

1 Plaintiff and Defendants have now stipulated to the entry of the following
2 preliminary injunction against Defendants, including the appointment of a
3 permanent receiver over the corporate Defendants.

4 **IT IS THEREFORE ORDERED:**

5 **FINDINGS OF FACT**

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

9 2. Defendants were properly served with the Complaint, Summons and
10 TRO in this matter.

11 3. Defendants have not admitted to liability as to the charges in the
12 Complaint, and their consent to entry of this preliminary injunction shall not be
13 interpreted to constitute an admission that they have engaged in any violations of
14 any law or regulations.

15 4. Good cause exists for the appointment of a Permanent Receiver over
16 Defendants Helping Hands of Hope, Inc., U.S. Blind Services, Inc., Employment
17 Opportunities of America, Inc., Third Strike Employment, Inc.

18 5. Weighing the equities and considering the Commission's likelihood of
19 success in its causes of action, this Preliminary Injunction is in the public interest.

20 6. The Commission is an independent agency of the United States of
21 America and no security is required of any agency of the United States of America
22 for issuance of a restraining order under Fed. R. Civ. P. 65(c).

23 **ORDER**

24 **DEFINITIONS**

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

26 1. "Plaintiff" means the Federal Trade Commission.
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1 2. "Defendants" means Helping Hands of Hope, Inc., U.S. Blind
2 Services, Inc., Employment Opportunities of America, Inc., Third Strike
3 Employment, Inc., and Robyn Mayhan, and each of them, by whatever names each
4 might be known by, as well as their successors and assigns, whether acting directly
5 or through any corporation, subsidiary, division, or other device, including, but not
6 limited to, fictitious business names;

7 3. "Corporate Defendants" refers to Defendants Helping Hands of Hope,
8 Inc., U.S. Blind Services, Inc., Employment Opportunities of America, Inc., Third
9 Strike Employment, Inc.

10 4. "Individual Defendant" refers to Defendant Robyn Mayhan.

11 5. "Receivership Defendants" refers to Defendants Helping Hands of
12 Hope, Inc., U.S. Blind Services, Inc., Employment Opportunities of America, Inc.,
13 Third Strike Employment, Inc., as well as any successors, assigns, affiliates, and
14 subsidiaries that conduct any business related to the Defendants' telemarketing
15 program and which the Permanent Receiver has reason to believe are owned or
16 controlled in whole or in part by any of the Defendants.

17 6. "Assisting others" means knowingly providing any of the following
18 goods or services to another person or entity:

- 19 a. performing customer service functions, including, but not
20 limited to, receiving or responding to consumer complaints; or
21 b. formulating or providing, or arranging for the formulation or
22 provision of, any telephone sales script or any other marketing
23 material; or
24 c. providing names of, or assisting in the generation of, potential
25 customers; or
26 d. performing marketing services of any kind.

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1 service, **are hereby restrained and enjoined** from falsely representing, or from
2 assisting others who are falsely representing, any of the following:

- 3 A. that any consumer's purchase will significantly help handicapped or
4 disabled people;
- 5 B. that all or most persons employed by or working on behalf of
6 Defendants are handicapped or disabled;
- 7 C. that any specific person employed by or working on behalf of any
8 Defendant is handicapped or disabled;
- 9 D. that any of Defendants' products are packaged or manufactured by the
10 handicapped or disabled;
- 11 E. that Defendants operate a charitable organization;
- 12 F. that any consumer has ordered and/or agreed to purchase one or more
13 products from any Defendant and therefore owes money to any of the
14 Defendants; and/or
- 15 G. any other fact material to a consumer's decision to purchase any good
16 or service from Defendants.

17 **II.**

18 **PROHIBITION AGAINST MAILING AND BILLING FOR**
19 **UNORDERED MERCHANDISE**

20 **IT IS FURTHER ORDERED** that Defendants and their successors,
21 assigns, officers, agents, servants, employees, and attorneys, and those persons or
22 entities in active concert or participation with any of them who receive actual
23 notice of this Order by personal service or otherwise, whether acting directly or
24 through any corporation, subsidiary, division, or other device, in connection with
25 the advertising, marketing, promotion, offering for sale or sale of any product, **are**
26 **hereby restrained and enjoined** from:

- 1 A. mailing any package containing any product to any consumer without
2 the prior express request or consent of the recipient, unless such
3 product is clearly identified as a free sample; or
4 B. mailing any bill, invoice or dunning communication to any consumer
5 to whom any Defendant has mailed a product without that consumer's
6 prior express request or consent.

