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17 ATTORNEYS FOR PLAINTIFF FEDERAL TRADE COMMISSION

18 UNITED STATES DISTRICT COURT  
19 CENTRAL DISTRICT OF CALIFORNIA

20 FEDERAL TRADE COMMISSION,

21 Plaintiff,

22 vs.

23 WEALTH EDUCATORS, INC., also  
24 d/b/a Family 1<sup>st</sup> Preservations; Family  
25 1<sup>st</sup> Home Loans; Legal Affiliates &  
26 Associates; Legal Educators & Co.;  
27 Family 1<sup>st</sup> Home Preservation; Legal  
28 Educators USA & Co.; Stargate Mutual  
& Associates; Providence Financial  
Advocates; and Providence Financial  
Audits; and VERONICA SESMA, also  
d/b/a Sesma Consulting,

Defendants.

) No. CV-15-2357 SJO (JEMx)

) PRELIMINARY INJUNCTION WITH  
) ASSET FREEZE AND OTHER  
) RELIEF

) Date: May 4, 2015

) Time: 10:00 a.m.

) Place: Courtroom 1, the Honorable  
) Judge S. James Otero

1 Plaintiff, Federal Trade Commission (“FTC” or “Commission”), filed its  
2 Complaint for Permanent Injunction and Other Equitable Relief and *Ex Parte*  
3 Application for Temporary Restraining Order with Asset Freeze and Other Relief  
4 and Order to Show Cause Why Preliminary Injunction Should Not Issue (“Order”)  
5 on March 31, 2015. The Court entered the requested Order on April 6, 2015.  
6 Defendants were served with the Order and other related papers on April 8, 2015.  
7 Returns of Service have been filed by Plaintiff via ECF (Dkt. 19 and 20).

8 Having considered the parties’ pleadings, papers, and argument, the Court  
9 hereby **GRANTS** the Preliminary Injunction against Defendants Wealth  
10 Educators, Inc., also d/b/a Family 1<sup>st</sup> Preservations, Family 1<sup>st</sup> Home Loans, Legal  
11 Affiliates & Associates, Legal Educators, & Co., Family 1<sup>st</sup> Home Preservation,  
12 Legal Educators USA & Co., Stargate Mutual & Associates, Providence Financial  
13 Advocates, and Providence Financial Audits, and Veronica Sesma, also d/b/a  
14 Sesma Consulting.

### 15 **FINDINGS**

- 16 1. This Court has jurisdiction over the subject matter of this case.
- 17 2. Venue is proper in this District.
- 18 3. The Court finds that the extensive evidence provided by the FTC is  
19 sufficient to demonstrate a likelihood of success on the merits with respect to its  
20 Complaint allegations that Wealth Educators, Inc., and Veronica Sesma violated  
21 Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), by making false claims to induce  
22 consumers to purchase mortgage assistance relief services (“MARS”) and failing  
23 to provide consumers with promised refunds when they were unable to secure the  
24 promised MARS.
- 25 4. The Court finds that the extensive evidence provided by the FTC is  
26 sufficient to demonstrate a likelihood of success on the merits with respect to its  
27 Complaint allegations that Wealth Educators, Inc., and Veronica Sesma violated  
28 Regulation O, 12 C.F.R. §§ 1015.3 – 1015.5, by collecting illegal advance fees, by

1 misrepresenting the time it will take to obtain a loan modification, and by failing to  
2 make required disclosures.

3 5. There is good cause to believe that immediate and irreparable harm  
4 will result from Defendants' ongoing violations of Section 5(a) of the FTC Act, 15  
5 U.S.C. § 45(a), and Regulation O, 12 C.F.R. §§1015.3 – 1015.5, unless Defendants  
6 are restrained and enjoined by Order of this Court.

7 6. There is good cause to believe that immediate and irreparable harm to  
8 the Court's ability to grant effective final relief for consumers in the form of  
9 monetary restitution and disgorgement of ill-gotten gains will occur from the  
10 transfer, dissipation, or concealment by Defendants of their assets or business  
11 records unless Defendants are restrained and enjoined by Order of this Court.

12 7. Because the injunction will preclude only harmful, illegal behavior,  
13 the public equities supporting injunctive relief outweigh any burden imposed by  
14 such relief on Defendants and the requested relief is in the public interest.

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

## 17 ORDER

### 18 DEFINITIONS

19 1. **“Asset”** or **“Assets”** means any legal or equitable interest in, right to,  
20 or claim to, any real, personal, or intellectual property of any Defendant, or held  
21 for the benefit of any Defendant, wherever located, whether in the United States or  
22 abroad, including, but not limited to, chattel, goods, instruments, equipment,  
23 fixtures, general intangibles, effects, leaseholds, contracts, mail or other deliveries,  
24 shares of stock, commodities, futures, inventory, checks, notes, accounts, credits,  
25 receivables (as those terms are defined in the Uniform Commercial Code), cash,  
26 and trusts, including, but not limited to, any trust held for the benefit of any  
27 Defendant, any of the Individual Defendant's minor children, or any of the  
28

1 Individual Defendant’s spouses, and shall include both existing assets and assets  
2 acquired after the date of entry of this Order.

3 2. **“Assisting others”** includes:

- 4 a. performing customer service functions, including receiving or  
5 responding to consumer complaints;
- 6 b. formulating or providing, or arranging for the formulation or  
7 provision of, any advertising or marketing material, including  
8 any telephone script, direct mail solicitation, or the design, text,  
9 or use of images of any Internet website, email, or other  
10 electronic communication;
- 11 c. formulating or providing, or arranging for the formulation or  
12 provision of, any marketing support material or service,  
13 including web or Internet Protocol addresses or domain name  
14 registration for any Internet websites, affiliate marketing  
15 services, or media placement services;
- 16 d. providing names of, or assisting in the generation of, potential  
17 customers;
- 18 e. performing marketing, billing, or payment services of any kind;  
19 or
- 20 f. acting or serving as an owner, officer, director, manager, or  
21 principal of any entity.

22 3. **“Commercial communication”** means any written or oral statement,  
23 illustration, or depiction, whether in English or any other language, that is designed  
24 to effect a sale or create interest in purchasing any service, plan, or program,  
25 whether it appears on or in a label, package, package insert, radio, television, cable  
26 television, brochure, newspaper, magazine, pamphlet, leaflet, circular, mailer, book  
27 insert, free standing insert, letter, catalogue, poster, chart, billboard, public transit  
28 card, point of purchase display, film, slide, audio program transmitted over a

1 telephone system, telemarketing script, onhold script, upsell script, training  
2 materials provided to telemarketing firms, program-length commercial  
3 (“infomercial”), the internet, cellular network, or any other medium. Promotional  
4 materials and items and Web pages are included in the term “commercial  
5 communication.”

6 4. **“Consumer-specific commercial communication”** means a  
7 commercial communication that occurs prior to the consumer agreeing to permit  
8 the provider to seek offers of mortgage assistance relief on behalf of the consumer,  
9 or otherwise agreeing to use the mortgage assistance relief service, and that is  
10 directed at a specific consumer.

11 5. **“General commercial communication”** means a commercial  
12 communication that occurs prior to the consumer agreeing to permit the provider to  
13 seek offers of mortgage assistance relief on behalf of the consumer, or otherwise  
14 agreeing to use the mortgage assistance relief service, and that is not directed at a  
15 specific consumer.

16 6. **“Defendants”** means the Individual Defendant and the Corporate  
17 Defendant, individually, collectively, or in any combination, and each of them by  
18 whatever names each might be known.

19 a. **“Corporate Defendant”** means Wealth Educators, Inc., and its  
20 successors, assigns, affiliates, or subsidiaries, and each of them  
21 by whatever names each might be known.

22 b. **“Individual Defendant”** means Veronica Sesma and any other  
23 names by which she might be known.

24 7. **“Document”** and **“electronically stored information”** are  
25 synonymous in meaning and equal in scope to the usage of the terms in Rule 34(a)  
26 of the Federal Rules of Civil Procedure and include, but are not limited to:

27 a. The original or a true copy of any written, typed, printed,  
28 electronically stored, transcribed, taped, recorded, filmed,

1 punched, or graphic matter or other data compilations of any  
2 kind, including, but not limited to, letters, email or other  
3 correspondence, messages, memoranda, interoffice  
4 communications, notes, reports, summaries, manuals, magnetic  
5 tapes or discs, tabulations, books, records, checks, invoices,  
6 work papers, journals, ledgers, statements, returns, reports,  
7 schedules, or files; and

8 b. Any electronically stored information stored on any  
9 Blackberrys, flash drives, personal digital assistants (“PDAs”),  
10 desktop personal computer and workstations, laptops,  
11 notebooks, and other portable computers, or other electronic  
12 storage media, whether assigned to individuals or in pools of  
13 computers available for shared use, or personally owned but  
14 used for work-related purposes; backup disks and tapes, archive  
15 disks and tapes, and other forms of offline storage, whether  
16 stored onsite with the computer used to generate them, stored  
17 offsite in another company facility, or stored, hosted, or  
18 otherwise maintained offsite by a third party; and computers  
19 and related offline storage used by Defendants or Defendants’  
20 participating associates, which may include persons who are not  
21 employees of the company or who do not work on company  
22 premises.

