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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA

Federal Trade Commission

Plaintiff,

vs.

American Business Builders, LLC, an
Arizona Limited Liability Company; ENF,
LLC, an Arizona Limited Liability
Company also d/b/a Network Market
Solutions; UMS Group, LLC, an Arizona
Limited Liability Company; United
Merchant Services, LLC, an Arizona
Limited Liability Company; Universal
Marketing and Training, LLC, an Arizona
Limited Liability Company; Unlimited
Training Services, LLC, an Arizona
Limited Liability Company; Shane
Michael Hanna a/k/a Shane Michael
Romeo, an individual; and Stephen Spratt,
an individual,

Defendants.

Case No. CV-12-2368-PHX-SRB

TEMPORARY RESTRAINING ORDER
WITH ASSET FREEZE, APPOINTMENT
OF TEMPORARY RECEIVER AND
OTHER EQUITABLE RELIEF, AND
ORDER TO SHOW CAUSE WHY A
PRELIMINARY INJUNCTION SHOULD
NOT ISSUE AND A PERMANENT
RECEIVER SHOULD NOT BE
APPOINTED

UNDER SEAL

1 Plaintiff Federal Trade Commission (“FTC” or “Commission”) having filed its
2 Complaint for a permanent injunction and other equitable relief in this matter pursuant to
3 Sections 13(b) and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§
4 53(b) and 57b, and the FTC’s Trade Regulation Rule titled “Disclosure Requirements and
5 Prohibitions Concerning Business Opportunities” (“Business Opportunity Rule” or
6 “Rule”), 16 C.F.R. Part 437, as amended, and having applied *ex parte* for a Temporary
7 Restraining Order (“Order”) and Order to Show Cause why a Preliminary Injunction
8 should not issue and a permanent receiver should not be appointed pursuant to Rule 65 of
9 the Federal Rules of Civil Procedure (Doc. 7), and the Court having considered the
10 Complaint, Plaintiff’s application, and the memorandum of points and authorities and
11 other materials filed in support thereof, and now being advised in the premises, finds as
12 follows:

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

16 2. There is good cause to believe that Defendants American Business
17 Builders, LLC; ENF, LLC (also doing business as Network Market Solutions); UMS
18 Group, LLC; United Merchant Services, LLC; Universal Marketing and Training, LLC;
19 Unlimited Training Services, LLC; Shane Michael Hanna (also known as Shane Michael
20 Romeo); and Stephen Spratt have engaged in and are likely to engage in acts that violate
21 Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the Business Opportunity Rule, 16
22 C.F.R. Part 437, as amended, and that the Commission is likely to prevail on the merits of
23 this action.

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

27 4. There is good cause to believe that immediate and irreparable damage to
28 the Court’s ability to grant effective final relief for consumers— including the refund of

1 monies paid, restitution, rescission or reformation of contract, disgorgement of ill-gotten
2 monies, or other equitable monetary relief —will occur from the sale, transfer, or other
3 disposition or concealment by Defendants of assets or records if Defendants are provided
4 with advance notice of this Order, and that therefore in accordance with Fed. R. Civ. P.
5 65(b), the interests of justice therefore require that this Order be granted without prior
6 notice to Defendants. There is thus good cause for relieving the Commission of the duty
7 to provide Defendants with prior notice of the Commission’s application.

8 5. Good cause exists for the appointment of a Temporary Receiver over
9 Corporate Defendants American Business Builders, LLC; ENF, LLC (also doing business
10 as Network Market Solutions); UMS Group, LLC; United Merchant Services, LLC;
11 Universal Marketing and Training, LLC; and Unlimited Training Services, LLC.

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

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

17 **ORDER**

18 DEFINITIONS

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

- 20 1. “Plaintiff” means the Federal Trade Commission.
- 21 2. “Defendants” means American Business Builders, LLC; ENF, LLC (also
22 doing business as Network Market Solutions); UMS Group, LLC; United Merchant
23 Services, LLC; Universal Marketing and Training, LLC; Unlimited Training Services,
24 LLC; Shane Michael Hanna (also known as Shane Michael Romeo); and Stephen Spratt,
25 and each of them, by whatever names each might be known by, as well as their
26 successors and assigns, whether acting directly or through any corporation, subsidiary,
27 division, or other device, including, but not limited to, fictitious business names.

- 28 3. “Corporate Defendants” refers to Defendants American Business Builders,

1 LLC; ENF, LLC (also doing business as Network Market Solutions); UMS Group, LLC;
2 United Merchant Services, LLC; Universal Marketing and Training, LLC; and Unlimited
3 Training Services, LLC.

4 4. “Individual Defendants” refers to Defendants Shane Michael Hanna (also
5 known as Shane Michael Romeo) and Stephen Spratt.

6 5. “Receivership Defendants” refers to Defendants American Business
7 Builders, LLC; ENF, LLC (also doing business as Network Market Solutions); UMS
8 Group, LLC; United Merchant Services, LLC; Universal Marketing and Training, LLC;
9 and Unlimited Training Services, LLC, as well as any successors, assigns, affiliates, and
10 subsidiaries that conduct any business related to the Defendants’ business opportunity
11 and which the Temporary Receiver has reason to believe are owned or controlled in
12 whole or in part by any of the Defendants.