7 **III.**

8 **PROHIBITION AGAINST VIOLATING**
9 **THE TELEMARKETING SALES RULE**

10 **IT IS FURTHER ORDERED** that Defendants and their successors,
11 assigns, officers, agents, servants, employees, and attorneys, and those persons or
12 entities in active concert or participation with any of them who receive actual
13 notice of this Order by personal service or otherwise, whether acting directly or
14 through any corporation, subsidiary, division, or other device, in connection with
15 the telemarketing of any good or service, are hereby restrained and enjoined from
16 violating any provision of the Telemarketing Sales Rule, 16 C.F.R. Part 310,
17 including, but not limited to:

- 18 A. violating Section 310.3(a)(3) of the TSR, 16 C.F.R. § 310.3(a)(3), by
19 causing billing information to be submitted for payment (using a
20 payment method other than a credit card subject to the protections of
21 the Truth In Lending Act, 15 U.S.C. § 1601 *et seq.*, and Regulation Z,
22 12 C.F.R. Part 226, or a debit card subject to the protections of the
23 Electronic Funds Transfer Act, 15 U.S.C. § 1693 *et seq.*, and
24 Regulation E, 12 C.F.R. Part 205) without the consumer's express
25 verifiable authorization;
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- 1 B. violating Section 310.3(a)(4) of the TSR, 16 C.F.R. § 310.3(a)(4), by
2 making false or misleading statements to induce consumers to pay for
3 such products, including but not limited to misrepresentations:
- 4 1. that a consumer's purchase will significantly help
5 handicapped or disabled people;
 - 6 2. that all or most persons employed by or working on
7 behalf of Defendants are handicapped or disabled;
 - 8 3. that any specific person employed by or working on
9 behalf of any Defendant is handicapped or disabled;
 - 10 4. that any of Defendants' products are packaged or
11 manufactured by the handicapped or disabled;
 - 12 5. that Defendants operate a charitable organization; or
 - 13 6. any other fact material to a consumer's decision to
14 purchase any good or service from Defendants;
- 15 C. violating Section 310.4(b)(1)(i) of the TSR, 16 C.F.R.
16 § 310.4(b)(1)(i), by causing consumers' telephones to ring repeatedly,
17 or engaging consumers repeatedly in telephone conversations, with
18 the intent to annoy, abuse, or harass persons at the called number;
- 19 D. violating Section 310.4(b)(1)(iii)(B) of the TSR, 16 C.F.R.
20 § 310.4(b)(1)(iii)(B), by engaging in or causing others to engage in
21 initiating an outbound telephone call to a person when that person's
22 telephone number is on the National Do Not Call Registry;
- 23 E. violating Section 310.4(b)(1)(iii)(A) of the TSR, 16 C.F.R.
24 § 310.4(b)(1)(iii)(A), by engaging in or causing others to engage in
25 initiating an outbound telephone call to persons who had previously
26 stated that they do not wish to receive calls made by or on behalf of
27 any of the Defendants;
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1 F. violating Section 310.8 of the TSR, 16 C.F.R. § 310.8, by initiating, or
2 causing others to initiate, an outbound telephone call to a telephone
3 number within a given area code without Defendants, either directly
4 or through another person, first paying the annual fee required for
5 access to the telephone numbers within that area code that are
6 included in the National Do Not Call Registry.

