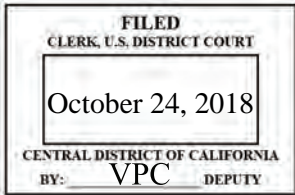


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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

Federal Trade Commission,

Plaintiff,

v.

Jason Cardiff, et al.,

Defendants.

No. ED 5:18-cv-02104-SJO-PLA

**PRELIMINARY INJUNCTION
WITH ASSET FREEZE,
RECEIVER, AND OTHER
EQUITABLE RELIEF
AGAINST REDWOOD
SCIENTIFIC
TECHNOLOGIES, INC. (CA);
REDWOOD SCIENTIFIC
TECHNOLOGIES, INC. (NV);
REDWOOD SCIENTIFIC
TECHNOLOGIES, INC. (DE);
IDENTIFY, LLC; ADVANCED
MEN’S INSTITUTE
PROLONGZ LLC; RUN AWAY
PRODUCTS, LLC; AND
CAROLS PLACE LIMITED
PARTNERSHIP**

1 On October 3, 2018, Plaintiff, the Federal Trade Commission, filed its
2 Complaint for Permanent Injunction and Other Equitable Relief pursuant to
3 Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C.
4 § 53(b), the Restore Online Shoppers’ Confidence Act, (“ROSCA”), 15 U.S.C.
5 §§ 8401-8405, and the Electronic Fund Transfer Act (“EFTA”), 15 U.S.C.
6 §§ 1693-1693r, and Section 6 of the Telemarketing and Consumer Fraud and
7 Abuse Prevention Act (the “Telemarketing Act”), 15 U.S.C. § 6105, and moved,
8 pursuant to Fed. R. Civ. P. 65(b), for a temporary restraining order, asset freeze,
9 other equitable relief, and an order to show cause why a preliminary injunction
10 should not issue against Defendants Jason Cardiff, Eunjung Cardiff, a/k/a Eunjung
11 Lee, a/k/a Eunjung No, Danielle Cadiz, a/k/a Danielle Walker, Redwood Scientific
12 Technologies, Inc. (California), Redwood Scientific Technologies, Inc. (Nevada),
13 Redwood Scientific Technologies, Inc. (Delaware), Identify, LLC, Advanced
14 Men’s Institute Prolongz LLC, Run Away Products, LLC, and Carols Place
15 Limited Partnership.

16 A Temporary Restraining Order was entered by this Court on October 10,
17 2018, setting a Preliminary Injunction hearing for October 23, 2018 at 2:00 p.m.
18 Plaintiff and the Temporary Receiver appeared at the hearing. Plaintiff and the
19 individual Defendants stipulated in advance of the October 23 hearing to an
20 extension of the Temporary Restraining Order and a continuance of the
21 Preliminary Injunction hearing as to the individual Defendants until such date as
22 the Court set.

23 The seven Corporate Defendants were served with the Temporary
24 Restraining Order on October 12, 2018 through their owners, directors, and
25 officers. They did not answer or appear at the October 23 hearing to show cause
26 why a Preliminary Injunction should not issue. The Court, therefore, now enters
27 the following Preliminary Injunction as to the following Corporate Defendants:
28 Redwood Scientific Technologies, Inc. (California); Redwood Scientific

1 Technologies, Inc. (Nevada); Redwood Scientific Technologies, Inc. (Delaware);
2 Identify, LLC; Advanced Men’s Institute Prolongz LLC; Run Away Products,
3 LLC; and Carols Place Limited Partnership.

4 **FINDINGS OF FACT**

5 The Court, having entered a Temporary Restraining Order and having
6 considered the declarations, exhibits, and the memorandum of points and
7 authorities filed in support thereof, and being otherwise advised, finds that:

8 A. This Court has jurisdiction over the subject matter of this case, and
9 there is good cause to believe that it will have jurisdiction over all parties hereto
10 and that venue in this district is proper.

11 B. In numerous instances, Defendants have misrepresented the
12 effectiveness of their dissolvable film strip products for smoking cessation, weight
13 loss, and improved male sexual performance, thereby misleading vulnerable
14 consumers. Defendants have then further injured many consumers by placing
15 them on unauthorized continuity plans that resulted in additional charges to their
16 credits cards or withdrawals from their debit accounts. Defendants have also made
17 false earnings claims as part of a multilevel marketing plan, and illegally caused
18 more than one million robocalls to be made to consumers’ telephones.

19 C. There is good cause to believe that Defendants Jason Cardiff, Eunjung
20 Cardiff, Danielle Cadiz, Redwood Scientific Technologies, Inc. (California),
21 Redwood Scientific Technologies, Inc. (Nevada), Redwood Scientific
22 Technologies, Inc. (Delaware), Identify, LLC, Advanced Men’s Institute Prolongz
23 LLC, Run Away Products, LLC, and Carols Place Limited Partnership have
24 engaged in and are likely to engage in acts or practices that violate Sections 5(a)
25 and 12 of the FTC Act, Section 4 of ROSCA, Section 907(a) of EFTA, EFTA’s
26 implementing Regulation E, and the Telemarketing Sales Rule (“TSR”), and that
27 Plaintiff is therefore likely to prevail on the merits of this action. As demonstrated
28 by Defendants’ own advertising and communications, consumer complaints,

1 declarations, and the additional documentation filed by the FTC, the Commission
2 has established a likelihood of success in showing that Defendants have
3 deceptively marketed TBX-FREE, Eupepsia Thin, and Prolongz, placed consumers
4 on continuity plans without their prior authorization, charged consumers' credit
5 cards and debited their bank accounts without authorization, caused robocalls to be
6 made to more than one million consumers to induce the sale of goods or services,
7 and misrepresented the earnings that people who join their multi-level marketing
8 program are likely to make.

9 D. The FTC is likely to succeed in showing that Corporate Defendants
10 Redwood Scientific Technologies, Inc. (California), Redwood Scientific
11 Technologies, Inc. (Nevada), Redwood Scientific Technologies, Inc. (Delaware),
12 Identify, LLC, Advanced Men's Institute Prolongz LLC, Run Away Products,
13 LLC, and Carols Place Limited Partnership operate as a common enterprise and are
14 the alter egos of Jason Cardiff and Eunjung Cardiff.

15 E. There is good cause to believe that immediate and irreparable harm
16 will result from Defendants' ongoing violations of the FTC Act, ROSCA, EFTA
17 and Regulation E, and the TSR unless Defendants are restrained and enjoined by
18 order of this Court.

