



NOTE CHANGES MADE BY THE COURT.

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

**Federal Trade Commission,**

SA-CV-99-1266 AHS (EEx)

Plaintiff,

~~(Proposed)~~

v.

**Preliminary Injunction Order**

**Data Medical Capital, Inc., et al.,**

Date and Time of Preliminary <sup>22</sup>  
Injunction Hearing: June 8, 2009 at  
10:00 a.m.

Defendants.

Judge Alicemarie H. Stotler

Plaintiff Federal Trade Commission (“FTC” or the “Commission”) filed an Application for a Temporary Restraining Order and Preliminary Injunction, Pending Decision on Its *Ex Parte* Application for an Order to Show Cause Why Contempt Defendants Should Not be Held in Contempt (“Application”), alleging that Bryan D’Antonio, and The Rodis Law Group, Inc., America’s Law Group, and The Financial Group Inc., acting in concert with him (collectively “Contempt Defendants”), have violated numerous provisions of the Stipulated Final Judgment and Order for Permanent Injunction that this Court entered on July 13, 2001 (“Final Order”).

This Court has considered Plaintiff’s Application, and the declarations,

1 exhibits, and memorandum of law submitted *ex parte* in support thereof, and  
2 *all filings in opposition to plaintiff's application, and*  
3 finds as follows:

} *AKS*

4 1. This Court has jurisdiction over this matter for all purposes, as  
5 specifically reserved in Section XV ("Continued Jurisdiction") of the Final  
6 Order.

7 2. There is good cause to believe that Contempt Defendants have actual  
8 notice of the Final Order and the ability to comply with that Order.

9 3. There also is good cause to believe that Contempt Defendants have  
10 violated, and continue to violate, the Final Order. There is good cause to believe  
11 Contempt Defendants have violated the ~~core~~ provisions of the Final Order in the  
12 course of telemarketing foreclosure prevention and mortgage loan modification  
13 services ("foreclosure and loan modification services") to consumers throughout  
14 the United States by:

*AKS*

- 15 a. Telemarketing, or assisting others engaged in telemarketing,  
16 in violation of Section I.B. of the Final Order;
- 17 b. Misrepresenting that, if consumers purchase Contempt  
18 Defendants' foreclosure and loan modification services,  
19 Contempt Defendants will (1) stop foreclosures so that  
20 consumers will not lose their homes and (2) negotiate and re-  
21 write mortgage contracts with lower interest rates, lower  
22 monthly payments, and reduced principal balances, in  
23 violation of Section II of the Final Order; and
- 24 c. Misrepresenting that Contempt Defendants employ multiple  
25 attorneys with foreclosure prevention and loan modification  
26 expertise, who will conduct "forensic audits" of consumers'  
27 loan files and use the audits as leverage to negotiate and re-  
28 write consumers' mortgage contracts with substantially more  
favorable terms, in violation of Section II of the Final Order.



1 be named by the Receiver.

2 5. "Receivership Defendants" shall mean The Rodis Law Group, Inc.,  
3 America's Law Group, The Financial Group, Inc. dba Tax Relief ASAP, and any  
4 successors, assigns, affiliates, and dba's of the aforementioned entities.

5 **II.**

6 **ASSET FREEZE**

7 IT IS ORDERED that Contempt Defendants are hereby preliminarily  
8 restrained and enjoined from directly or indirectly:

9 1. Transferring, liquidating, converting, encumbering, pledging,  
10 loaning, selling, concealing, dissipating, disbursing, assigning, spending,  
11 withdrawing, granting a lien or security interest or other interest in, or otherwise  
12 disposing of any funds, real or personal property, accounts, contracts, consumer  
13 lists, or any other assets, or any interest therein, wherever located, including  
14 outside the United States, that are (1) owned or controlled, directly or indirectly,  
15 by any Contempt Defendant(s), in whole or in part, or held, in whole or in part  
16 for the benefit of any Contempt Defendant(s); (2) in the actual or constructive  
17 possession of any Contempt Defendant(s); or (3) owned, controlled by, or in the  
18 actual or constructive possession of any corporation, partnership, or other entity  
19 directly or indirectly owned, managed, or controlled by, or under common  
20 control with any Contempt Defendant(s), including but not limited to, any assets  
21 held by, for, or under the name of any Contempt Defendant(s) at any bank,  
22 savings and loan institution, or bank of any Contempt Defendant(s), or with any  
23 broker-dealer, escrow agent, title company, commodity trading company,  
24 precious metal dealer, or other financial institution or depository of any kind;

25 2. Opening or causing to be opened any safe deposit boxes titled in the  
26 name of any Contempt Defendant(s), or subject to access by any Contempt  
27 Defendant(s);

28 3. Incurring charges or cash advances on any credit card, debit card, or

1 checking card issued in the name, singly or jointly, of any Contempt  
2 Defendant(s);

3 4. Obtaining a personal or secured loan;

4 5. Incurring liens or encumbrances on real property, personal property  
5 or other assets in the name, singly or jointly of any Contempt Defendant(s); and

6 6. Cashing any checks from consumers, clients, or customers of any  
7 Contempt Defendant(s).

