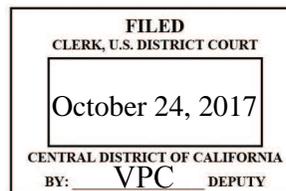


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13 **UNITED STATES DISTRICT COURT**  
 14 **CENTRAL DISTRICT OF CALIFORNIA**

15 FEDERAL TRADE COMMISSION,  
 16  
 17 Plaintiff,  
 18  
 19 vs.  
 20 ALLIANCE DOCUMENT  
 PREPARATION LLC, also dba EZ Doc  
 21 Preps, Grads Aid, and First Document  
 Aid, *et al.*,  
 22 Defendants, and  
 23  
 24 DIRECT CONSULTING SERVICE  
 LLC; and CAPITAL DOC PREP, INC.,  
 25  
 26 Relief Defendants.  
 27

Civ. No. CV 17-7048 SJO (KSx)  
**PRELIMINARY INJUNCTION AND  
 OTHER EQUITABLE RELIEF AS  
 TO UNITED LEGAL CENTER,  
 LLC, also dba Post Grad Aid, Alumni  
 Aid Assistance, and United Legal  
 Discharge; UNITED LEGAL  
 CENTER, INC., also dba United  
 Legal Discharge; GRADS DOC  
 PREP, LLC, also dba Academic Aid  
 Center, Academic Protection,  
 Academy Doc Prep, and Academic  
 Discharge; AVINADAV RUBENI aka  
 Avi Rubeni; and RAMIAR REUVENI  
 aka Rami Reuveni**

28 Prel. Inj. as to United Legal Center, LLC,  
 United Legal Center, Inc., Avinadav Rubeni, and  
 Ramiar Reuveni

1  
2 Plaintiff, the Federal Trade Commission (“Commission” or “FTC”), has  
3 filed its Complaint for Permanent Injunction and Other Equitable Relief pursuant  
4 to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C.  
5 § 53(b), and the Telemarketing and Consumer Fraud and Abuse Prevention Act  
6 (“Telemarketing Act”), 15 U.S.C. §§ 6101-6108, and has moved, pursuant to Fed.  
7 R. Civ. P. 65(b), for a preliminary injunction, asset freeze, and other equitable  
8 relief.

9 Plaintiff FTC and Defendants United Legal Center, LLC, and United Legal  
10 Center, Inc. (“Receivership Defendants”), and Avinadav Rubeni, and Ramiar  
11 Reuveni (“Individual Defendants”) (collectively “Stipulating Defendants”), by and  
12 through their counsel, have agreed to stipulate to entry of a preliminary injunction  
13 in the form below without further notice or hearing.

#### 14 **FINDINGS OF FACT**

15 The Court, having considered the FTC’s Complaint, *ex parte* application for  
16 temporary restraining order, declarations, exhibits, and the memorandum filed in  
17 support of the FTC’s application, and the FTC’s Motion for Preliminary  
18 Injunction, and the evidence presented, now finds that:

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

22 2. There is good cause to believe that Stipulating Defendants have  
23 engaged in and are likely to engage in acts or practices that violate Section 5(a) of  
24 the FTC Act, 15 U.S.C. § 45(a), and the FTC’s Telemarketing Sales Rule (“TSR”),  
25 16 C.F.R. Part 310, and that Plaintiff is therefore likely to prevail on the merits of  
26 this action.  
27



1 deliveries, inventory, checks, notes, accounts, credits, contracts, receivables, shares  
2 of stock, and all cash, wherever located and by whomever held.

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

8 C. “**Document**” is synonymous in meaning and equal in scope to the  
9 usage of the terms “**document**” and “**electronically stored information**” in Fed.  
10 R. Civ. P. 34(a), and includes but is not limited to writings, drawings, graphs,  
11 charts, photographs, sound and video recordings, images, Internet sites, web pages,  
12 websites, electronic correspondence, including e-mail and instant messages,  
13 contracts, accounting data, advertisements, FTP Logs, Server Access Logs, books,  
14 written or printed records, handwritten notes, telephone logs, telephone scripts,  
15 receipt books, ledgers, personal and business canceled checks and check registers,  
16 bank statements, appointment books, computer records, customer or sales  
17 databases and any other electronically stored information, including Documents  
18 located on remote servers or cloud computing systems, and other data or data  
19 compilations from which information can be obtained directly or, if necessary,  
20 after translation into a reasonably usable form. A draft or non-identical copy is a  
21 separate document within the meaning of the term.

22 D. “**Electronic Data Host**” means any person or entity in the business of  
23 storing, hosting, or otherwise maintaining electronically stored information. This  
24 includes, but is not limited to, any entity hosting a website or server, and any entity  
25 providing cloud-based electronic storage.

1 E. **“Individual Defendants”** means Avinadav Rubeni aka Avi Rubeni;  
2 and Ramiar Reuveni aka Rami Reuveni; and any other names by which they might  
3 be known.

4 F. **“Person”** means any individual, group, unincorporated association,  
5 limited or general partnership, corporation or other business entity.

6 G. **“Plaintiff”** means the Federal Trade Commission.

7 H. **“Receiver”** means Thomas W. McNamara. The term “Receiver” also  
8 includes any deputy receivers as may be named by the Receiver.