23 8. **“Electronic data host”** means any person or entity that stores, hosts,  
24 or otherwise maintains electronically stored information.

25 9. **“Financial institution”** means any bank, savings and loan institution,  
26 credit union, or any financial depository of any kind, including, but not limited to,  
27 any brokerage house, trustee, broker-dealer, escrow agent, title company,  
28 commodity trading company, or precious metal dealer.

1           10.    **“Material fact”** means any fact that is likely to affect a person’s  
2 choice of, or conduct regarding, goods, or services.

3           11.    **“Mortgage assistance relief service”** means any product, service,  
4 plan, or program, offered or provided to the consumer in exchange for  
5 consideration, that is represented, expressly or by implication, to assist or attempt  
6 to assist the consumer with any of the following:

- 7           a.     stopping, preventing, or postponing any mortgage or deed of  
8 trust foreclosure sale for the consumer’s dwelling, any  
9 repossession of the consumer’s dwelling, or otherwise saving  
10 the consumer’s dwelling from foreclosure or repossession;
- 11          b.     negotiating, obtaining, or arranging a modification of any term  
12 of a dwelling loan, including a reduction in the amount of  
13 interest, principal balance, monthly payments, or fees;
- 14          c.     obtaining any forbearance or modification in the timing of  
15 payments from any dwelling loan holder or servicer on any  
16 dwelling loan;
- 17          d.     negotiating, obtaining, or arranging any extension of the period  
18 of time within which the consumer may (i) cure his or her  
19 default on a dwelling loan, (ii) reinstate his or her dwelling  
20 loan, (iii) redeem a dwelling, or (iv) exercise any right to  
21 reinstate a dwelling loan or redeem a dwelling;
- 22          e.     obtaining any waiver of an acceleration clause or balloon  
23 payment contained in any promissory note or contract secured  
24 by any dwelling; or
- 25          f.     negotiating, obtaining, or arranging (i) a short sale of a  
26 dwelling, (ii) a deed-in-lieu of foreclosure, or (iii) any other  
27 disposition of a dwelling other than a sale to a third party who  
28 is not the dwelling loan holder.

1 The foregoing shall include any manner of claimed assistance, including, but not  
2 limited to, auditing or examining a consumer’s mortgage or home loan application  
3 and offering to provide or providing legal services.

4 12. **“Person”** means a natural person, organization, or other legal entity,  
5 including a corporation, partnership, proprietorship, association, cooperative, or  
6 any other group or combination acting as an entity.

7 **I.**

8 **PROHIBITION ON COLLECTION OF ADVANCE FEES**

9 **IT IS THEREFORE ORDERED** that Defendants and their officers,  
10 agents, servants, employees, and attorneys, and those persons or entities in active  
11 concert or participation with any of them who receive actual notice of this Order  
12 by personal service, facsimile transmission, email, or otherwise, whether acting  
13 directly or through any corporation, subsidiary, division, or other device, in  
14 connection with providing, offering to provide, or arranging for others to provide  
15 any mortgage assistance relief service, are hereby preliminarily restrained and  
16 enjoined from requesting or receiving payment of any fee or other consideration  
17 before the consumer has executed a written agreement between the consumer and  
18 the consumer’s dwelling loan holder or servicer incorporating the offer of  
19 mortgage assistance relief that a Defendant obtained from the consumer’s dwelling  
20 loan holder or servicer on the consumer’s behalf, in violation of Section 1015.5(a)  
21 of Regulation O, 12 C.F.R. § 1015.5(a).

22 **II.**

23 **REPRESENTATIONS PROHIBITED BY SECTION 5 OF THE FTC ACT**

24 **IT IS FURTHER ORDERED** that Defendants and their officers, agents,  
25 servants, employees, and attorneys, and those persons or entities in active concert  
26 or participation with any of them who receive actual notice of this Order by  
27 personal service, facsimile transmission, email, or otherwise, whether acting  
28 directly or through any corporation, subsidiary, division, or other device, in



1 connection with the advertising, marketing, promotion, offering for sale, or sale of  
2 any mortgage assistance relief service, are hereby preliminarily restrained and  
3 enjoined from engaging in, or assisting others in engaging in, the following  
4 conduct:

- 5       A.    Misrepresenting, directly or indirectly, expressly or by implication,  
6            that Defendants typically will obtain mortgage loan modifications for  
7            consumers that will make consumers' payments substantially more  
8            affordable, substantially lower their interest rates, or help them avoid  
9            foreclosure;
- 10       B.   Misrepresenting, directly or indirectly, expressly or by implication,  
11            that Defendants will provide legal services, including forensic audits;  
12            and
- 13       C.   Misrepresenting, directly or indirectly, expressly or by implication,  
14            that Defendants will refund the consumer's fee if Defendants fail to  
15            obtain the promised mortgage loan modification.

16    **III.**  
17       **REPRESENTATIONS PROHIBITED AND DISCLOSURES REQUIRED**  
18            **BY REGULATION O**

19       **IT IS FURTHER ORDERED** that Defendants and their officers, agents,  
20 servants, employees, and attorneys, and those persons or entities in active concert  
21 or participation with any of them who receive actual notice of this Order by  
22 personal service, facsimile transmission, email, or otherwise, whether acting  
23 directly or through any corporation, subsidiary, division, or other device, in  
24 connection with providing, offering to provide, or arranging for others to provide  
25 any mortgage assistance relief service, are hereby preliminarily restrained and  
26 enjoined from engaging in the following conduct:

- 27       A.    Representing, expressly or by implication, in connection with the  
28            advertising, marketing, promotion, offering for sale, sale, or

1 performance of any mortgage assistance relief service, that a  
2 consumer cannot or should not contact or communicate with his or her  
3 lender or servicer, in violation of Section 1015.3(a) of Regulation O,  
4 12 C.F.R. § 1015.3(a);

5 B. Misrepresenting, expressly or by implication, any material aspect of  
6 any mortgage assistance relief service, including, but not limited to:

- 7 1. The likelihood of negotiating, obtaining, or arranging any  
8 represented service or result, including, but not limited to, the  
9 likelihood of negotiating, obtaining, or arranging a modification  
10 of any term of a dwelling loan, including a reduction in the  
11 amount of interest, principal balance, monthly payments, or  
12 fees, in violation of Section § 1015.3(b)(1) of Regulation O,  
13 12 C.F.R. § 1015.3(b)(1);
- 14 2. The amount of time it will take the mortgage assistance relief  
15 service provider to accomplish any represented service or  
16 result, in violation of Section 1015.3(b)(2) of Regulation O,  
17 12 C.F.R. § 1015.3(b)(2);
- 18 3. That a mortgage assistance relief service is affiliated with,  
19 endorsed or approved by, or otherwise associated with the  
20 government or the maker, holder, or servicer of the consumer's  
21 dwelling loan, in violation of Section 1015.3(b)(3) of  
22 Regulation O, 12 C.F.R. § 1015.3(b)(3);
- 23 4. The terms or conditions of any refund, cancellation, exchange,  
24 or repurchase policy for a mortgage assistance relief service,  
25 including, but not limited to, the likelihood of obtaining a full  
26 or partial refund, or the circumstances in which a full or partial  
27 refund will be granted, for a mortgage assistance relief service,  
28

1 in violation of Section 1015.3(b)(6) of Regulation O, 12 C.F.R.  
2 § 1015.3(b)(6); or

- 3 5. That the consumer will receive legal representation, in violation  
4 of Section 1015.3(b)(8) of Regulation O, 12 C.F.R.  
5 § 1015.3(b)(8);

6 C. Failing to disclose the following information in all general  
7 commercial communications and all consumer-specific commercial  
8 communications:

- 9 1. “[Name of Company] is not associated with the government,  
10 and our service is not approved by the government or your  
11 lender,” in violation of Section 1015.4(a)(1) and (b)(2) of  
12 Regulation O, 12 C.F.R. § 1015.4(a)(1) and (b)(2); and  
13 2. In cases where the mortgage assistance relief service provider  
14 has represented, expressly or by implication, that consumers  
15 will receive any service or result set forth in paragraphs (2)  
16 through (6) of the definition of “Mortgage Assistance Relief  
17 Service,” Section 1015.2 of Regulation O, 12 C.F.R. § 1015.2,  
18 “Even if you accept this offer and use our service, your lender  
19 may not agree to change your loan,” in violation of Section  
20 1015.4(a)(2) and (b)(3) of Regulation O, 12 C.F.R.  
21 § 1015.4(a)(2) and (b)(3).