19 F. There is good cause to believe that immediate and irreparable damage
20 to the Court's ability to grant effective final relief for consumers – including
21 monetary restitution, rescission, or disgorgement – will occur from the sale,
22 transfer, destruction or other disposition or concealment by Defendants of their
23 assets or records, unless Defendants are restrained and enjoined by order of this
24 Court.

25 G. Good cause exists for continuing the receivership and the asset freeze
26 imposed pursuant to the TRO issued in this case, and permitting Plaintiff and the
27 Receiver to take expedited discovery.

1 H. Weighing the equities and considering Plaintiff’s likelihood of
2 ultimate success on the merits, this Order is in the public interest.

3 I. This Court has authority to issue this Order pursuant to Section 13(b)
4 of the FTC Act, 15 U.S.C. § 53(b), Federal Rule of Civil Procedure 65, and the All
5 Writs Act, 28 U.S.C. § 1651.

6 J. No security is required of any agency of the United States for issuance
7 of a Preliminary Injunction. Fed. R. Civ. P. 65(c).

8 **DEFINITIONS**

9 For the purpose of this Order, the following definitions shall apply:

10 A. “Asset” means any legal or equitable interest in, right to, or claim to,
11 any property, wherever located and by whomever held.

12 B. “Continuity Program” means any plan, arrangement, or system under
13 which a consumer is periodically charged for products or services, without prior
14 notification by the seller before each charge.

15 C. “Corporate Defendant(s)” means Redwood Scientific Technologies,
16 Inc. (California), Redwood Scientific Technologies, Inc. (Nevada), Redwood
17 Scientific Technologies, Inc. (Delaware), Identify, LLC, Advanced Men’s Institute
18 Prolongz LLC, Run Away Products, LLC, and Carols Place Limited Partnership,
19 and each of their subsidiaries, affiliates, successors, and assigns.

20 D. “Defendant(s)” means Corporate Defendants, Jason Cardiff, Eunjung
21 Cardiff, and Danielle Cadiz, individually, collectively, or in any combination.

22 E. “Document” is synonymous in meaning and equal in scope to the
23 usage of “document” and “electronically stored information” in Federal Rule of
24 Civil Procedure 34(a), Fed. R. Civ. P. 34(a), and includes writings, drawings,
25 graphs, charts, photographs, sound and video recordings, images, Internet sites,
26 web pages, websites, electronic correspondence, including email and instant
27 messages, contracts, accounting data, advertisements, FTP Logs, Server Access
28 Logs, books, written or printed records, handwritten notes, telephone logs,

1 telephone scripts, receipt books, ledgers, personal and business canceled checks
2 and check registers, bank statements, appointment books, computer records,
3 customer or sales databases, and any other electronically stored information,
4 including Documents located on remote servers or cloud computing systems, and
5 other data or data compilations from which information can be obtained directly or,
6 if necessary, after translation into a reasonably usable form. A draft or non-
7 identical copy is a separate document within the meaning of the term.

8 F. “Electronic Data Host” means any person or entity in the business of
9 storing, hosting, or otherwise maintaining electronically stored information. This
10 includes, but is not limited to, any entity hosting a website or server, and any entity
11 providing “cloud based” electronic storage.

12 G. “Individual Defendant(s)” means Jason Cardiff, Eunjung Cardiff, and
13 Danielle Cadiz, individually, collectively, or in any combination.

14 H. “Negative Option” means, in an offer or agreement to sell or provide
15 any good or service, a provision under which the consumer’s silence or failure to
16 take an affirmative action to reject a good or service or to cancel the agreement is
17 interpreted by the seller or provider as acceptance or continuing acceptance of the
18 offer or agreement.

19 I. “Person” means a natural person, organization, or other legal entity,
20 including a corporation, partnership, proprietorship, association, cooperative, or
21 any other group or combination acting as an entity.

22 J. “Preauthorized Electronic Fund Transfer” means an electronic fund
23 transfer authorized in advance to recur at substantially regular intervals.

24 K. “Receiver” means the receiver identified in Section XIV of this Order
25 and any deputy receivers that shall be named by the receiver.

26 L. “Receivership Entities” means Corporate Defendants as well as any
27 other entity that has conducted any business related to Defendants’ marketing and
28 sale of dissolvable film strips and promotion of the Rengalife multilevel marketing

1 program, including receipt of Assets derived from any activity that is the subject of
2 the Complaint in this matter, and that the Receiver determines is controlled or
3 owned by any Defendant.

4 M. “Receivership Property” means any Assets, wherever located, that are:
5 (1) owned, controlled, or held by or for the benefit of the Receivership Entities; (2)
6 in the actual or constructive possession of the Receivership Entities; or (3) owned,
7 controlled, or held by, or in the actual or constructive possession of, or otherwise
8 held for the benefit of, any corporation, partnership, trust, or other entity directly or
9 indirectly owned or controlled by the Receivership Entities.

10 **ORDER**

11 **I. PROHIBITED BUSINESS ACTIVITIES**

12 **IT IS THEREFORE ORDERED** that Corporate Defendants, their officers,
13 agents, employees, and attorneys, and all other persons in active concert or
14 participation with them, who receive actual notice of this Order by personal service
15 or otherwise, whether acting directly or indirectly, in connection with the
16 advertising, marketing, promoting, or offering for sale of any goods, services, or
17 programs are preliminarily restrained and enjoined from misrepresenting or
18 assisting others in misrepresenting, expressly or by implication:

19 A. Any material fact about TBX-FREE, Eupepsia Thin, or Prolongz,
20 including, but not limited to:

- 21 1. That TBX-FREE is an effective smoking cessation product;
- 22 2. That TBX-FREE is more effective than either nicotine patches
23 or nicotine gum in enabling cigarette smokers to stop smoking;
- 24 3. That TBX-FREE enables many cigarette smokers to quit in
25 seven to ten days;
- 26 4. That TBX-FREE has an 88% success rate, including among
27 people who have smoked cigarettes for more than five years;
- 28

