

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

LUCASLAWCENTER “INCORPORATED”,
a corporation, also d/b/a Lucas Law Center;

FUTURE FINANCIAL SERVICES, LLC,
a limited liability company, also
d/b/a Lucas Law Center;

PAUL JEFFREY LUCAS,
an individual;

CHRISTOPHER FRANCIS BETTS,
an individual; and

FRANK SULLIVAN,
an individual,

Defendants.

**Case No. SACV 09-0770 DOC
(ANx)**

**ORDER FREEZING ASSETS,
APPOINTING PERMANENT
RECEIVER, EXTENDING
AMENDED TEMPORARY
RESTRAINING ORDER AND
ISSUING ORDER TO SHOW
CAUSE**

Date: July 16, 2009

Time: 8:30 A.M.

Courtroom 9D

Before the Court is Plaintiff Federal Trade Commission’s (“FTC”) Motion for Preliminary Injunction and Defendants’ Ex Parte Applications to Continue the Hearing on the Order to Show Cause Why a Preliminary Injunction Should Not Issue. After a hearing held on July 16, 2009, having considered the motion and applications, and having heard the arguments of counsel, the Court finds good cause for issuance of this Order.

1 **IT IS THEREFORE ORDERED** that the Amended Order Granting Ex
2 Parte Application for Temporary Restraining Order and Issuing Order to Show
3 Cause is extended until 11:59 p.m. on August 3, 2009, and, except as provided
4 expressly herein, shall remain in full force and effect.

5 **ASSET AND RECORD RETENTION**

6 **I. ASSET FREEZE**

7 **IT IS FURTHER ORDERED** that LucasLawCenter “incorporated”, Future
8 Financial Services, LLC, Paul Jeffrey Lucas, Christopher Francis Betts, and Frank
9 Sullivan (“Defendants”), and their successors, assigns, members, officers, agents,
10 servants, employees, and attorneys, and those persons or entities in active concert
11 or participation with them who receive actual notice of this Order by personal
12 service, facsimile transmission, email, or otherwise, whether acting directly or
13 through any corporation, subsidiary, division, or other device, are restrained and
14 enjoined from:

15 A. Transferring, converting, encumbering, selling, concealing,
16 dissipating, disbursing, assigning, spending, withdrawing, perfecting a security
17 interest in, or otherwise disposing of any funds, real or personal property, accounts,
18 contracts, shares of stock, lists of consumer names, or other assets, wherever
19 located, including outside the United States, that are:

- 20 1. owned or controlled by, or held for the benefit of, directly or
- 21 indirectly, any of the Defendants, in whole or in part;
- 22 2. in the actual or constructive possession of Defendant
- 23 3. held by an agent of any of the Defendants as a retainer for the
- 24 agent’s provision of services to Defendants; or
- 25 4. owned or controlled by, or in the actual or constructive
- 26 possession of or otherwise held for the benefit of, any corporation,
- 27 partnership, or other entity directly or indirectly owned, managed, or
- 28 controlled by any of the Defendants, including, but not limited to, any

1 assets held by, for, or subject to access by, any of the Defendants at
2 any bank or savings and loan institution, or with any broker-dealer,
3 escrow agent, title company, commodity trading company, precious
4 metal dealer, or other financial institution or depository of any kind;

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

7 C. Obtaining a personal or secured loan encumbering the assets of any of
8 the Defendants, or subject to access by any of the Defendants;

9 D. Incurring liens or other encumbrances on real property, personal
10 property, or other assets in the name, singly or jointly, of any of the Defendants or
11 of any corporation, partnership, or other entity directly or indirectly owned,
12 managed, or controlled by any of the Defendants;

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

17 F. Failing to disclose to Plaintiff, immediately upon service of this
18 Order, information that fully identifies each asset of the Defendants, and each
19 entity holding such asset, including, without limitation, the entity's name, address,
20 and telephone number, the number of the account, and the name under which the
21 account is held.

22 **IT IS FURTHER ORDERED** that the assets affected by this Paragraph
23 shall include both existing assets and assets acquired after the effective date of this
24 Order.

25 **II. DUTIES OF ASSET HOLDERS**

26 **IT IS FURTHER ORDERED** that any financial or brokerage institution,
27 business entity, or person served with a copy of this Order that holds, controls, or
28 maintains custody of any account or asset of any of the Defendants, or has held,

1 controlled, or maintained custody of any such account or asset at any time **since**
2 **May 1, 2008**, shall:

3 A. Hold and retain within its control and prohibit the withdrawal,
4 removal, assignment, transfer, pledge, encumbrance, disbursement, dissipation,
5 conversion, sale, or other disposal of any such asset except by further order of this
6 Court;

7 B. Deny Defendants access to any safe deposit box that is:

8 1. titled in the name of any of the Defendants, either individually,
9 jointly, or doing business as Lucas Law Center or Future Financial
10 Services; or

11 2. otherwise subject to access by any of the Defendants;