9 I. **“Receivership Defendants”** means United Legal Center, LLC, also  
10 dba Alumni Aid Assistance, Post Grad Aid, and United Legal Discharge; United  
11 Legal Center, Inc., also dba United Legal Discharge; and Grads Doc Prep, LLC,  
12 also dba Academic Aid Center, Academic Protection, Academy Doc Prep, and  
13 Academic Discharge.

14 J. **“Seller”** means any person who, in connection with a telemarketing  
15 transaction, provides, offers to provide, or arranges for others to provide goods or  
16 services to a customer in exchange for consideration.

17 K. **“Stipulating Defendants”** means Receivership Defendants and  
18 Individual Defendants, individually, collectively, or in any combination.

19 L. **“Telemarketer”** means any person who, in connection with  
20 telemarketing, initiates or receives telephone calls to or from a customer or donor.  
21 16 C.F.R. § 310.2(ff).

22 M. **“Telemarketing”** means a plan, program, or campaign (whether or  
23 not covered by the TSR, 16 C.F.R. Part 310) that is conducted to induce the  
24 purchase of goods or services or a charitable contribution by use of one or more  
25 telephones.

1       **I.       REPRESENTATIONS PROHIBITED BY § 5 OF THE FTC ACT**

2       **IT IS FURTHER ORDERED** that Stipulating Defendants, their officers,  
3 agents, servants, employees, and attorneys, and all other persons who are in active  
4 concert or participation with any of them, who receive actual notice of this Order,  
5 by personal service or otherwise, whether acting directly or indirectly, in  
6 connection with the advertising, marketing, promoting, or offering for sale, sale, or  
7 provision of any Debt Relief Service, are hereby preliminarily restrained and  
8 enjoined from:

9       A.       Misrepresenting or assisting others in misrepresenting, expressly or by  
10 implication, that:

- 11               1.       Stipulating Defendants are part of, affiliated with, or work  
12 directly with the government, government loan programs, the  
13 Department of Education (“ED”), or consumers’ loan servicers;
- 14               2.       Consumers who purchase Stipulating Defendants’ Debt Relief  
15 Services generally will have their monthly payments reduced or their  
16 loan balances forgiven in whole or in part;
- 17               3.       Consumers are qualified for, or are approved to receive, loan  
18 forgiveness or other programs that will permanently lower or  
19 eliminate their loan payments or balances; and
- 20               4.       Any other fact material to consumers concerning any Debt  
21 Relief Service, such as: the total costs; any material restrictions,  
22 limitations, or conditions; or any material aspect of its performance,  
23 efficacy, nature, or central characteristics; and

24       B.       Making or assisting others in making, any representation, expressly or  
25 by implication, about the benefits, performance, or efficacy of any Debt Relief  
26 Service, unless the representation is non-misleading and, at the time such  
27 representation is made, Stipulating Defendants possess and rely upon competent

1 and reliable evidence that is sufficient in quality and quantity based on standards  
2 generally accepted in the relevant fields, when considered in light of the entire  
3 body of relevant and reliable evidence, to substantiate that the representation is  
4 true.

5 **II. REPRESENTATIONS PROHIBITED BY THE TSR**

6 **IT IS FURTHER ORDERED** that Stipulating Defendants, their officers,  
7 agents, servants, employees, and attorneys, and all other persons who are in active  
8 concert or participation with any of them, who receive actual notice of this Order,  
9 whether acting directly or indirectly, in connection with providing, offering to  
10 provide, or arranging for others to provide any Debt Relief Service, are hereby  
11 preliminarily restrained and enjoined from:

12 A. Providing, offering to provide, or arranging for others to provide any  
13 Debt Relief Service and requesting or receiving payment of any fees or  
14 consideration for any Debt Relief Service until and unless:

15 1. The Seller or Telemarketer has renegotiated, settled, reduced, or  
16 otherwise altered the terms of at least one debt pursuant to a  
17 settlement agreement, debt management plan, or other such valid  
18 contractual agreement executed by the customer;

19 2. The customer has made at least one payment pursuant to that  
20 settlement agreement, debt management plan, or other valid  
21 contractual agreement between the customer and the creditor or debt  
22 collector; and

23 3. To the extent that debts enrolled in a service are renegotiated,  
24 settled, reduced, or otherwise altered individually, the fee or  
25 consideration either:

26 a. Bears the same proportional relationship to the total fee  
27 for renegotiating, settling, reducing, or altering the terms of the

1 entire debt balance as the individual debt amount bears to the  
2 entire debt amount. The individual debt amount and the entire  
3 debt amount are those owed at the time the debt was enrolled in  
4 the service; or

5 b. Is a percentage of the amount saved as a result of the  
6 renegotiation, settlement, reduction, or alteration. The  
7 percentage charged cannot change from one individual debt to  
8 another. The amount saved is the difference between the  
9 amount owed at the time the debt was enrolled in the service  
10 and the amount actually paid to satisfy the debt requesting or  
11 receiving payment of any fees or consideration for any debt  
12 relief service;

13 B. Misrepresenting directly or indirectly, expressly or by implication,  
14 that Stipulating Defendants are affiliated with, or endorsed or sponsored by, the  
15 government, government loan programs, the ED, or consumers' loan servicers;

16 C. Misrepresenting, directly or indirectly, expressly or by implication,  
17 any material aspect of their Debt Relief Services, including, but not limited to, that:

- 18 1. Consumers who purchase Stipulating Defendants' Debt Relief  
19 Services generally will have their monthly payments reduced or  
20 their loan balances forgiven in whole or in part; and  
21 2. Consumers are qualified for, or are approved to receive loan  
22 forgiveness or other programs that will permanently lower or  
23 eliminate their loan payments or balances.