13 6. “Assets” means any legal or equitable interest in, right to, or claim to, any
14 real or personal property, including, without limitation, chattels, goods, instruments,
15 equipment, fixtures, general intangibles, leaseholds, mail or other deliveries, inventory,
16 checks, notes, accounts, credits, contracts, receivables, shares of stock, and all cash,
17 wherever located.

18 7. “Assisting others” means knowingly providing any of the following goods
19 or services to another person or entity:

20 a. performing customer service functions, including, but not limited to,
21 receiving or responding to consumer complaints; or

22 b. formulating or providing, or arranging for the formulation or provision
23 of, any telephone sales script or any other marketing material; or

24 c. providing names of, or assisting in the generation of, potential
25 customers; or

26 d. performing marketing services of any kind.

27 8. The term “document” is equal in scope and synonymous in meaning to the
28 usage of the term in Federal Rule of Civil Procedure 34(a), and includes writings,

1 drawings, graphs, charts, photographs, audio and video recordings, computer records, and
2 any other data compilations from which information can be obtained. A draft or non-
3 identical copy is a separate document within the meaning of the term.

4 9. “Material” means likely to affect a person’s choice of, or conduct
5 regarding, a good or service.

6 10. “Person” means a natural person, organization, or other legal entity,
7 including a corporation, partnership, proprietorship, association, cooperative, government
8 or governmental subdivision or agency, or any other group or combination acting as an
9 entity.

10 11. “Temporary Receiver” means the temporary receiver appointed by the
11 Court herein.

12 **I.**

13 **PROHIBITED REPRESENTATIONS**

14 **IT IS THEREFORE ORDERED** that Defendants and their successors, assigns,
15 officers, agents, servants, employees, and attorneys, and those persons or entities in
16 active concert or participation with any of them who receive actual notice of this Order
17 by personal service or otherwise, whether acting directly or through any corporation,
18 subsidiary, division, or other device, in connection with the advertising, marketing,
19 promotion, offering for sale or sale of any good or service, including any business
20 opportunity, are hereby temporarily restrained and enjoined from making, in any manner,
21 expressly or by implication, any false or unsubstantiated representation of material fact,
22 or from assisting others in making any false or unsubstantiated representation of material
23 fact, including but not limited to:

24 A. that any Defendant or other person is an independent sales organization,
25 member service provider, or otherwise offers, sells, or provides transaction processing
26 services, including processing services for Visa, MasterCard, Discover, American
27 Express, debit cards, check readers, and gift and loyalty cards;

28 B. that any Defendant or other person offers, sells, or otherwise provides

1 transaction processing equipment, including credit card terminals;

2 C. that any Defendant or other person provides or will locate or obtain leads,
3 locations, outlets, accounts or customers for consumers;

4 D. the amount of sales, or gross or net income or profits, a person may or is
5 likely to earn, or that other persons have earned; or

6 E. any material term or condition of any refund or cancellation policy.

7 **II.**

8 **PROHIBITION AGAINST VIOLATING**

9 **THE BUSINESS OPPORTUNITY RULE**

10 **IT IS FURTHER ORDERED** that Defendants and their successors, assigns,
11 officers, agents, servants, employees, and attorneys, and those persons or entities in
12 active concert or participation with any of them who receive actual notice of this Order
13 by personal service or otherwise, whether acting directly or through any corporation,
14 subsidiary, division, or other device, are hereby temporarily restrained and enjoined from
15 violating any provision of the Business Opportunity Rule, 16 C.F.R. Part 437, as
16 amended, including, but not limited to:

17 A. violating sections 437.2 and 437.3(a) of the Rule, 16 C.F.R. §§ 437.2 and
18 437.3(a), by failing to furnish prospective purchasers of a business opportunity with a
19 disclosure document and any required attachments at least seven (7) calendar days before
20 the earlier of the time that the prospective purchaser (1) signs any contract in connection
21 with the business opportunity sale or (2) makes a payment or provides other
22 consideration to the seller, directly or indirectly through a third party;

23 B. violating section 437.4(a) of the Rule, 16 C.F.R. § 437.4(a), by making
24 earnings claims in connection with the offering for sale, sale, or promotion of a business
25 opportunity while (1) lacking a reasonable basis for the earnings claim at the time it was
26 made; (2) lacking written substantiation for the earnings claim at the time it was made; or
27 (3) failing to provide an earnings claim statement to the prospective purchaser; or

28 C. violating section 437.6(j) of the Rule, 16 C.F.R. § 437.6(j) by

1 misrepresenting the likelihood that the Defendants will find accounts or customers for the
2 prospective purchaser of a business opportunity.