- 1 5. That smokers should not need to purchase more than one month
2 of TBX-FREE;
- 3 6. That clinical studies have been conducted on TBX-FREE, and
4 have shown that TBX-FREE is an effective smoking cessation
5 product;
- 6 7. That TBX-FREE has been proven in clinical studies to be more
7 effective than nicotine patches or nicotine gum in enabling
8 smokers to stop smoking;
- 9 8. That clinical studies of TBX-FREE conducted on 10,600 people
10 have shown that TBX-FREE has an “88% success rate”;
- 11 9. That The New England Journal of Medicine (“NEJM”),
12 Harvard Health Publications, and Johns Hopkins University
13 have published clinical studies proving that TBX-FREE is an
14 effective smoking cessation product;
- 15 10. That NEJM’s clinical studies showed that TBX-FREE is ten
16 times more effective for smoking cessation than nicotine
17 replacement therapy;
- 18 11. That Eupepsia Thin is an effective appetite suppressant and
19 weight loss aid;
- 20 12. That Eupepsia Thin starts working in less than 20 seconds, and
21 suppresses a user’s appetite within minutes;
- 22 13. That Eupepsia Thin enables users to lose 10, 20, or even 100
23 pounds without dieting, giving up their favorite foods, or
24 increasing their exercise;
- 25 14. That Eupepsia Thin users can lose 15 pounds their first month
26 without dieting or changing their food or lifestyle;
- 27 15. That Eupepsia Thin users can lose as much as 20 pounds in one
28 month and as much as 50 pounds in three months;

- 1 16. That Eupepsia Thin is more effective at causing weight loss
- 2 than conventional calorie reduction and meal plans;
- 3 17. That Eupepsia Thin enables consumers to avoid gaining back
- 4 weight they lose, without any lifestyle changes.
- 5 18. That clinical studies have been conducted on Eupepsia Thin and
- 6 those studies show that it is an effective appetite suppressant
- 7 and weight loss aid;
- 8 19. That Prolongz substantially increases ejaculation control and
- 9 the duration of sex;
- 10 20. That Prolongz treats or prevents premature ejaculation;
- 11 21. That Prolongz is clinically proven to increase ejaculation
- 12 control and the duration of sex for more than 97% of users;
- 13 22. That Eupepsia Thin is made in the United States;
- 14 23. That individuals appearing in advertising for Eupepsia Thin
- 15 used that product successfully to lose weight; and
- 16 24. That consumers who are not satisfied with the product they
- 17 purchased will get their money back;

18 B. Any material fact about any multi-level marketing plan, including, but
19 not limited to, the income that participants in the plan are likely to
20 earn; and

21 C. Any other fact material to consumers concerning any good or service,
22 such as: the total costs; any material restrictions, limitations, or
23 conditions; or any material aspect of its performance, efficacy, nature,
24 or central characteristics.

25 **II. PROHIBITIONS AGAINST UNFAIR AND DECEPTIVE NEGATIVE**
26 **OPTION MARKETING PRACTICES**

27 **IT IS FURTHER ORDERED** that Corporate Defendants, their officers,
28 agents, employees, and attorneys, and all other persons in active concert or

1 participation with any of them, who receive actual notice of this Order, whether
2 acting directly or indirectly, in connection with the sale of any good or service are
3 preliminarily restrained and enjoined from charging, causing to be charged,
4 assisting others in charging, or attempting to charge any consumer in any sale of a
5 good or service sold through a negative option without:

6 A. Clearly and conspicuously disclosing all material terms of the
7 negative option features before obtaining the consumer's billing information;

8 B. Obtaining a consumer's express informed consent, written or similarly
9 authorized, to the negative option features before making any charge; and

10 C. Providing a simple mechanism for a consumer to stop recurring
11 charges from being placed on the consumer's credit card, debit card, or other
12 financial account.

13 **III. PROHIBITIONS AGAINST UNAUTHORIZED CHARGES**

14 **IT IS FURTHER ORDERED** that Corporate Defendants, their officers,
15 agents, employees, and attorneys, and all other persons in active concert or
16 participation with any of them, who receive actual notice of this Order, whether
17 acting directly or indirectly, are preliminarily restrained and enjoined from
18 charging, causing to be charged, assisting others in charging, or attempting to
19 charge any consumer for any good or service without first obtaining the
20 consumer's express informed consent, written or similarly authorized, to the
21 charge.

22 **IV. PROHIBITIONS AGAINST DEBITING CONSUMERS' BANK** 23 **ACCOUNTS WITHOUT AUTHORIZATION**

24 **IT IS FURTHER ORDERED** that Corporate Defendants, their officers,
25 agents, employees, and attorneys, and all other persons in active concert or
26 participation with any of them, who receive actual notice of this Order, whether
27 acting directly or indirectly, in connection with the sale of any good or service, are
28 preliminarily restrained and enjoined from:

1 A. Failing to timely obtain written authorization signed or similarly
2 authenticated by the consumer for any Preauthorized Electronic Fund Transfer
3 from a consumer's account before initiating any Preauthorized Electronic Fund
4 Transfer; and

5 B. Failing to provide to the consumer a copy of a valid written
6 authorization signed or similarly authenticated by the consumer for any
7 Preauthorized Electronic Fund Transfer from a consumer's account.

8 **V. PROHIBITION OF PRERECORDED MARKETING CALLS**

9 **IT IS FURTHER ORDERED** that Corporate Defendants, their officers,
10 agents, employees, and attorneys, and all other persons in active concert or
11 participation with any of them, who receive actual notice of this Order, whether
12 acting directly or indirectly, are hereby preliminarily restrained and enjoined from
13 initiating or causing the initiation of outbound telephone calls delivering
14 prerecorded messages to induce the sale of goods or services.

15 **VI. PROHIBITION ON RELEASE OF CUSTOMER INFORMATION**

16 **IT IS FURTHER ORDERED** that Corporate Defendants, their officers,
17 agents, employees, and attorneys, and all other persons in active concert or
18 participation with any of them, who receive actual notice of this Order, whether
19 acting directly or indirectly, are hereby preliminarily restrained and enjoined from:

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

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

3 Provided, however, that Corporate Defendants may disclose such identifying
4 information to a law enforcement agency, to their attorneys as required for their
5 defense, as required by any law, regulation, or court order, or in any filings,
6 pleadings or discovery in this action in the manner required by the Federal Rules of
7 Civil Procedure and by any protective order in the case.

