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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA

Federal Trade Commission

Plaintiff,

vs.

American Business Builders, LLC, *et al.*,

Defendants.

No. CV-12-02368-PHX-GMS

ORDER RE PRELIMINARY
INJUNCTION WITH ASSET FREEZE,
APPOINTMENT OF RECEIVER AND
OTHER EQUITABLE RELIEF WITH
RESPECT TO ALL DEFENDANTS

On November 6, 2012, Plaintiff Federal Trade Commission (“FTC” or “Commission”) filed a Complaint for a permanent injunction and other equitable relief in this matter pursuant to Sections 13(b) and 19 of the Federal Trade Commission Act, 15 U.S.C. §§ 53(b) and 57b, and the FTC’s Trade Regulation Rule titled “Disclosure Requirements and Prohibitions Concerning Business Opportunities”, 16 C.F.R. Part 437, as amended. Plaintiff concurrently applied *ex parte* for a Temporary Restraining Order and Order to Show Cause why a Preliminary Injunction should not issue and a permanent receiver should not be appointed (“TRO Application”) pursuant to Rule 65 of the Federal Rules of Civil Procedure.

1 On November 6, 2012, the Court granted the FTC’s TRO Application, appointed
2 Robb Evans & Associates, LLC as Temporary Receiver over Defendants American
3 Business Builders, LLC; ENF, LLC (also doing business as Network Market Solutions);
4 UMS Group, LLC; United Merchant Services, LLC; Universal Marketing and Training,
5 LLC; and Unlimited Training Services, LLC (collectively, the “Corporate Defendants”),
6 as well as any successors, assigns, affiliates, and subsidiaries that conduct any business
7 related to the Defendants’ business opportunity and which the Temporary Receiver has
8 reason to believe are owned or controlled in whole or part by any of the Defendants,
9 instituted an asset freeze, granted Plaintiff immediate access to the Defendants’ business
10 locations, and ordered a hearing to show cause why a Preliminary Injunction should not
11 be entered and the receivership made permanent to take place on November 16, 2012, at
12 2:30 p.m. Dkt. 19.

13 At various times between November 9, 2012 and June 10, 2013, Plaintiff and
14 Defendants stipulated to extend the TRO to permit additional time to negotiate a
15 stipulated Preliminary Injunction or settlement. Dkts. 20, 33, 41, 48, and 52. The Court
16 granted these stipulations, extended the TRO, and rescheduled the hearing on the
17 issuance of a Preliminary Injunction and Order to Show Cause on various occasions.
18 Dkts. 29, 34, 36, 42, 49, and 53.

19 Plaintiff and Defendants have now stipulated to the entry of a Preliminary
20 Injunction (Doc. 55).

21 Finding good cause for entry of the requested Order, IT IS HEREBY ORDERED
22 THAT:

23 **FINDINGS OF FACT**

24 1. Defendants were properly served with the Complaint, Summons and
25 Temporary Restraining Order (“TRO”) in this matter.

26 2. This Court has jurisdiction of the subject matter of this case and personal
27 jurisdiction over all parties hereto, and venue in this district is proper.

28 3. Weighing the equities, the Preliminary Injunction is in the public interest.

1 Group, LLC; United Merchant Services, LLC; Universal Marketing and Training, LLC;
2 and Unlimited Training Services, LLC, as well as any successors, assigns, affiliates, and
3 subsidiaries that conduct any business related to the Defendants' business opportunity
4 and which the Receiver has reason to believe are owned or controlled in whole or in part
5 by any of the Defendants, including Safe Card, LLC and American Business Brokers,
6 LLC.

7 6. "Assets" means any legal or equitable interest in, right to, or claim to, any
8 real or personal property, including, without limitation, chattels, goods, instruments,
9 equipment, fixtures, general intangibles, leaseholds, mail or other deliveries, inventory,
10 checks, notes, accounts, credits, contracts, receivables, shares of stock, and all cash,
11 wherever located.

12 7. "Assisting others" means knowingly providing any of the following goods
13 or services to another person or entity:

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

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

18 c. providing names of, or assisting in the generation of, potential
19 customers; or

20 d. performing marketing services of any kind.

21 8. The term "document" is equal in scope and synonymous in meaning to the
22 usage of the term in Federal Rule of Civil Procedure 34(a), and includes writings,
23 drawings, graphs, charts, photographs, audio and video recordings, computer records, and
24 any other data compilations from which information can be obtained. A draft or non-
25 identical copy is a separate document within the meaning of the term.