8 The assets affected by this Section shall include (a) all assets of Contempt  
9 Defendants as of the time this Order is entered; and (b) those assets obtained after  
10 entry of this Order that are derived from any conduct that violates the Final  
11 Order. This Section does not prohibit transfers to the Receiver, as specifically  
12 required in Section X (Delivery of Receivership Property), nor does it prohibit  
13 the repatriation of foreign assets, as specifically required in Section V of this  
14 Order.

15 Provided, however, that this Section shall not be construed to prohibit  
16 Contempt Defendants The Rodis Law Group, Inc. or America's Law Group from  
17 disbursing funds that are held in trust fund accounts or client funds accounts  
18 established pursuant to Rule 4-100 of the California Rules of Professional  
19 Conduct and that are held for the benefit of legal services clients ("Rule 4-100  
20 accounts"), so long as:

21 a. Such funds were not received as payment for foreclosure and  
22 loan modification services;

23 b. Such funds are not disbursed for any purpose related to  
24 foreclosure and loan modification services;

25 c. Contempt Defendants The Rodis Law Group, Inc. and  
26 America's Law Group provide to the Commission within five  
27 (5) days of the date of service of this Order a sworn statement  
28 indicating as to each Rule 4-100 account each maintains

1 (1) whether the account contains funds received as payment  
2 for foreclosure and loan modification services, and (2) a copy  
3 of the written journal that is required by Rule 4-100 to be kept  
4 for each such bank account that sets forth the name of such  
5 account; the date, amount, and client affected by each debit  
6 and credit; and the current balance in such account; and

7 d. Contempt Defendants The Rodis Law Group, Inc. and  
8 America's Law Group make and retain detailed records  
9 explaining the reason for each such disbursement and noting  
10 the date and amount of the disbursement and the name,  
11 address, and telephone number of the payee.

### 12 III.

#### 13 FINANCIAL REPORTS AND ACCOUNTING

14 IT IS FURTHER ORDERED that each Contempt Defendant shall:

15 1. If not already produced to the Commission pursuant to a TRO,  
16 immediately provide to counsel for Plaintiff and the Receiver, within three (3)  
17 business days after service of this Order, completed financial statements fully  
18 disclosing the Contempt Defendant's finances and those of all corporations,  
19 partnerships, trusts or other entities that the Contempt Defendant owns, controls,  
20 or is associated with in any capacity, jointly or individually, on the forms  
21 attached to this Order as Attachments A and B, accurate as of the date of service  
22 of this Order upon Contempt Defendants;

23 2. If not already produced to the Commission pursuant to a TRO,  
24 immediately provide to counsel for Plaintiff and the Receiver, within three (3)  
25 business days after service of this Order, copies of signed and completed federal  
26 and state income tax forms, including all schedules and attachments for the three  
27 most recent filing years;

28 3. If not already provided pursuant to a TRO, immediately provide

1 access to records and documents held by financial institutions outside the  
2 territory of the United States, by signing the Consent to Release of Financial  
3 Records attached to this Order as Attachment C; and

4 4. Provide copies of such other financial statements as the Receiver or  
5 Plaintiff may request in order to monitor Contempt Defendants' compliance with  
6 the provisions of this Order.

7 **IV.**

8 **RETENTION OF ASSETS AND RECORDS BY FINANCIAL**  
9 **INSTITUTIONS AND OTHER THIRD PARTIES**

10 IT IS FURTHER ORDERED that any financial or brokerage institution or  
11 depository, escrow agent, title company, commodity trading company, trust,  
12 entity, or person that holds, controls, or maintains custody of any account or asset  
13 owned or controlled by any Contempt Defendant(s), or has held, controlled, or  
14 maintained any account or asset of, or on behalf of, any Contempt Defendant(s)  
15 at any time since the entry of this Court's Final Order on July 13, 2001, upon  
16 service with a copy of this Order, shall:

17 1. Hold and retain within its control and prohibit Contempt Defendants  
18 from withdrawing, removing, assigning, transferring, pledging, encumbering,  
19 disbursing, dissipating, converting, selling, gifting, or otherwise disposing of any  
20 of the assets, funds, or other property held by or on behalf of any Contempt  
21 Defendant(s) in any account maintained in the name of or for the benefit of any  
22 Contempt Defendant(s), in whole or in part, except:

- 23 a. as directed by further order of the Court; or  
24 b. as directed in writing by the Receiver (regarding assets held in  
25 the name or for the benefit of Receivership Defendants).

26 2. Deny the Contempt Defendants access to any safe deposit box titled  
27 in the name of any Contempt Defendant(s), individually or jointly, or subject to  
28 access by any Contempt Defendant(s), whether directly or indirectly.