8 **VII. ASSET FREEZE**

9 **IT IS FURTHER ORDERED** that Corporate Defendants, their officers,
10 agents, employees, and attorneys, and all other persons in active concert or
11 participation with any of them, who receive actual notice of this Order, whether
12 acting directly or indirectly, are preliminarily restrained and enjoined from:

13 A. Transferring, liquidating, converting, encumbering, pledging, loaning,
14 selling, concealing, dissipating, disbursing, assigning, relinquishing, spending,
15 withdrawing, granting a lien or security interest or other interest in, or otherwise
16 disposing of any Assets that are:

- 17 1. Owned or controlled, directly or indirectly, by any Defendant,
18 including, but not limited to, those for which any Defendant is a
19 signatory on the account;
- 20 2. Held, in part or in whole, for the benefit of any Defendant;
- 21 3. In the actual or constructive possession of any Defendant; or
- 22 4. Owned or controlled by, in the actual or constructive possession
23 of, or otherwise held for the benefit of, any corporation,
24 partnership, asset protection trust, or other entity that is directly
25 or indirectly owned, managed or controlled by any Defendant.

26 B. Opening or causing to be opened any safe deposit boxes, commercial
27 mail boxes, or storage facilities titled in the name of any Defendant or subject to
28

1 access by any Defendant, except as necessary to comply with written requests from
2 the Receiver acting pursuant to its authority under this Order;

3 C. Incurring charges or cash advances on any credit, debit, or ATM card
4 issued in the name, individually or jointly, of any Corporate Defendant or any
5 corporation, partnership, or other entity directly or indirectly owned, managed, or
6 controlled by any Defendant, or of which any Defendant is an officer, director,
7 member, or manager. This includes any corporate bankcard or corporate credit
8 card account for which any Defendant is, or was on the date that this Order was
9 signed, an authorized signer; or

10 D. Cashing any checks or depositing any money orders or cash received
11 from consumers, clients, or customers of any Defendant;

12 The Assets affected by this Section shall include: (1) all Assets of Defendants as
13 of the time this Order is entered; (2) all Assets obtained by Defendants after this
14 Order is entered if those Assets are derived from any activity that is the subject of
15 the Complaint in this matter or that is prohibited by this Order; and (3) all Assets
16 owned or controlled, directly or indirectly, by Defendants, including, but not
17 limited to, the Jurikel Family Trust, or Carols Place Trust. This Section does not
18 prohibit any transfers to the Receiver or repatriation of foreign Assets specifically
19 required by this Order.

20 **VIII. DUTIES OF ASSET HOLDERS AND OTHER THIRD PARTIES**

21 **IT IS FURTHER ORDERED** that any financial or brokerage institution,
22 Electronic Data Host, credit card processor, payment processor, merchant bank,
23 acquiring bank, independent sales organization, third party processor or vendor,
24 payment gateway, insurance company, business entity, or person who receives
25 actual notice of this Order (by service or otherwise) that:

- 26 (a) has held, controlled, or maintained custody, through an account
27 or otherwise, of any Document on behalf of any Corporate
28 Defendant or any Asset that has been owned or controlled,

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

9 (b) has held, controlled, or maintained custody, through an account
10 or otherwise, of any Document or Asset associated with credits,
11 debits, or charges made on behalf of any Corporate Defendant,
12 including reserve funds held by payment processors, credit card
13 processors, merchant banks, acquiring banks, independent sales
14 organizations, third party processors or vendors, payment
15 gateways, insurance companies, or other entities; or

16 (c) has extended credit to any Corporate Defendant, including
17 through a credit card account, shall:

18 A. Hold, preserve, and retain within its control and prohibit the
19 withdrawal, removal, alteration, assignment, transfer, pledge, encumbrance,
20 disbursement, dissipation, relinquishment, conversion, sale, or other disposal of
21 any such Document or Asset, as well as all Documents or other property related to
22 such Assets, except by further order of this Court;

23 B. Deny any person, except the Receiver, access to any safe deposit box,
24 commercial mail box, or storage facility that is titled in the name of any Corporate
25 Defendant, either individually or jointly, or otherwise subject to access by any
26 Corporate Defendant;

1 C. Provide Plaintiff's counsel and the Receiver, unless already provided
2 pursuant to the TRO previously issued on October 10, 2018 ("TRO"), within three
3 (3) days of receiving a copy of this Order, a sworn statement setting forth:

- 4 1. The identification number of each such account or Asset;
- 5 2. The balance of each such account, or a description of the nature
6 and value of each such Asset as of the close of business on the
7 day on which this Order is served, and, if the account or other
8 Asset has been closed or removed, the date closed or removed,
9 the total funds removed in order to close the account, and the
10 name of the person or entity to whom such account or other
11 Asset was remitted; and
- 12 3. The identification of any safe deposit box, commercial mail
13 box, or storage facility that is either titled in the name,
14 individually or jointly, of any Corporate Defendant, or is
15 otherwise subject to access by any Corporate Defendant; and

16 D. Upon the request of Plaintiff's counsel or the Receiver, promptly
17 provide Plaintiff's counsel and the Receiver with copies of all records or other
18 Documents pertaining to any account covered by this Section or Asset, including
19 originals or copies of account applications, account statements, signature cards,
20 checks, drafts, deposit tickets, transfers to and from the accounts, including wire
21 transfers and wire transfer instructions, all other debit and credit instruments or
22 slips, currency transaction reports, 1099 forms, and all logs and records pertaining
23 to safe deposit boxes, commercial mail boxes, and storage facilities.
24 Provided, however, that this Section does not prohibit any transfers to the Receiver
25 or repatriation of foreign Assets specifically required by this Order.

1 **IX. FINANCIAL DISCLOSURES**

2 **IT IS FURTHER ORDERED** that each Corporate Defendant, within five
3 (5) days of service of this Order upon them, shall prepare and deliver to Plaintiff's
4 counsel and the Receiver:

5 A. A completed financial statement on the form attached to this Order as
6 **Attachment A** (Financial Statement of Corporate Defendant); and

7 B. A completed **Attachment B** (IRS Form 4506, Request for Copy of a
8 Tax Return).

9 **X. FOREIGN ASSET REPATRIATION**

10 **IT IS FURTHER ORDERED** that within five (5) days following the
11 service of this Order, each Corporate Defendant shall:

12 A. Provide Plaintiff's counsel and the Receiver with a full accounting,
13 verified under oath and accurate as of the date of this Order, of all Assets,
14 Documents, and accounts outside of the United States that are: (1) titled in the
15 name, individually or jointly, of any Defendant; (2) held by any person or entity
16 for the benefit of any Defendant or for the benefit of, any corporation, partnership,
17 asset protection trust, or other entity that is directly or indirectly owned, managed
18 or controlled by any Defendant; or (3) under the direct or indirect control, whether
19 jointly or singly, of any Defendant;