7 **IV.**

8 **ASSET FREEZE**

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

- 11 A. Transferring, encumbering, selling, concealing, pledging,
12 hypothecating, assigning, spending, withdrawing, disbursing,
13 conveying, gifting, dissipating, or otherwise disposing of any funds,
14 property, coins, lists of consumer names, shares of stock, or other
15 assets, wherever located, that are (1) owned or controlled by any of
16 the Defendants, in whole or in part; (2) in the actual or constructive
17 possession of any of the Defendants; (3) held by an agent of any of the
18 Defendants, as a retainer for the agent's provision of services to a
19 Defendant; or (4) owned, controlled by, or in the actual or
20 constructive possession of, or otherwise held for the benefit of, any
21 corporation, partnership, or other entity directly or indirectly owned or
22 controlled by any of the Defendants;
- 23 B. Opening or causing to be opened any safe deposit boxes titled in the
24 name of any of the Defendants, or subject to access by any of the
25 Defendants;
- 26 C. Incurring charges or cash advances on any credit or debit card issued
27 in the name, singly or jointly, of any of the Defendants, or any
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1 corporation, partnership, or other entity directly or indirectly owned or
2 controlled by any of the Defendants; and

3 D. Failing to disclose to Plaintiff, immediately upon service of this
4 Order, unless Defendant Mayhan has already done so, information
5 that fully identifies each asset of the Defendants, and each entity
6 holding such asset, including, without limitation, the entity's name,
7 address, and telephone number, the number of the account, and the
8 name under which the account is held.

9 E. Provided, that the freeze imposed in this Section shall not apply to
10 assets acquired by Defendant Mayhan after service of this Order so
11 long as said assets are not the fruit or product of activities prohibited
12 by this Order.

13 **V.**

14 **FINANCIAL REPORTS**

15 **IT IS FURTHER ORDERED** that, if she has not already done so pursuant
16 to the TRO, within forty-eight hours after service of this Order:

17 A. Defendant Mayhan shall complete and deliver to Plaintiff the
18 Financial Statement captioned "Financial Statement of Individual
19 Defendant," which was attached to the TRO as Attachment 1. To the
20 extent that any information she has provided to Plaintiff is incomplete,
21 she shall be under a duty to obtain and complete the information as
22 soon as practicable;

23 B. Defendant Mayhan shall prepare and deliver to Plaintiff and the
24 Permanent Receiver, for each of the Corporate Defendants, the
25 Financial Statement captioned "Financial Statement of Corporate
26 Defendant," which was attached to the TRO as Attachment 2. To the
27 extent that any information she has provided to Plaintiff is incomplete,
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1 she shall be under a duty to obtain and complete the information as
2 soon as practicable;

3 C. Defendant Mayhan shall, on behalf of each corporation of which she
4 is the majority owner or otherwise controls, other than the Corporate
5 Defendants, complete and deliver to Plaintiff a separate copy of the
6 "Financial Statement of Corporate Defendant"; and

7 D. Defendants shall provide the Commission access to records and
8 documents pertaining to assets of any of the Defendants that are held
9 by financial institutions outside the territory of the United States by
10 signing a Consent to Release of Financial Records if requested by
11 Plaintiff.

12 VI.

13 PRESERVATION OF RECORDS

14 **IT IS FURTHER ORDERED** that Defendants, and their agents, servants,
15 employees, and attorneys, and all persons or entities directly or indirectly under the
16 control of any of them, and all other persons or entities in active concert or
17 participation with any of them who receive actual notice of this Order by personal
18 service or otherwise, and each such person, are hereby restrained and enjoined
19 from destroying, erasing, mutilating, concealing, altering, transferring or otherwise
20 disposing of, in any manner, directly or indirectly, any documents that relate to the
21 business practices or finances of any of the Defendants, including, but not limited
22 to, such documents as any contracts, accounting data, correspondence,
23 advertisements, computer tapes, discs or other computerized records, books,
24 written or printed records, handwritten notes, telephone logs, telephone scripts,
25 receipt books, ledgers, personal and business canceled checks and check registers,
26 bank statements, appointment books, copies of federal, state, or local business or
27 personal income or property tax returns.

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1 This Section specifically applies to all documents displayed on or accessible
2 from any and all Internet websites owned or controlled by any Defendant,
3 including but not limited to any of the websites with the following domain names:
4 helpinghandsofhope.com and usblindservices.com.