22 D. Failing to disclose the following information in all consumer-specific  
23 commercial communications: “You may stop doing business with us  
24 at any time. You may accept or reject the offer of mortgage assistance  
25 we obtain from your lender [or servicer]. If you reject the offer, you  
26 do not have to pay us. If you accept the offer, you will have to pay us  
27 [insert amount or method for calculating the amount] for our  
28 services,” in violation of Section 1015.4(b)(1) of Regulation O,

1 12 C.F.R. § 1015.4(b)(1). For the purposes of this section, the amount  
2 “you will have to pay” shall consist of the total amount the consumer  
3 must pay to purchase, receive, and use all of the mortgage assistance  
4 relief services that are the subject of the sales offer, including but not  
5 limited to, all fees and charges.

6 **IV.**

7 **PRESERVATION OF RECORDS AND TANGIBLE THINGS**

8 **IT IS FURTHER ORDERED** that Defendants and their officers, agents,  
9 servants, employees, and attorneys, and those persons or entities in active concert  
10 or participation with any of them who receive actual notice of this Order by  
11 personal service, facsimile transmission, email, or otherwise, whether acting  
12 directly or through any corporation, subsidiary, division, or other device, are  
13 hereby preliminarily enjoined from destroying, erasing, mutilating, concealing,  
14 altering, transferring, or otherwise disposing of, in any manner, directly or  
15 indirectly, any documents or records that relate to the business practices, or  
16 business or personal finances, of Defendants, or other entity directly or indirectly  
17 under the control of Defendants.

18 **V.**

19 **DISABLEMENT OF WEBSITES**

20 **IT IS FURTHER ORDERED** that immediately upon service of the Order  
21 upon them and pending determination of the FTC’s request for a preliminary  
22 injunction, (1) any person hosting any Internet website for, or on behalf of, any  
23 Defendant, and (2) Defendants and their officers, agents, servants, employees, and  
24 attorneys, and those persons or entities in active concert or participation with any  
25 of them who receive actual notice of this Order by personal service, facsimile  
26 transmission, email, or otherwise, whether acting directly or through any  
27 corporation, subsidiary, division, or other device, shall:  
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- A. Immediately do whatever is necessary to ensure that any Internet website used by Defendants for the advertising, marketing, promotion, offering for sale, or sale of any mortgage assistance relief service, including, but not limited to family1sthps.com; legaleducatorsco.org; legaleducatorsusa.org; thelegaleducators.com; smassociates.org; pfoadvocates.com; and pfoaudits.com, and containing statements or representations prohibited by Sections I, II, and III of this Order, cannot be accessed by the public;
- B. Prevent the destruction or erasure of any Internet website used by Defendants for the advertising, marketing, promotion, offering for sale, or sale of any mortgage assistance relief service, by preserving such website in the format in which it is maintained currently; and
- C. Immediately notify in writing counsel for the FTC of any other Internet website operated or controlled by any Defendant not listed in Subsection V.A above.

## VI.

### SUSPENSION OF INTERNET DOMAIN NAME REGISTRATIONS

**IT IS FURTHER ORDERED** that, pending determination of the FTC’s request for a preliminary injunction, any domain name registrar shall suspend the registration of any Internet website used by Defendants for the advertising, marketing, promotion, offering for sale, or sale of any mortgage assistance relief service, and containing statements or representations prohibited by Sections I, II, and III of this Order, including, but not limited to, family1sthps.com; legaleducatorsco.org; legaleducatorsusa.org; thelegaleducators.com; smassociates.org; pfoadvocates.com; and pfoaudits.com, and provide immediate notice to counsel for the FTC of any other Internet domain names registered or controlled by any Defendants.

1 **VII.**

2 **ASSET FREEZE**

3 **IT IS FURTHER ORDERED** that the Corporate Defendant, and its  
4 officers, agents, servants, employees, and attorneys, and all persons or entities  
5 directly or indirectly under the control of any of them, including any financial  
6 institution, and all other persons or entities in active concert or participation with  
7 any of them who receive actual notice of this Order by personal service, facsimile  
8 transmission, email, or otherwise, are hereby preliminarily restrained and enjoined  
9 from directly or indirectly:

10 A. Selling, liquidating, assigning, transferring, converting, loaning,  
11 hypothecating, disbursing, gifting, conveying, encumbering, pledging,  
12 concealing, dissipating, spending, withdrawing, or otherwise  
13 disposing of any funds, real or personal property, or other assets or  
14 any interest therein, wherever located, including any assets outside the  
15 territorial United States, that are:

- 16 1. in the actual or constructive possession of the Corporate  
17 Defendant; or  
18 2. owned or controlled by, or held, in whole or in part for the  
19 benefit of, or subject to access by, or belonging to, the  
20 Corporate Defendant; or in the actual or constructive possession  
21 of, or owned or controlled by, or subject to access by, or belong  
22 to, any corporation, partnership, trust, or other entity directly or  
23 indirectly owned, managed, or under the control of the  
24 Corporate Defendant;

25 B. Opening, or causing to be opened, any safe deposit boxes titled in the  
26 name of the Corporate Defendant, or subject to access by the  
27 Corporate Defendant;  
28

- 1 C. Incurring charges on any credit card, stored value card, debit card, or  
2 charge card issued in the name, singly or jointly, of the Corporate  
3 Defendant or any other entity directly or indirectly owned, managed,  
4 or controlled by the Corporate Defendant;
- 5 D. Obtaining a personal or secured loan for or on behalf of the Corporate  
6 Defendant; or
- 7 E. Cashing any checks from consumers, clients, or customers of the  
8 Corporate Defendant; and
- 9 F. The funds, property, and assets affected by this Section shall include:  
10 (a) all assets of the Corporate Defendant as of the time this Order is  
11 entered, including, without limitation, accounts held by Wealth  
12 Educators, Inc., also d/b/a Family 1st Preservations; Family 1st Home  
13 Loans; Legal Affiliates & Associates; Legal Educators & Co.; Family  
14 1st Home Preservation; Legal Educators USA & Co.; Stargate Mutual  
15 & Associates; Providence Financial Advocates; and Providence  
16 Financial Audits; to the extent it may hold corporate accounts on  
17 which Veronica Sesma is a signatory, and (b) those corporate assets  
18 obtained or received after entry of this Order that are derived from the  
19 actions alleged in Plaintiff's Complaint. This Section does not  
20 prohibit the Repatriation of Foreign Assets, as specifically required in  
21 Section XI of this Order.
- 22  
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1 **VIII.**

2 **RETENTION OF ASSETS AND DOCUMENTS BY THIRD PARTIES**

3 **IT IS FURTHER ORDERED** that, pending determination of the FTC's  
4 request for a preliminary injunction, any financial or brokerage institution,  
5 business entity, electronic data host, or person served with a copy of this Order that  
6 holds, controls, or maintains custody of any account, document, electronically  
7 stored information, or asset of, on behalf of, in the name of, for the benefit of,  
8 subject to withdrawal by, subject to access or use by, or under the signatory power  
9 of any Defendant or other party subject to Section VII above, or has held,  
10 controlled, or maintained any such account, document, electronically stored  
11 information, or asset at any time since January 1, 2012, shall:

- 12 A. Hold, preserve, and retain within such entity's or person's control, and  
13 prohibit the withdrawal, removal, alteration, assignment, transfer,  
14 pledge, hypothecation, encumbrance, disbursement, dissipation,  
15 conversion, sale, liquidation, or other disposal of such account,  
16 document, electronically stored information, or asset held by or under  
17 such entity's or person's control, except as directed by further order of  
18 the Court or as directed in writing by the Plaintiff regarding accounts,  
19 documents, or assets held in the name of or benefit of any Defendant;
- 20 B. Deny access to any safe deposit boxes that are either titled in the  
21 name, individually or jointly, or subject to access by, any Defendant  
22 or other party subject to Section VII above;
- 23 C. Provide to counsel for the FTC, within one (1) business day, a sworn  
24 statement setting forth:
- 25 1. the identification of each account or asset titled in the name,  
26 individually or jointly, or held on behalf of or for the benefit of,  
27 subject to withdrawal by, subject to access or use by, or under  
28