12 C. Provide the FTC counsel, and the Permanent Receiver with respect to
13 assets held on behalf of any of the Receivership Defendants, within three (3)
14 business days of receiving a copy of this Order, a sworn statement setting forth:

15 1. the identification number of each account or asset titled in the
16 name of any of the Defendants, individually, jointly, or doing business
17 as Lucas Law Center or Future Financial Services, or held on behalf
18 of, or for the benefit of, any of the Defendants;

19 2. the balance of each account, or a description of the nature and
20 value of each asset as of the close of business on the day on which this
21 Order is served, and, if the account or other asset has been closed or
22 removed, the date closed or removed, the total funds removed in order
23 to close the account, and the name of the person or entity to whom the
24 account or other asset was remitted; and

25 3. the identification of any safe deposit box that is either titled in
26 the name, individually or jointly, of any of the Defendants,
27 individually, jointly, or doing business as Lucas Law Center or
28

1 Future Financial Services, or is otherwise subject to access by any of
2 the Defendants; and

3 D. Upon the request of the FTC, or by the Permanent Receiver with
4 respect to assets held on behalf of any of the Receivership Defendants, promptly
5 provide FTC counsel with copies of all records or other documentation pertaining
6 to the account or asset, including, but not limited to, originals or copies of account
7 applications, account statements, signature cards, checks, drafts, deposit tickets,
8 transfers to and from the accounts, all other debit and credit instruments or slips,
9 currency transaction reports, 1099 forms, and safe deposit box logs. Any financial
10 institution, account custodian, or other aforementioned entity may arrange for the
11 FTC to obtain copies of any records which the FTC seeks.

12 **RECEIVERSHIP**

13 **III. APPOINTMENT OF PERMANENT RECEIVER**

14 **IT IS FURTHER ORDERED** that: Robb Evans & Associates, LLC is
15 appointed as permanent receiver (“Permanent Receiver”), with the full power of an
16 equity receiver, for Receivership Defendants Lucas Law Center and Future
17 Financial Services, as well as for any successors, assigns, affiliates, and
18 subsidiaries that conduct any business related to the Defendants’ mortgage loan
19 modification services and of all the funds, properties, premises, accounts and other
20 assets directly or indirectly owned, beneficially or otherwise, by the Receivership
21 Defendants. The Permanent Receiver shall be the agent of this Court and solely
22 the agent of this Court in acting as Receiver under this Order. The Permanent
23 Receiver shall be accountable directly to this Court. The Permanent Receiver shall
24 comply with all Local Rules of this Court governing receivers.

25 **IV. RECEIVERSHIP DUTIES**

26 **IT IS FURTHER ORDERED** that the Permanent Receiver shall have the
27 same duties and responsibilities as set forth in the Amended Order Granting Ex
28

1 Parte Application for Temporary Restraining Order and Issuing Order to Show
2 Cause.

3
4 **V. RECEIVER'S BOND**

5 **IT IS FURTHER ORDERED** that the Permanent Receiver shall file with
6 the Clerk of this Court a bond in the sum of FIVE THOUSAND DOLLARS
7 (\$5,000), with sureties to be approved by the Court, conditioned that the Permanent
8 Receiver will well and truly perform the duties of the office and abide by and
9 perform all acts the Court directs.

10 **PRELIMINARY INJUNCTION PROCEEDINGS**

11 **VI. ORDER TO SHOW CAUSE**

12 **IT IS FURTHER ORDERED** that, pursuant to Fed. R. Civ. P. 65(b),
13 Defendants LucasLawCenter "incorporated", Future Financial Services, LLC, Paul
14 Jeffrey Lucas, Christopher Francis Betts, and Frank Sullivan shall appear before
15 this Court, located at United States District Court for the Central District of
16 California, Southern Division, 411 West Fourth Street, Santa Ana, California
17 92701, on the 3rd day of August, 2009, at 8:30 a.m., to show cause why this Court
18 should not enter a preliminary injunction, pending final ruling on the Complaint,
19 against Defendants enjoining them from violations of Section 5(a) of the FTC Act,
20 15 U.S.C. § 45(a), and imposing additional relief as may be appropriate.

21 **IT IS FURTHER ORDERED** that Defendants shall file and serve any
22 opposition to the issuance of a preliminary injunction, including any declarations,
23 exhibits, memoranda or other evidence on which they intend to rely, and objections
24 to any evidence submitted by Plaintiff, by no later than 12:00 p.m. of the fifth court
25 day prior to the hearing on the preliminary injunction. Such documents may be
26 served by e-mail or fax upon Plaintiff's counsel.

1 **IT IS FURTHER ORDERED** that Plaintiff shall file and serve any reply to
2 Defendants' opposition by no later than 4:30 p.m. on the third court day prior to
3 the preliminary injunction hearing.

4 **VII. RETENTION OF JURISDICTION**

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

7
8 **IT IS SO ORDERED:**

9 **ENTERED:** this 16 day of July, 2009, at 3:25 p.m., at Santa Ana, California.

10
11 

12 _____
13 **DAVID O. CARTER**
14 **UNITED STATES DISTRICT JUDGE**