20 B. Take all steps necessary to provide the Receiver and Plaintiff's
21 counsel access to all Documents and records that may be held by third parties
22 located outside of the territorial United States of America, including signing the
23 Consent to Release of Financial Records, appended to this Order as
24 **Attachment C.**

25 C. Transfer to the territory of the United States and deliver to the
26 Receiver all Documents and Assets located in foreign countries that are: (1) titled
27 in the name, individually or jointly, of any Corporate Defendant, or any trust or
28 other entity for which any Corporate Defendant is a beneficiary or trustee; (2) held

1 by any person or entity for the benefit of any Corporate Defendant or for the
2 benefit of any corporation, partnership, asset protection trust, or other entity that is
3 directly or indirectly owned, managed or controlled by any Corporate Defendant;
4 or (3) under the direct or indirect control, whether jointly or singly, of any
5 Corporate Defendant; and

6 D. The same business day as any repatriation, (1) notify the Receiver and
7 Plaintiff's counsel of the name and location of the financial institution or other
8 entity that is the recipient of such Documents or Assets; and (2) serve this Order on
9 any such financial institution or other entity.

10 **XI. NON-INTERFERENCE WITH ASSET FREEZE AND**
11 **REPATRIATION**

12 **IT IS FURTHER ORDERED** that Corporate Defendants, their officers,
13 agents, employees, and attorneys, and all other persons in active concert or
14 participation with any of them, who receive actual notice of this Order, whether
15 acting directly or indirectly, are hereby enjoined from taking any action, directly or
16 indirectly, which may result in the encumbrance, transfer, relocation, or dissipation
17 of domestic or foreign Assets, or in the hindrance of the repatriation required by
18 this Order, including, but not limited to:

19 A. Sending any communication or engaging in any other act, directly or
20 indirectly, that results in a determination by a foreign trustee or other entity that a
21 "duress" event has occurred under the terms of a foreign trust agreement until such
22 time that all Defendants' Assets have been fully repatriated pursuant to this Order
23 or any Temporary Restraining Order issued by this Court; or

24 B. Notifying any trustee, protector, or other agent of any foreign trust or
25 other related entities of either the existence of this Order, or of the fact that
26 repatriation is required pursuant to a court order, until such time that all
27 Defendants' Assets have been fully repatriated pursuant to this Order or any
28 Temporary Restraining Order issued by this Court.

1 **XII. PRESERVATION OF RECORDS**

2 **IT IS FURTHER ORDERED** that Corporate Defendants, their officers,
3 agents, employees, and attorneys, and all other persons in active concert or
4 participation with any of them, who receive actual notice of this Order, whether
5 acting directly or indirectly, are hereby preliminarily restrained and enjoined from:

6 A. Destroying, erasing, falsifying, writing over, mutilating, concealing,
7 altering, transferring, or otherwise disposing of, in any manner, directly or
8 indirectly, Documents that relate to: (1) the business, business practices, Assets, or
9 business or personal finances of any Defendant; (2) the business practices or
10 finances of entities directly or indirectly under the control of any Defendant; or (3)
11 the business practices or finances of entities directly or indirectly under common
12 control with any other Defendant; and

13 B. Failing to create and maintain Documents that, in reasonable detail,
14 accurately, fairly, and completely reflect Corporate Defendants' incomes,
15 disbursements, transactions, and use of Corporate Defendants' Assets.

16 **XIII. REPORT OF NEW BUSINESS ACTIVITY**

17 **IT IS FURTHER ORDERED** that Corporate Defendants, their officers,
18 agents, employees, and attorneys, and all other persons in active concert or
19 participation with any of them, who receive actual notice of this Order, whether
20 acting directly or indirectly, are hereby preliminarily restrained and enjoined from
21 creating, operating, or exercising any control over any business entity, whether
22 newly formed or previously inactive, including any partnership, limited
23 partnership, joint venture, sole proprietorship, or corporation, without first
24 providing Plaintiff's counsel and the Receiver with a written statement disclosing:
25 (1) the name of the business entity; (2) the address and telephone number of the
26 business entity; (3) the names of the business entity's officers, directors, principals,
27 managers, and employees; and (4) a detailed description of the business entity's
28 intended activities.

1 **XIV. CONTINUATION OF THE RECEIVERSHIP**

2 **IT IS FURTHER ORDERED** that Robb Evans & Associates shall
3 continue to serve as the Receiver of the Receivership Entities with full powers of
4 an equity receiver. The Receiver shall be solely the agent of this Court in acting as
5 Receiver under this Order.

6 **XV. DUTIES AND AUTHORITY OF RECEIVER**

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

9 A. Assume full control of the Receivership Entities by removing, as the
10 Receiver deems necessary or advisable, any director, officer, independent
11 contractor, employee, attorney, or agent of any Receivership Entity from control
12 of, management of, or participation in, the affairs of the Receivership Entity;

13 B. Take exclusive custody, control, and possession of all Assets and
14 Documents of, or in the possession, custody, or under the control of, any
15 Receivership Entity covered by Part XIV of this Order, wherever situated;

16 C. Take exclusive custody, control, and possession of all Documents or
17 Assets associated with credits, debits, or charges made on behalf of any
18 Receivership Entity, wherever situated, 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;

22 D. Conserve, hold, manage, and prevent the loss of all Receivership
23 Property, and perform all acts necessary or advisable to preserve the value of those
24 Assets. The Receiver shall assume control over the income and profits therefrom
25 and all sums of money now or hereafter due or owing to the Receivership Entities.
26 The Receiver shall have full power to sue for, collect, and receive, all Receivership
27 Property and all Assets of other persons or entities whose interests are now under
28 the direction, possession, custody, or control of, the Receivership Entities.