1           3.     If not already produced to the Commission pursuant to a TRO,  
2 immediately provide to counsel for Plaintiff and the Receiver a certified  
3 statement setting forth:

- 4           a.     the identification number of each such account or asset titled  
5                   (1) in the name, individually or jointly, of any Contempt  
6                   Defendant(s); (2) held on behalf of, or for the benefit of, any  
7                   Contempt Defendant(s); (3) owned or controlled by any  
8                   Contempt Defendant(s); or (4) otherwise subject to access by  
9                   any Contempt Defendant(s), directly or indirectly;
- 10          b.     the balance of each such account, or a description of the  
11                nature and value of such asset as of the close of business on  
12                the day on which this Order is served, and, if the account or  
13                other asset has been closed or removed, the date closed or  
14                removed, the total funds removed in order to close the  
15                account, and the name of the person or entity to whom such  
16                account or other asset was remitted;
- 17          c.     the identification of any safe deposit box that is either titled in  
18                the name of any Contempt Defendant(s), or is otherwise  
19                subject to access by any Contempt Defendant(s); and
- 20          d.     if an account, safe deposit box, or other asset has been closed  
21                or removed, the date closed or removed, the balance on such  
22                date, and the manner in which such account or asset was  
23                closed or removed.

24           4.     If not already produced to the Commission pursuant to a TRO,  
25 immediately provide to counsel for Plaintiff and the Receiver copies of all  
26 documents pertaining to such account or asset, including but not limited to  
27 originals or copies of account applications, account statements, signature cards,  
28 checks, drafts, deposit tickets, transfers to and from the accounts, all other debit



1 and credit instruments or slips, currency transaction reports, 1099 forms, and safe  
2 deposit box logs; provided that such institution or custodian may charge a  
3 reasonable fee.

4 5. Cooperate with all reasonable requests of the Receiver relating to  
5 this Order's implementation.

6 **V.**

7 **FOREIGN ASSET REPATRIATION**

8 IT IS FURTHER ORDERED that, if not already done pursuant to a TRO,  
9 each Contempt Defendant immediately shall:

10 1. Transfer to the territory of the United States all funds and assets in  
11 foreign countries identified in the accounting ordered in Section III.3. of this  
12 Order; and

13 2. Hold and retain all repatriated funds and assets, and prevent any  
14 disposition, transfer, or dissipation whatsoever of any such assets or funds, except  
15 as required by this Order.

16 **VI.**

17 **NON-INTERFERENCE WITH REPATRIATION**

18 IT IS FURTHER ORDERED that Contempt Defendants, and those persons  
19 in active concert or participation with them who receive actual notice of this  
20 Order by personal service or otherwise, are hereby preliminarily restrained and  
21 enjoined from taking any action, directly or indirectly, which may result in the  
22 encumbrance or dissipation of foreign assets, or in the hindrance of the  
23 repatriation required by Section V of this Order, including but not limited to:

24 1. Sending any statement, letter, fax, e-mail or wire transmission,  
25 telephoning or engaging in any other act, directly or indirectly, that results in a  
26 determination by a foreign trustee or other entity that a "duress" event has  
27 occurred under the terms of a foreign trust agreement, until such time that all  
28 assets have been fully repatriated pursuant to Section V of this Order; and

1 2. Notifying any trustee, protector or other agent of any foreign trust or  
2 other related entities of either the existence of this Order, or of the fact that  
3 repatriation is required pursuant to a Court Order, until such time that all assets  
4 have been fully repatriated pursuant to Section V of this Order.

5 **VII.**

6 **APPOINTMENT OF RECEIVER**

7 IT IS FURTHER ORDERED that Robert Grand & Associates is *RG*  
8 appointed Receiver for Receivership Defendants, and any affiliates or  
9 subsidiaries thereof controlled by any Receivership Defendant(s), with the full  
10 power of an equity Receiver. The Receiver shall be the agent of this Court and  
11 solely the agent of this Court in acting as Receiver under this Order. The  
12 Receiver shall be accountable directly to this Court. The Receiver shall comply  
13 with all local rules and laws governing federal equity receivers. *But posted* *AH*  
14 *shall stand.*

15 **VIII.**

16 **COOPERATION WITH THE RECEIVER**

17 IT IS FURTHER ORDERED that Contempt Defendants shall fully  
18 cooperate with and assist the Receiver. Contempt Defendants' cooperation and  
19 assistance shall include, but not be limited to, providing any information to the  
20 Receiver that the Receiver deems necessary to exercise the authority and  
21 discharge the responsibilities of the Receiver under this Order; providing any  
22 login and password required to access any computer or electronic files or  
23 information in any medium; and advising all persons who owe money to the  
24 Receivership Defendants that all debts should be paid directly to the Receiver.  
25 Contempt Defendants are hereby restrained and enjoined from directly or  
indirectly:

- 26 1. Transacting any of the business of the Receivership Defendants;
- 27 2. Excusing debts owed to the Receivership Defendants;
- 28 3. Destroying, secreting, defacing, transferring, or otherwise altering or

1 disposing of any documents of the Receivership Defendants;

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

6 5. Failing to notify the Receiver of any asset, including accounts, of  
7 any of the Receivership Defendants held in any name other than the name of one  
8 or more Receivership Defendants, or by any person or entity other than  
9 Receivership Defendants, or failing to provide any assistance or information  
10 requested by the Receiver in connection with obtaining possession, custody, or  
11 control of such assets; or

12 6. Doing any act or thing whatsoever to interfere with the Receiver's  
13 taking and keeping custody, control, possession, or managing of the assets or  
14 documents subject to this receivership; or to harass or interfere with the Receiver  
15 in any way; or to interfere in any manner with the exclusive jurisdiction of this  
16 Court over the assets or documents of the Receivership Defendants; or to refuse  
17 to cooperate with the Receiver or the Receiver's duly authorized agents in the  
18 exercise of their duties or authority under any Order of this Court.