24 **III. PROHIBITION ON RELEASE OF CUSTOMER INFORMATION**

25 **IT IS FURTHER ORDERED** that Stipulating Defendants, their officers,  
26 agents, servants, employees, attorneys, and all other persons who are in active  
27 concert or participation with any of them, who receive actual notice of this Order,

1 whether acting directly or indirectly, are hereby preliminarily restrained and  
2 enjoined from:

3 A. Selling, renting, leasing, transferring, or otherwise disclosing, the  
4 name, address, birth date, telephone number, email address, credit card number,  
5 bank account number, Social Security number, or other financial or identifying  
6 information of any person that any Defendant obtained in connection with any  
7 activity that pertains to the subject matter of this Order; and

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

13 *Provided, however,* that Stipulating Defendants may disclose such  
14 identifying information to a law enforcement agency, as required by any law,  
15 regulation, or court order, or in any filings, pleadings or discovery in this action in  
16 the manner required by the Federal Rules of Civil Procedure and by any protective  
17 order in the case.

#### 18 IV. ASSET FREEZE

19 **IT IS FURTHER ORDERED** that, except upon further order of the Court  
20 or by agreement between the FTC and the Stipulating Defendants, Stipulating  
21 Defendants, and their officers, agents, servants, employees, and attorneys, and all  
22 other persons who are in active concert or participation with any of them, who  
23 receive actual notice of this Order, whether acting directly or indirectly, are hereby  
24 preliminarily restrained and enjoined from:

25 A. Transferring, liquidating, converting, encumbering, pledging, loaning,  
26 selling, concealing, dissipating, disbursing, assigning, relinquishing, spending,  
27 withdrawing, granting a lien or security interest or other interest in, or otherwise

28 Prel. Inj. as to United Legal Center, LLC,  
United Legal Center, Inc., Avinadav Rubeni, and  
Ramiar Reuveni

1 disposing of any Assets of the Stipulating Defendants, wherever located, including  
2 outside the United States, that are:

- 3 1. Owned or controlled, directly or indirectly, by any Stipulating  
4 Defendant;
- 5 2. held, in part or in whole, for the benefit of any Stipulating  
6 Defendant;
- 7 3. In the actual or constructive possession of any Stipulating  
8 Defendant; or
- 9 4. Owned or controlled by, in the actual or constructive possession of,  
10 or otherwise held for the benefit of, any corporation, partnership, asset  
11 protection trust, or other entity that is directly or indirectly owned,  
12 managed or controlled by any Stipulating Defendant.

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

17 C. Incurring charges or cash advances on any credit or bank card issued  
18 in the name, individually or jointly, of any Stipulating Defendant, or any  
19 corporation, partnership, or other entity directly or indirectly owned, managed, or  
20 controlled by any Stipulating Defendant, or of which any Stipulating Defendant is  
21 an officer, director, member, or manager; or

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

24 The Assets affected by this Section shall include: (1) all Assets of the  
25 Stipulating Defendants as of the time this Order is entered; (2) Assets obtained by  
26 the Stipulating Defendants after this Order is entered if those Assets are derived  
27 from any activity that is the subject of the Complaint in this matter or that is

1 prohibited by this Order. This Section does not prohibit any transfers to the  
2 Receiver or repatriation of foreign Assets specifically required by this Order.

3 **V. RETENTION OF ASSETS AND DOCUMENTS BY THIRD PARTIES**

4 **IT IS FURTHER ORDERED** that, pending final resolution of this case,  
5 any financial or brokerage institution, Electronic Data Host, credit card processor,  
6 payment processor, merchant bank, acquiring bank, independent sales  
7 organization, third party processor, payment gateway, insurance company,  
8 business entity, or person who receives actual notice of this Order (by service or  
9 otherwise) and that (a) holds, controls, or maintains custody, through an account or  
10 otherwise, of any Document or Asset that is: owned or controlled, directly or  
11 indirectly, by any Stipulating Defendant; held, in part or in whole, for the benefit  
12 of any Stipulating Defendant; in the actual or constructive possession of any  
13 Stipulating Defendant; or owned or controlled by, in the actual or constructive  
14 possession of, or otherwise held for the benefit of, any corporation, partnership,  
15 asset protection trust, or other entity that is directly or indirectly owned, managed,  
16 or controlled by any Stipulating Defendant; (b) holds, controls, or maintains  
17 custody of any Document or Asset associated with credits, debits or charges made  
18 on behalf of the Stipulating Defendants, including reserve funds held by payment  
19 processors, credit card processors, merchant banks, acquiring banks, independent  
20 sales organizations, third party processors, payment gateways, insurance  
21 companies, or other entities; or (c) has held, controlled, or maintained custody of  
22 any such Document, Asset, or account at any time since the date of entry of this  
23 Order shall:

24 A. Hold, preserve, and retain within its control and prohibit the  
25 withdrawal, removal, alteration, assignment, transfer, pledge, encumbrance,  
26 disbursement, dissipation, relinquishment, conversion, sale, or other disposal of  
27

1 any such Document or Asset, as well as all Documents or other property related to  
2 such Assets, except by further order of this Court;