3 **III.**

4 **ASSET FREEZE**

5 **IT IS FURTHER ORDERED** that each of the Defendants is hereby temporarily
6 restrained and enjoined, until further order of this Court, from:

7 A. Transferring, encumbering, selling, liquidating, converting, loaning,
8 concealing, pledging, hypothecating, assigning, spending, withdrawing, disbursing,
9 conveying, gifting, dissipating, or otherwise disposing of any funds, property, coins, lists
10 of consumer names, shares of stock, or other assets, wherever located, that are (1) owned
11 or controlled by any of the Defendants, in whole or in part; (2) in the actual or
12 constructive possession of any of the Defendants; (3) held by an agent of any of the
13 Defendants, as a retainer for the agent's provision of services to a Defendant; or (4)
14 owned, controlled by, or in the actual or constructive possession of, or otherwise held for
15 the benefit of, any corporation, partnership, or other entity directly or indirectly owned or
16 controlled by any of the Defendants;

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

19 C. Incurring charges or cash advances on any credit or debit card issued in the
20 name, singly or jointly, of any of the Defendants, or any corporation, partnership, or other
21 entity directly or indirectly owned or controlled by any of the Defendants;

22 D. Obtaining a personal or secured loan encumbering the assets of any
23 Defendant, or any corporation, partnership, or other entity directly or indirectly owned or
24 controlled by any of the Defendants; and

25 E. Failing to disclose to Plaintiff, immediately upon service of this Order,
26 information that fully identifies each asset of the Defendants, and each entity holding
27 such asset, including, without limitation, the entity's name, address, and telephone
28 number, the number of the account, and the name under which the account is held.

1 F. *Provided*, that the freeze imposed in this Section shall be construed to apply
2 to assets that Defendants Hanna and Spratt acquire following service of this Order only if
3 such assets are derived from activity prohibited by this Order.

4 **IV.**

5 **FINANCIAL REPORTS**

6 **IT IS FURTHER ORDERED** that within forty-eight hours after service of this
7 Order:

8 A. Defendants Hanna and Spratt shall complete and deliver to Plaintiff the
9 Financial Statement captioned “Financial Statement of Individual Defendant,” a copy of
10 which is attached hereto as Attachment 1;

11 B. Defendants Hanna and Spratt shall prepare and deliver to Plaintiff and the
12 Temporary Receiver, for each of the Corporate Defendants, the Financial Statement
13 captioned “Financial Statement of Corporate Defendant,” a copy of which is attached
14 hereto as Attachment 2;

15 C. Defendants Hanna and Spratt shall, on behalf of each corporation of which
16 either of them is the majority owner or otherwise controls, other than the Corporate
17 Defendants, complete and deliver to Plaintiff a separate copy of the “Financial Statement
18 of Corporate Defendant”; and

19 D. Defendants shall provide the Commission access to records and documents
20 pertaining to assets of any of the Defendants that are held by financial institutions outside
21 the territory of the United States by signing a Consent to Release of Financial Records if
22 requested by Plaintiff.

23 **V.**

24 **PRESERVATION OF RECORDS**

25 **IT IS FURTHER ORDERED** that:

26 A. Defendants, and their agents, servants, employees, and attorneys, and all
27 persons or entities directly or indirectly under the control of any of them, and all other
28 persons or entities in active concert or participation with any of them who receive actual

1 notice of this Order by personal service or otherwise, and each such person, are hereby
2 temporarily restrained and enjoined from destroying, erasing, mutilating, concealing,
3 altering, transferring or otherwise disposing of, in any manner, directly or indirectly, any
4 documents that relate to the business practices or finances of any of the Defendants,
5 including, but not limited to, such documents as any contracts, accounting data,
6 correspondence, advertisements, computer tapes, discs or other computerized records,
7 books, written or printed records, handwritten notes, telephone logs, telephone scripts,
8 receipt books, ledgers, personal and business canceled checks and check registers, bank
9 statements, appointment books, copies of federal, state, or local business or personal
10 income or property tax returns. This section specifically includes all documents
11 displayed on or accessible from any and all Internet websites owned or controlled by any
12 Defendant, including but not limited websites with the following domain names:
13 americanbbgroup.com, americanbusinessbuildersgroup.com, networkmsgroup.com,
14 safecards.net, safeguardunited.com, safeguardunited.net,
15 unitedmerchantservicesgroup.com, unitedmerchantservicesmarketingandtraining.com,
16 universalmarketingandtraining.com, universalmarketingandtraining.net, and
17 unlimitedtraingingservices.com.

18 B. Within one (1) day of the entry of this Order, Defendants shall (1) notify
19 counsel for the Commission of the name and location of any person (*e.g.*; 1and1.com,
20 domainsbyproxy.com, facebook.com, godaddy.com, and Rackspace.com) that is hosting,
21 storing, or otherwise maintaining electronic data related to any of Defendant's products
22 or services ("Electronic Data Host") as well as identify any mobile (*e.g.*; cellphone,
23 smartphone, iphone, blackberry) computing devices that may contain data related to any
24 Defendant's business; and (2) serve this Order on any such person. Any such Electronic
25 Data Host is directed to (1) preserve data relating to any Defendant and (2) provide
26 access to such data to the FTC and its agents for the forensic imaging of such data.
27 Defendants shall cooperate in providing access to such data to the FTC and its agents,
28 and shall execute any documents necessary to facilitate this access.

