

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**

**FEDERAL TRADE COMMISSION,**

Plaintiff,

v.

**JASON CARDIFF**, individually and  
as an owner, officer, director, or  
member of  
**REDWOOD SCIENTIFIC  
TECHNOLOGIES, INC.**, a  
California corporation;  
**REDWOOD SCIENTIFIC  
TECHNOLOGIES, Inc.**, a  
Nevada corporation;  
**REDWOOD SCIENTIFIC  
TECHNOLOGIES, Inc.**, a  
Delaware corporation;  
**IDENTIFY, LLC**, a Wyoming  
limited liability company;  
**ADVANCED MEN’S  
INSTITUTE PROLONGZ LLC,**

No. ED CV 18-2104-DMG (PLAx)

TEMPORARY RESTRAINING  
ORDER WITH ASSET FREEZE  
AND OTHER EQUITABLE  
RELIEF AND ORDER TO SHOW  
CAUSE WHY A PRELIMINARY  
INJUNCTION SHOULD NOT  
ISSUE

~~UNDER SEAL~~ and *IN CAMERA*

1 d/b/a AMI, a California limited  
2 liability company; and  
3 RUN AWAY PRODUCTS,  
4 LLC, a New York limited  
5 liability company; and  
6 both general and limited partner  
7 of  
8 CAROLS PLACE LIMITED  
9 PARTNERSHIP, an Arizona  
10 limited liability partnership;

11 **EUNJUNG CARDIFF**, a/k/a Eunjung  
12 Lee, a/k/a Eunjung No,  
13 individually and as an owner,  
14 officer, director, or member of  
15 REDWOOD SCIENTIFIC  
16 TECHNOLOGIES, INC., a  
17 California corporation;  
18 REDWOOD SCIENTIFIC  
19 TECHNOLOGIES, Inc., a  
20 Nevada corporation;  
21 REDWOOD SCIENTIFIC  
22 TECHNOLOGIES, Inc., a  
23 Delaware corporation;  
24 IDENTIFY, LLC, a Wyoming  
25 limited liability company;  
26 ADVANCED MEN'S  
27 INSTITUTE PROLONGZ LLC,  
28 d/b/a AMI, a California limited  
liability company; and  
RUN AWAY PRODUCTS,  
LLC, a New York limited  
liability company; and  
both general and limited partner  
of  
CAROLS PLACE LIMITED  
PARTNERSHIP, an Arizona  
limited liability partnership;

**DANIELLE CADIZ**, a/k/a Danielle

1 Walker, individually;

2 **REDWOOD SCIENTIFIC**  
3 **TECHNOLOGIES, INC.**, a  
4 California corporation, also d/b/a  
5 Rengalife;

6 **REDWOOD SCIENTIFIC**  
7 **TECHNOLOGIES, INC.**, a  
8 Nevada corporation;

9 **REDWOOD SCIENTIFIC**  
10 **TECHNOLOGIES, INC.**, a  
11 Delaware corporation;

12 **IDENTIFY, LLC**, a Wyoming limited  
13 liability company;

14 **ADVANCED MEN'S INSTITUTE**  
15 **PROLONGZ LLC**, d/b/a AMI,  
16 a California limited liability  
17 company;

18 **RUN AWAY PRODUCTS, LLC**, a  
19 New York limited liability  
20 company; and

21 **CAROLS PLACE LIMITED**  
22 **PARTNERSHIP**, an Arizona  
23 limited liability partnership,

24 Defendants.

25 On October 3, 2018, Plaintiff, the Federal Trade Commission, filed its  
26 Complaint for Permanent Injunction and Other Equitable Relief pursuant to  
27 Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C.  
28 § 53(b), the Restore Online Shoppers' Confidence Act, ("ROSCA"), 15 U.S.C.