3 B. Deny any Person, except the Receiver with respect to the  
4 Receivership Defendants, access to any safe deposit box, commercial mail box, or  
5 storage facility that is titled in the name of any Stipulating Defendant, either  
6 individually or jointly, or otherwise subject to access by any Stipulating  
7 Defendant;

8 C. Provide FTC counsel with respect to Stipulating Defendants, and the  
9 Receiver with respect to the Receivership Defendants, within three (3) business  
10 days of receiving a copy of this Order, a sworn statement setting forth:

- 11 1. The identification number of each such account or Asset;
- 12 2. The balance of each such account, or a description of the nature  
13 and value of each such Asset as of the close of business on the  
14 day on which this Order is served, and, if the account or other  
15 Asset has been closed or removed, the date closed or removed,  
16 the total funds removed in order to close the account, and the  
17 name of the person or entity to whom such account or other  
18 Asset was remitted and all user names, passwords or other  
19 information necessary to have full and complete access to all  
20 accounts; and
- 21 3. The identification of any safe deposit box, commercial mail  
22 box, or storage facility that is either titled in the name,  
23 individually or jointly, of any Stipulating Defendant, or is  
24 otherwise subject to access by any Stipulating Defendant; and

25 D. Upon the request of FTC counsel or the Receiver, promptly provide  
26 FTC counsel and the Receiver with copies of all records or other Documents  
27 pertaining to such account or Asset, including originals or copies of account

1 applications, account statements, signature cards, checks, drafts, deposit tickets,  
2 transfers to and from the accounts, including wire transfers and wire transfer  
3 instructions, all other debit and credit instruments or slips, currency transaction  
4 reports, 1099 forms, and all logs and records pertaining to safe deposit boxes,  
5 commercial mail boxes, and storage facilities.

## 6 **VI. FINANCIAL STATEMENTS AND ACCOUNTING**

7 **IT IS FURTHER ORDERED** that each Stipulating Defendant, within five  
8 (5) days of service of this Order upon each of them if they have not already done  
9 so, shall prepare and deliver to Plaintiff's counsel and the Receiver: (1) completed  
10 financial statements on the forms attached to this Order as **Attachment A**  
11 (Financial Statement of Individual Defendant) for the Individual Defendants, and  
12 **Attachment B** (Financial Statement of Corporate Defendant) for each  
13 Receivership Defendant; and (2) a completed statement, verified under oath, of all  
14 payments, transfers or assignments of funds, property worth \$5,000 or more, and  
15 other assets, since January 1, 2015. Such statement shall include: (a) the amount  
16 transferred or assigned; (b) the name of each transferee or assignee; (c) the date of  
17 the transfer or assignment; and (d) the type and amount of consideration paid by  
18 the Stipulating Defendant. Each statement shall specify the name and address of  
19 each financial institution and brokerage firm at which the Stipulating Defendant  
20 has in accounts or safe deposit boxes. Said statements shall include assets held in  
21 foreign as well as domestic accounts.

## 22 **VII. FOREIGN ASSET REPATRIATION**

23 **IT IS FURTHER ORDERED** that within five (5) days following the  
24 service of this Order, if they have not already done so, each Stipulating Defendant  
25 shall:

26 A. Provide Plaintiff's counsel and the Receiver with a full accounting,  
27 verified under oath and accurate as of the date of this Order, of all Assets,

1 Documents, and accounts outside of the United States which are: (1) titled in the  
2 name, individually or jointly, of any Stipulating Defendant; (2) held by any person  
3 or entity for the benefit of any Stipulating Defendant or for the benefit of, any  
4 corporation, partnership, asset protection trust, or other entity that is directly or  
5 indirectly owned, managed, or controlled by any Stipulating Defendant; or (3)  
6 under the direct or indirect control, whether jointly or singly, of any Stipulating  
7 Defendant;

8 B. Take all steps necessary to provide Plaintiff's counsel and the  
9 Receiver access to all Documents and records that may be held by third parties  
10 located outside of the territorial United States of America, including signing, if  
11 they have not already done so, the Consent to Release of Financial Records  
12 appended to this Order as **Attachment C**.

13 C. Transfer to the territory of the United States and deliver to the  
14 Receiver all Documents and Assets located in foreign countries which are: (1)  
15 titled in the name, individually or jointly, of any Receivership Defendant; (2) held  
16 by any person or entity for the benefit of any Receivership Defendant, or for the  
17 benefit of, any corporation, partnership, asset protection trust, or other entity that is  
18 directly or indirectly owned, managed, or controlled by any Receivership  
19 Defendant; or (3) under the direct or indirect control, whether jointly or singly, of  
20 any Receivership Defendant; and

21 D. The same business day as any repatriation, (1) notify the Receiver and  
22 counsel for Plaintiff of the name and location of the financial institution or other  
23 entity that is the recipient of such Documents or Assets; and (2) serve this Order on  
24 any such financial institution or other entity.

## 25 **VIII. NON-INTERFERENCE WITH REPATRIATION**

26 **IT IS FURTHER ORDERED** that Stipulating Defendants, their officers,  
27 agents, servants, employees, and attorneys, and all other Persons who are in active

1 concert or participation with any of them, who receive actual notice of this Order,  
2 whether acting directly or indirectly, are hereby restrained and enjoined from  
3 taking any action, directly or indirectly, which may result in the encumbrance or  
4 dissipation of foreign Assets, or in the hindrance of the repatriation required by this  
5 Order, including, but not limited to:

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

11 B. Notifying any trustee, protector or other agent of any foreign trust or  
12 other related entities of either the existence of this Order, or of the fact that  
13 repatriation is required pursuant to a court order, until such time that all Stipulating  
14 Defendants’ Assets have been fully repatriated pursuant to this Order.

