, or management of the  
20 Assets or Documents subject to this Receivership, or to harass or  
21 interfere with the Temporary Receiver in any way, or to interfere in any  
22 manner with the exclusive jurisdiction of this Court over the Assets or  
23 Documents of the Receivership Defendant;

24 B. This Section XVIII does not stay:

- 25 1. The commencement or continuation of a criminal action or proceeding;
- 26 2. The commencement or continuation of an action or proceeding by the  
27 State Bar of California to enforce its police or regulatory power;

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1 written statement disclosing the following: (1) the name of the business entity;  
2 (2) the address and telephone number of the business entity; (3) the names of  
3 the business entity's officers, directors, principals, managers and employees;  
4 and (4) a detailed description of the business entity's intended or actual  
5 activities.

6 B. Individual Defendant shall notify the Commission at least seven (7) days prior  
7 to affiliating with, becoming employed by, or performing any work for any  
8 business that is not a named Defendant in this action. Each notice shall include  
9 his new business address and a statement of the nature of the business or  
10 employment and the nature of his duties and responsibilities in connection  
11 with that business or employment.

## 12 **XXI.**

### 13 **DEFENDANTS' DUTY TO DISTRIBUTE ORDER**

14 IT IS FURTHER ORDERED that Defendants shall immediately provide a copy of  
15 this Order to each affiliate, subsidiary, division, sales entity, successor, assign, officer,  
16 director, employee, independent contractor, client company, electronic data host, agent,  
17 attorney, spouse, and representative of Defendants and shall, within three (3) calendar days  
18 from the date of entry of this Order, provide counsel for the Bureau with a sworn statement  
19 that: (a) confirms that Defendants have provided copies of the Order as required by this  
20 Section and (b) lists the names and addresses of each entity or person to whom Defendants  
21 provided a copy of the Order. Furthermore, Defendants shall not take any action that would  
22 encourage officers, agents, directors, employees, salespersons, independent contractors,  
23 attorneys, subsidiaries, affiliates, successors, assigns, or other persons or entities in active  
24 concert or participation with Defendants to disregard this Order or believe that they are not  
25 bound by its provisions.

1 **XXII.**

2 **CORRESPONDENCE WITH PLAINTIFF**

3 IT IS FURTHER ORDERED that, for the purposes of this Order, because mail  
4 addressed to the Bureau is subject to delay due to heightened security screening, all  
5 correspondence and service of pleadings on Plaintiff shall be sent either via electronic  
6 submission or via overnight delivery to:

7  
8 Laura Schneider  
9 Consumer Financial Protection Bureau  
10 1700 G Street, NW, ATTN: 1750 PA  
11 Washington, DC 20552  
12 ATTN: Office of Enforcement  
13 Laura.schneider@cfpb.gov

14 with a copy to:

15 Kent Kawakami - Local Counsel, CA Bar # 149803  
16 United States Attorney's Office  
17 Central District of California - Civil Division  
18 300 North Los Angeles Street, Room 7516  
19 Los Angeles, CA 90012  
20 Kent.Kawakami@usdoj.gov

21 **XXIII.**

22 **SERVICE OF THIS ORDER**

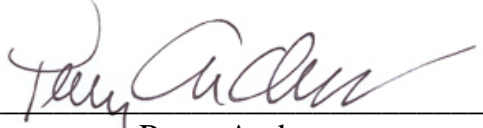
23 IT IS FURTHER ORDERED that copies of this Order may be served by facsimile  
24 transmission, email, personal or overnight delivery, or U.S. Mail, by agents and employees  
25 of the Bureau or any state or federal law enforcement agency or by private process server,  
26 upon any financial institution or other entity or person that may have possession, custody, or  
27 control of any Documents or Assets of any Defendant, or that may otherwise be subject to  
28 any provision of this Order. Service upon any branch or office of any financial institution  
shall effect service upon the entire financial institution.

1 **XXIV.**

2 **RETENTION OF JURISDICTION**

3 IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for  
4 all purposes of construction, modification, and enforcement of this Order, including but not  
5 limited to any disputes pertaining to the Temporary Receiver and whether or not such  
6 disputes arise before or after the Temporary Receiver's discharge.  
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9 DATED: November 16, 2012

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12 Percy Anderson  
13 UNITED STATES DISTRICT JUDGE  
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