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

12 This Court entered a Temporary Restraining Order (“TRO”) on October 10,  
13 2018, which the Court extended pending further proceedings. On November 8,  
14 2018, the Court entered a Preliminary Injunction as to Jason Cardiff and Eunjung  
15 Cardiff following proceedings described therein. [Doc. # 59.] The Preliminary  
16 Injunction directs and authorizes the Receiver, appointed in this case pursuant to  
17 the TRO, to, among other things, “[c]onserve, hold, manage, and prevent the loss  
18 of all Receivership Property, and perform all acts necessary or advisable to  
19 preserve the value of those Assets.” It grants the Receiver “full power to sue for,  
20 collect, and receive, all Receivership Property[.]” Preliminary Injunction, Section  
21 XVI.D. The Preliminary Injunction defines “Receivership Property,” in pertinent  
22 part, as:

23 any Assets, wherever located, that are: (1) owned, controlled, or held  
24 by or for the benefit of . . . Jason Cardiff, . . . in whole or in part; (2)  
25 in the actual or constructive possession of . . . Jason Cardiff . . . ; or  
26 (3) owned, controlled, or held by, or in the actual or constructive  
27 possession of, or otherwise held for the benefit of, any corporation,  
28

1 partnership, trust, or other entity directly or indirectly owned or  
2 controlled by . . . Jason Cardiff . . . .

3 Preliminary Injunction, Definition M. The Preliminary Injunction also continued  
4 the Receiver’s service with full powers of an equity receiver over Jason Cardiff’s  
5 assets, including those owned, controlled, or held for his benefit, directly,  
6 indirectly, or through business entities that he controls. Preliminary Injunction,  
7 Section XV, Continuation of the Receivership.

8 On June 24, 2020, the FTC filed an emergency non-noticed *ex parte*  
9 application for a temporary restraining order with asset freeze and other equitable  
10 relief and for an order to show cause why VPL Medical, Inc. (“VPL”) and its  
11 assets are not “Receivership Property” within the meaning of the Preliminary  
12 Injunction.

### 13 FINDINGS OF FACT

14 The Court, having considered the declarations, exhibits, and the  
15 memorandum of points and authorities filed in support thereof, and being  
16 otherwise advised, finds that:

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

20 B. There is good cause to believe that Jason Cardiff is violating the  
21 Preliminary Injunction by failing to disclose his true role in VPL, and failing to  
22 account for assets he has received through that business

23 C. The FTC is likely to succeed in showing that Jason Cardiff controls  
24 VPL and that VPL and its assets, including approximately \$6 million paid or owed  
25 to it by the U.S. Department of Veterans Affairs, are “Receivership Property” as  
26 defined in the Preliminary Injunction.

27 D. There is good cause to believe that immediate and irreparable damage  
28 to the Court’s ability to grant effective final relief for consumers – including

1 monetary restitution, rescission, or disgorgement in the amount of approximately  
2 \$18.2 million of ill-gotten gains – will occur from the transfer, disposition, or  
3 concealment by Jason Cardiff, Biztank Group, LLC (“Biztank”), or VPL of VPL’s  
4 assets or records, unless he, Biztank, and VPL are restrained and enjoined by order  
5 of this Court.<sup>1</sup>

6 E. Good cause exists for issuance of a temporary restraining order and  
7 asset freeze, appointing a temporary receiver over VPL and its Assets, and  
8 permitting Plaintiff and the Receiver to obtain information and documents on an  
9 expedited basis, including through limited expedited discovery, regarding  
10 Defendant Jason Cardiff’s involvement with and relationship to VPL, the nature  
11 and disposition of VPL’s assets, and compliance with this Order.

12 F. Good cause exists to issue a temporary restraining order without  
13 immediate notice to Jason Cardiff due to his previous defiance of this Court’s  
14 Orders by concealing or dissipating assets and destroying evidence, for which he  
15 was held in contempt [*see* Doc. # 238], and the likelihood that he would conceal or  
16 dissipate VPL’s assets and destroy evidence relating to his ownership of VPL if  
17 given notice, resulting in irreparable harm to Plaintiff’s ability to obtain the  
18 equitable remedy it seeks.