19 This Section does not prohibit transfers to the Receiver, as specifically  
20 required in Section X (Delivery of Receivership Property), nor does it prohibit  
21 the Repatriation of Foreign Assets, as specifically required in Section V of this  
22 Order.

23 **IX.**

24 **DUTIES AND AUTHORITY OF RECEIVER**

25 IT IS FURTHER ORDERED that the Receiver is directed and authorized  
26 to accomplish the following:

27 1. Assume full control of the Receivership Defendants by removing, as  
28 the Receiver deems necessary or advisable, any director, officer, independent

1 contractor, employee, attorney, or agent of the Receivership Defendants,  
2 including any Contempt Defendant(s), from control of, management of, or  
3 participation in, the affairs of the Receivership Defendants.

4 2. Take exclusive custody, control and possession of all assets and  
5 documents of, or in the possession, custody, or under the control of, the  
6 Receivership Defendants, wherever situated. The Receiver shall have full power  
7 to divert mail and to sue for, collect, receive, take in possession, hold, and  
8 manage all assets and documents of the Receivership Defendants and other  
9 persons or entities whose interests are now held by or under the direction,  
10 possession, custody, or control of the Receivership Defendants.

11 3. Take all steps necessary to secure the business premises of the  
12 Receivership Defendants, which may include, but are not limited to, taking the  
13 following steps as the Receiver deems necessary or advisable: (1) serving and  
14 filing this Order; (2) completing a written inventory of all receivership assets;  
15 (3) obtaining pertinent information from all employees and other agents of the  
16 Receivership Defendants, including, but not limited to, the name, home address,  
17 social security number, job description, method of compensation, and all accrued  
18 and unpaid commissions and compensation of each such employee or agent;  
19 (4) video-recording all portions of the location; (5) changing the locks and  
20 disconnecting any computer networks or other means of access to electronically  
21 stored information or other documents maintained at that location; or  
22 (6) requiring any persons present on the premises at the time this Order is served  
23 to leave the premises, to provide the Receiver with proof of identification, and/or  
24 to demonstrate to the satisfaction of the Receiver that such persons are not  
25 removing from the premises documents or assets of the Receivership Defendants.  
26 Such authority shall include, but not be limited to, the authority to order any  
27 owner, director, or officer of any Receivership Defendant to remove him or  
28 herself from the business premises.

1           4.     Conserve, hold, and manage all receivership assets, and perform all  
2 acts necessary or advisable to preserve the value of those assets, in order to  
3 prevent any irreparable loss, damage, or injury to consumers, including, but not  
4 limited to, obtaining an accounting of the assets and preventing the transfer,  
5 withdrawal, or misapplication of assets.

6           5.     Enter into contracts and purchase insurance as advisable or  
7 necessary.

8           6.     Prevent the inequitable distribution of assets and to determine,  
9 adjust, and protect the interests of consumers and creditors who have transacted  
10 business with one or more Receivership Defendants.

11          7.     Manage and administer the business of the Receivership Defendants  
12 until further order of this Court by performing all incidental acts that the Receiver  
13 deems to be advisable or necessary, which includes retaining, hiring, or  
14 dismissing any employees, independent contractors, or agents.

15          8.     Choose, engage, and employ attorneys, accountants, appraisers,  
16 investigators, and other independent contractors and technical specialists, as the  
17 Receiver deems advisable or necessary in the performance of duties and  
18 responsibilities.

19          9.     Make payments and disbursements from the receivership estate that  
20 are necessary or advisable for carrying out the directions of, or exercising the  
21 authority granted by, this Order. The Receiver shall apply to the Court for prior  
22 approval of any payment of any debt or obligation incurred by the Receivership  
23 Defendants prior to the date of entry of this Order, except payments that the  
24 Receiver deems necessary or advisable to secure assets of the Receivership  
25 Defendants, such as rental payments.

26          10.    Collect any money due or owing to the Receivership Defendants.

27          11.    Institute, compromise, adjust, appear in, intervene in, or become  
28 party to such actions or proceedings in state, federal or foreign courts that the

1 Receiver deems necessary and advisable to preserve or recover the assets of the  
2 Receivership Defendants or to carry out the Receiver's mandate under this Order.