5 Provided, however, that this Paragraph shall not be construed to prohibit any
6 counsel representing Defendant Mayhan in this action, in the event that such
7 counsel properly withdraws from representation, from disposing of or transferring
8 copies of documents described above that counsel has obtained on or after May 14,
9 2008, so long as counsel first provides written notice to Plaintiff of its intent to
10 dispose of or transfer such documents and allows Plaintiff at least ten business
11 days to object before disposing of or transferring such documents.

12 VII.

13 RECORD KEEPING

14 **IT IS FURTHER ORDERED** that Defendant Mayhan is hereby restrained
15 and enjoined from failing to make and keep, and to provide to Plaintiff's counsel
16 promptly upon request, an accurate accounting that, in reasonable detail,
17 accurately, fairly, and completely reflects her incomes (including all income
18 resulting from any services, activity, or efforts rendered by Defendant),
19 disbursements, transactions, and use of money, beginning immediately upon
20 service or actual notice of this Order, and continuing daily until otherwise ordered
21 by the Court.

22 VIII.

23 NOTIFICATION OF BUSINESS ACTIVITIES

24 **IT IS FURTHER ORDERED** that

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

7 B. Defendant Mayhan shall notify the Commission at least seven (7)
8 days prior to affiliating with, becoming employed by, or performing
9 any work for any business that is not a named Defendant in this
10 action. Each notice shall include the Defendant's new business
11 address and a statement of the nature of the business or employment
12 and the nature of her duties and responsibilities in connection with
13 that business or employment.

14 IX.

15 FINANCIAL INSTITUTIONS

16 **IT IS FURTHER ORDERED** that any financial or brokerage institution
17 (including but not limited to Bank of America, Bank One, Compass Bank, JP
18 Morgan Chase Bank, Sunrise Bank of Arizona, and Wells Fargo Bank), any
19 business entity, or any other person having possession, custody, or control of any
20 records of any of the Defendants, or of any account, safe deposit box, or other asset
21 titled in the name of any of the Defendants, either individually or jointly or held for
22 the benefit of any of the Defendants, or which has maintained any such account,
23 safe deposit box, or other asset at any time between March 9, 2000, and May 14,
24 2008, shall:

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

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

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

1. The identification of each account or asset held as of or prior to May 14, 2008;
2. The balance of each account or a description of the nature and value of each such asset as of the close of business on the day notification of this Order is received, and, if the account or asset has been closed or moved, the balance or value removed and the person or entity to whom it was transferred; and
3. The identification of any safe deposit box titled in the name of or subject to access by any of the Defendants as of or prior to May 14, 2008;

D. Upon request by counsel for Plaintiff (or by the Permanent Receiver, with respect to assets held for any of the Receivership Defendants), promptly provide Plaintiff or the Permanent Receiver with copies of all records or other documentation pertaining to such account or asset, including but not limited to originals or copies of account applications, account statements, signature cards, checks, drafts, deposit tickets, transfers to and from the accounts, all other debit and

1 credit instruments or slips, currency transaction reports, 1099 forms,
2 and safe deposit box logs; and

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

7 F. Provided, however, that this Paragraph shall not be construed to apply
8 to accounts opened by Defendant Mayhan after May 14, 2008.

9 **X.**

10 **REPATRIATION OF ASSETS**

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

- 14 A. Repatriate to the United States all funds, documents, or assets in
15 foreign countries held either: (1) by them; (2) for their benefit; or (3)
16 under their direct or indirect control, jointly or singly;
- 17 B. The same business day as any repatriation under paragraph A above,
18 1. notify Plaintiff and the Permanent Receiver of the name and
19 location of the financial institution or other entity that is the
20 recipient of such funds, documents, or assets; and
21 2. serve this Order on any such financial institution or other entity;
- 22 C. Provide Plaintiff and the Permanent Receiver with a full accounting of
23 all funds, documents, and assets outside of the territory of the United
24 States held either: (1) by them; (2) for their benefit; or (3) under their
25 direct or indirect control, jointly or singly; and
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1 D. Hold and retain all repatriated funds, documents, and assets and
2 prevent any transfer, disposition, or dissipation whatsoever of any
3 such assets or funds.