---

19 <sup>1</sup>The Court notes that Plaintiff’s current estimation of \$18.2 million in consumer injury does not  
20 specifically reflect the amount of “ill-gotten gains” at issue in this case, which is not necessarily equivalent to  
21 consumer losses, according to authority cited in Plaintiff’s *Ex Parte* Application. *See F.T.C. v. IAB Mktg. Assocs.,*  
22 *LP*, 972 F. Supp. 2d 1307, 1315 (S.D. Fla. 2013) (“Since these equitable remedies [authorized by the FTC Act] seek  
23 to ‘deprive the defendant of his ill-gotten gains,’ they do not consider the plaintiff’s losses. So the amount of assets  
24 that could properly be frozen—a remedy designed to ensure that assets subject to disgorgement would still be  
25 available at the end of a case—is equal to the defendant’s ill-gotten gains.”) (internal citation omitted). Because  
26 strict proof of ill-gotten gains is not required, *see id.*, for the purposes of this TRO, the Court accepts Plaintiff’s  
27 explanation that the \$18.2 million figure represents both ill-gotten gains and consumer losses, and thus the Court  
28 may freeze assets necessary for the recovery of those ill-gotten gains. *See id.* at 1316 (“[S]ince the value of the  
frozen assets is dwarfed by the Defendant[’]s ill-gotten gains, [the asset unrelated to the alleged wrongdoing] has  
been properly frozen.”). At the Preliminary Injunction hearing, however, the Court expects a more detailed  
“reasonable approximation of [the] defendant’s ill-gotten gains.” *Id.* (quoting *F.T.C. v. Bishop*, 425 F. App’x 796,  
798 (11th Cir. 2011)); *see also S.E.C. v. Platforms Wireless Int’l Corp.*, 617 F.3d 1072, 1096 (9th Cir. 2010) (“The  
SEC ‘bears the ultimate burden of persuasion that its disgorgement figure reasonably approximates the amount of  
unjust enrichment.’”) (quoting *SEC v. First City Fin. Corp.*, 890 F.2d 1215, 1232 (D.C. Cir. 1989)).

1 G. Good cause exists to require Jason Cardiff and VPL to show cause  
2 why VPL and its assets are not “Receivership Property” within the meaning of the  
3 Preliminary Injunction and should be preliminarily assigned to the Receiver to  
4 conserve, hold, and manage during the pendency of this case in accordance with  
5 the Preliminary Injunction.

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

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

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

### 13 **DEFINITIONS**

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

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

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

22 C. “Defendant(s)” means Corporate Defendants, Jason Cardiff, Eunjung  
23 Cardiff, individually, collectively, or in any combination.

24 D. “Document” is synonymous in meaning and equal in scope to the  
25 usage of “document” and “electronically stored information” in Federal Rule of  
26 Civil Procedure 34(a), Fed. R. Civ. P. 34(a), and includes writings, drawings,  
27 graphs, charts, photographs, sound and video recordings, images, Internet sites,  
28 web pages, websites, electronic correspondence, including email and instant

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

10 E. “Individual Defendant(s)” means Jason Cardiff and Eunjung Cardiff,  
11 individually, collectively, or in any combination.

12 F. “Person” means a natural person, organization, or other legal entity,  
13 including a corporation, partnership, proprietorship, association, cooperative, or  
14 any other group or combination acting as an entity.

15 G. “Preliminary Injunction” means the November 8, 2018 Preliminary  
16 Injunction issued in this case. [Doc. # 59.]

17 H. “Receiver” means the receiver identified in Section XV of the  
18 Preliminary Injunction [Doc. # 59, p. 22] and any deputy receivers that shall be  
19 named by the Receiver.

20 I. “Receivership Entities” means Corporate Defendants as well as any  
21 other entity that has conducted any business related to Defendants’ marketing and  
22 sale of dissolvable film strips and promotion of the Rengalife multilevel marketing  
23 program, including receipt of Assets derived from any activity that is the subject of  
24 the Complaint in this matter, and that the Receiver determines is controlled or  
25 owned by any Defendant.