15 **IX. CONSUMER CREDIT REPORTS**

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

21 **X. PRESERVATION OF RECORDS**

22 **IT IS FURTHER ORDERED** that Stipulating Defendants, and their  
23 officers, agents, employees, and attorneys, and all other Persons in active concert  
24 or participation with any of them, who receive actual notice of this Order, whether  
25 acting directly or indirectly, are hereby preliminarily restrained and enjoined from:

26 A. Destroying, erasing, falsifying, writing over, mutilating, concealing,  
27 altering, transferring, or otherwise disposing of, in any manner, directly or

1 indirectly, Documents that relate to: (1) the business, business practices, Assets, or  
2 business or personal finances of any Stipulating Defendant; (2) the business  
3 practices or finances of entities directly or indirectly under the control of any  
4 Stipulating Defendant; or (3) the business practices or finances of entities directly  
5 or indirectly under common control with any other Stipulating Defendant; and

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

### 9 **XI. RECEIVER**

10 **IT IS FURTHER ORDERED** that Thomas W. McNamara is appointed as  
11 Receiver of the Receivership Defendants with full powers of an equity receiver.  
12 The Receiver shall be solely the agent of this Court in acting as Receiver under this  
13 Order.

### 14 **XII. DUTIES AND AUTHORITY OF RECEIVER**

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

17 A. Assume full control of Receivership Defendants by removing, as the  
18 Receiver deems necessary or advisable, any director, officer, independent  
19 contractor, employee, attorney, or agent of any Receivership Defendant from  
20 control of, management of, or participation in, the affairs of the Receivership  
21 Defendants;

22 B. Take exclusive custody, control, and possession of all Assets and  
23 Documents of, or in the possession, custody, or under the control of, any  
24 Receivership Defendant, wherever situated;

25 C. Obtain, conserve, hold, manage, and prevent the loss of all Assets of  
26 the Receivership Defendants, and perform all acts necessary or advisable to  
27 preserve the value of those Assets. The Receiver shall assume control over the

1 income and profits therefrom and all sums of money now or hereafter due or owing  
2 to the Receivership Defendants. The Receiver shall have full power to sue for,  
3 collect, and receive, all Assets of the Receivership Defendants and of other persons  
4 or entities whose interests are now under the direction, possession, custody, or  
5 control of, the Receivership Defendants. *Provided, however,* that the Receiver  
6 shall not attempt to collect any amount from a consumer if the Receiver believes  
7 the consumer's debt to the Receivership Defendants has resulted from the  
8 deceptive acts or practices or other violations of law alleged in the Complaint in  
9 this matter, without prior Court approval;

10 D. Obtain, conserve, hold, manage, and prevent the loss of all Documents  
11 of the Receivership Defendants, and perform all acts necessary or advisable to  
12 preserve such Documents, including imaging the Receivership Defendants'  
13 servers, computers, and electronic devices, as well as imaging smart phones and  
14 mobile devices of the Individual Defendants to the extent that the Receiver  
15 believes there is data of or concerning the Receivership Defendants on these items.  
16 The Receiver shall: divert mail; preserve all Documents of the Receivership  
17 Defendants that are accessible via electronic means such as online access to  
18 financial accounts and access to electronic documents held onsite or by Electronic  
19 Data Hosts, by changing usernames, passwords or other log-in credentials; take  
20 possession of all electronic Documents of the Receivership Defendants stored  
21 onsite or remotely; take whatever steps necessary to preserve all such Documents;  
22 and obtain the assistance of the FTC's Digital Forensic Unit for the purpose of  
23 obtaining electronic documents stored onsite or remotely;

24 E. Choose, engage, and employ attorneys, accountants, appraisers, and  
25 other independent contractors and technical specialists, as the Receiver deems  
26 advisable or necessary in the performance of duties and responsibilities under the  
27

1 authority granted by this Order, including, but not limited to, the law firm in which  
2 the Receiver is a partner;

3 F. Make payments and disbursements from the receivership estate that  
4 are necessary or advisable for carrying out the directions of, or exercising the  
5 authority granted by, this Order, and to incur, or authorize the making of, such  
6 agreements as may be necessary and advisable in discharging his or her duties as  
7 Receiver. The Receiver shall apply to the Court for prior approval of any payment  
8 of any debt or obligation incurred by the Receivership Defendants prior to the date  
9 of entry of this Order, except payments that the Receiver deems necessary or  
10 advisable to secure Assets of the Receivership Defendants, such as rental  
11 payments;

12 G. Take all steps necessary to secure and take exclusive custody of each  
13 location from which the Receivership Defendants operate their businesses. Such  
14 steps may include, but are not limited to, any of the following, as the Receiver  
15 deems necessary or advisable: (1) securing the location by changing the locks and  
16 alarm codes and disconnecting any Internet access or other means of access to the  
17 computers, servers, internal networks, or other records maintained at that location;  
18 and (2) requiring any persons present at the location to leave the premises, to  
19 provide the Receiver with proof of identification, and/or to demonstrate to the  
20 satisfaction of the Receiver that such persons are not removing from the premises  
21 Documents or Assets of the Receivership Defendants. Law enforcement  
22 personnel, including, but not limited to, police or sheriffs, may assist the Receiver  
23 in implementing these provisions in order to keep the peace and maintain security.  
24 If requested by the Receiver, the United States Marshal will provide appropriate  
25 and necessary assistance to the Receiver to implement this Order and is authorized  
26 to use any necessary and reasonable force to do so;