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VI.

RECORD KEEPING

IT IS FURTHER ORDERED that Defendants Hanna and Spratt are hereby temporarily restrained and enjoined from failing to make and keep, and to provide to Plaintiff’s counsel promptly upon request, an accurate accounting that, in reasonable detail, accurately, fairly, and completely reflects such Defendant’s incomes (including all income resulting from any services, activity, or efforts rendered by such Defendant), disbursements, transactions, and use of money, beginning immediately upon service or actual notice of this Order, and continuing daily until otherwise ordered by the Court.

VII.

NOTIFICATION OF BUSINESS ACTIVITIES

IT IS FURTHER ORDERED that

A. Defendants Hanna and Spratt are hereby temporarily restrained and enjoined from directly or indirectly creating, operating, or exercising any control over any business entity, including any partnership, limited partnership, joint venture, sole proprietorship or corporation, without first serving on counsel for the Commission a written statement disclosing the following: (1) the name of the business entity; (2) the address and telephone number of the business entity; (3) the names of the business entity’s officers, directors, principals, managers and employees; and (4) a detailed description of the business entity’s intended activities.

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

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VIII.

FINANCIAL INSTITUTIONS

IT IS FURTHER ORDERED that any financial or brokerage institution (including but not limited to Arizona Federal Credit Union, Bank of America, Compass Bank, JP Morgan Chase, Global Payments, HSBC Bank USA, MasterCard Worldwide, MidFirst Bank, and Visa), any business entity, or any other person having possession, custody, or control of any records of any of the Defendants, or of any account, safe deposit box, or other asset titled in the name of any of the Defendants, either individually or jointly or held for the benefit of any of the Defendants, or which has maintained any such account, safe deposit box, or other asset at any time since November 2011, shall:

A. Hold and retain within its control and prohibit the transfer, encumbrance, pledge, assignment, removal, withdrawal, dissipation, sale, or other disposal of any such account or other asset, except for transfers or withdrawals authorized in writing by counsel for Plaintiff, by the Temporary Receiver (with respect to assets of any of the Receivership Defendants), or by further order of this Court;

B. Deny access to any safe deposit box titled individually or jointly in the name of, or otherwise subject to access by, any of the Defendants;

C. Provide to Plaintiff and to the Temporary Receiver, within three (3) business days of notice of this Order, a sworn statement setting forth:

1. The identification of each account or asset;

2. The balance of each account or a description of the nature and value of each asset as of the close of business on the day notification of this Order is received, and, if the account or asset has been closed or moved, the balance or value removed and the person or entity to whom it was transferred; and

3. The identification of any safe deposit box titled in the name of or subject to access by any of the Defendants.

D. Upon request by counsel for Plaintiff (or by the Temporary Receiver, with

1 respect to assets held for any of the Receivership Defendants), promptly provide Plaintiff
2 or the Temporary Receiver with copies of all records or other documentation pertaining
3 to such account or asset, including but not limited to originals or copies of account
4 applications, account statements, signature cards, checks, drafts, deposit tickets, transfers
5 to and from the accounts, all other debit and credit instruments or slips, currency
6 transaction reports, 1099 forms, and safe deposit box logs; and

7 E. At the direction of Plaintiff (or the Temporary Receiver, with respect to
8 assets held for any of the Receivership Defendants), and without further order of this
9 Court, convert any stocks, bonds, options, mutual funds, or other securities to their cash
10 equivalents.

11 **IX.**

12 **REPATRIATION OF ASSETS**

13 **IT IS FURTHER ORDERED** that within five business days following service of
14 this Order, each of the Defendants shall:

15 A. Repatriate to the United States all funds, documents, or assets in foreign
16 countries held either: (1) by them; (2) for their benefit; or (3) under their direct or indirect
17 control, jointly or singly;

18 B. The same business day as any repatriation under paragraph A above,
19 1. notify Plaintiff and the Temporary Receiver of the name and
20 location of the financial institution or other entity that is the recipient of such funds,
21 documents, or assets; and

22 2. serve this Order on any such financial institution or other entity;

23 C. Provide Plaintiff and the Temporary Receiver with a full accounting of all
24 funds, documents, and assets outside of the territory of the United States held either: (1)
25 by them; (2) for their benefit; or (3) under their direct or indirect control, jointly or
26 singly; and

27 D. Hold and retain all repatriated funds, documents, and assets and prevent
28 any transfer, disposition, or dissipation whatsoever of any such assets or funds.

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X.