26 J. “Receivership Property” means any Assets, wherever located, that are:  
27 (1) owned, controlled, or held by or for the benefit of the Receivership Entities,  
28 Jason Cardiff, or Eunjung Cardiff, in whole or in part; (2) in the actual or

1 constructive possession of the Receivership Entities, Jason Cardiff, or Eunjung  
2 Cardiff; or (3) owned, controlled, or held by, or in the actual or constructive  
3 possession of, or otherwise held for the benefit of, any corporation, partnership,  
4 trust, or other entity directly or indirectly owned or controlled by the Receivership  
5 Entities, Jason Cardiff, or Eunjung Cardiff, including the Jurikel Family Trust, and  
6 Carols Place Trust.

7 **ORDER**

8 **I. ASSET FREEZE**

9 **IT IS THEREFORE ORDERED** that VPL, Biztank, and Defendant Jason  
10 Cardiff, and their officers, agents, employees, and attorneys, and all other persons  
11 in active concert or participation with them, who receive actual notice of this Order  
12 by personal service or otherwise, whether acting directly or indirectly, are hereby  
13 temporarily restrained and enjoined from:

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

- 18 1. Owned, controlled, or held, in whole or in part, by VPL;
- 19 2. Held, in whole or in part, for the direct or indirect benefit of, VPL;
- 20 3. In the actual or constructive possession of VPL;
- 21 4. Held by an agent of VPL as a retainer for the agent's provision of  
22 services to VPL; or
- 23 5. Owned or controlled by, in the actual or constructive possession of, or  
24 otherwise held for the benefit of, any corporation, partnership, asset  
25 protection trust, or other entity that is directly or indirectly owned,  
26 managed or controlled by VPL;

1 B. Opening or causing to be opened any safe deposit boxes, commercial  
2 mail boxes, or storage facilities titled in the name of VPL, either individually or  
3 jointly, or subject to access by VPL;

4 C. Obtaining a personal or secured loan encumbering the Assets in the  
5 name of VPL or of any corporation, partnership, or other entity directly or  
6 indirectly owned, managed, or controlled by VPL;

7 D. Incurring liens or other encumbrances on real property, personal  
8 property, or other Assets in the name of VPL or of any corporation, partnership, or  
9 other entity directly or indirectly owned, managed, or controlled by VPL;

10 E. Incurring charges or cash advances on any credit or bank card issued  
11 in the name of VPL or any corporation, partnership, or other entity directly or  
12 indirectly owned, managed, or controlled by VPL; or

13 F. Cashing any checks payable to VPL.

14 PROVIDED THAT nothing in this Order shall be construed to prohibit the  
15 shipment, delivery, or passing of title by the Receiver to any VPL customer of any  
16 goods for which orders were placed or contracts were fully executed prior to  
17 service of this Order on VPL, AND THAT this Section does not prohibit any  
18 transfers to the Receiver specifically required by this Order.

19 **II. DUTIES OF HOLDERS OF VPL MEDICAL, INC. ASSETS**  
20 **AND OTHER THIRD PARTIES**

21 **IT IS FURTHER ORDERED** that any Person who receives actual notice  
22 of this Order (by service or otherwise) that holds, controls, or maintains custody of,  
23 or has held, controlled, or maintained custody of at any time, any account or Asset  
24 of VPL, or any corporation, partnership, asset protection trust, or other entity that  
25 is directly or indirectly owned, managed, or controlled by VPL, shall:

26 A. Hold, preserve, and retain within its control and prohibit the  
27 withdrawal, removal, assignment, transfer, pledge, encumbrance, disbursement,  
28 dissipation, relinquishment, conversion, sale, liquidation, or other disposal of any

1 such accounts or Assets, including the JP Morgan Chase Bank account ending  
2 5799, as well as all Documents or other property related to such accounts or  
3 Assets;

4 B. Deny any Person, except the Receiver, access to any safe deposit box,  
5 commercial mail box, or storage facility that is titled in the name of VPL, or  
6 otherwise subject to access by VPL; and

7 C. Provide Plaintiff's counsel and the Receiver, within three (3) days of  
8 receiving a copy of this Order, a sworn statement setting forth:

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

18 D. Upon the request of Plaintiff's counsel or the Receiver, promptly  
19 provide Plaintiff's counsel and the Receiver with copies of all records or other  
20 Documents pertaining to any account covered by this Section or Asset, including  
21 originals or copies of account applications, account statements, signature cards,  
22 checks, drafts, deposit tickets, transfers to and from the accounts, including wire  
23 transfers and wire transfer instructions, all other debit and credit instruments or  
24 slips, currency transaction reports, 1099 forms, and all logs and records pertaining  
25 to safe deposit boxes, commercial mail boxes, and storage facilities.