1 the signatory power of any Defendant or other party subject to  
2 Section VII above, whether in whole or in part;

3 2. the balance of each such account, or a description of the nature  
4 and value of such asset, as of the close of business on the day  
5 on which this Order is served;

6 3. the identification of any safe deposit box that is either titled in  
7 the name of, individually or jointly, or is otherwise subject to  
8 access or control by, any Defendant or other party subject to  
9 Section VII above, whether in whole or in part; and

10 4. if the account, safe deposit box, or other asset has been closed  
11 or removed, the date closed or removed, the balance on said  
12 date, and the name or the person or entity to whom such  
13 account or other asset was remitted;

14 D. Provide to counsel for the FTC within three (3) business days after  
15 being served with a request, copies of all documents pertaining to  
16 such account or asset, including, but not limited to, originals or copies  
17 of account applications, account statements, signature cards, checks,  
18 drafts, deposit tickets, transfers to and from the accounts, all other  
19 debit and credit instruments or slips, currency transaction reports,  
20 1099 forms, and safe deposit box logs; provided that such institution  
21 or custodian may charge a reasonable fee; and

22 E. Cooperate with all reasonable requests of the Plaintiff relating to this  
23 Order's implementation;

24 F. The accounts subject to this provision include: (a) all assets of each  
25 Defendant deposited as of the time this Order is entered, and (b) those  
26 assets deposited after entry of this Order that are derived from the  
27 actions alleged in Plaintiff's Complaint. This Section does not  
28

1 prohibit the Repatriation of Foreign Assets, as specifically required in  
2 Section XI of this Order; and

- 3 G. The FTC is granted leave, pursuant to Fed. R. Civ. P. 45, to subpoena  
4 documents immediately from any financial or brokerage institution,  
5 business entity, electronic data host, or person served with a copy of  
6 this Order that holds, controls, or maintains custody of any account,  
7 document, electronically stored information, or asset of, on behalf of,  
8 in the name of, for the benefit of, subject to withdrawal by, subject to  
9 access or use by, or under the signatory power of any Defendant or  
10 other party subject to Section VII above, or has held, controlled, or  
11 maintained any such account, document, electronically stored  
12 information, or asset at any time since January 1, 2012, and such  
13 financial or brokerage institution, business entity, electronic data host,  
14 or person shall respond to such subpoena within three (3) business  
15 days after service.

## 16 IX.

### 17 FINANCIAL STATEMENTS AND ACCOUNTING

18 **IT IS FURTHER ORDERED** that each Defendant, within three (3)  
19 business days of service of this Order, shall prepare and deliver to counsel for the  
20 FTC:

- 21 A. For the Individual Defendant, a completed financial statement  
22 accurate as of the date of service of this Order upon such Defendant  
23 on the form of Attachment A to this Order captioned “Financial  
24 Statement of Individual Defendant”;
- 25 B. For the Corporate Defendant, a completed financial statement  
26 accurate as of the date of service of this Order upon such Defendant  
27 (unless otherwise agreed upon with FTC counsel) in the form of  
28

1 Attachment B to this Order captioned “Financial Statement of  
2 Corporate Defendant”; and

- 3 C. For all Defendants, a list of all officers and directors of the Corporate  
4 Defendant and all other individuals or entities with authority to direct  
5 the operations of the Corporate Defendant or withdraw money from  
6 the account of the Corporate Defendant.

7 **X.**

8 **CONSUMER CREDIT REPORTS**

9 **IT IS FURTHER ORDERED** that pursuant to Section 604(1) of the Fair  
10 Credit Reporting Act, 15 U.S.C. § 1681b(1), any consumer reporting agency may  
11 furnish to the FTC a consumer report concerning any Defendant.

12 **XI.**

13 **REPATRIATION OF FOREIGN ASSETS**

14 **IT IS FURTHER ORDERED** that, within five (5) business days following  
15 the service of this Order, each Defendant shall:

- 16 a. Provide counsel for the FTC with a full accounting of all assets,  
17 accounts, funds, and documents outside of the territory of the  
18 United States that are held either: (1) by Defendants; (2) for  
19 their benefit; (3) in trust by or for them, individually or jointly;  
20 or (4) under their direct or indirect control, individually or  
21 jointly
- 22 b. Provide counsel for the FTC with a full accounting of all assets,  
23 accounts, funds, and documents outside of the territory of the  
24 United States that are held either: (1) by Defendants; (2) for  
25 their benefit; (3) in trust by or for them, individually or jointly;  
26 or (4) under their direct or indirect control, individually or  
27 jointly;
- 28

- 1 c. Transfer to the territory of the United States all assets, accounts,  
2 funds, and documents in foreign countries held either: (1) by  
3 Defendants; (2) for their benefit; (3) in trust by or for them,  
4 individually or jointly; or (4) under their direct or indirect  
5 control, individually or jointly; and
- 6 d. Provide the FTC access to all records of accounts or assets of  
7 the Corporate Defendant and Individual Defendant held by  
8 financial institutions located outside the territorial United States  
9 by signing the Consent to Release of Financial Records  
10 attached to this Order as Attachment C.
- 11 e. All repatriated assets, accounts, funds, and documents are  
12 subject to Section VII of this Order.

## 13 XII.

### 14 NONINTERFERENCE WITH REPATRIATION

15 **IT IS FURTHER ORDERED** that Defendants are hereby preliminarily  
16 restrained and enjoined from taking any action, directly or indirectly, that may  
17 result in the encumbrance or dissipation of foreign assets, or in the hindrance of the  
18 repatriation required by the preceding Section XI of this Order, including, but not  
19 limited to:

- 20 A. Sending any statement, letter, fax, email, or wire transmission, or  
21 telephoning or engaging in any other act, directly or indirectly, that  
22 results in a determination by a foreign trustee or other entity that a  
23 “duress” event has occurred under the terms of a foreign trust  
24 agreement until such time that all assets have been fully repatriated  
25 pursuant to Section XI of this Order; or
- 26 B. Notifying any trustee, protector, or other agent of any foreign trust or  
27 other related entities of either the existence of this Order, or of the fact  
28 that repatriation is required pursuant to a court order, until such time

1 that all assets have been fully repatriated pursuant to Section XI of  
2 this Order.

3 **XIII.**

4 **PROHIBITION ON RELEASE OF CONSUMER INFORMATION**

5 **IT IS FURTHER ORDERED** that, except as required by a law  
6 enforcement agency, law, regulation, or court order, Defendants, and their officers,  
7 agents, servants, employees, and attorneys, and all other persons in active concert  
8 or participation with any of them who receive actual notice of this Order by  
9 personal service, facsimile transmission, email, or otherwise, are preliminarily  
10 restrained and enjoined from disclosing, using, or benefitting from consumer  
11 information, including the name, address, telephone number, email address, social  
12 security number, other identifying information, or any data that enables access to a  
13 consumer's account (including a credit card, bank account, or other financial  
14 account), of any person which any Defendant obtained prior to entry of this Order  
15 in connection with any mortgage assistance relief service.

16 **XIV.**

17 **STAY OF ACTIONS**

18 **IT IS FURTHER ORDERED** that:

19 A. Except by leave of this Court, during pendency of the asset freeze  
20 ordered herein, Defendants and all other persons and entities be and  
21 hereby are stayed from taking any action to establish or enforce any  
22 claim, right, or interest for, against, on behalf of, in, or in the name of,  
23 the Corporate Defendant, or any of its subsidiaries, affiliates,  
24 partnerships, or assets including, but not limited to, the following  
25 actions:

- 26 1. Commencing, prosecuting, continuing, entering, or enforcing  
27 any suit or proceeding, except that such actions may be filed to  
28 toll any applicable statute of limitations;

2. Accelerating the due date of any obligation or claimed obligation; filing or enforcing any lien; taking or attempting to take possession, custody, or control of any asset; attempting to foreclose, forfeit, alter, or terminate any interest in any asset, whether such acts are part of a judicial proceeding, are acts of self-help, or otherwise; or
3. Executing, issuing, serving, or causing the execution, issuance or service of, any legal process, including, but not limited to, attachments, garnishments, subpoenas, writs of replevin, writs of execution, or any other form of process whether specified in this Order or not.

**B. This Section does not stay:**

1. The commencement or continuation of a criminal action or proceeding;
2. The commencement or continuation of an action or proceeding by the State Bar of California to enforce its police or regulatory power;
3. The commencement or continuation of an action or proceeding by a governmental unit to enforce such governmental unit's police or regulatory power;
4. The enforcement of a judgment, other than a money judgment, obtained in an action or proceeding by a governmental unit to enforce such governmental unit's police or regulatory power; or
5. The issuance to a Defendant of a notice of tax deficiency.