3 12. Defend, compromise, adjust, or otherwise dispose of any or all  
4 actions or proceedings instituted against the Receivership Defendants or the  
5 Receiver, that the Receiver deems necessary and advisable to preserve the assets  
6 of the Receivership Defendants or to carry out the Receiver's mandate under this  
7 Order.

8 13. Continue and conduct the businesses of the Receivership Defendants  
9 in such manner, to such extent, and for such duration as the Receiver may in good  
10 faith deem to be necessary or appropriate to operate the businesses profitably,  
11 using the assets of the receivership estate, and lawfully, if at all.

12 14. Take depositions and issue subpoenas to obtain documents and  
13 records pertaining to the receivership and compliance with this Order and the  
14 Stipulated Order. Subpoenas may be served by agents or attorneys of the  
15 Receiver and by agents of any process server retained by the Receiver.

16 15. Open one or more bank accounts as designated depositories for  
17 funds of the Receivership Defendants. The Receiver shall deposit all funds of the  
18 Receivership Defendants in such a designated account and shall make all  
19 payments and disbursements from the receivership estate from such an account.

20 16. Maintain accurate records of all receipts and expenditures made by  
21 the Receiver.

22 Provided that, to the extent that either The Rodis Law Group, Inc. or  
23 America's Law Group is providing services other than foreclosure and loan  
24 modification services that are professional legal services, the Receiver shall have  
25 no responsibility for supervising or otherwise overseeing such professional legal  
26 services.

1 X.

2 **DELIVERY OF RECEIVERSHIP PROPERTY**

3 IT IS FURTHER ORDERED that immediately upon service of this Order  
4 upon them, the Contempt Defendants, including the Receivership Defendants, if  
5 not already delivered to the Receiver pursuant to a TRO, shall deliver to the  
6 Receiver possession and custody of:

7 1. All funds, assets, and property of the Receivership Defendants,  
8 whether situated within or outside the territory of the United States, which are:  
9 (1) held by one or more Receivership Defendants, individually or jointly, (2) held  
10 for the benefit of one or more Receivership Defendants, or (3) under the direct or  
11 indirect control, individually or jointly, of one or more Receivership Defendants;

12 2. All documents of the Receivership Defendants, including but not  
13 limited to all books and records of assets including funds and property, all  
14 financial and accounting records, balance sheets, income statements, bank  
15 records (including monthly statements, canceled checks, records of wire  
16 transfers, records of ACH transactions, and check registers), corporate minutes,  
17 contracts, customer and consumer lists, title documents, and electronic records;

18 3. All funds and other assets belonging to members of the public now  
19 held by one or more Receivership Defendants;

20 4. All keys, computer and other passwords, entry codes, combinations  
21 to locks required to open or gain access to any of the property or effects, and all  
22 monies in any bank deposited to the credit of the Receivership Defendants,  
23 wherever situated; and

24 5. Information identifying the accounts, employees, properties, or other  
25 assets or obligations of the Receivership Defendants.

26 Provided, however, that this Section shall not be construed to contradict  
27 any of the requirements set forth in Section II of this order regarding Rule 4-100  
28 accounts.

1 **XI.**

2 **RECEIVER'S REPORTS**

3 IT IS FURTHER ORDERED that the Receiver shall report to this Court on  
4 or before the date set for the hearing to Show Cause why Contempt Defendants  
5 should not be held in contempt regarding: (1) the steps taken by the Receiver to  
6 implement the terms of this Order; (2) the value of all liquidated and unliquidated  
7 assets of the Receivership Defendants; (3) the sum of all liabilities of the  
8 Receivership Defendants; (4) the steps the Receiver intends to take in the future  
9 to: (a) prevent any diminution in the value of assets of the Receivership  
10 Defendants; (b) pursue receivership assets from third parties; and (c) adjust the  
11 liabilities of the Receivership Defendants, if appropriate; and (5) any other  
12 matters which the Receiver believes should be brought to the Court's attention.  
13 Provided, however, if any of the required information would hinder the  
14 Receiver's ability to pursue receivership assets, the portions of the Receiver's  
15 report containing such information may be filed under seal and not served on the  
16 parties.

17 **XII.**

18 **COMPENSATION OF THE RECEIVER**

19 IT IS FURTHER ORDERED that the Receiver, and all persons or entities  
20 retained or hired by the Receiver as authorized under this Order, shall be entitled  
21 to reasonable compensation for the performance of duties undertaken pursuant to  
22 this Order and for the cost of actual out-of-pocket expenses incurred by them  
23 from the assets now held by or in the possession or control of, or which may be  
24 received by, the Receivership Defendants. The Receiver shall file with the Court  
25 and serve on the parties a request for the payment of reasonable compensation at  
26 the time of the filing of any report required by Section XI. The Receiver shall not  
27 increase the fees or rates used as the bases for such fee applications without prior  
28 approval of the Court.



