

UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND

FEDERAL TRADE COMMISSION

Plaintiff,

v.

ECOLOGICAL FOX, LLC, et al.

Defendants/Relief
Defendants.

Civil Action No. 1:18-cv-03309-PJM

**ORDER AMENDING EX PARTE
TEMPORARY RESTRAINING ORDER**

On November 5, 2018, this Court entered its EX PARTE TEMPORARY RESTRAINING ORDER WITH ASSET FREEZE, WRITS *NE EXEAT*, APPOINTMENT OF A TEMPORARY RECEIVER, AND OTHER EQUITABLE RELIEF, AND ORDER TO SHOW CAUSE WHY A PRELIMINARY INJUNCTION SHOULD NOT ISSUE (“Order”). The Order is hereby amended as to Defendant Atlantic International Bank, Ltd. only.

It is hereby ordered:

With regard to Defendant Atlantic International Bank, Ltd. only, Section III of the Order is deleted and replaced as follows:

III. ASSET FREEZE

IT IS FURTHER ORDERED that Defendant Atlantic International Bank, Ltd., and its officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, are hereby temporarily restrained and enjoined from:

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

- 1. owned or controlled, directly or indirectly, by any other Defendant or

- any Relief Defendant;
2. held, in part or in whole, for the benefit of any other Defendant or any Relief Defendant;
3. in the actual or constructive possession of any other Defendant or any Relief Defendant;
4. owned or controlled by, controlled or managed by, under common control with, in the actual or constructive possession of, or otherwise held for the benefit of, any corporation, partnership, asset protection trust, HYCET trust, or other entity that is directly or indirectly owned, managed or controlled by any other Defendant or any Relief Defendant;
5. transferred from any other Defendant or any Relief Defendant without adequate consideration, or for the primary purpose of shielding the Asset from any creditor;
6. transferred to Atlantic International Bank, Ltd. by any consumer as payment of interest, fees or compensation in connections with any loan made or service provided by Atlantic International Bank, Ltd. relating to the Sanctuary Belize Enterprise (“SBE”).

Except as expressly set forth above, Assets that Atlantic International Bank, Ltd. holds or controls for others (such as depositors or account holders), or for its own account, are not covered by this Order.

Provided further, that any and all transfers of funds by Atlantic International Bank, Ltd. while this Order is in effect will be limited to transactions in the ordinary course of business.

Provided further, that for a period of ten (10) business days, commencing with the entry of this Court’s original Order on Monday, November 5, 2018, Atlantic International Bank, Ltd. shall maintain a minimum balance of USD \$10 million of invested funds and/or cash, free and clear of any

liens or encumbrances, in its Wells Fargo brokerage account located in the United States.

Provided, further, at any time, a Relief Defendant may request, in writing and with supporting documentation if appropriate, that the Receiver determine whether the Relief Defendant's Assets affected by this Section exceed the amount necessary to satisfy a judgment in favor of the FTC and against the Relief Defendant in the amount of the applicable Relief Defendant Limitation Amount. The Receiver will respond as soon as practical, and if the Receiver determines that sufficient Assets exist, then the Receiver shall determine, in its sole discretion, which of the Relief Defendant's Assets to exclude from this Section. In that event, the Receiver shall promptly advise Relief Defendant in writing and in a form suitable to present to third parties holding the Relief Defendant's Assets. Additionally: (a) Both the Relief Defendant and Receiver will copy the FTC on all correspondence exchanged concerning requests to exclude Assets; (b) if a Relief Defendant and one or more Defendants have joint control over an Asset, or the Asset is held for the benefit of a Defendant by a Relief Defendant the Receiver will not count that Asset as an Asset available to satisfy the Relief Defendant Limitation Amount; and (c) if one or more Relief Defendants have joint control over an Asset, the Receiver will not count that Asset as an Asset available to satisfy any Relief Defendant's Limitation Amount unless all affected Relief Defendants agree in writing.

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

C. Incurring charges or cash advances on any credit, debit, or ATM card issued in the name, individually or jointly, of any Receivership Entity (which includes any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by any Individual Defendant) or other corporate, partnership, or other entity of which any Individual Defendant is an officer, director, member, or manager. This includes any corporate bankcard or corporate credit card account for which

any Individual Defendant is, or was on the date that this Order was signed, an authorized signor. This provision is included for clarity, because such conduct would also violate Paragraph A.; or

D. Cashing any checks or depositing any money orders or cash received from consumers, clients, or customers of any Receivership Entity.

Provided, however, the Assets affected by this Section shall include only: (1) all Assets of Defendants (not including Assets of, or held by, Atlantic International Bank, Ltd. unless expressly included in paragraph A, above) and Relief Defendants as of the time this Order is entered; and (2) Assets obtained by Defendants and Relief Defendants after this Order is entered if those Assets are derived from any activity described in the Findings of Fact in this Order or that is prohibited by this Order. This Section does not prohibit any transfers to the Receiver or repatriation of foreign Assets specifically required by this order.

It is further Ordered:

With regard to Defendant Atlantic International Bank, Ltd. only, Section VI of the Order is hereby deleted and replaced as follows:

VI. FOREIGN ASSET REPATRIATION

IT IS FURTHER ORDERED that within five (5) days following the service of this amended Order, Defendant Atlantic International Bank, Ltd. shall:

A. Provide FTC counsel and the Receiver with a full accounting, verified under oath and accurate as of the date of this Order, of all Assets, Documents, and accounts outside of the United States which are: (1) subject to the asset freeze in Section III, above; (2) titled in the name, individually or jointly, of any other Defendant; (3) held by any person or entity for the benefit of any other Defendant or for the benefit of, any corporation, partnership, asset protection trust, or other entity that is directly or indirectly owned, managed or controlled by any other Defendant; or (4) under the direct or indirect control, whether jointly or singly, of any other Defendant; and

B. Transfer to the territory of the United States all Documents and Assets: (1) subject to

the asset freeze in Section III, above; (2) titled in the name, individually or jointly, of any other Defendant; (3) held by any person or entity for the benefit of any other Defendant or for the benefit of, any corporation, partnership, asset protection trust, or other entity that is directly or indirectly owned, managed or controlled by any other Defendant; or (4) under the direct or indirect control, whether jointly or singly, of any other Defendant.

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

It is further Ordered:

This amended Order is entered without prejudice or waiver of any argument or defense that Defendant Atlantic International Bank, Ltd. may have, including, without limitation, any argument or defense that the court lacks personal jurisdiction over Atlantic International Bank, Ltd., that venue is improper, on the merits, and/or that no Assets of Atlantic International Bank, Ltd. should be frozen in this matter.

It is further Ordered:

Except as set forth above, the Order entered on November 5, 2018 is and shall remain in effect until further order of this Court.

So ordered this 12 day of November, 2018.

/s Paula Xinis
UNITED STATES DISTRICT JUDGE