**XV.**

**MONITORING**

**IT IS FURTHER ORDERED** that agents or representatives of the FTC may contact Defendants directly or anonymously for the purpose of monitoring

1 compliance with this Order, and may tape-record any oral communications that  
2 occur in the course of such contacts.

3 **XVI.**

4 **DEFENDANTS' DUTY TO DISTRIBUTE ORDER**

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

18 **XVII.**

19 **CORRESPONDENCE WITH PLAINTIFF**

20 **IT IS FURTHER ORDERED** that, for the purposes of this Order, because  
21 mail addressed to the FTC is subject to delay due to heightened security screening,  
22 all correspondence and service of pleadings on Plaintiff shall be sent either via  
23 electronic submission or via Federal Express to:

24 Eleanor Durham  
25 Federal Trade Commission  
26 915 Second Ave., Suite 2896  
27 Seattle, WA 98174  
28 edurham@ftc.gov

with a copy to:

Barbara Chun

1 Federal Trade Commission  
2 10877 Wilshire Blvd., Suite 700  
3 Los Angeles, CA 90024  
4 bchun@ftc.gov

5 **XVIII.**

6 **SERVICE OF THIS ORDER**

7 **IT IS FURTHER ORDERED** that copies of this Order may be served by  
8 facsimile transmission, email, personal or overnight delivery, or U.S. Mail, by  
9 agents and employees of the FTC or any state or federal law enforcement agency  
10 or by private process server, upon any financial institution or other entity or person  
11 that may have possession, custody, or control of any documents or assets of any  
12 Defendant, or that may otherwise be subject to any provision of this Order.  
13 Service upon any branch or office of any financial institution shall effect service  
14 upon the entire financial institution.

15 **XIX.**

16 **RETENTION OF JURISDICTION**

17 **IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of  
18 this matter for all purposes of construction, modification, and enforcement of this  
19 Order.

20 **IT IS SO ORDERED**, this 29<sup>th</sup> day of April, 2015, at 9:00 a.m. (Pacific  
21 time).

22 

23 \_\_\_\_\_  
24 UNITED STATES DISTRICT JUDGE  
25  
26  
27  
28



## FEDERAL TRADE COMMISSION

### FINANCIAL STATEMENT OF INDIVIDUAL DEFENDANT

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#### **Instructions:**

1. Complete all items. Enter “None” or “N/A” (“Not Applicable”) where appropriate. If you cannot fully answer a question, explain why.
2. “Dependents” include your live-in companion, dependent children, or any other person, whom you or your spouse (or your children’s other parent) claimed or could have claimed as a dependent for tax purposes at any time during the past five years.
3. “Assets” and “Liabilities” include ALL assets and liabilities, located within the United States or elsewhere, whether held individually or jointly.
4. Attach continuation pages as needed. On the financial statement, state next to the Item number that the Item is being continued. On the continuation page(s), identify the Item number(s) being continued.
5. Type or print legibly.
6. Initial each page in the space provided in the lower right corner.
7. Sign and date the completed financial statement on the last page.

#### **Penalty for False Information:**

Federal law provides that any person may be imprisoned for not more than five years, fined, or both, if such person:

(1) “in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry” (18 U.S.C. § 1001);

(2) “in any . . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code, willfully subscribes as true any material matter which he does not believe to be true” (18 U.S.C. § 1621); or

(3) “in any (. . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code) in any proceeding before or ancillary to any court or grand jury of the United States knowingly makes any false material declaration or makes or uses any other information . . . knowing the same to contain any false material declaration” (18 U.S.C. § 1623).

For a felony conviction under the provisions cited above, federal law provides that the fine may be not more than the greater of (i) \$250,000 for an individual or \$500,000 for a corporation, or (ii) if the felony results in pecuniary gain to any person or pecuniary loss to any person other than the defendant, the greater of twice the gross gain or twice the gross loss. 18 U.S.C. § 3571.

**BACKGROUND INFORMATION**

**Item 1. Information About You**

Your Full Name \_\_\_\_\_ Social Security No. \_\_\_\_\_

Place of Birth \_\_\_\_\_ Date of Birth \_\_\_\_\_ Drivers License No. \_\_\_\_\_

Current Address \_\_\_\_\_ From (Date) \_\_\_\_\_

Rent or Own? \_\_\_\_\_ Telephone No. \_\_\_\_\_ Facsimile No. \_\_\_\_\_

E-Mail Address \_\_\_\_\_ Internet Home Page \_\_\_\_\_

Previous Addresses for past five years:

Address \_\_\_\_\_ Rent or Own? \_\_\_\_\_ From/Until \_\_\_\_\_

Address \_\_\_\_\_ Rent or Own? \_\_\_\_\_ From/Until \_\_\_\_\_

Identify any other name(s) and/or social security number(s) you have used, and the time period(s) during which they were used \_\_\_\_\_

**Item 2. Information About Your Spouse or Live-In Companion**

Spouse/Companion's Name \_\_\_\_\_ Social Security No. \_\_\_\_\_

Place of Birth \_\_\_\_\_ Date of Birth \_\_\_\_\_

Identify any other name(s) and/or social security number(s) your spouse/companion has used, and the time period(s) during which they were used \_\_\_\_\_

Address (if different from yours) \_\_\_\_\_

From (Date) \_\_\_\_\_ Rent or Own? \_\_\_\_\_ Telephone No. \_\_\_\_\_

Employer's Name and Address \_\_\_\_\_

Job Title \_\_\_\_\_ Years in Present Job \_\_\_\_\_ Annual Gross Salary/Wages \$ \_\_\_\_\_

**Item 3. Information About Your Previous Spouse**

Previous Spouse's Name & Address \_\_\_\_\_

\_\_\_\_\_ Social Security No. \_\_\_\_\_ Date of Birth \_\_\_\_\_

**Item 4. Contact Information**

Name & Address of Nearest Living Relative or Friend \_\_\_\_\_

\_\_\_\_\_ Telephone No. \_\_\_\_\_

**Item 5. Information About Dependents Who Live With You**

Income Received: This year-to-date: \$ \_\_\_\_\_ : \$ \_\_\_\_\_  
20\_\_\_\_ : \$ \_\_\_\_\_ : \$ \_\_\_\_\_  
\_\_\_\_\_ : \$ \_\_\_\_\_ : \$ \_\_\_\_\_

lawsuits that resulted in final judgments or settlements in Items 16 and 25).

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

\_\_\_\_\_ Status \_\_\_\_\_

**Item 10. Safe Deposit Boxes**

List all safe deposit boxes, located within the United States or elsewhere, held by you, your spouse, or any of your dependents, or held by others for the benefit of you, your spouse, or any of your dependents. *On a separate page, describe the contents of each box.*

<u>Owner's Name</u>	<u>Name &amp; Address of Depository Institution</u>	<u>Box No.</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

**Item 11. Business Interests**

List all businesses for which you, your spouse, or your dependents are an officer or director.

**FINANCIAL INFORMATION: ASSETS AND LIABILITIES**

**REMINDER:** “Assets” and “Liabilities” include ALL assets and liabilities, located within the United States or elsewhere, whether held individually or jointly.

**Item 12.                      Cash, Bank, and Money Market Accounts**

List cash and all bank and money market accounts, including but not limited to, checking accounts, savings accounts, and certificates of deposit, held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents. The term “cash” includes currency and uncashed checks.

Cash on Hand \$ \_\_\_\_\_ Cash Held For Your Benefit \$ \_\_\_\_\_

<u>Name on Account</u>	<u>Name &amp; Address of Financial Institution</u>	<u>Account No.</u>	<u>Current Balance</u>
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

**Item 13.                      U.S. Government Securities**

List all U.S. Government securities, including but not limited to, savings bonds, treasury bills, and treasury notes, held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

<u>Name on Account</u>	<u>Type of Obligation</u>	<u>Security Amount</u>	<u>Maturity Date</u>
_____	_____	\$ _____	_____
_____	_____	\$ _____	_____
_____	_____	\$ _____	_____

**Item 14.                      Publicly Traded Securities and Loans Secured by Them**

List all publicly traded securities, including but not limited to, stocks, stock options, registered and bearer bonds, state and municipal bonds, and mutual funds, held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

List all other amounts owed to you, your spouse, or your dependents.