1 **XIII.**

2 **RECEIVER ACCESS TO**  
3 **BUSINESS PREMISES AND RECORDS**

4 IT IS FURTHER ORDERED that, the Receiver, and its respective  
5 representatives, agents, contractors, or assistants, are permitted, and the Contempt  
6 Defendants shall allow, immediate access to any business premises and storage  
7 facilities of the Receivership Defendants. Such locations include, but are not  
8 limited to, the offices and facilities of the Receivership Defendants at or in the  
9 vicinity of 1100 Town and Country Road, Orange, California 92868.

10 The Receiver is authorized to employ the assistance of law enforcement  
11 officers, including but not limited to the United States Marshals Service, to effect  
12 service, to implement peacefully the provisions of this Order, and keep the peace.  
13 The Receiver may exclude Contempt Defendants and their agents and employees  
14 from the business premises and facilities.

15 Contempt Defendants and all agents or employees of Contempt Defendants  
16 shall provide the Receiver with any necessary means of access to documents,  
17 including, without limitation, the locations of Receivership Defendants' business  
18 premises, keys and combinations to business premises locks, computer access  
19 codes of all computers used to conduct Receivership Defendants' business, and  
20 storage area access information.

21 The Receiver is authorized to copy any documents related to Contempt  
22 Defendants' business practices, including by forensic imaging of electronically  
23 stored information. The Receiver is authorized to remove any documents related  
24 to Contempt Defendants' business practices from the premises in order that they  
25 may be inspected, inventoried, and copied. The materials so removed shall be  
26 returned within five (5) business days of completing said inventory and copying.

27 If any property, records, documents, or computer files relating to the  
28 Receivership Defendants' finances or business practices are located in the

1 residence of any Contempt Defendant or are otherwise in the custody or control  
2 of any Contempt Defendant, then such Contempt Defendant shall produce them  
3 to the Receiver immediately, if not already produced pursuant to a TRO. In order  
4 to prevent the destruction of computer data, upon service of this Order, any such  
5 computers shall be powered down (turned off) in the normal course for the  
6 operating systems used on such computers and shall not be powered up or used  
7 again until produced for copying and inspection, along with any codes needed for  
8 access.

9 Counsel for Plaintiff, and their respective representatives, agents,  
10 contractors, or assistants, are authorized to review any documents or information  
11 that the Receiver has determined do not contain attorney-client communications  
12 pertaining to professional legal services unrelated to Receivership Defendants'  
13 foreclosure and loan modification business; such review may take place at any  
14 location, including at any business premises and storage facilities of the  
15 Receivership Defendants. The Receiver may segregate or redact any portions of  
16 files or documents that reflect privileged information, to the extent that they  
17 reflect the substance of any attorney-client communication pertaining to  
18 professional legal services unrelated to Receivership Defendants' foreclosure and  
19 loan modification business. Nothing in this provision shall prohibit the Receiver  
20 from providing Plaintiff, at any time, with copies of any documents or  
21 information related to foreclosure and loan modification services.

#### 22 **XIV.**

#### 23 **CONTEMPT DEFENDANTS' ACCESS TO PREMISES AND RECORDS**

24 IT IS FURTHER ORDERED that the Receiver shall allow the Contempt  
25 Defendants and their representatives reasonable access to the premises of the  
26 Receivership Defendants. The purpose of this access shall be to inspect,  
27 inventory, and copy any and all documents and other property owned by or in the  
28 possession of the Receivership Defendants, provided that those documents and

1 property are not removed from the premises. The Receiver shall have the  
2 discretion to determine the time, manner, and reasonable conditions of such  
3 access.

4 **XV.**

5 **PRESERVATION OF RECORDS**

6 IT IS FURTHER ORDERED that Contempt Defendants and their officers,  
7 agents, directors, servants, employees, salespersons, and attorneys, and those  
8 persons in active concert or participation with them who receive actual notice of  
9 this Order by personal service or otherwise, whether acting directly or through  
10 any trust, corporation, subsidiary, division, or other device, or any of them, are  
11 hereby preliminarily restrained and enjoined from destroying, erasing, mutilating,  
12 concealing, altering, transferring, or otherwise disposing of, in any manner,  
13 directly or indirectly, any documents that relate to the business practices or  
14 finances of any Contempt Defendant, including, but not limited to, any contracts,  
15 accounting data, correspondence, advertisements, computer tapes, disks or other  
16 computerized records, books, written or printed records, handwritten notes,  
17 recordings, telephone logs, telephone scripts, receipt books, ledgers, personal and  
18 business canceled checks and check registers, bank statements, appointment  
19 books, copies of federal, state, or local business or personal income or property  
20 tax returns.

21 **XVI.**

22 **PROHIBITION ON RELEASE OF CUSTOMER INFORMATION**  
23 **OR CUSTOMER LISTS**

24 IT IS FURTHER ORDERED that Contempt Defendants, and officers,  
25 agents, directors, servants, employees, salespersons, and attorneys of Contempt  
26 Defendants, as well as all other persons or entities in active concert or  
27 participation with them, who receive actual notice of this Order by personal  
28 service or otherwise, whether acting directly or through any trust, corporation,

1 subsidiary, division, or other device, or any of them, are hereby preliminarily  
2 restrained and enjoined from selling, renting, leasing, transferring, or otherwise  
3 disclosing the name, address, telephone number, credit card number, bank  
4 account number, e-mail address, or other identifying information of any person  
5 who paid money to any of the Contempt Defendants for the purchase of any good  
6 or service or who were contacted or are on a list to be contacted by any of the  
7 Contempt Defendants; provided that Contempt Defendants may disclose such  
8 identifying information to a law enforcement agency or as required by any law,  
9 regulation, or court order.