IMMEDIATE ACCESS TO DEFENDANTS' RECORDS

IT IS FURTHER ORDERED that

A. Defendants and their successors, assigns, officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any corporation, subsidiary, division, or other device, and the Temporary Receiver, shall allow Plaintiff's representatives immediate access to the business premises, mail drops, storage facilities, and all other business locations owned, controlled, or used by Defendants, including, but not limited to business premises at the following street addresses: 4734 W. Glendale Avenue, Glendale AZ 85301; 4738 W. Glendale Avenue, Glendale, AZ 85301; 4620 N. 16th Street, Suite E-219, Phoenix, AZ 85016; and 7145 N. 57th Drive, Glendale, AZ 85301. The purpose of the access shall be to effect service and to inspect and copy materials relevant to this action. Plaintiff shall have the right to remove documents from Defendants' premises in order that they may be inspected, inventoried, and copied. Plaintiff shall return any such removed documents within three (3) business days, or such time-period that is agreed upon by Plaintiff and Defendants. Defendants, to the extent they are in possession of documents relevant to this action, shall provide Plaintiff with the means necessary to access these documents, including without limitation keys and combinations to locks, computer access codes, and storage area access information; and

B. The Temporary Receiver shall subsequently allow the Commission's representatives, the representatives of the Defendants, and Defendants Hanna and Spratt reasonable access to the business premises of the Receivership Defendants. The purpose of this access shall be to inspect and copy any and all books, records, accounts, and other property owned by or in the possession of the Receivership Defendant. The Temporary Receiver shall have the discretion to determine the time and manner of this access; and

1 C. If, at the time of service of this Order, any records or property relating to
2 Defendants' business or assets are located in the personal residence of Defendants Hanna
3 or Spratt, or in any other non-business location in the personal control of Hanna or Spratt,
4 then such Defendant shall, within forty-eight (48) hours of service of this Order, produce
5 to Plaintiff, at a location designated by Plaintiff, the following:

6 1. All contracts, accounting data, written or electronic correspondence,
7 advertisements, computer tapes, discs, or other computerized or electronic records,
8 books, written or printed records, handwritten notes, telephone logs, telephone scripts,
9 telephone bills, receipt books, ledgers, membership records and lists, refund records,
10 receipts, ledgers, bank records (including personal and business monthly statements,
11 canceled checks, records of wire transfers, and check registers), appointment books,
12 copies of federal, state, and local business or personal income or property tax returns,
13 1099 forms, title records, and other documents or records of any kind that relate to
14 Defendants' business and assets; and

15 2. All computers and data in whatever form, used by Defendants, in
16 whole or in part, relating to Defendants' business and assets.

17 **XI.**

18 **APPOINTMENT OF TEMPORARY RECEIVER**

19 **IT IS FURTHER ORDERED** that Robb Evans & Associates, LLC is appointed
20 Temporary Receiver for Defendants American Business Builders, LLC; ENF, LLC (also
21 doing business as Network Market Solutions); UMS Group, LLC; United Merchant
22 Services, LLC; Universal Marketing and Training, LLC; and Unlimited Training
23 Services, LLC, as well as for any successors, assigns, affiliates, and subsidiaries that
24 conduct any business related to the Defendants' business opportunity and which the
25 Temporary Receiver has reason to believe are owned or controlled in whole or in part by
26 any of the Defendants (hereinafter referred to as the "Receivership Defendants"), with the
27 full power of an equity receiver. The Temporary Receiver shall be the agent of this Court
28 and solely the agent of this Court in acting as Receiver under this Order. The Temporary

1 Receiver shall be accountable directly to this Court. The Temporary Receiver shall
2 comply with all Local Rules of this Court governing receivers.

3 **XII.**

4 **RECEIVERSHIP DUTIES**

5 IT IS FURTHER ORDERED that the Temporary Receiver is directed and
6 authorized to perform and accomplish the following:

7 A. Assume full control of the Receivership Defendants by removing, as the
8 Receiver deems necessary or advisable, any manager, independent contractor, employee,
9 or agent of the Receivership Defendants, including Defendants Hanna and Spratt, from
10 control of, management of, or participation in, the affairs of the Receivership Defendants;

11 B. Take exclusive custody, control and possession of all assets and documents
12 of, or in the possession, custody, or under the control of, the Receivership Defendants,
13 wherever situated. The Temporary Receiver shall have full power to divert mail and to
14 sue for, collect, receive, take in possession, hold, and manage all assets and documents of
15 the Receivership Defendants and other persons or entities whose interests are now held
16 by or under the direction, possession, custody, or control of the Receivership Defendants;

17 C. Take all steps necessary to secure all premises owned, rented, leased, or
18 otherwise controlled by the Receivership Defendants, including but not limited to all such
19 premises located at 4734 W. Glendale Avenue, Glendale AZ 85301; 4738 W. Glendale
20 Avenue, Glendale, AZ 85301; 4620 N. 16th Street, Suite E-219, Phoenix, AZ 85016; and
21 7145 N. 57th Drive, Glendale, AZ 85301. Such steps may include, but are not limited to,
22 the following, as the Temporary Receiver deems necessary or advisable: (1) serving and
23 filing this Order; (2) completing a written inventory of all receivership assets; (3)
24 obtaining pertinent information from all employees and other agents of the Receivership
25 Defendants, including, but not limited to, the name, home address, social security
26 number, job description, method of compensation, and all accrued and unpaid
27 commissions and compensation of each such employee or agent; (4) photographing and
28 video taping all portions of the location; (5) securing the location by changing the locks