Debtor's Name, Address, & Telephone No. \_\_\_\_\_

Original Amount Owed \$ \_\_\_\_\_ Current Amount Owed \$ \_\_\_\_\_ Monthly Payment \$ \_\_\_\_\_

**Item 18. Life Insurance Policies**

List all life insurance policies held by you, your spouse, or your dependents.



furniture and household goods of value, computer equipment, electronics, coins, stamps, artwork, gemstones, jewelry, bullion, other collectibles, copyrights, patents, and other intellectual property, held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

<u>Property Category</u> (e.g., artwork, jewelry)	<u>Name of Owner</u>	<u>Property Location</u>	<u>Acquisition Cost</u>	<u>Current Value</u>
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____

**Item 21.      Cars, Trucks, Motorcycles, Boats, Airplanes, and Other Vehicles**

List all cars, trucks, motorcycles, boats, airplanes, and other vehicles owned or operated by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

Registered Owner's Name \_\_\_\_\_ Registration State & No. \_\_\_\_\_

Address of Vehicle's Location \_\_\_\_\_

Purchase Price \$ \_\_\_\_\_ Current Value \$ \_\_\_\_\_ Account/Loan No. \_\_\_\_\_

Lender's Name and Address \_\_\_\_\_

Original Loan Amount \$ \_\_\_\_\_ Current Loan Balance \$ \_\_\_\_\_ Monthly Payment \$ \_\_\_\_\_

**Item 22. Real Property**

List all real estate held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

<u>Name of Credit Card (e.g., Visa, MasterCard, Department Store)</u>	<u>Account No.</u>	<u>Name(s) on Account</u>	<u>Current Balance</u>	<u>Minimum Monthly Payment</u>
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____

**Item 24. Taxes Payable**

List all taxes, such as income taxes or real estate taxes, owed by you, your spouse, or your dependants.

<u>Type of Tax</u>	<u>Amount Owed</u>	<u>Year Incurred</u>
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____

**Item 25. Judgments or Settlements Owed**

List all judgments or settlements owed by you, your spouse, or your dependents.

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_ Docket No. \_\_\_\_\_

Nature of Lawsuit \_\_\_\_\_ Date \_\_\_\_\_ Amount \$ \_\_\_\_\_

**Item 26. Other Loans and Liabilities**

List all other loans or liabilities in your, your spouse's, or your dependents' names.

List all funds or other assets that are being held in trust or escrow by any person or entity for you, your spouse, or your dependents. Also list all funds or other assets that are being held in trust or escrow by you, your spouse, or your dependents, for any person or entity. *Provide copies of all executed trust documents.*

<u>Trustee or Escrow Agent's Name &amp; Address</u>	<u>Date Established</u>	<u>Grantor</u>	<u>Beneficiaries</u>	<u>Present Market Value of Assets</u>
_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	\$ _____
_____	_____	_____	_____	\$ _____

**Item 30. Transfers of Assets**

List each person to whom you have transferred, in the aggregate, more than \$2,500 in funds or other assets during the previous three years by loan, gift, sale, or other transfer. For each such person, state the total amount transferred during that period.

<u>Transferee's Name, Address, &amp; Relationship</u>	<u>Property Transferred</u>	<u>Aggregate Value</u>	<u>Transfer Date</u>	<u>Type of Transfer (e.g., Loan, Gift)</u>
_____	_____	\$ _____	_____	_____
_____	_____	\$ _____	_____	_____
_____	_____	\$ _____	_____	_____
_____	_____	\$ _____	_____	_____
_____	_____	\$ _____	_____	_____
_____	_____	\$ _____	_____	_____
_____	_____	\$ _____	_____	_____

**SUMMARY FINANCIAL SCHEDULES**

**Item 31. Combined Balance Sheet for You, Your Spouse, and Your Dependents**

<u>ASSETS</u>		<u>LIABILITIES</u>	
Cash on Hand (Item 12)	\$ _____	Credit Cards (Item 23)	\$ _____
Cash in Financial Institutions (Item 12)	\$ _____	Motor Vehicles - Liens (Item 21)	\$ _____
U.S. Government Securities (Item 13)	\$ _____	Real Property - Encumbrances (Item 22)	\$ _____
Publicly Traded Securities (Item 14)	\$ _____	Loans Against Publicly Traded Securities (Item 14)	\$ _____
Other Business Interests (Item 15)	\$ _____	Taxes Payable (Item 24)	\$ _____
Judgments or Settlements Owed to You (Item 16)	\$ _____	Judgments or Settlements Owed (Item 25)	\$ _____
Other Amounts Owed to You (Item 17)	\$ _____	Other Loans and Liabilities (Item 26)	\$ _____
Surrender Value of Life Insurance (Item 18)	\$ _____		
Deferred Income Arrangements (Item 19)	\$ _____	<u>Other Liabilities (Itemize)</u>	
Personal Property (Item 20)	\$ _____	_____	\$ _____
Motor Vehicles (Item 21)	\$ _____	_____	\$ _____
Real Property (Item 22)	\$ _____	_____	\$ _____
<u>Other Assets (Itemize)</u>		_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
<b>Total Assets</b>	\$ <u>_____</u>	<b>Total Liabilities</b>	\$ <u>_____</u>

**Item 32. Combined Average Monthly Income and Expenses for You, Your Spouse, and Your Dependents for the Last 6 Months**

Provide the average monthly income and expenses for you, your spouse, and your dependents for the last 6 months. Do not include credit card payments separately; rather, include credit card expenditures in the appropriate categories.

<u>INCOME</u>		<u>EXPENSES</u>	
Salary - After Taxes	\$ _____	Mortgage Payments for Residence(s)	\$ _____
Fees, Commissions, and Royalties	\$ _____	Property Taxes for Residence(s)	\$ _____
Interest	\$ _____	Rental Property Expenses, Including Mortgage Payments, Taxes, and Insurance	\$ _____
Dividends and Capital Gains	\$ _____	Car or Other Vehicle Lease or Loan Payments	\$ _____
Gross Rental Income	\$ _____	Food Expenses	\$ _____
Profits from Sole Proprietorships	\$ _____	Clothing Expenses	\$ _____
Distributions from Partnerships, S-Corporations, and LLCs	\$ _____	Utilities	\$ _____
Distributions from Trusts and Estates	\$ _____	Medical Expenses, Including Insurance	\$ _____
Distributions from Deferred Income Arrangements	\$ _____	Other Insurance Premiums	\$ _____
Social Security Payments	\$ _____	Other Transportation Expenses	\$ _____
Alimony/Child Support Received	\$ _____	Other Household Expenses	\$ _____
Gambling Income	\$ _____	<u>Other Expenses (Itemize)</u>	
<u>Other Income (Itemize)</u>		_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
<b>Total Income</b>	<b>\$ _____</b>	<b>Total Expenses</b>	<b>\$ _____</b>

ATTACHMENTS

**Item 33. Documents Attached to this Financial Statement**

List all documents that are being submitted with this financial statement.

<u>Item No. Document Relates To</u>	<u>Description of Document</u>

I am submitting this financial statement with the understanding that it may affect action by the Federal Trade Commission or a federal court. I have used my best efforts to obtain the information requested in this statement. The responses I have provided to the items above are true and contain all the requested facts and information of which I have notice or knowledge. I have provided all requested documents in my custody, possession, or control. I know of the penalties for false statements under 18 U.S.C. § 1001, 18 U.S.C. § 1621, and 18 U.S.C. § 1623 (five years imprisonment and/or fines). I certify under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed on:

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
Signature



**FEDERAL TRADE COMMISSION**

**FINANCIAL STATEMENT OF CORPORATE DEFENDANT**

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**Instructions:**

1. Complete all items. Enter “None” or “N/A” (“Not Applicable”) where appropriate. If you cannot fully answer a question, explain why.
2. The font size within each field will adjust automatically as you type to accommodate longer responses.
3. In completing this financial statement, “the corporation” refers not only to this corporation but also to each of its predecessors that are not named defendants in this action.
4. When an Item asks for information about assets or liabilities “held by the corporation,” include ALL such assets and liabilities, located within the United States or elsewhere, held by the corporation or held by others for the benefit of the corporation.
5. Attach continuation pages as needed. On the financial statement, state next to the Item number that the Item is being continued. On the continuation page(s), identify the Item number being continued.
6. Type or print legibly.
7. An officer of the corporation must sign and date the completed financial statement on the last page and initial each page in the space provided in the lower right corner.