1 Provided, however, that the Receiver shall not attempt to collect any amount from
2 a consumer if the Receiver believes the consumer's debt to the Receivership
3 Entities has resulted from the deceptive acts or practices or other violations of law
4 alleged in the Complaint in this matter, without prior Court approval;

5 E. Take exclusive custody, control, and possession of the following
6 valuable articles in the possession, custody, or under the control of, Corporate
7 Defendants, including their officers, directors, managers, employees, or owners,
8 wherever located:

- 9 1. Ladies 14K yellow gold and diamond ring. Insured for
10 \$11,813.
- 11 2. Ladies diamond pendent setting 14 KT. Insured for \$23,730.
- 12 3. Ladies Diamond Stud Earrings. Insured for \$34,125.
- 13 4. Ladies Diamond Fancy Ring. Insured for \$31,763.
- 14 5. Mens Roadster SM WG/WG Paved Bezel. Insured for
15 \$32,550.
- 16 6. Ladies handmade platinum diamond bracelet. Insured for
17 \$46,725
- 18 7. Mens GTS 18KT white gold Daytona Rolex. Insured for
19 \$42,000.
- 20 8. 5.08 ct round diamond I color S12 Clarity EGL platinum ring.
21 Insured for \$102,076.
- 22 9. Mens Rolex Yacht-Master 18K gold watch. Insured for
23 \$14,125.
- 24 10. Ladies Love Bra yellow gold 4 dia[] 17 cm. Insured for \$9,819.
- 25 11. Ladies yellow gold ring, Serial #UD0824. Insured for \$2,284.
- 26 12. Ladies fancy diamond bracelet. Insured for \$39,397.
- 27 13. Mens Rolex watch 18KT gold Pearlmaster. Insured for
28 \$33,180.

- 1 14. Tiffany pearl bracelet. Insured for \$3,166.
- 2 15. Ladies emerald and diamond ring. Insured for \$24,856.
- 3 16. IWC Portofino moon phase watch. Insured for \$8,000.
- 4 17. Pre-owner Ladies stainless steel Patek Phili[ppes]. Insured for
- 5 \$8,145.
- 6 18. Rolex Vintage Thund[er]. Insured for \$9,000.
- 7 19. Stuart Moore “Aronade” platinum diamond. Insured for
- 8 \$12,650.
- 9 20. Peter Philippe annual calendar wristwatch. Insured for
- 10 \$41,300.
- 11 21. 18K yellow gold Tiffany Diamond Bracelet. #B0164. Insured
- 12 for \$7,600.
- 13 22. “Living Room” Artist Romero Britto. Insured for \$12,600.
- 14 23. Hermes Birkin bag, size 35 (Togo leather; in Sienna color).
- 15 Insured for \$20,000.
- 16 24. Hermes Birkin bag, size 35 (Togo leather; Curry). Insured for
- 17 \$20,000
- 18 25. Ladies ring round center stone 8.5 cts, VS2 with diamonds.
- 19 Insured for \$532,000.
- 20 26. MenOCOs Patek Philippe gold calendar watch model 5035J.
- 21 Insured for \$28,500.

22 Corporate Defendants, including their officers, directors, managers, employees, or
23 owners, shall deliver all of the foregoing articles to the Receiver at a place and
24 time to be determined by the Receiver.

25 F. Obtain, conserve, hold, manage, and prevent the loss of all Documents
26 of the Receivership Entities, and perform all acts necessary or advisable to
27 preserve such Documents. The Receiver shall: divert mail; preserve all
28 Documents of the Receivership Entities that are accessible via electronic means

1 (such as online access to financial accounts and access to electronic documents
2 held onsite or by Electronic Data Hosts, by changing usernames, passwords or
3 other log-in credentials; take possession of all electronic Documents of the
4 Receivership Entities stored onsite or remotely; take whatever steps necessary to
5 preserve all such Documents; and obtain the assistance of the FTC's Digital
6 Forensic Unit for the purpose of obtaining electronic documents stored onsite or
7 remotely.

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

12 H. Make payments and disbursements from the receivership estate that
13 are necessary or advisable for carrying out the directions of, or exercising the
14 authority granted by, this Order, and to incur, or authorize the making of, such
15 agreements as may be necessary and advisable in discharging his or her duties as
16 Receiver. The Receiver shall apply to the Court for prior approval of any payment
17 of any debt or obligation incurred by the Receivership Entities prior to the date of
18 entry of this Order, except payments that the Receiver deems necessary or
19 advisable to secure Assets of the Receivership Entities, such as rental payments;

20 I. Take all steps necessary not already taken pursuant to the TRO to
21 secure and take exclusive custody of each location from which the Receivership
22 Entities operate their businesses. Such steps may include, but are not limited to,
23 any of the following, as the Receiver deems necessary or advisable: (1) securing
24 the location by changing the locks and alarm codes and disconnecting any Internet
25 access or other means of access to the computers, servers, internal networks, or
26 other records maintained at that location; and (2) requiring any persons present at
27 the location to leave the premises, to provide the Receiver with proof of
28 identification, and/or to demonstrate to the satisfaction of the Receiver that such

1 persons are not removing from the premises Documents or Assets of the
2 Receivership Entities, including, but not limited to, telephones, computers, and
3 tablets paid for by the Receivership Entities. Law enforcement personnel,
4 including, but not limited to, police or sheriffs, may assist the Receiver in
5 implementing these provisions in order to keep the peace and maintain security. If
6 requested by the Receiver, the United States Marshal will provide appropriate and
7 necessary assistance to the Receiver to implement this Order and is authorized to
8 use any necessary and reasonable force to do so;

9 J. Take all steps necessary to prevent the modification, destruction, or
10 erasure of any web page or website registered to and operated, in whole or in part,
11 by any Corporate Defendants, and to provide access to all such web page or
12 websites to Plaintiff's representatives, agents, and assistants, as well as Corporate
13 Defendants and their representatives;

14 K. Enter into and cancel contracts and purchase insurance as advisable or
15 necessary;

16 L. Prevent the inequitable distribution of Assets and determine, adjust,
17 and protect the interests of consumers who have transacted business with the
18 Receivership Entities;

19 M. Make an accounting, as soon as practicable, of the Assets and
20 financial condition of the receivership and file the accounting with the Court and
21 deliver copies thereof to all parties;

22 N. Institute, compromise, adjust, appear in, intervene in, defend, dispose
23 of, or otherwise become party to any legal action in state, federal or foreign courts
24 or arbitration proceedings as the Receiver deems necessary and advisable to
25 preserve or recover the Assets of the Receivership Entities, or to carry out the
26 Receiver's mandate under this Order, including, but not limited to, actions
27 challenging fraudulent or voidable transfers;

1 O. Issue subpoenas to obtain Documents and records pertaining to the
2 Receivership, and conduct discovery in this action on behalf of the receivership
3 estate, in addition to obtaining other discovery as set forth in this Order;