26 PROVIDED THAT this Section does not prohibit any transfers to the Receiver  
27 specifically required by this Order.

1           **III.       DUTIES OF HOLDERS OF DOCUMENTS REFERRING OR**  
2           **RELATING TO VPL MEDICAL, INC. ACTIVITIES**

3           **IT IS FURTHER ORDERED** that any Person, including any government  
4 agency, that receives actual notice of this Order (by service or otherwise) that  
5 holds, controls, or maintains custody of, any Document submitted by or on behalf  
6 of VPL, or sent by, to, or on behalf of VPL, shall preserve all such Documents and,  
7 upon the request of Plaintiff's counsel or the Receiver, promptly provide Plaintiff's  
8 counsel or the Receiver with copies of all such Documents.

9           **IV.       PRESERVATION OF RECORDS**

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

15           A.     Destroying, erasing, falsifying, writing over, mutilating, concealing,  
16 altering, transferring, or otherwise disposing of, in any manner, directly or  
17 indirectly, Documents that relate to: (1) the business, business practices, Assets, or  
18 finances of VPL; (2) the business practices or finances of entities directly or  
19 indirectly under the control of VPL; or (3) the business practices or finances of  
20 entities directly or indirectly under common control with VPL; and

21           B.     Failing to create and maintain Documents that, in reasonable detail,  
22 accurately, fairly, and completely reflect VPL's income, disbursements,  
23 transactions, and use of VPL's Assets.

24          **V.       TEMPORARY RECEIVER OF VPL MEDICAL, INC.**

25          **IT IS FURTHER ORDERED** that the Receiver appointed in this  
26 proceeding under the Court's October 10, 2018 TRO and November 8, 2018  
27 Preliminary Injunction is appointed as temporary receiver of VPL and its Assets  
28

1 with full powers of an equity receiver. The Receiver shall be solely the agent of  
2 this Court in acting as Receiver under this Order.

3 **VI. DUTIES AND AUTHORITY OF THE RECEIVER**

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

6 A. Assume full control of VPL by entering and taking physical  
7 possession of any VPL business locations, including 9087 Arrow Route, Suite 150,  
8 Rancho Cucamonga, CA, 91730, and 9007 Arrow Route, Suite 290, Rancho  
9 Cucamonga, CA, 91730, and any other location at which the Receiver determines  
10 that VPL operates, except for real property used as the residence of any individual,  
11 and by removing, as the Receiver deems necessary or advisable, any director,  
12 officer, independent contractor, employee, attorney, or agent of VPL from control  
13 of, management of, or participation in, the affairs of VPL;

14 B. Take exclusive custody, control, and possession of all Assets and  
15 Documents of, or in the possession, custody, or under the control of, VPL,  
16 wherever situated, except for real property used as the residence of any individual;

17 C. Take exclusive custody, control, and possession of all Documents or  
18 Assets associated with credits, debits, or charges made on behalf of VPL, wherever  
19 situated, including reserve funds held by payment processors, credit card  
20 processors, merchant banks, acquiring banks, independent sales organizations,  
21 third party processors, payment gateways, insurance companies, or other entities;

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

1 E. Take exclusive custody, control, and possession of any payments  
2 made, due, or owing to VPL, by anyone for any reason, including by the U.S.  
3 Department of Veterans Affairs or the U.S. Department of Health and Human  
4 Services.