1 H. Take all steps necessary to prevent the modification, destruction, or  
2 erasure of any web page or website registered to and operated, in whole or in part,  
3 by any Receivership Defendant, and to provide access to all such web page or  
4 websites to Plaintiff's representatives, agents, and assistants, as well as  
5 Receivership Defendants, and their representatives;

6 I. Enter into and cancel contracts and purchase insurance as advisable or  
7 necessary;

8 J. Prevent the inequitable distribution of Assets and determine, adjust,  
9 and protect the interests of consumers who have transacted business with the  
10 Receivership Defendants;

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

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

20 M. Issue subpoenas to obtain Documents and records pertaining to the  
21 Receivership, and conduct discovery in this action on behalf of the receivership  
22 estate;

23 N. Open one or more bank accounts at designated depositories for funds  
24 of the Receivership Defendants. The Receiver shall deposit all funds of the  
25 Receivership Defendants in such designated accounts and shall make all payments  
26 and disbursements from the receivership estate from such accounts. The Receiver  
27 shall serve copies of monthly account statements on all parties;

1 O. Maintain accurate records of all receipts and expenditures incurred as  
2 Temporary Receiver;

3 P. Allow the Plaintiff's representatives, agents, and assistants, as well as  
4 the Stipulating Defendants' representatives and the Stipulating Defendants'  
5 themselves, reasonable access to the premises of the Receivership Defendants, or  
6 any other premises where the Receivership Defendants conduct business. The  
7 purpose of this access shall be to inspect and copy any and all books, records,  
8 Documents, accounts, and other property owned by, or in the possession of, the  
9 Receivership Defendants, or their agents. The Receiver shall have the discretion to  
10 determine the time, manner, and reasonable conditions of such access;

11 Q. Allow the Plaintiff's representatives, agents, and assistants, as well as  
12 Stipulating Defendants and their representatives reasonable access to all  
13 Documents in the possession, custody, or control of the Receivership Defendants;

14 R. Cooperate with reasonable requests for information or assistance from  
15 any state or federal civil or criminal law enforcement agency;

16 S. Suspend business operations of the Receivership Defendants if, in the  
17 judgment of the Receiver, such operations cannot be continued legally and  
18 profitably;

19 T. Take all steps necessary to ensure that any of the Receivership  
20 Defendants' web pages or websites relating to Debt Relief Services cannot be  
21 accessed by the public, or are modified for consumer education and/or  
22 informational purposes, if the Receiver deems it necessary or advisable;

23 U. Take all steps necessary to ensure that any telephone numbers  
24 associated with the Receivership Defendants cannot be accessed by the public, or  
25 are answered solely to provide consumer education or information regarding the  
26 status of operations, if the Receiver deems it necessary or advisable; and  
27

1 V. File timely reports with the Court at reasonable intervals, or as  
2 otherwise directed by the Court.

3 **XIII. TRANSFER OF RECEIVERSHIP PROPERTY TO RECEIVER**

4 **IT IS FURTHER ORDERED** that Stipulating Defendants, and any other  
5 person with possession, custody, or control of property of, or records relating to the  
6 Receivership Defendants shall, upon notice of this Order by personal service or  
7 otherwise, fully cooperate with and assist the Receiver in taking and maintaining  
8 possession, custody, or control of the Assets and Documents of the Receivership  
9 Defendants and immediately transfer or deliver to the Receiver possession,  
10 custody, and control of the following:

11 A. All Assets held by, or for the benefit of, the Receivership Defendants;

12 B. All Documents of or pertaining to, the Receivership Defendants;

13 C. All computers, electronic devices, mobile devices and machines used  
14 to conduct the business of the Receivership Defendants;

15 D. All Assets and Documents belonging to other persons or entities  
16 whose interests are under the direction, possession, custody, or control of the  
17 Receivership Defendants; and

18 E. All keys, codes, user names and passwords necessary to gain access or  
19 to secure access to any Assets or Documents of, or pertaining to, the Receivership  
20 Defendants, including access to their business premises, means of communication,  
21 accounts, computer systems (onsite and remote), Electronic Data Hosts, or other  
22 property.

23 In the event that any person or entity fails to deliver or transfer any Asset or  
24 Document, or otherwise fails to comply with any provision of this Section, the  
25 Receiver may file an Affidavit of Non-Compliance regarding the failure and a  
26 motion seeking compliance or a contempt citation.