4 **XI.**

5 **APPOINTMENT OF PERMANENT RECEIVER**

6 **IT IS FURTHER ORDERED** that Robb Evans, and his firm Robb Evans
7 & Associates LLC, is appointed Permanent Receiver for Defendants Helping
8 Hands of Hope, Inc., U.S. Blind Services, Inc., Employment Opportunities of
9 America, Inc., and Third Strike Employment, Inc., as well as for any successors,
10 assigns, affiliates, and subsidiaries that conduct any business related to the
11 Defendants' telemarketing program and which the Permanent Receiver has reason
12 to believe are owned or controlled in whole or in part by any of the Defendants
13 (hereinafter referred to as the "Receivership Defendants"), with the full power of
14 an equity receiver. The Permanent Receiver shall be the agent of this Court and
15 solely the agent of this Court in acting as Receiver under this Order. The
16 Permanent Receiver shall be accountable directly to this Court. The Permanent
17 Receiver shall comply with all Local Rules of this Court governing receivers.

18 **XII.**

19 **RECEIVERSHIP DUTIES**

20 **IT IS FURTHER ORDERED** that the Permanent Receiver is directed and
21 authorized to perform and accomplish the following:

22 A. Assume full control of the Receivership Defendants by removing, as
23 the Receiver deems necessary or advisable, any manager, independent contractor,
24 employee, or agent of the Receivership Defendants, including Defendant Mayhan,
25 from control of, management of, or participation in, the affairs of the Receivership
26 Defendants;

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

8 C. Take all steps necessary to secure all premises owned, rented, leased,
9 or otherwise controlled by the Receivership Defendants, including but not limited
10 to all such premises located at 2201 E. Thomas Road in Phoenix, Arizona; 6530
11 W. Glendale Avenue in Glendale, Arizona; 4522 N. 7th Street in Phoenix, Arizona;
12 and 2801 N. 24th Street in Phoenix, Arizona. Such steps may include, but are not
13 limited to, the following, as the Permanent Receiver deems necessary or advisable:
14 (1) serving and filing this Order; (2) completing a written inventory of all
15 receivership assets; (3) obtaining pertinent information from all employees and
16 other agents of the Receivership Defendants, including, but not limited to, the
17 name, home address, social security number, job description, method of
18 compensation, and all accrued and unpaid commissions and compensation of each
19 such employee or agent; (4) photographing and video taping all portions of the
20 location; (5) securing the location by changing the locks and disconnecting any
21 computer modems or other means of access to the computer or other records
22 maintained at that location; or (6) requiring any persons present on the premises at
23 the time this Order is served to leave the premises, to provide the Permanent
24 Receiver with proof of identification, or to demonstrate to the satisfaction of the
25 Permanent Receiver that such persons are not removing from the premises
26 documents or assets of the Receivership Defendants;

1 D. 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 prevent
3 any irreparable loss, damage, or injury to consumers or to creditors of the
4 Receivership Defendants, including, but not limited to, obtaining an accounting of
5 the assets and preventing transfer, withdrawal, or misapplication of assets;

6 E. Enter into contracts and purchase insurance as advisable or necessary;

7 F. Prevent the inequitable distribution of assets and to determine, adjust,
8 and protect the interests of consumers and creditors who have transacted business
9 with the Receivership Defendants;

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

14 H. Choose, engage, and employ attorneys, accountants, appraisers, and
15 other independent contractors and technical specialists, as the Permanent Receiver
16 deems advisable or necessary in the performance of duties and responsibilities
17 under the authority granted by this Order;

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

25 J. Determine and implement the manner in which the Receivership
26 Defendants will comply with, and prevent violations of, this Order and all other
27 applicable laws;

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1 K. Institute, compromise, adjust, appear in, intervene in, or become party
2 to such actions or proceedings in state, federal or foreign courts that the Permanent
3 Receiver deems necessary and advisable to preserve or recover the assets of the
4 Receivership Defendants or that the Permanent Receiver deems necessary and
5 advisable to carry out the Permanent Receiver's mandate under this Order;