5 F. Obtain, conserve, hold, manage, and prevent the loss of all Documents  
6 of VPL, and perform all acts necessary or advisable to preserve such Documents.  
7 The Receiver shall: divert mail; preserve all Documents of VPL that are accessible  
8 via electronic means (such as online access to financial accounts and access to  
9 electronic documents held onsite or by Electronic Data Hosts, by changing  
10 usernames, passwords or other log-in credentials; take possession of all electronic  
11 Documents of VPL stored onsite or remotely; take whatever steps necessary to  
12 preserve all such Documents;

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

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

25 I. Take all steps necessary to secure and take exclusive custody of each  
26 location from which VPL operates its business. Such steps may include, but are  
27 not limited to, any of the following, as the Receiver deems necessary or advisable:  
28 (1) securing the location by changing the locks and alarm codes and disconnecting

1 any Internet access or other means of access to the computers, servers, internal  
2 networks, or other records maintained at that location; and (2) requiring any  
3 persons present at the location to leave the premises, to provide the Receiver with  
4 proof of identification, and/or to demonstrate to the satisfaction of the Receiver  
5 that such persons are not removing from the premises Documents or Assets of the  
6 Receivership Entities, including, but not limited to, telephones, computers, and  
7 tablets paid for by VPL. Law enforcement personnel, including, but not limited to,  
8 police or sheriffs, may assist the Receiver in implementing these provisions in  
9 order to keep the peace and maintain security. If requested by the Receiver, the  
10 United States Marshal will provide appropriate and necessary assistance to the  
11 Receiver to implement this Order and is authorized to use any necessary and  
12 reasonable force to do so;

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

18 K. Enter into and cancel contracts and purchase insurance as advisable or  
19 necessary;

20 L. Prevent the inequitable distribution of Assets and determine, adjust,  
21 and protect the interests of customers who have transacted business with VPL;

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

25 N. Institute, compromise, adjust, appear in, intervene in, defend, dispose  
26 of, or otherwise become party to any legal action in state, federal or foreign courts  
27 or arbitration proceedings as the Receiver deems necessary and advisable to  
28 preserve or recover the Assets of VPL, or to carry out the Receiver's mandate

1 under this Order, including, but not limited to, actions challenging fraudulent or  
2 voidable transfers;

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

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

11 Q. Maintain accurate records of all receipts and expenditures incurred as  
12 Receiver;

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

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

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

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

27 V. Report to this Court on or before the date set for the hearing to Show  
28

1 Cause regarding the Preliminary Injunction or as otherwise directed by the Court,  
2 regarding: (1) the steps taken by the Receiver to implement the terms of the Order;  
3 (2) the value of all assets and sum of all liabilities of VPL; (3) the steps the  
4 Receiver intends to take in the future to protect receivership assets, recover  
5 receivership assets from third parties, and adjust receivership liabilities; (4) the  
6 Receiver's opinion on whether any portion of the business of VPL can continue to  
7 operate legally and profitably; and (5) any other matters that the Receiver believes  
8 should be brought to the Court's attention.

9 **VII. TRANSFER OF VPL MEDICAL, INC, PROPERTY TO THE**  
10 **RECEIVER**

11 **IT IS FURTHER ORDERED** that VPL, Defendants and any other person  
12 with possession, custody or control of property of, or records relating to, VPL,  
13 shall, upon notice of this Order by personal service or otherwise, fully cooperate  
14 with and assist the Receiver in taking and maintaining possession, custody, or  
15 control of the Assets and Documents of VPL and immediately provide, transfer, or  
16 deliver to the Receiver possession, custody, and control of, the following:

17 A. All Assets, including the JP Morgan Chase Bank account ending  
18 5799, held by or for the benefit of VPL, except for real property used as the  
19 residence of any individual;

20 B. All Documents or Assets associated with credits, debits, or charges  
21 made on behalf of VPL, wherever situated, including reserve funds held by  
22 payment processors, credit card processors, merchant banks, acquiring banks,  
23 independent sales organizations, third party processors, payment gateways,  
24 insurance companies, or other entities;

25 C. All Documents of or pertaining to VPL;

26 D. All computers, electronic devices, mobile devices, and machines used  
27 to conduct the business of VPL;

1 E. All Assets and Documents belonging to other persons or entities, who  
2 have been given notice of this Order by personal service or otherwise, whose  
3 interests are under the direction, possession, custody, or control of VPL; and

4 F. All keys, codes, user names, passwords, key fobs, and all other means  
5 of authentication necessary to gain or to secure access to any Assets or Documents  
6 of or pertaining to VPL, including access to their business premises, means of  
7 communication, mobile phones, accounts, computer systems (onsite and remote),  
8 Electronic Data Hosts, or other property.