1                   **XIV. PROVISION OF INFORMATION TO RECEIVER**

2                   **IT IS FURTHER ORDERED** that Stipulating Defendants shall  
3 immediately provide to the Receiver:

4                   A.     A list of all Assets and accounts of the Receivership Defendants that  
5 are held in any name other than the name of a Receivership Defendant, or by any  
6 person or entity other than a Receivership Defendant; and

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

11                   **XV. COOPERATION WITH THE RECEIVER**

12                   **IT IS FURTHER ORDERED** that the Stipulating Defendants, their  
13 officers, agents, servants, employees, attorneys, all other persons who are in active  
14 concert or participation with any of them, and any other person with possession,  
15 custody, or control of property or of records relating to the Receivership  
16 Defendants who receive actual notice of this Order shall fully cooperate with and  
17 assist the Receiver. This cooperation and assistance shall include, but is not  
18 limited to, providing information to the Receiver that the Receiver deems  
19 necessary to exercise the authority and discharge the responsibilities of the  
20 Receiver under this Order; providing any keys, codes, user names and passwords  
21 required to access any computers, electronic devices, mobile devices, or machines  
22 (onsite or remotely) or any cloud account (including the specific method used to  
23 access the account) or electronic file in any medium and completing a  
24 questionnaire provided by the Receiver; advising all persons who owe money to  
25 any Receivership Defendant that all debts should be paid directly to the Receiver;  
26 and transferring funds at the Receiver’s direction and producing records related to  
27 the Assets and sales of the Receivership Defendants.

1                   **XVI. NON-INTERFERENCE WITH THE RECEIVER**

2                   **IT IS FURTHER ORDERED** that the Stipulating Defendants, their  
3 officers, agents, servants, employees, and attorneys, and all other persons who are  
4 in active concert or participation with any of them, who receive actual notice of  
5 this Order, and any other person served with a copy of this Order, are hereby  
6 restrained and enjoined from directly or indirectly:

7                   A.     Interfering with the Receiver’s efforts to manage, or take custody,  
8 control, or possession of, the Assets or Documents subject to the receivership;

9                   B.     Transacting any of the business of the Receivership Defendants;

10                  C.     Transferring, receiving, altering, selling, encumbering, pledging,  
11 assigning, liquidating, or otherwise disposing of any Assets owned, controlled, or  
12 in the possession or custody of, or in which an interest is held or claimed by, the  
13 Receivership Defendants; or

14                  D.     Refusing to cooperate with the Receiver or the Receiver’s duly  
15 authorized agents in the exercise of their duties or authority under any order of this  
16 Court.

17                   **XVII. STAY OF ACTIONS**

18                   **IT IS FURTHER ORDERED** that, except by leave of this Court, during  
19 the pendency of the receivership ordered herein, Stipulating Defendants, their  
20 officers, agents, servants, employees, and attorneys, and all other persons who are  
21 in active concert or participation with any of them, who receive actual notice of  
22 this Order, and their corporations, subsidiaries, divisions, or affiliates, and all  
23 investors, creditors, stockholders, lessors, customers and other persons seeking to  
24 establish or enforce any claim, right, or interest against or on behalf of Stipulating  
25 Defendants, and all others acting for or on behalf of such persons, are hereby  
26 enjoined from taking action that would interfere with the exclusive jurisdiction of  
27

1 this Court over the Assets or Documents of the Stipulating Defendants, including,  
2 but not limited to:

3 A. Filing or assisting in the filing of a petition for relief under the  
4 Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, or of any similar insolvency proceeding  
5 on behalf of the Stipulating Defendants;

6 B. Commencing, prosecuting, or continuing a judicial, administrative, or  
7 other action or proceeding against the Stipulating Defendants, including the  
8 issuance or employment of process against the Stipulating Defendants, except that  
9 such actions may be commenced if necessary to toll any applicable statute of  
10 limitations; or

11 C. Filing or enforcing any lien on any Asset of the Stipulating  
12 Defendants, taking or attempting to take possession, custody, or control of any  
13 Asset of the Stipulating Defendants, attempting to foreclose, forfeit, alter, or  
14 terminate any interest in any Asset of the Stipulating Defendants, whether such  
15 acts are part of a judicial proceeding, are acts of self-help, or otherwise.

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

22 **XVIII. COMPENSATION OF RECEIVER**

23 **IT IS FURTHER ORDERED** that the Receiver and all personnel hired by  
24 the Receiver as herein authorized, including counsel to the Receiver and  
25 accountants, are entitled to reasonable compensation for the performance of duties  
26 pursuant to this Order and for the cost of actual out-of-pocket expenses incurred by  
27 them, from the Assets now held by, in the possession or control of, or which may

1 be received by, the Receivership Defendants. The Receiver shall file with the  
2 Court and serve on the parties periodic requests for the payment of such reasonable  
3 compensation, with the first such request filed no more than sixty (60) days after  
4 the date of entry of this Order. The Receiver shall not increase the hourly rates  
5 used as the bases for such fee applications without prior approval of the Court.

6 **XIX. RECEIVER'S BOND**

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

11 **XX. WITHDRAWAL OF RECEIVER**

12 **IT IS FURTHER ORDERED** that the Receiver and professionals retained  
13 by the Receiver, including but not limited to, his attorneys and accountants, are  
14 hereby authorized to withdraw from his or her respective appointments or  
15 representations and apply for payment of their professional fees and costs at any  
16 time after the date of this Order, for any reason in their sole discretion, by sending  
17 written notice seven (7) days prior to the date of the intended withdrawal to the  
18 Court and to the parties along with a written report reflecting the Receiver's work,  
19 findings, and recommendations, as well as an accounting for all funds and assets in  
20 the possession or control of the Receiver. The Receiver shall be relieved of all  
21 liabilities and responsibilities, and the Receiver shall be exonerated and the  
22 receivership deemed closed seven (7) days from the date of mailing of such notice  
23 of withdrawal. The Court will retain jurisdiction to consider the fee applications,  
24 report, and accounting submitted by the Receiver.