**Penalty for False Information:**

Federal law provides that any person may be imprisoned for not more than five years, fined, or both, if such person:

- (1) “in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry” (18 U.S.C. § 1001);
- (2) “in any . . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code, willfully subscribes as true any material matter which he does not believe to be true” (18 U.S.C. § 1621); or
- (3) “in any (. . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code) in any proceeding before or ancillary to any court or grand jury of the United States knowingly makes any false material declaration or makes or uses any other information . . . knowing the same to contain any false material declaration.” (18 U.S.C. § 1623)

For a felony conviction under the provisions cited above, federal law provides that the fine may be not more than the greater of (i) \$250,000 for an individual or \$500,000 for a corporation, or (ii) if the felony results in pecuniary gain to any person or pecuniary loss to any person other than the defendant, the greater of twice the gross gain or twice the gross loss. 18 U.S.C. § 3571.

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**BACKGROUND INFORMATION**

**Item 1.      General Information**

Corporation's Full Name \_\_\_\_\_

Primary Business Address \_\_\_\_\_ From (Date) \_\_\_\_\_

Telephone No. \_\_\_\_\_ Fax No. \_\_\_\_\_

E-Mail Address \_\_\_\_\_ Internet Home Page \_\_\_\_\_

All other current addresses & previous addresses for past five years, including post office boxes and mail drops:

Address \_\_\_\_\_ From/Until \_\_\_\_\_

Address \_\_\_\_\_ From/Until \_\_\_\_\_

Address \_\_\_\_\_ From/Until \_\_\_\_\_

All predecessor companies for past five years:

Name & Address \_\_\_\_\_ From/Until \_\_\_\_\_

Name & Address \_\_\_\_\_ From/Until \_\_\_\_\_

Name & Address \_\_\_\_\_ From/Until \_\_\_\_\_

**Item 2.      Legal Information**

Federal Taxpayer ID No. \_\_\_\_\_ State & Date of Incorporation \_\_\_\_\_

State Tax ID No. \_\_\_\_\_ State \_\_\_\_\_ Profit or Not For Profit \_\_\_\_\_

Corporation's Present Status: Active \_\_\_\_\_ Inactive \_\_\_\_\_ Dissolved \_\_\_\_\_

If Dissolved: Date dissolved \_\_\_\_\_ By Whom \_\_\_\_\_

Reasons \_\_\_\_\_

Fiscal Year-End (Mo./Day) \_\_\_\_\_ Corporation's Business Activities \_\_\_\_\_

**Item 3.      Registered Agent**

Name of Registered Agent \_\_\_\_\_

Address \_\_\_\_\_ Telephone No. \_\_\_\_\_

**Item 4. Principal Stockholders**

List all persons and entities that own at least 5% of the corporation's stock.

<u>Name &amp; Address</u>	<u>% Owned</u>
_____	_____
_____	_____
_____	_____
_____	_____

**Item 5. Board Members**

List all members of the corporation's Board of Directors.

<u>Name &amp; Address</u>	<u>% Owned</u>	<u>Term (From/Until)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**Item 6. Officers**

List all of the corporation's officers, including *de facto* officers (individuals with significant management responsibility whose titles do not reflect the nature of their positions).

<u>Name &amp; Address</u>	<u>% Owned</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

**Item 7. Businesses Related to the Corporation**

List all corporations, partnerships, and other business entities in which this corporation has an ownership interest.

<u>Name &amp; Address</u>	<u>Business Activities</u>	<u>% Owned</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

State which of these businesses, if any, has ever transacted business with the corporation \_\_\_\_\_

\_\_\_\_\_

**Item 8. Businesses Related to Individuals**

List all corporations, partnerships, and other business entities in which the corporation's principal stockholders, board members, or officers (i.e., the individuals listed in Items 4 - 6 above) have an ownership interest.

<u>Individual's Name</u>	<u>Business Name &amp; Address</u>	<u>Business Activities</u>	<u>% Owned</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

State which of these businesses, if any, have ever transacted business with the corporation \_\_\_\_\_

\_\_\_\_\_

**Item 9. Related Individuals**

List all related individuals with whom the corporation has had any business transactions during the three previous fiscal years and current fiscal year-to-date. A "related individual" is a spouse, sibling, parent, or child of the principal stockholders, board members, and officers (i.e., the individuals listed in Items 4 - 6 above).

<u>Name and Address</u>	<u>Relationship</u>	<u>Business Activities</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

**Item 10. Outside Accountants**

List all outside accountants retained by the corporation during the last three years.

<u>Name</u>	<u>Firm Name</u>	<u>Address</u>	<u>CPA/PA?</u>

**Item 11. Corporation's Recordkeeping**

List all individuals within the corporation with responsibility for keeping the corporation's financial books and records for the last three years.

<u>Name, Address, &amp; Telephone Number</u>	<u>Position(s) Held</u>

**Item 12. Attorneys**

List all attorneys retained by the corporation during the last three years.

<u>Name</u>	<u>Firm Name</u>	<u>Address</u>

**Item 13. Pending Lawsuits Filed by the Corporation**

List all pending lawsuits that have been filed by the corporation in court or before an administrative agency. (List lawsuits that resulted in final judgments or settlements in favor of the corporation in Item 25).

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

\_\_\_\_\_ Status \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

\_\_\_\_\_ Status \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

\_\_\_\_\_ Status \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

\_\_\_\_\_ Status \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

\_\_\_\_\_ Status \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

\_\_\_\_\_ Status \_\_\_\_\_

**Item 14. Current Lawsuits Filed Against the Corporation**

List all pending lawsuits that have been filed against the corporation in court or before an administrative agency. (List lawsuits that resulted in final judgments, settlements, or orders in Items 26 - 27).

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

\_\_\_\_\_ Status \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

\_\_\_\_\_ Status \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

\_\_\_\_\_ Status \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

\_\_\_\_\_ Status \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

\_\_\_\_\_ Status \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

\_\_\_\_\_ Status \_\_\_\_\_

**Item 15. Bankruptcy Information**

List all state insolvency and federal bankruptcy proceedings involving the corporation.

Commencement Date \_\_\_\_\_ Termination Date \_\_\_\_\_ Docket No. \_\_\_\_\_

If State Court: Court & County \_\_\_\_\_ If Federal Court: District \_\_\_\_\_

Disposition \_\_\_\_\_

**Item 16. Safe Deposit Boxes**

List all safe deposit boxes, located within the United States or elsewhere, held by the corporation, or held by others for the benefit of the corporation. *On a separate page, describe the contents of each box.*

<u>Owner's Name</u>	<u>Name &amp; Address of Depository Institution</u>	<u>Box No.</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**FINANCIAL INFORMATION**

**REMINDER:** When an Item asks for information about assets or liabilities “held by the corporation,” include **ALL** such assets and liabilities, located within the United States or elsewhere, held by the corporation or held by others for the benefit of the corporation.

**Item 17. Tax Returns**

List all federal and state corporate tax returns filed for the last three complete fiscal years. *Attach copies of all returns.*

<u>Federal/ State/Both</u>	<u>Tax Year</u>	<u>Tax Due Federal</u>	<u>Tax Paid Federal</u>	<u>Tax Due State</u>	<u>Tax Paid State</u>	<u>Preparer's Name</u>
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____



**Item 18. Financial Statements**

List all financial statements that were prepared for the corporation's last three complete fiscal years and for the current fiscal year-to-date. *Attach copies of all statements, providing audited statements if available.*

<u>Year</u>	<u>Balance Sheet</u>	<u>Profit &amp; Loss Statement</u>	<u>Cash Flow Statement</u>	<u>Changes in Owner's Equity</u>	<u>Audited?</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

**Item 19. Financial Summary**

For each of the last three complete fiscal years and for the current fiscal year-to-date for which the corporation has not provided a profit and loss statement in accordance with Item 18 above, provide the following summary financial information.

	<u>Current Year-to-Date</u>	<u>1 Year Ago</u>	<u>2 Years Ago</u>	<u>3 Years Ago</u>
<u>Gross Revenue</u>	\$ _____	\$ _____	\$ _____	\$ _____
<u>Expenses</u>	\$ _____	\$ _____	\$ _____	\$ _____
<u>Net Profit After Taxes</u>	\$ _____	\$ _____	\$ _____	\$ _____
<u>Payables</u>	\$ _____			
<u>Receivables</u>	\$ _____			

**Item 20. Cash, Bank, and Money Market Accounts**

List cash and all bank and money market accounts, including but not limited to, checking accounts, savings accounts, and certificates of deposit, held by the corporation. The term "cash" includes currency and uncashed checks.

Cash on Hand \$ \_\_\_\_\_ Cash Held for the Corporation's Benefit \$ \_\_\_\_\_

<u>Name &amp; Address of Financial Institution</u>	<u>Signator(s) on Account</u>	<u>Account No.</u>	<u>Current Balance</u>
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

**Item 21. Government Obligations and Publicly Traded Securities**

List all U.S. Government obligations, including but not limited to, savings bonds, treasury bills, or treasury notes, held by the corporation. Also list all publicly traded securities, including but not limited to, stocks, stock options, registered and bearer bonds, state and municipal bonds, and mutual funds, held by the corporation.