6 L. Defend, compromise, adjust, or otherwise dispose of any or all actions
7 or proceedings instituted in the past or in the future against the Permanent Receiver
8 in his role as Permanent Receiver, or against the Receivership Defendants that the
9 Permanent Receiver deems necessary and advisable to preserve the assets of the
10 Receivership Defendants or that the Permanent Receiver deems necessary and
11 advisable to carry out the Permanent Receiver's mandate under this Order;

12 M. Issue subpoenas to obtain documents and records pertaining to the
13 receivership, and conduct discovery in this action on behalf of the receivership
14 estate;

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

20 O. Maintain accurate records of all receipts and expenditures that s/he
21 makes as Permanent Receiver.

22 XIII.

23 COOPERATION WITH THE PERMANENT RECEIVER

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

10 A. Transacting any of the business of the Receivership Defendants, or
11 transacting business under the name Helping Hands of Hope, Inc., U.S. Blind
12 Services, Inc., Employment Opportunities of America, Inc., or Third Strike
13 Employment, Inc., or any substantially similar name;

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

17 C. Transferring, receiving, altering, selling, encumbering, pledging,
18 assigning, liquidating, or otherwise disposing of any assets owned, controlled, or in
19 the possession or custody of, or in which an interest is held or claimed by, the
20 Receivership Defendants, or the Permanent Receiver;

21 D. Excusing debts owed to the Receivership Defendants;

22 E. Failing to notify the Permanent Receiver of any asset, including
23 accounts, of any Receivership Defendant held in any name other than the name of
24 any Receivership Defendant, or by any person or entity other than the Receivership
25 Defendants, or failing to provide any assistance or information requested by the
26 Permanent Receiver in connection with obtaining possession, custody, or control
27 of such assets; or
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1 F. Doing any act or refraining from any act whatsoever to interfere with
2 the Permanent Receiver's taking custody, control, possession, or managing of the
3 assets or documents subject to this receivership; or to harass or interfere with the
4 Permanent Receiver in any way; or to interfere in any manner with the exclusive
5 jurisdiction of this Court over the assets or documents of the Receivership
6 Defendants; or to refuse to cooperate with the Permanent Receiver or the
7 Permanent Receiver's duly authorized agents in the exercise of their duties or
8 authority under any Order of this Court.

9 **XIV.**

10 **DELIVERY OF RECEIVERSHIP PROPERTY**

11 **IT IS FURTHER ORDERED** that:

12 A. Immediately upon service of this Order upon them, or within a period
13 permitted by the Permanent Receiver, Defendants and all other persons in
14 possession, custody, and control of assets or documents of the Receivership
15 Defendants shall transfer or deliver possession, custody, and control of the
16 following to the Permanent Receiver to the extent not already done so pursuant to
17 the TRO:

- 18 1. All assets of the Receivership Defendants;
- 19 2. All documents of the Receivership Defendants, including, but
20 not limited to, books and records of accounts, all financial and accounting records,
21 balance sheets, income statements, bank records (including monthly statements,
22 canceled checks, records of wire transfers, and check registers), client lists, title
23 documents and other papers;
- 24 3. All assets belonging to members of the public now held by the
25 Receivership Defendants; and
- 26 4. All keys and codes necessary to gain or to secure access to any
27 assets or documents of the Receivership Defendants, including, but not limited to,
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1 access to their business premises, means of communication, accounts, computer
2 systems, or other property.

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

12 XV.

13 BANKRUPTCY PETITIONS

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

19 XVI.

20 TRANSFER OF FUNDS TO THE PERMANENT RECEIVER

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

1 **XVII.**

2 **STAY OF ACTIONS**

3 **IT IS FURTHER ORDERED** that:

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

11 1. Commencing, prosecuting, continuing, entering, or enforcing
12 any suit or proceeding, except that such actions may be filed to toll any
13 applicable statute of limitations;

14 2. Accelerating the due date of any obligation or claimed
15 obligation; filing or enforcing any lien; taking or attempting to take
16 possession, custody, or control of any asset; attempting to foreclose, forfeit,
17 alter, or terminate any interest in any asset, whether such acts are part of a
18 judicial proceeding, are acts of self-help, or otherwise;

19 3. Executing, issuing, serving, or causing the execution, issuance
20 or service of, any legal process, including, but not limited to, attachments,
21 garnishments, subpoenas, writs of replevin, writs of execution, or any other
22 form of process whether specified in this Order or not; or

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

3 B. This paragraph does not stay:

4 1. The commencement or continuation of a criminal action or
5 proceeding;

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

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

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

18 5. The issuance to a Receivership Defendants of a notice of tax
19 deficiency.