26 9. "Material" means likely to affect a person's choice of, or conduct
27 regarding, a good or service.

28 10. "Person" means a natural person, organization, or other legal entity,

1 including a corporation, partnership, proprietorship, association, cooperative, government
2 or governmental subdivision or agency, or any other group or combination acting as an
3 entity.

4 11. "Receiver" means the receiver appointed by the Court herein.

5 **I.**

6 **PROHIBITED REPRESENTATIONS**

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

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

21 B. that any Defendant or other person offers, sells, or otherwise provides
22 transaction processing equipment, including credit card terminals;

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

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

27 E. any material term or condition of any refund or cancellation policy.
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II.
PROHIBITION AGAINST VIOLATING
THE BUSINESS OPPORTUNITY RULE

IT IS FURTHER ORDERED that Defendants and their successors, assigns, officers, agents, servants, employees, and attorneys, and those persons or entities 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, are hereby restrained and enjoined from violating any provision of the Business Opportunity Rule, 16 C.F.R. Part 437, as amended, including, but not limited to:

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

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

C. violating section 437.6(j) of the Rule, 16 C.F.R. § 437.6(j) by misrepresenting the likelihood that the Defendants will find accounts or customers for the prospective purchaser of a business opportunity.

III.
ASSET FREEZE

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

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

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

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

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

19 E. Failing to disclose to Plaintiff, immediately upon service of this Order,
20 information that fully identifies each asset of the Defendants, and each entity holding
21 such asset, including, without limitation, the entity's name, address, and telephone
22 number, the number of the account, and the name under which the account is held, unless
23 they have already done so pursuant to the TRO.

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

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1 **IV.**

2 **FINANCIAL REPORTS**

3 **IT IS FURTHER ORDERED** that, if they have not already done so pursuant to
4 the TRO, within forty-eight hours after service of this Order:

5 A. Defendants Hanna and Spratt shall complete and deliver to Plaintiff the
6 Financial Statement captioned “Financial Statement of Individual Defendant,” a copy of
7 which is attached to the TRO as Attachment 1;

8 B. Defendants Hanna and Spratt shall prepare and deliver to Plaintiff and the
9 Receiver, for each of the Corporate Defendants, the Financial Statement captioned
10 “Financial Statement of Corporate Defendant,” a copy of which is attached to the TRO as
11 Attachment 2;

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

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

20 **V.**

21 **PRESERVATION OF RECORDS**

22 **IT IS FURTHER ORDERED** that:

23 A. Defendants, and their agents, servants, employees, and attorneys, and all
24 persons or entities directly or indirectly under the control of any of them, and all other
25 persons or entities in active concert or participation with any of them who receive actual
26 notice of this Order by personal service or otherwise, and each such person, are hereby
27 restrained and enjoined from destroying, erasing, mutilating, concealing, altering,
28 transferring or otherwise disposing of, in any manner, directly or indirectly, any

1 documents that relate to the business practices or finances of any of the Defendants,
2 including, but not limited to, such documents as any contracts, accounting data,
3 correspondence, advertisements, computer tapes, discs or other computerized records,
4 books, written or printed records, handwritten notes, telephone logs, telephone scripts,
5 receipt books, ledgers, personal and business canceled checks and check registers, bank
6 statements, appointment books, copies of federal, state, or local business or personal
7 income or property tax returns. This section specifically includes all documents
8 displayed on or accessible from any and all Internet websites owned or controlled by any
9 Defendant, including but not limited websites with the following domain names:
10 americanbbgroup.com, americanbusinessbuildersgroup.com, networkmsgroup.com,
11 safecards.net, safeguardunited.com, safeguardunited.net,
12 unitedmerchantservicesgroup.com, unitedmerchantservicesmarketingandtraining.com,
13 universalmarketingandtraining.com, universalmarketingandtraining.net, and
14 unlimitedtraingingservices.com.

15 B. If Defendants have not already done so pursuant to the TRO, within one (1)
16 day of the entry of this Order, Defendants shall (1) notify counsel for the Commission of
17 the name and location of any person (*e.g.*; 1and1.com, domainsbyproxy.com,
18 facebook.com, godaddy.com, and Rackspace.com) that is hosting, storing, or otherwise
19 maintaining electronic data related to any of Defendant's products or services
20 ("Electronic Data Host") as well as identify any mobile (*e.g.*; cellphone, smartphone,
21 iphone, blackberry) computing devices that may contain data related to any Defendant's
22 business; and (2) serve this Order on any such person. Any such Electronic Data Host is
23 directed to (1) preserve data relating to any Defendant and (2) provide access to such data
24 to the FTC and its agents for the forensic imaging of such data. Defendants shall
25 cooperate in providing access to such data to the FTC and its agents, and shall execute
26 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 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 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.