10 **XVII.**

11 **CREDIT REPORTS**

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

17 **XVIII.**

18 **EXPEDITED DISCOVERY**

19 IT IS FURTHER ORDERED that the ~~FRC~~<sup>parties are</sup> is granted leave to conduct  
20 certain expedited discovery, and that, commencing with the time and date of this  
21 Order, in lieu of the time periods, notice provisions, and other requirements of  
22 Rules 26, 30, 34, and 45 of the Federal Rules of Civil Procedure, expedited  
23 discovery as to parties and non-parties shall proceed as follows:

24 1. The ~~FRC~~<sup>parties</sup> may, upon three (3) calendar days notice, take the  
25 deposition of any person or entity, whether or not a party, in any judicial district,  
26 for the purpose of discovering: (1) the assets of Contempt Defendants; and (2)  
27 compliance with the Final Order and this Order. <sup>and (3) any issues related to Contempt Defendant</sup> Depositions may be conducted  
28 telephonically or in person. ~~Deposition transcripts that have not been signed by~~

*RLS*

*RLS*

*Contempt Defendant  
defenses  
in all  
actions*

1 ~~the witness may be used at the preliminary injunction hearing in this matter.~~

*ANS*

2 Provided that, notwithstanding Fed. R. Civ. P. 30(a)(2), this Section shall not  
3 preclude any future depositions by the ~~FTC~~<sup>parties</sup>. Provided further, that any  
4 deposition taken pursuant to this Section shall be in addition to, and not subject  
5 to, the presumptive limits on depositions set forth in Fed. R. Civ. P. 30(a)(2)(A).

*ANS*

6 2. The ~~FTC~~<sup>parties</sup> may serve interrogatories for the purpose of discovering:  
7 (1) the assets of Contempt Defendants; and (2) compliance with the Final Order  
8 and this Order ~~Contempt Defendants~~<sup>and (3) any issue related to Contempt Defendants' defenses to all actions</sup> shall respond within five (5) calendar days  
9 after ~~the~~<sup>parties</sup> ~~FTC~~<sup>a party</sup> serves such interrogatories. Provided that, notwithstanding Fed. R.  
10 Civ. P. 33(a)(1), this Subsection shall not preclude any future interrogatories by  
11 the ~~FTC~~<sup>parties</sup>.

*ANS*

*ANS*

12 3. The ~~FTC~~<sup>parties</sup> may serve requests for admission, which shall be  
13 responded to within five (5) calendar days after the ~~FTC~~<sup>party</sup> serves such requests ~~on~~  
14 ~~Contempt Defendants~~. Provided that, notwithstanding Fed. R. Civ. P. 36, this  
15 Subsection shall not: (a) preclude ~~the~~<sup>a party's</sup> ~~FTC's~~ ability to seek further admissions at  
16 a later time; or (b) otherwise alter the requirements set forth in Fed. R. Civ. P. 36.

*ANS*

17 4. The ~~FTC~~<sup>parties</sup> may, upon five (5) calendar days notice, including through  
18 the use of a Rule 45 Subpoena, demand the production of documents from any  
19 person or entity, whether or not a Contempt Defendant, relating to: (1) the assets  
20 of Contempt Defendants; and (2) compliance with the Final Order and this Order.  
21 Provided that two (2) calendar days notice shall be deemed sufficient for the  
22 production of any such documents that are maintained or stored only as electronic  
23 data.

*and (3)  
any  
issues  
related to  
Contempt  
Defendants'  
defenses to  
all actions.*

*ANS*

24 5. The ~~FTC~~<sup>parties are</sup> is granted leave to subpoena documents immediately from  
25 any financial institution, account custodian, or other entity or person that holds,  
26 controls, or maintains custody of any account or asset of any Contempt  
27 Defendant(s), or has held, controlled or maintained custody of any account or  
28 asset of any Contempt Defendant(s) concerning the nature, location, status, and

1 extent of Contempt Defendants' assets, and compliance with the Final Order and  
2 this Order, and such financial institution, account custodian or other entity shall  
3 respond to such subpoena within five (5) business days after service.

4 For purposes of discovery upon a <sup>Party</sup> ~~Contempt Defendant~~ pursuant to this RW  
5 Section, service shall be sufficient if made by facsimile or by overnight courier.

6 **XIX.**

7 **BANKRUPTCY PETITIONS**

8 IT IS FURTHER ORDERED that, in light of the appointment of the  
9 Receiver, the Receivership Defendants are hereby prohibited from filing a  
10 petition for relief under the United States Bankruptcy Code, 11 U.S.C. § 101 *et*  
11 *seq.*, without prior permission from this Court.