1 and disconnecting any computer modems or other means of access to the computer or
2 other records maintained at that location; or (6) requiring any persons present on the
3 premises at the time this Order is served to leave the premises, to provide the Temporary
4 Receiver with proof of identification, or to demonstrate to the satisfaction of the
5 Temporary Receiver that such persons are not removing from the premises documents or
6 assets of the Receivership Defendants;

7 D. Continue to conduct the business, or cease operation of the business, of the
8 Receivership Defendants in such a manner, to such extent, and for such duration as the
9 Temporary Receiver may in good faith deem to be necessary or appropriate to operate the
10 business profitably and lawfully;

11 E. Conserve, hold, and manage all receivership assets, and perform all acts
12 necessary or advisable to preserve the value of those assets, in order to prevent any
13 irreparable loss, damage, or injury to consumers or to creditors of the Receivership
14 Defendants, including, but not limited to, obtaining an accounting of the assets and
15 preventing transfer, withdrawal, or misapplication of assets;

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

17 G. Prevent the inequitable distribution of assets and to determine, adjust, and
18 protect the interests of consumers and creditors who have transacted business with the
19 Receivership Defendants;

20 H. Manage and administer the business of the Receivership Defendants until
21 further order of this Court by performing all incidental acts that the Temporary Receiver
22 deems to be advisable or necessary, which includes retaining, hiring, or dismissing any
23 employees, independent contractors, or agents;

24 I. Choose, engage, and employ attorneys, accountants, appraisers, and other
25 independent contractors and technical specialists, as the Temporary Receiver deems
26 advisable or necessary in the performance of duties and responsibilities under the
27 authority granted by this Order;

28 J. Make payments and disbursements from the receivership estate that are

1 necessary or advisable for carrying out the directions of, or exercising the authority
2 granted by, this Order. The Temporary Receiver shall apply to the Court for prior
3 approval of any payment of any debt or obligation incurred by the Receivership
4 Defendants prior to the date of entry of this Order, except payments that the Temporary
5 Receiver deems necessary or advisable to secure assets of the Receivership Defendants,
6 such as rental payments;

7 K. Determine and implement the manner in which the Receivership
8 Defendants will comply with, and prevent violations of, this Order and all other
9 applicable laws;

10 L. Institute, compromise, adjust, appear in, intervene in, or become party to
11 such actions or proceedings in state, federal or foreign courts that the Temporary
12 Receiver deems necessary and advisable to preserve or recover the assets of the
13 Receivership Defendants or that the Temporary Receiver deems necessary and advisable
14 to carry out the Temporary Receiver's mandate under this Order;

15 M. Defend, compromise, adjust, or otherwise dispose of any or all actions or
16 proceedings instituted in the past or in the future against the Temporary Receiver in his
17 role as Temporary Receiver, or against the Receivership Defendants that the Temporary
18 Receiver deems necessary and advisable to preserve the assets of the Receivership
19 Defendants or that the Temporary Receiver deems necessary and advisable to carry out
20 the Temporary Receiver's mandate under this Order;

21 N. Issue subpoenas to obtain documents and records pertaining to the
22 receivership, and conduct discovery in this action on behalf of the receivership estate;

23 O. Open one or more bank accounts as designated depositories for funds of the
24 Receivership Defendants. The Temporary Receiver shall deposit all funds of the
25 Receivership Defendants in such a designated account and shall make all payments and
26 disbursements from the receivership estate from such an account;

27 P. Maintain accurate records of all receipts and expenditures that s/he makes
28 as Temporary Receiver; and

1 Q. Cooperate with reasonable requests for information or assistance from any
2 state or federal law enforcement agency.

3 **XIII.**

4 **COOPERATION WITH THE TEMPORARY RECEIVER**

5 **IT IS FURTHER ORDERED** that Defendants, and their agents, servants,
6 employees, and attorneys, and all persons or entities directly or indirectly under the
7 control of any of them, and all other persons or entities in active concert or participation
8 with any of them who receive actual notice of this Order by personal service or
9 otherwise, and each such person, shall fully cooperate with and assist the Temporary
10 Receiver. Such cooperation and assistance shall include, but not be limited to, providing
11 any information to the Temporary Receiver that the Temporary Receiver deems
12 necessary to exercising the authority and discharging the responsibilities of the
13 Temporary Receiver under this Order; providing any password required to access any
14 computer or electronic files in any medium; or advising all persons who owe money to
15 the Receivership Defendants that all debts should be paid directly to the Temporary
16 Receiver. Defendants are hereby temporarily restrained and enjoined from directly or
17 indirectly:

18 A. Transacting any of the business of the Receivership Defendants, or
19 transacting business under the name American Business Builders, LLC; ENF, LLC (also
20 doing business as Network Market Solutions); UMS Group, LLC; United Merchant
21 Services, LLC; Universal Marketing and Training, LLC; Unlimited Training Services,
22 LLC; or any substantially similar name;

23 B. Destroying, secreting, defacing, transferring, or otherwise altering or
24 disposing of any documents of the Receivership Defendants, including, but not limited to,
25 books, records, accounts, or any other papers of any kind or nature;

26 C. Transferring, receiving, altering, selling, encumbering, pledging, assigning,
27 liquidating, or otherwise disposing of any assets owned, controlled, or in the possession
28 or custody of, or in which an interest is held or claimed by, the Receivership Defendants,

1 or the Temporary Receiver;

2 D. Excusing debts owed to the Receivership Defendants;

3 E. Failing to notify the Temporary Receiver of any asset, including accounts,
4 of any Receivership Defendant held in any name other than the name of any Receivership
5 Defendant, or by any person or entity other than the Receivership Defendants, or failing
6 to provide any assistance or information requested by the Temporary Receiver in
7 connection with obtaining possession, custody, or control of such assets; or

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

15 **XIV.**

16 **DELIVERY OF RECEIVERSHIP PROPERTY**

17 **IT IS FURTHER ORDERED** that:

18 A. Immediately upon service of this Order upon them, or within a period
19 permitted by the Temporary Receiver, Defendants and all other persons in possession,
20 custody, and control of assets or documents of the Receivership Defendants shall transfer
21 or deliver possession, custody, and control of the following to the Temporary Receiver:

22 1. All assets of the Receivership Defendants;

23 2. All documents of the Receivership Defendants, including, but not
24 limited to, books and records of accounts, all financial and accounting records, balance
25 sheets, income statements, bank records (including monthly statements, canceled checks,
26 records of wire transfers, and check registers), client lists, title documents and other
27 papers;

28 3. All assets belonging to members of the public now held by the

1 Receivership Defendants; and

2 4. All keys and codes necessary to gain or to secure access to any
3 assets or documents of the Receivership Defendants, including, but not limited to, access
4 to their business premises, means of communication, accounts, computer systems, or
5 other property.

6 B. In the event any person or entity fails to deliver or transfer any asset or
7 otherwise fails to comply with any provision of this Section, the Temporary Receiver
8 may file, on an ex parte basis, an Affidavit of Non-Compliance regarding the failure.
9 Upon filing of the affidavit, the Court may authorize, without additional process or
10 demand, Writs of Possession or Sequestration or other equitable writs requested by the
11 Temporary Receiver. The writs shall authorize and direct the United States Marshal or
12 any sheriff or deputy sheriff of any county to seize the asset, document, or other thing and
13 to deliver it to the Temporary Receiver.

14 **XV.**

15 **BANKRUPTCY PETITIONS**

16 **IT IS FURTHER ORDERED** that, in light of the asset freeze and appointment of
17 the Temporary Receiver, Defendants are hereby prohibited from filing, or causing to be
18 filed, on behalf of any of the Corporate or Receivership Defendants, a petition for relief
19 under the United States Bankruptcy Code, 11 U.S.C. § 101 et seq., without prior
20 permission from this Court.

21 **XVI.**

22 **TRANSFER OF FUNDS TO THE TEMPORARY RECEIVER**

23 **IT IS FURTHER ORDERED** that, upon service of a copy of this Order, all
24 banks, broker-dealers, savings and loans, escrow agents, title companies, commodity
25 trading companies, or other financial institutions shall cooperate with all reasonable
26 requests of the Temporary Receiver relating to implementation of this Order, including
27 transferring funds at his or her direction and producing records related to the assets of the
28 Receivership Defendants.

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XVII.

STAY OF ACTIONS

IT IS FURTHER ORDERED that:

A. Except by leave of this Court, during pendency of the receivership ordered herein, Defendants and all other persons and entities (except for Plaintiff) are hereby stayed from taking any action to establish or enforce any claim, right, or interest for, against, on behalf of, in, or in the name of: a) any of the Corporate Defendants, or b) any of their assets, or c) the Temporary Receiver or the Temporary Receiver’s duly authorized agents acting in their capacities as such, including, but not limited to, the following actions:

1. Commencing, prosecuting, continuing, entering, or enforcing any suit or proceeding, except that such actions may be filed to 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;
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; or
4. Doing any act or thing whatsoever to interfere with the Temporary Receiver taking custody, control, possession, or management of the assets or documents subject to this receivership, or to harass or interfere with the Temporary Receiver in any way, or to interfere in any manner with the exclusive jurisdiction of this Court over the assets or documents of the Receivership Defendants.

B. This paragraph does not stay:

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

5 **XIX.**

6 **RECEIVER'S BOND**

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

11 **XX.**

12 **DISTRIBUTION OF ORDER**

13 **IT IS FURTHER ORDERED** that Defendants shall immediately provide a copy
14 of this Order to each of the Corporate Defendants' affiliates, franchises, subsidiaries,
15 divisions, successors, assigns, directors, officers, managing agents, employees,
16 representatives, and independent contractors and shall, within three (3) business days
17 from the date of service of this Order, serve on Plaintiff affidavits identifying the names,
18 titles, addresses, and telephone numbers of the persons and entities whom they have
19 served pursuant to this provision. The Temporary Receiver has no obligation under this
20 provision.