1 **VIII.**

2 **FINANCIAL INSTITUTIONS**

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

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

16 B. Deny access to any safe deposit box titled individually or jointly in the
17 name of, or otherwise subject to access by, any of the Defendants, except for any access
18 authorized in writing by counsel for Plaintiff or by further order of this Court;

19 C. Provide to Plaintiff and to the Receiver, within three (3) business days of
20 notice of this Order, if not already provided pursuant to the TRO, a sworn statement
21 setting forth:

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

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

1 D. Upon request by counsel for Plaintiff (or by the Receiver, with respect to
2 assets held for any of the Receivership Defendants), promptly provide Plaintiff or the
3 Receiver with copies of all records or other documentation pertaining to such account or
4 asset, including but not limited to originals or copies of account applications, account
5 statements, signature cards, checks, drafts, deposit tickets, transfers to and from the
6 accounts, all other debit and credit instruments or slips, currency transaction reports,
7 1099 forms, and safe deposit box logs; and

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

11 **IX.**

12 **REPATRIATION OF ASSETS**

13 **IT IS FURTHER ORDERED** that, if they have not already done so pursuant to
14 the TRO, within five business days following service of this Order, each of the
15 Defendants shall:

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

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

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

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

28 D. Hold and retain all repatriated funds, documents, and assets and prevent

1 any transfer, disposition, or dissipation whatsoever of any such assets or funds.

2 **X.**

3 **APPOINTMENT OF RECEIVER**

4 **IT IS FURTHER ORDERED** that Robb Evans & Associates, LLC is appointed
5 Receiver for Defendants American Business Builders, LLC; ENF, LLC (also doing
6 business as Network Market Solutions); UMS Group, LLC; United Merchant Services,
7 LLC; Universal Marketing and Training, LLC; and Unlimited Training Services, LLC, as
8 well as for any successors, assigns, affiliates, and subsidiaries that conduct any business
9 related to the Defendants' business opportunity and which the Receiver has reason to
10 believe are owned or controlled in whole or in part by any of the Defendants, including
11 Safe Card, LLC and American Business Brokers, LLC (hereinafter referred to as the
12 "Receivership Defendants"), with the full power of an equity receiver. The Receiver
13 shall be the agent of this Court and solely the agent of this Court in acting as Receiver
14 under this Order. The Receiver shall be accountable directly to this Court. The Receiver
15 shall comply with all Local Rules of this Court governing receivers.

16 **XI.**

17 **RECEIVERSHIP DUTIES**

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

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

24 B. Take exclusive custody, control and possession of all assets and documents
25 of, or in the possession, custody, or under the control of, the Receivership Defendants,
26 wherever situated. The Receiver shall have full power to divert mail and to sue for,
27 collect, receive, take in possession, hold, and manage all assets and documents of the
28 Receivership Defendants and other persons or entities whose interests are now held by or

1 under the direction, possession, custody, or control of the Receivership Defendants;

2 C. Take all steps necessary to secure all premises owned, rented, leased, or
3 otherwise controlled by the Receivership Defendants. Such steps may include, but are
4 not limited to, the following, as the Receiver deems necessary or advisable: (1) serving
5 and filing this Order; (2) completing a written inventory of all receivership assets; (3)
6 obtaining pertinent information from all employees and other agents of the Receivership
7 Defendants, including, but not limited to, the name, home address, social security
8 number, job description, method of compensation, and all accrued and unpaid
9 commissions and compensation of each such employee or agent; (4) photographing and
10 video taping all portions of the location; (5) securing the location by changing the locks
11 and disconnecting any computer modems or other means of access to the computer or
12 other records maintained at that location; or (6) requiring any persons present on the
13 premises at the time this Order is served to leave the premises, to provide the Receiver
14 with proof of identification, or to demonstrate to the satisfaction of the Receiver that such
15 persons are not removing from the premises documents or assets of the Receivership
16 Defendants;

17 D. Continue to conduct the business, or cease operation of the business, of the
18 Receivership Defendants in such a manner, to such extent, and for such duration as the
19 Receiver may in good faith deem to be necessary or appropriate to operate the business
20 profitably and lawfully;

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

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

27 G. Prevent the inequitable distribution of assets and to determine, adjust, and
28 protect the interests of consumers and creditors who have transacted business with the