12 **XX.**

13 **STAY OF ACTIONS**

14 IT IS FURTHER ORDERED that:

15 1. Except by leave of this Court, during the pendency of the  
16 Receivership ordered herein, Receivership Defendants and all customers,  
17 principals, investors, creditors, stockholders, lessors, and other persons seeking to  
18 establish or enforce any claim, right, or interest against or on behalf of  
19 Receivership Defendants, and all others acting for or on behalf of such persons,  
20 including attorneys, trustees, agents, sheriffs, constables, marshals, and other  
21 officers and their deputies, and their respective attorneys, servants, agents, and  
22 employees be and are hereby stayed from:

- 23 a. Commencing, prosecuting, continuing, entering, or enforcing  
24 any suit or proceeding, except that such actions may be filed  
25 to toll any applicable statute of limitations;
- 26 b. Accelerating the due date of any obligation or claimed  
27 obligation; filing or enforcing any lien; taking or attempting to  
28 take possession, custody, or control of any asset; attempting to

1 foreclose, forfeit, alter, or terminate any interest in any asset,  
2 whether such acts are part of a judicial proceeding, are acts of  
3 self-help, or otherwise;

4 c. Executing, issuing, serving, or causing the execution, issuance  
5 or service of, any legal process, including, but not limited to,  
6 attachments, garnishments, subpoenas, writs of replevin, writs  
7 of execution, or any other form of process whether specified  
8 in this Order or not; or

9 d. Doing any act or thing whatsoever to interfere with the  
10 Receiver's taking custody, control, possession, or  
11 management of the assets or documents subject to this  
12 receivership; or to harass or interfere with the Receiver in any  
13 way; or to interfere in any manner with the exclusive  
14 jurisdiction of this Court over the assets or documents of the  
15 Receivership Defendants.

16 2. This Section does not stay:

17 a. The commencement or continuation of a criminal action or  
18 proceeding;

19 b. The commencement or continuation of an action or  
20 proceeding by a governmental unit to enforce such  
21 governmental unit's police or regulatory power;

22 c. The enforcement of a judgment, other than a money judgment,  
23 obtained in an action or proceeding by a governmental unit to  
24 enforce such governmental unit's police or regulatory power;

25 d. The commencement of any action by the Secretary of the  
26 United States Department of Housing and Urban  
27 Development to foreclose a mortgage or deed of trust in any  
28 case in which the mortgage or deed of trust held by the

1 Secretary is insured or was formerly insured under the  
2 National Housing Act and covers property, or combinations of  
3 property, consisting of five (5) or more living units; or  
4 e. The issuance to a Receivership Defendant of a notice of tax  
5 deficiency.

6 **XXI.**

7 **SERVICE OF ORDER**

8 IT IS FURTHER ORDERED that copies of this Order may be served by  
9 any means, including facsimile transmission or email, by employees or agents of  
10 the FTC or the Receiver, upon any financial institution or other entity or person  
11 that may have possession, custody, or control of any documents or assets of  
12 Contempt Defendants, or that may otherwise be subject to any provision of this  
13 Order. Service upon any branch or office of any financial institution shall effect  
14 service upon the entire financial institution.

15 **XXII.**

16 **ACKNOWLEDGMENT OF RECEIPT OF ORDER**

17 **BY CONTEMPT DEFENDANTS**

18 IT IS FURTHER ORDERED that each Contempt Defendant, within three  
19 (3) business days of receipt of this Order, must submit to counsel for Plaintiff a  
20 truthful sworn statement acknowledging receipt of this Order.

21 **XXIII.**

22 **PROOF OF DISTRIBUTION OF ORDER**

23 **BY CONTEMPT DEFENDANTS**

24 IT IS FURTHER ORDERED that Contempt Defendants shall immediately  
25 provide a copy of this Order to their agents, servants, employees, consultants, and  
26 any affiliated businesses, and other persons and entities subject in any part to  
27 their direct or indirect control. Within five (5) business days of receipt of this  
28 Order, Contempt Defendants must submit to counsel for Plaintiff a truthful sworn



1 statement identifying those persons and entities to whom this Order has been  
2 distributed.

3 **XXIV.**

4 **CORRESPONDENCE**

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

7 Gregory J. Madden  
8 Kristin M. Williams  
9 Federal Trade Commission  
10 601 New Jersey Ave., NW, Rm. 2122  
11 Washington, DC 20008  
12 Fax: (202) 326-2558  
13 E-mail: gmadden@ftc.gov; kwilliams2@ftc.gov

14 **XXV.**

15 **RETENTION OF JURISDICTION**

16 IT IS FURTHER ORDERED that the Court shall continue to retain  
17 jurisdiction of this matter for all purposes.

18 **IT IS SO ORDERED**, this 2nd day of June, 2009,  
19 at 4:15 o'clock ~~a.m.~~/p.m.

20  
21   
22 United States District Judge