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

2 **COMPENSATION OF PERMANENT RECEIVER**

3 **IT IS FURTHER ORDERED** that the Permanent Receiver and all
4 personnel hired by the Permanent Receiver as herein authorized, including counsel
5 to the Permanent Receiver and accountants, are entitled to reasonable
6 compensation for the performance of duties pursuant to this Order and for the cost
7 of actual out-of-pocket expenses incurred by them, from the assets now held by or
8 in the possession or control of or which may be received by the Receivership
9 Defendants. The Permanent Receiver shall file with the Court and serve on the
10 parties periodic requests for the payment of such reasonable compensation, with
11 the first such request filed no more than sixty (60) days after the date of this Order.
12 The Permanent Receiver shall not increase the hourly rates used as the bases for
13 such fee applications without prior approval of the Court.

14 **XIX.**

15 **RECEIVER'S BOND**

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

20 **XX.**

21 **DISTRIBUTION OF ORDER**

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

3 **XXI.**

4 **CREDIT REPORTS**

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

10 **XXII.**

11 **LIMITED EXPEDITED DISCOVERY**

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

- 14 A. Take the deposition of any person or entity, without limitation, for the
15 purpose of:
- 16 1. discovering the nature, location, status, and extent of assets of
17 any of the Defendants, including Receivership Defendants, or
18 of their affiliates or of their subsidiaries,
 - 19 2. discovering the nature, location, status and extent of documents
20 reflecting the business transactions of any of the Defendants;
 - 21 3. discovering the nature and extent of Defendants' business
22 activities, and
- 23 B. Demand the production of documents from any person or entity
24 relating to the nature, status, location and extent of any of the
25 Defendants' assets, and the location of any documents reflecting the
26 Defendants' business transactions or the nature and extent of
27 Defendants' business operations.
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1 Thirty-six (36) hours notice shall be deemed sufficient for any such
2 deposition and forty-eight (48) hours notice shall be deemed sufficient for the
3 production of any such documents. The limitations and conditions set forth in Fed.
4 R. Civ. P. 30(a)(2) and 31(a)(2) shall not apply to depositions taken pursuant to
5 this Section. Any such depositions taken pursuant to this Section shall not be
6 counted toward the ten deposition limit set forth in Fed. R. Civ. P. 30(a)(2)(A) and
7 31(a)(2)(A). Service of discovery taken pursuant to this Section shall be sufficient
8 if made by facsimile or by overnight delivery.

9 **XXIII.**

10 **CORRESPONDENCE**

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

13 John D. Jacobs
14 Barbara Y.K. Chun
15 Federal Trade Commission
16 10877 Wilshire Blvd., #700
17 Los Angeles, CA 90024
18 Fax: (310) 824-4380
19 E-mail: jjacobs@ftc.gov; bchun@ftc.gov

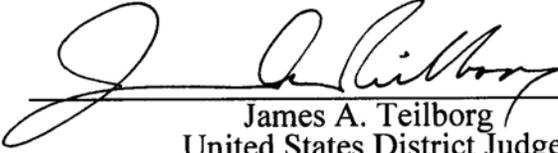
20 **XXIV.**

21 **SERVICE OF THIS ORDER**

22 **IT IS FURTHER ORDERED** that copies of this Order may be served by
23 any means, including facsimile transmission, upon any financial institution or other
24 entity or person that may have possession, custody, or control of any documents or
25 assets of any Defendant, or that may be subject to any provision of this Order.
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1 **SO ORDERED:**

2 DATED this 12th day of June, 2008.

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7 James A. Teilborg
8 United States District Judge
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