1 Receivership Defendants;

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

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

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

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

19 L. Institute, compromise, adjust, appear in, intervene in, or become party to
20 such actions or proceedings in state, federal or foreign courts that the Receiver deems
21 necessary and advisable to preserve or recover the assets of the Receivership Defendants
22 or that the Receiver deems necessary and advisable to carry out the Receiver's mandate
23 under this Order;

24 M. Defend, compromise, adjust, or otherwise dispose of any or all actions or
25 proceedings instituted in the past or in the future against the Receiver in his role as
26 Receiver, or against the Receivership Defendants that the Receiver deems necessary and
27 advisable to preserve the assets of the Receivership Defendants or that the Receiver
28 deems necessary and advisable to carry out the Receiver's mandate under this Order;

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

3 O. Open one or more bank accounts as designated depositories for funds of the
4 Receivership Defendants. The Receiver shall deposit all funds of the Receivership
5 Defendants in such a designated account and shall make all payments and disbursements
6 from the receivership estate from such an account;

7 P. Maintain accurate records of all receipts and expenditures that s/he makes
8 as Receiver; and

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

11 **XII.**

12 **COOPERATION WITH THE RECEIVER**

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

24 A. Transacting any of the business of the Receivership Defendants, or
25 transacting business under the name American Business Builders, LLC; American
26 Business Brokers, LLC; ENF, LLC (also doing business as Network Market Solutions);
27 Safe Card, LLC; UMS Group, LLC; United Merchant Services, LLC; Universal
28 Marketing and Training, LLC; Unlimited Training Services, LLC; or any substantially

1 similar name;

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

5 C. Transferring, receiving, altering, selling, encumbering, pledging, assigning,
6 liquidating, or otherwise disposing of any assets owned, controlled, or in the possession
7 or custody of, or in which an interest is held or claimed by, the Receivership Defendants,
8 or the Receiver;

9 D. Excusing debts owed to the Receivership Defendants;

10 E. Failing to notify the Receiver of any asset, including accounts, of any
11 Receivership Defendant held in any name other than the name of any Receivership
12 Defendant, or by any person or entity other than the Receivership Defendants, or failing
13 to provide any assistance or information requested by the Receiver in connection with
14 obtaining possession, custody, or control of such assets; or

15 F. Doing any act or refraining from any act whatsoever to interfere with the
16 Receiver's taking custody, control, possession, or managing of the assets or documents
17 subject to this receivership; or to harass or interfere with the Receiver in any way; or to
18 interfere in any manner with the exclusive jurisdiction of this Court over the assets or
19 documents of the Receivership Defendants; or to refuse to cooperate with the Receiver or
20 the Receiver's duly authorized agents in the exercise of their duties or authority under
21 any Order of this Court.

22 **XIII.**

23 **DELIVERY OF RECEIVERSHIP PROPERTY**

24 **IT IS FURTHER ORDERED** that:

25 A. Immediately upon service of this Order upon them, or within a period
26 permitted by the Receiver, Defendants and all other persons in possession, custody, and
27 control of assets or documents of the Receivership Defendants shall transfer or deliver
28 possession, custody, and control of the following to the Receiver to the extent not already

1 done so pursuant to the TRO:

- 2 1. All assets of the Receivership Defendants;
- 3 2. All documents of the Receivership Defendants, including, but not
4 limited to, books and records of accounts, all financial and accounting records, balance
5 sheets, income statements, bank records (including monthly statements, canceled checks,
6 records of wire transfers, and check registers), client lists, title documents and other
7 papers;
- 8 3. All assets belonging to members of the public now held by the
9 Receivership Defendants; and
- 10 4. All keys and codes necessary to gain or to secure access to any
11 assets or documents of the Receivership Defendants, including, but not limited to, access
12 to their business premises, means of communication, accounts, computer systems, or
13 other property.

14 B. In the event any person or entity fails to deliver or transfer any asset or
15 otherwise fails to comply with any provision of this Section, the Receiver may file, on an
16 *ex parte* basis, an Affidavit of Non-Compliance regarding the failure. Upon filing of the
17 affidavit, the Court may authorize, without additional process or demand, Writs of
18 Possession or Sequestration or other equitable writs requested by the Receiver. The writs
19 shall authorize and direct the United States Marshal or any sheriff or deputy sheriff of
20 any county to seize the asset, document, or other thing and to deliver it to the Receiver.

21 **XIV.**

22 **BANKRUPTCY PETITIONS**

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

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XV.

TRANSFER OF FUNDS TO THE RECEIVER

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

XVI.