25 **XXI. DISTRIBUTION OF ORDER BY STIPULATING DEFENDANTS**

26 **IT IS FURTHER ORDERED** that Stipulating Defendants shall  
27 immediately provide a copy of this Order to each affiliate, telemarketer, marketer,

1 sales entity, successor, assign, member, officer, director, employee, agent,  
2 independent contractor, attorney, spouse, former spouse, subsidiary, division, and  
3 representative of any Stipulating Defendant and any company owned or controlled  
4 by any Stipulating Defendant, and shall, within three (3) calendar days from the  
5 date of entry of this Order provide Plaintiff and the Receiver with a sworn  
6 statement that this provision of the Order has been satisfied, which statement shall  
7 include the names, physical addresses, phone number, and email addresses of each  
8 such person or entity who received a copy of the Order. Furthermore, Stipulating  
9 Defendants shall not take any action that would encourage officers, agents,  
10 members, directors, employees, salespersons, independent contractors, attorneys,  
11 subsidiaries, affiliates, successors, assigns or other persons or entities in active  
12 concert or participation with them to disregard this Order or believe that they are  
13 not bound by its provisions.

## 14 **XXII. EXPEDITED DISCOVERY**

15 **IT IS FURTHER ORDERED** that, notwithstanding the provisions of the  
16 Fed. R. Civ. P. 26(d) and (f) and 30(a)(2)(C), and pursuant to Fed. R. Civ. P.  
17 30(a), 34, and 45, Plaintiff and the Receiver are granted leave, at any time after  
18 service of this Order, to conduct limited expedited discovery for the purpose of  
19 discovering: (1) the nature, location, status, and extent of Stipulating Defendants'  
20 Assets; (2) the nature location and extent of Stipulating Defendants' business  
21 transactions and operations; (3) Documents reflecting Stipulating Defendants'  
22 business transactions and operations; or (4) compliance with this Order. The  
23 limited expedited discovery set forth in this Section shall proceed as follows:

24 A. Plaintiff and the Receiver may take the deposition of parties and non-  
25 parties. Forty-eight (48) hours' notice shall be sufficient notice for such  
26 depositions. The limitations and conditions set forth in Fed. R. Civ. P. 30(a)(2)(B)  
27 and 31(a)(2)(B) regarding subsequent depositions of an individual shall not apply

1 to depositions taken pursuant to this Section. Any such deposition taken pursuant  
2 to this Section shall not be counted towards the deposition limit set forth in Rules  
3 30(a)(2)(A) and 31(a)(2)(A) and depositions may be taken by telephone or other  
4 remote electronic means;

5 B. Plaintiff and the Receiver may serve upon the parties requests for  
6 production of Documents or inspection that requires production or inspection  
7 within five (5) days of service; *provided*, however, that three (3) days of notice  
8 shall be deemed sufficient for the production of any such Documents that are  
9 maintained or stored only in electronic format.

10 C. Plaintiff and the Receiver may serve upon parties interrogatories that  
11 require response within five (5) days after Plaintiff serves such interrogatories.

12 D. Plaintiff and the Receiver may serve subpoenas upon non-parties that  
13 direct production or inspection within five (5) days of service.

14 E. Service of discovery upon a party to this action, taken pursuant to this  
15 Section, shall be sufficient if made by facsimile, email, or by overnight delivery.

16 F. Any expedited discovery taken pursuant to this Section is in addition  
17 to, and is not subject to, the limits on discovery set forth in the Federal Rules of  
18 Civil Procedure and the Local Rules of this Court. The expedited discovery  
19 permitted by the Section does not require a meeting or conference of the parties,  
20 pursuant to Fed. R. Civ. P. 26(d) and (f).

21 G. The parties are exempted from making initial disclosures under Fed.  
22 R. Civ. P. 26(a)(1) until further order of this Court.

### 23 **XXIII. SERVICE OF THIS ORDER**

24 **IT IS FURTHER ORDERED** that copies of this Order may be served by  
25 any means, including facsimile transmission, electronic mail or other electronic  
26 messaging, personal or overnight delivery, U.S. Mail or FedEx, by agents and  
27 employees of Plaintiff, by any law enforcement agency, or by private process

1 server, upon any Stipulating Defendant or any Person (including any financial  
2 institution) that may have possession, custody, or control of any Asset or  
3 Document of any Stipulating Defendant, or that may be subject to any provision of  
4 this Order pursuant to Fed. R. Civ. P. 65(d)(2). For purposes of this Section,  
5 service upon any branch, subsidiary, affiliate or office of any entity shall effect  
6 service upon the entire entity.

7 **XXIV. CORRESPONDENCE AND SERVICE ON PLAINTIFF**

8 **IT IS FURTHER ORDERED** that, for the purpose of this Order, all  
9 correspondence and service of pleadings on Plaintiff shall be addressed to:

10 Eleanor Durham  
11 Federal Trade Commission  
12 915 2<sup>nd</sup> Ave., Suite 2896  
13 Seattle, WA 98174  
14 Phone: (206) 220-4476  
15 Fax: (206) 220-6366  
16 edurham@ftc.gov

17 **XXV. RETENTION OF JURISDICTION**

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

20 **SO ORDERED**, this 24th day of October, 2017, at 3:50 p.m.

21 

22  
23  
24 The Honorable S. James Otero  
25 UNITED STATES DISTRICT JUDGE  
26  
27