4 P. Open one or more bank accounts at designated depositories for funds
5 of the Receivership Entities. The Receiver shall deposit all funds of the
6 Receivership Entities in such designated accounts and shall make all payments and
7 disbursements from the receivership estate from such accounts. The Receiver shall
8 serve copies of monthly account statements on all parties;

9 Q. Maintain accurate records of all receipts and expenditures incurred as
10 Receiver;

11 R. Allow Plaintiffs' representatives, agents, and assistants, as well as
12 Corporate Defendants' representatives reasonable access to the premises of the
13 Receivership Entities, or any other premises where the Receivership Entities
14 conduct business. The purpose of this access shall be to inspect and copy any and
15 all books, records, Documents, accounts, and other property owned by, or in the
16 possession of, the Receivership Entities or their agents. The Receiver shall have
17 the discretion to determine the time, manner, and reasonable conditions of such
18 access;

19 S. Allow Plaintiffs' representatives, agents, and assistants, as well as
20 Corporate Defendants' representatives reasonable access to all Documents in the
21 possession, custody, or control of the Receivership Entities;

22 T. Cooperate with reasonable requests for information or assistance from
23 any state or federal civil or criminal law enforcement agency;

24 U. Suspend business operations of the Receivership Entities if in the
25 judgment of the Receiver such operations cannot be continued legally and
26 profitably;

27 V. If the Receiver identifies a nonparty entity as a Receivership Entity,
28 promptly notify the entity as well as the parties, and inform the entity that it can

1 challenge the Receiver's determination by filing a motion with the Court.
2 Provided, however, that the Receiver may delay providing such notice until the
3 Receiver has established control of the nonparty entity and its assets and records, if
4 the Receiver determines that notice to the entity or the parties before the Receiver
5 establishes control over the entity may result in the destruction of records,
6 dissipation of assets, or any other obstruction of the Receiver's control of the
7 entity;

8 W. If in the Receiver's judgment the business operations cannot be
9 continued legally and profitably, take all steps necessary to ensure that any of the
10 Receivership Entities' web pages or websites relating to the activities alleged in the
11 Complaint cannot be accessed by the public, or are modified for consumer
12 education and/or informational purposes, and take all steps necessary to ensure that
13 any telephone numbers associated with the Receivership Entities cannot be
14 accessed by the public, or are answered solely to provide consumer education or
15 information regarding the status of operations; and

16 X. File timely reports with the Court at reasonable intervals or as
17 otherwise directed by the Court.

18 **XVI. TRANSFER OF RECEIVERSHIP PROPERTY TO RECEIVER**

19 **IT IS FURTHER ORDERED** that, to the extent not already done pursuant
20 to the TRO, Corporate Defendants and any other person with possession, custody
21 or control of property of, or records relating to, the Receivership Entities, fully
22 cooperate with and assist the Receiver in taking and maintaining possession,
23 custody, or control of the Assets and Documents of the Receivership Entities and
24 immediately provide, transfer, or deliver to the Receiver possession, custody, and
25 control of, the following:

26 A. All Assets held by or for the benefit of the Receivership Entities;

27 B. All Documents or Assets associated with credits, debits, or charges
28 made on behalf of any Receivership Entity, wherever situated, including reserve

1 funds held by payment processors, credit card processors, merchant banks,
2 acquiring banks, independent sales organizations, third party processors, payment
3 gateways, insurance companies, or other entities;

4 C. All Documents of or pertaining to the Receivership Entities;

5 D. All computers, electronic devices, mobile devices, and machines used
6 to conduct the business of the Receivership Entities;

7 E. All Assets and Documents belonging to other persons or entities
8 whose interests are under the direction, possession, custody, or control of the
9 Receivership Entities; and

10 F. All keys, codes, user names, passwords, and all other means of
11 authentication necessary to gain or to secure access to any Assets or Documents of
12 or pertaining to the Receivership Entities, including access to their business
13 premises, means of communication, mobile phones, accounts, computer systems
14 (onsite and remote), Electronic Data Hosts, or other property.

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

19 **XVII. PROVISION OF INFORMATION TO RECEIVER**

20 **IT IS FURTHER ORDERED** that, to the extent not already done pursuant
21 to the TRO, Corporate Defendants shall immediately provide to the Receiver:

22 A. A list of all Assets and accounts of the Receivership Entities that are
23 held in any name other than the name of a Receivership Entity, or by any person or
24 entity other than a Receivership Entity;

25 B. A list of all Assets and accounts of Jason Cardiff and Eunjung Cardiff
26 that are held in any name other than their own names, or by any person or entity
27 other than themselves;

1 C. A list of all agents, employees, officers, attorneys, servants and those
2 persons in active concert and participation with the Receivership Entities, or who
3 have been associated or done business with the Receivership Entities; and

4 D. A description of any documents covered by attorney-client privilege
5 or attorney work product, including files where such documents are likely to be
6 located, authors or recipients of such documents, and search terms likely to
7 identify such electronic documents.

8 **XVIII. COOPERATION WITH THE RECEIVER**

9 **IT IS FURTHER ORDERED** that Corporate Defendants, Receivership
10 Entities, Corporate Defendants' or Receivership Entities' officers, agents,
11 employees, and attorneys, all other persons in active concert or participation with
12 any of them, and any other person with possession, custody, or control of:

- 13 1. Receivership Property or records relating to Receivership
14 Property; or
- 15 2. Other records relating to the Receivership Entities;

16 who receive actual notice of this Order shall fully cooperate with and assist the
17 Receiver. This cooperation and assistance shall include, but is not limited to,
18 providing information to the Receiver that the Receiver deems necessary to
19 exercise the authority and discharge the responsibilities of the Receiver under this
20 Order; providing any keys, codes, user names, passwords, and all other means
21 required to access any computers, electronic devices, mobile devices, machines
22 (onsite or remotely), and any cloud account (including specific method to access
23 account) or electronic file in any medium; advising all persons who owe money to
24 any Receivership Entity that all debts should be paid directly to the Receiver; and
25 transferring funds at the Receiver's direction and producing records related to the
26 Receivership Property and sales of the Receivership Entities.