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 Receiver or the 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

1 specified in this Order or not; or

2 4. Doing any act or thing whatsoever to interfere with the Receiver
3 taking custody, control, possession, or management of the assets or documents subject to
4 this receivership, or to harass or interfere with the Receiver in any way, or to interfere in
5 any manner with the exclusive jurisdiction of this Court over the assets or documents of
6 the Receivership Defendants.

7 B. This paragraph does not stay:

8 1. The commencement or continuation of a criminal action or
9 proceeding;

10 2. The commencement or continuation of an action or proceeding by a
11 governmental unit to enforce such governmental unit's police or regulatory power;

12 3. The enforcement of a judgment, other than a money judgment,
13 obtained in an action or proceeding by a governmental unit to enforce such governmental
14 unit's police or regulatory power;

15 4. The commencement of any action by the Secretary of the United
16 States Department of Housing and Urban Development to foreclose a mortgage or deed
17 of trust in any case in which the mortgage or deed of trust held by the Secretary is insured
18 or was formerly insured under the National Housing Act and covers property, or
19 combinations of property, consisting of five or more living units; or

20 5. The issuance to a Receivership Defendants of a notice of tax
21 deficiency.

22 C. Except as otherwise provided in this Order, all persons and entities in need
23 of documentation from the Receiver shall in all instances first attempt to secure such
24 information by submitting a formal written request to the Receiver, and, if such request
25 has not been responded to within thirty (30) days of receipt by the Receiver, any such
26 person or entity may thereafter seek an Order of this Court with regard to the relief
27 requested.

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XVII.

COMPENSATION OF RECEIVER

IT IS FURTHER ORDERED that the Receiver and all personnel hired by the Receiver as herein authorized, including counsel to the Receiver and accountants, are entitled to reasonable compensation for the performance of duties pursuant to this Order and for the cost of actual out-of-pocket expenses incurred by them, from the assets now held by or in the possession or control of or which may be received by the Receivership Defendants. The Receiver shall file with the Court and serve on the parties periodic requests for the payment of such reasonable compensation. The Receiver shall not increase the hourly rates used as the bases for such fee applications without prior approval of the Court.

XVIII.

RECEIVER'S BOND

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

XIX.

DISTRIBUTION OF ORDER

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

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XX.

CREDIT REPORTS

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

XXI.

LIMITED EXPEDITED DISCOVERY

IT IS FURTHER ORDERED that the Commission is granted leave at any time after service of this Order to:

A. Take the deposition of any person or entity, without limitation, for the purpose of:

1. discovering the nature, location, status, and extent of assets of any of the Defendants, including Receivership Defendants, or of their affiliates or of their subsidiaries,

2. discovering the nature, location, status and extent of documents reflecting the business transactions of any of the Defendants;

3. discovering the nature and extent of Defendants' business activities, and

B. Demand the production of documents from any person or entity relating to the nature, status, location and extent of any of the Defendants' assets, and the location of any documents reflecting the Defendants' business transactions or the nature and extent of Defendants' business operations.

Thirty-six (36) hours notice shall be deemed sufficient for any such deposition and forty-eight (48) hours notice shall be deemed sufficient for the production of any such documents. The limitations and conditions set forth in Fed. R. Civ. P. 30(a)(2) and 31(a)(2) shall not apply to depositions taken pursuant to this Section. Any such

1 depositions taken pursuant to this Section shall not be counted toward the ten deposition
2 limit set forth in Fed. R. Civ. P. 30(a)(2)(A) and 31(a)(2)(A). Service of discovery taken
3 pursuant to this Section shall be sufficient if made by facsimile or by overnight delivery.

4 **XXII.**

5 **CORRESPONDENCE**

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

8 Stacy Procter

9 Faye Chen Barnouw

10 Nicholas May

11 Federal Trade Commission

12 10877 Wilshire Blvd., Suite 700

13 Los Angeles, CA 90024

14 Fax: (310) 824-4380

15 E-mail: sprocter@ftc.gov; fbarnouw@ftc.gov; nmay@ftc.gov.

16 **XXIII.**

17 **SERVICE OF THIS ORDER**

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

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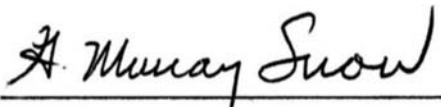
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IT IS FURTHER ORDERED vacating the Preliminary Injunction/Show Cause Hearing currently set for September 13, 2013.

Dated this 29th day of August, 2013.



G. Murray Snow
United States District Judge