21 **XXI.**

22 **CREDIT REPORTS**

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

27 **XXII.**

28 **LIMITED EXPEDITED DISCOVERY**

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Stacy Procter
Faye Chen Barnouw
Nicholas May
Federal Trade Commission
10877 Wilshire Blvd., Suite 700
Los Angeles, CA 90024
Fax: (310) 824-4380
E-mail: sprocter@ftc.gov; fbarnouw@ftc.gov; nmay@ftc.gov

XXIV.

PRELIMINARY INJUNCTION HEARING

IT IS FURTHER ORDERED that Defendants American Business Builders, LLC; ENF, LLC (also doing business as Network Market Solutions); UMS Group, LLC; United Merchant Services, LLC; Universal Marketing and Training, LLC; Unlimited Training Services, LLC; Shane Michael Hanna (also known as Shane Michael Romeo); and Stephen Spratt shall appear before this Court, located at 401 W. Washington, Phoenix, AZ, on the **16th day of November, 2012, at 2:30 p.m.**, to show cause, if any there be, why this Court should not enter a preliminary injunction, pending final ruling on the Complaint, against said Defendants enjoining them from violations of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the Business Opportunity Rule, 16 C.F.R. Part 437, as amended, and imposing such additional relief as may be appropriate, and appointing a permanent receiver over Defendants American Business Builders, LLC; ENF, LLC (also doing business as Network Market Solutions); UMS Group, LLC; United Merchant Services, LLC; Universal Marketing and Training, LLC; and Unlimited Training Services, LLC.

IT IS FURTHER ORDERED that, in support of its application for a preliminary injunction, Plaintiff may submit supplemental evidence discovered subsequent to the filing of its application for a TRO, as well as a supplemental memorandum. Plaintiff

1 shall file and serve any supplemental evidence by no later than 4:30 p.m. on the fourth
2 court day prior to the preliminary injunction hearing as scheduled above. Such
3 documents may be served on each Defendant by e-mailing, faxing or delivering the
4 document(s) to the attorney for the Defendant, or, if the Defendant is not represented by
5 counsel, to a fax number or email address previously designated by the Defendant in
6 writing to counsel for Plaintiff; if the Defendant has not so designated a fax number or
7 email address, service may be effected by mailing, including via an overnight carrier such
8 as Federal Express or UPS, the documents to an address designated in writing by the
9 Defendant to counsel for Plaintiff; if no address has been so designated, service shall be
10 complete upon filing of the documents with this Court.

11 **IT IS FURTHER ORDERED** that Defendants shall file and serve any opposition
12 to the issuance of a preliminary injunction and the appointment of a permanent receiver
13 over the Receivership Defendants, including any declarations, exhibits, memoranda or
14 other evidence on which they intend to rely, and objections to any evidence submitted by
15 Plaintiff, by no later than 4:30 p.m. of the second court day prior to the hearing on the
16 preliminary injunction. Such documents may be served by e-mail or fax upon Plaintiff's
17 counsel.

18 **IT IS FURTHER ORDERED** that there will be no direct examination of
19 witnesses at the preliminary injunction hearing in this matter. Direct testimony shall be
20 presented in the form of declarations or affidavits.

21 **XXV.**

22 **EXPIRATION**

23 **IT IS FURTHER ORDERED** that this Order shall expire as to each Defendant
24 14 days after entry unless, within such time, for good cause shown, it is extended for a
25 like period, or unless the Defendant consents that it may be extended for a longer period
26 and the reasons therefor are entered of record.

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1 **XXVI.**

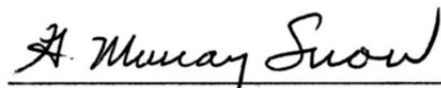
2 **SERVICE OF THIS ORDER**

3 **IT IS FURTHER ORDERED** that copies of this Order may be served by any
4 means, including facsimile transmission, upon any financial institution or other entity or
5 person that may have possession, custody, or control of any documents or assets of any
6 Defendant, or that may be subject to any provision of this Order.

7 **IT IS THEREFORE ORDERED** that the Motion for Temporary Restraining
8 Order of Plaintiff Federal Trade Commission (Doc. 7) is **GRANTED**.

9 **IT IS FURTHER ORDERED** that a hearing for a preliminary injunction and
10 order to show cause is set for **November 16, 2012 at 2:30 p.m.** in Courtroom 602,
11 Sandra Day O'Connor U.S. Federal Courthouse, 401 W. Washington St., Phoenix,
12 Arizona 85003-2151.

13 Dated this 6th day of November, 2012.

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15 _____
16 G. Murray Snow
17 United States District Judge

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25 cc: Plaintiff's Counsel
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