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

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

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

10 B. Transacting any of the business of the Receivership Entities;

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

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

18 **XX. STAY OF ACTIONS**

19 **IT IS FURTHER ORDERED** that, except by leave of this Court, during
20 the pendency of the receivership ordered herein, Corporate Defendants, their
21 officers, agents, employees, attorneys, and all other persons in active concert or
22 participation with any of them, who receive actual notice of this Order, and their
23 corporations, subsidiaries, divisions, or affiliates, and all investors, creditors,
24 stockholders, lessors, customers and other persons seeking to establish or enforce
25 any claim, right, or interest against or on behalf of Corporate Defendants, and all
26 others acting for or on behalf of such persons, are hereby enjoined from taking
27 action that would interfere with the exclusive jurisdiction of this Court over the
28 Assets or Documents of the Receivership Entities, including, but not limited to:

1 A. Filing or assisting in the filing of a petition for relief under the
2 Bankruptcy Code, 11 U.S.C. § 101 et seq., or of any similar insolvency proceeding
3 on behalf of the Receivership Entities;

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

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

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

20 **XXI. COMPENSATION OF RECEIVER**

21 **IT IS FURTHER ORDERED** that the Receiver and all personnel hired by
22 the Receiver as herein authorized, including counsel to the Receiver and
23 accountants, are entitled to reasonable compensation for the performance of duties
24 pursuant to this Order and for the cost of actual out-of-pocket expenses incurred by
25 them, from the Assets now held by, in the possession or control of, or which may
26 be received by, the Receivership Entities. The Receiver shall file with the Court
27 and serve on the parties periodic requests for the payment of such reasonable
28 compensation, with the first such request filed no more than sixty (60) days after

1 the date of entry of this Order. The Receiver shall not increase the hourly rates
2 used as the bases for such fee applications without prior approval of the Court.

3 **XXII. RECEIVER'S BOND**

4 **IT IS FURTHER ORDERED** that the Receiver shall file with the Clerk of
5 this Court, unless already filed, a bond in the sum of \$15,000 with sureties to be
6 approved by the Court, conditioned that the Receiver will well and truly perform
7 the duties of the office and abide by and perform all acts the Court directs. 28
8 U.S.C. § 754.

9 **XXIII. DISTRIBUTION OF ORDER BY DEFENDANTS**

10 **IT IS FURTHER ORDERED** that Corporate Defendants shall immediately
11 provide a copy of this Order to each affiliate, telemarketer, marketer, sales entity,
12 successor, assign, member, officer, director, employee, agent, independent
13 contractor, client, attorney, spouse, subsidiary, division, and representative of any
14 Corporate Defendant, and shall, within ten (10) days from the date of entry of this
15 Order, provide Plaintiff and the Receiver with a sworn statement that this provision
16 of the Order has been satisfied, which statement shall include the names, physical
17 addresses, phone number, and email addresses of each such person or entity who
18 received a copy of the Order. Furthermore, Corporate Defendants shall not take
19 any action that would encourage officers, agents, members, directors, employees,
20 salespersons, independent contractors, attorneys, subsidiaries, affiliates,
21 successors, assigns or other persons or entities in active concert or participation
22 with them to disregard this Order or believe that they are not bound by its
23 provisions.

24 **XXIV. EXPEDITED DISCOVERY**

25 **IT IS FURTHER ORDERED** that, notwithstanding the provisions of Fed.
26 R. Civ. P. 26(d) and (f) and 30(a)(2)(A)(iii), and pursuant to Fed. R. Civ. P. 30(a),
27 34, and 45, Plaintiff and the Receiver are granted leave, from any time after service
28 of this Order until a Rule 16(b) scheduling order is issued, to conduct limited

1 expedited discovery for the purpose of discovering: (1) the nature, location, status,
2 and extent of Defendants' Assets; or (2) compliance with this Order. The limited
3 expedited discovery set forth in this Section shall proceed as follows:

4 A. Plaintiff and the Receiver may take the deposition of parties and non-
5 parties. Forty-eight (48) hours notice shall be sufficient notice for such
6 depositions. The limitations and conditions set forth in Rules 30(a)(2)(B) and
7 31(a)(2)(B) of the Federal Rules of Civil Procedure regarding subsequent
8 depositions of an individual shall not apply to depositions taken pursuant to this
9 Section. Any such deposition taken pursuant to this Section shall not be counted
10 towards the deposition limit set forth in Rules 30(a)(2)(A) and 31(a)(2)(A) and
11 depositions may be taken by telephone or other remote electronic means.

12 B. Plaintiff and the Receiver may serve upon parties requests for
13 production of Documents or inspection that require production or inspection within
14 five (5) days of service, provided, however, that three (3) days of notice shall be
15 deemed sufficient for the production of any such Documents that are maintained or
16 stored only in an electronic format.

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

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

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

23 F. Any expedited discovery taken pursuant to this Section is in addition
24 to, and is not subject to, the limits on discovery set forth in the Federal Rules of
25 Civil Procedure and the Local Rules of this Court. The expedited discovery
26 permitted by this Section does not require a meeting or conference of the parties,
27 pursuant to Rules 26(d) & (f) of the Federal Rules of Civil Procedure.
28

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

3 **XXV. SERVICE OF THIS ORDER**

4 **IT IS FURTHER ORDERED** that copies of this Order may be served by
5 any means, including facsimile, electronic mail or other electronic messaging,
6 personal or overnight delivery, U.S. Mail or FedEx, by agents and employees of
7 Plaintiff, by any law enforcement agency, or by private process server, upon any
8 Corporate Defendant or any person (including any financial institution) that may
9 have possession, custody or control of any Asset or Document of any Defendant,
10 or that may be subject to any provision of this Order pursuant to Rule 65(d)(2) of
11 the Federal Rules of Civil Procedure. For purposes of this Section, service upon
12 any branch, subsidiary, affiliate or office of any entity shall effect service upon the
13 entire entity.

14 **XXVI. CORRESPONDENCE AND SERVICE ON PLAINTIFF**

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

17 Elizabeth Sanger
18 James A. Prunty
19 Edwin Rodriguez
20 Shira D. Modell
21 Federal Trade Commission
22 600 Pennsylvania Ave., NW
23 Washington, DC 20580
24 Tel: (202) 326-2757, -2438, -3147, -3116
25 Fax: (202) 326-3259
26 Email: esanger@ftc.gov; jprunty@ftc.gov; erodriguez@ftc.gov;
27 smodell@ftc.gov

28 **XXVII. DURATION OF THE ORDER**

IT IS FURTHER ORDERED that this Order shall expire upon entry of a
final judgment in this case.

1 **XXVIII. RETENTION OF JURISDICTION**

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

4 SO ORDERED, this 24th day of October, 2018, at 3:00 p.m.

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8 UNITED STATES DISTRICT JUDGE

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