Issuer \_\_\_\_\_ Type of Security/Obligation \_\_\_\_\_

No. of Units Owned \_\_\_\_\_ Current Fair Market Value \$ \_\_\_\_\_ Maturity Date \_\_\_\_\_

Issuer \_\_\_\_\_ Type of Security/Obligation \_\_\_\_\_

No. of Units Owned \_\_\_\_\_ Current Fair Market Value \$ \_\_\_\_\_ Maturity Date \_\_\_\_\_

**Item 22. Real Estate**

List all real estate, including leaseholds in excess of five years, held by the corporation.

Type of Property \_\_\_\_\_ Property's Location \_\_\_\_\_

Name(s) on Title and Ownership Percentages \_\_\_\_\_

Current Value \$ \_\_\_\_\_ Loan or Account No. \_\_\_\_\_

Lender's Name and Address \_\_\_\_\_

Current Balance On First Mortgage \$ \_\_\_\_\_ Monthly Payment \$ \_\_\_\_\_

Other Loan(s) (describe) \_\_\_\_\_ Current Balance \$ \_\_\_\_\_

Monthly Payment \$ \_\_\_\_\_ Rental Unit? \_\_\_\_\_ Monthly Rent Received \$ \_\_\_\_\_

Type of Property \_\_\_\_\_ Property's Location \_\_\_\_\_

Name(s) on Title and Ownership Percentages \_\_\_\_\_

Current Value \$ \_\_\_\_\_ Loan or Account No. \_\_\_\_\_

Lender's Name and Address \_\_\_\_\_

Current Balance On First Mortgage \$ \_\_\_\_\_ Monthly Payment \$ \_\_\_\_\_

Other Loan(s) (describe) \_\_\_\_\_ Current Balance \$ \_\_\_\_\_

Monthly Payment \$ \_\_\_\_\_ Rental Unit? \_\_\_\_\_ Monthly Rent Received \$ \_\_\_\_\_

**Item 23. Other Assets**

List all other property, by category, with an estimated value of \$2,500 or more, held by the corporation, including but not limited to, inventory, machinery, equipment, furniture, vehicles, customer lists, computer software, patents, and other intellectual property.

<u>Property Category</u>	<u>Property Location</u>	<u>Acquisition Cost</u>	<u>Current Value</u>
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____

**Item 24. Trusts and Escrows**

List all persons and other entities holding funds or other assets that are in escrow or in trust for the corporation.

<u>Trustee or Escrow Agent's Name &amp; Address</u>	<u>Description and Location of Assets</u>	<u>Present Market Value of Assets</u>
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

**Item 25. Monetary Judgments and Settlements Owed To the Corporation**

List all monetary judgments and settlements, recorded and unrecorded, owed to the corporation.

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_ Docket No. \_\_\_\_\_

Nature of Lawsuit \_\_\_\_\_ Date of Judgment \_\_\_\_\_ Amount \$ \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_ Docket No. \_\_\_\_\_

Nature of Lawsuit \_\_\_\_\_ Date of Judgment \_\_\_\_\_ Amount \$ \_\_\_\_\_

**Item 26. Monetary Judgments and Settlements Owed By the Corporation**

List all monetary judgments and settlements, recorded and unrecorded, owed by the corporation.

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_ Docket No. \_\_\_\_\_

Nature of Lawsuit \_\_\_\_\_ Date \_\_\_\_\_ Amount \$ \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_ Docket No. \_\_\_\_\_

Nature of Lawsuit \_\_\_\_\_ Date of Judgment \_\_\_\_\_ Amount \$ \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_ Docket No. \_\_\_\_\_

Nature of Lawsuit \_\_\_\_\_ Date of Judgment \_\_\_\_\_ Amount \$ \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_ Docket No. \_\_\_\_\_

Nature of Lawsuit \_\_\_\_\_ Date of Judgment \_\_\_\_\_ Amount \$ \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_ Docket No. \_\_\_\_\_

Nature of Lawsuit \_\_\_\_\_ Date of Judgment \_\_\_\_\_ Amount \$ \_\_\_\_\_

**Item 27. Government Orders and Settlements**

List all existing orders and settlements between the corporation and any federal or state government entities.

Name of Agency \_\_\_\_\_ Contact Person \_\_\_\_\_  
 Address \_\_\_\_\_ Telephone No. \_\_\_\_\_  
 Agreement Date \_\_\_\_\_ Nature of Agreement \_\_\_\_\_

**Item 28. Credit Cards**

List all of the corporation's credit cards and store charge accounts and the individuals authorized to use them.

<u>Name of Credit Card or Store</u>	<u>Names of Authorized Users and Positions Held</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

**Item 29. Compensation of Employees**

List all compensation and other benefits received from the corporation by the five most highly compensated employees, independent contractors, and consultants (other than those individuals listed in Items 5 and 6 above), for the two previous fiscal years and current fiscal year-to-date. "Compensation" includes, but is not limited to, salaries, commissions, consulting fees, bonuses, dividends, distributions, royalties, pensions, and profit sharing plans. "Other benefits" include, but are not limited to, loans, loan payments, rent, car payments, and insurance premiums, whether paid directly to the individuals, or paid to others on their behalf.

<u>Name/Position</u>	<u>Current Fiscal Year-to-Date</u>	<u>1 Year Ago</u>	<u>2 Years Ago</u>	<u>Compensation or Type of Benefits</u>
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____

**Item 30. Compensation of Board Members and Officers**

List all compensation and other benefits received from the corporation by each person listed in Items 5 and 6, for the current fiscal year-to-date and the two previous fiscal years. "Compensation" includes, but is not limited to, salaries, commissions, consulting fees, dividends, distributions, royalties, pensions, and profit sharing plans. "Other benefits" include, but are not limited to, loans, loan payments, rent, car payments, and insurance premiums, whether paid directly to the individuals, or paid to others on their behalf.

<u>Name/Position</u>	<u>Current Fiscal Year-to-Date</u>	<u>1 Year Ago</u>	<u>2 Years Ago</u>	<u>Compensation or Type of Benefits</u>
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____

**Item 31. Transfers of Assets Including Cash and Property**

List all transfers of assets over \$2,500 made by the corporation, other than in the ordinary course of business, during the previous three years, by loan, gift, sale, or other transfer.

<u>Transferee's Name, Address, &amp; Relationship</u>	<u>Property Transferred</u>	<u>Aggregate Value</u>	<u>Transfer Date</u>	<u>Type of Transfer (e.g., Loan, Gift)</u>
_____	_____	\$ _____	_____	_____
_____	_____	\$ _____	_____	_____
_____	_____	\$ _____	_____	_____
_____	_____	\$ _____	_____	_____
_____	_____	\$ _____	_____	_____

**Item 32. Documents Attached to the Financial Statement**

List all documents that are being submitted with the financial statement.

<u>Item No.</u>	<u>Document</u>	<u>Description of Document</u>
<u>Relates To</u>		

I am submitting this financial statement with the understanding that it may affect action by the Federal Trade Commission or a federal court. I have used my best efforts to obtain the information requested in this statement. The responses I have provided to the items above are true and contain all the requested facts and information of which I have notice or knowledge. I have provided all requested documents in my custody, possession, or control. I know of the penalties for false statements under 18 U.S.C. § 1001, 18 U.S.C. § 1621, and 18 U.S.C. § 1623 (five years imprisonment and/or fines). I certify under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed on:

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Corporate Position

**CONSENT TO RELEASE OF FINANCIAL RECORDS**

I, \_\_\_\_\_, do hereby direct any bank or trust company at which I have a bank account of any kind or at which a corporation has a bank account of any kind upon which I am authorized to draw, and its officers, employees and agents, to disclose all information and deliver copies of all documents of every nature in your possession or control which relate to the said bank accounts to any attorney of the Federal Trade Commission, and to give evidence thereto, in the matter of *FTC v. Wealth Educators, Inc., et al.*, now pending in the United States District Court for the Central District of California, and this shall be irrevocable authority for so doing. This direction is intended to apply to the laws of countries other than the United States which restrict or prohibit the disclosure of bank information without the consent of the holder of the account, and shall be construed as consent with respect thereto, and the same shall apply to any of the bank accounts for which I may be the relevant principal. This consent form is being executed pursuant to court order.

Dated: \_\_\_\_\_, 2015

Signed: \_\_\_\_\_