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

### 13 **VIII. EXPEDITED DISCOVERY**

14 **IT IS FURTHER ORDERED** that, notwithstanding the provisions of Fed.  
15 R. Civ. P. 26(d) and (f) and 30(a)(2)(A)(iii), and pursuant to Fed. R. Civ. P. 30(a),  
16 34, and 45, Plaintiff and the Receiver are granted leave, at any time after service of  
17 this Order through the date of the preliminary injunction hearing, to conduct  
18 limited expedited discovery for the purpose of discovering: (1) Defendant Jason  
19 Cardiff's involvement with and relationship to VPL; (2) the nature, location, status,  
20 disposition, and extent of VPL's Assets; or (3) compliance with this Order. The  
21 limited expedited discovery set forth in this Section shall proceed as follows:

22 A. Plaintiff and the Receiver may take the deposition of parties and non-  
23 parties. Forty-eight (48) hours notice shall be sufficient notice for such  
24 depositions. The limitations and conditions set forth in Rules 30(a)(2)(B) and  
25 31(a)(2)(B) of the Federal Rules of Civil Procedure regarding subsequent  
26 depositions of an individual shall not apply to depositions taken pursuant to this  
27 Section. Any such deposition taken pursuant to this Section shall not be counted  
28

1 towards the deposition limit set forth in Rules 30(a)(2)(A) and 31(a)(2)(A) and  
2 depositions may be taken by telephone or other remote electronic means.

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

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

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

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

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

## 19 IX. SERVICE OF THIS ORDER

20 **IT IS FURTHER ORDERED** that copies of this Order may be served by  
21 any means, including facsimile, electronic mail or other electronic messaging,  
22 personal or overnight delivery, U.S. Mail, express delivery, by agents and  
23 employees of Plaintiff, by any law enforcement agency, by the Receiver, or by  
24 private process server, upon Biztank, VPL, and any Defendant or counsel of record  
25 for any Defendant, or any Person (including any financial institution or  
26 government agency) that may have possession, custody, or control of any Asset or  
27 Document of VPL, Biztank, or any Defendant, or of any Document submitted by  
28 or on behalf of VPL, or sent by, to, or on behalf of VPL, or that may be subject to

1 any provision of this Order pursuant to Rule 65(d)(2) of the Federal Rules of Civil  
2 Procedure. For purposes of this Section, service upon any branch, subsidiary,  
3 affiliate or office of any entity shall effect service upon the entire entity. Service  
4 and public filing of this Order may be delayed by up to 24 hours following entry of  
5 this Order. To avoid dissipation of assets or destruction of evidence, this Order  
6 shall be filed under seal and *in camera* for 24 hours, after which it will be filed  
7 publicly on the docket.

8 **X. SHOW CAUSE**

9 **IT IS FURTHER ORDERED**, pursuant to Federal Rule of Civil Procedure  
10 65(b)(3), that Defendant Jason Cardiff, shall file any written opposition to this  
11 Order by **July 2, 2020** and shall appear before this Court on **July 7, 2020, at 2:00**  
12 **p.m.** to show cause, if any, why this Court should not enter an order for  
13 preliminary injunction finding that:

14 A. Jason Cardiff controls VPL;

15 B. VPL and its Assets, including any payments made to VPL or owed to  
16 VPL by the U.S. Department of Veterans Affairs, the U.S. Department of Health  
17 and Human Services, or other debtors, are Receivership Assets as defined in the  
18 Preliminary Injunction and are preliminarily assigned to the Receiver to conserve,  
19 hold, and manage during the pendency of this case in accordance with the  
20 Preliminary Injunction; and

21 C. Continuing the freeze of VPL's assets, and imposing such additional  
22 relief as may be appropriate, is justified.

23 Plaintiff may file a reply, if any, by **July 6, 2020 at noon.**

24 **XI. CORRESPONDENCE AND SERVICE ON PLAINTIFF**

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

27 Elizabeth Sanger  
28 James A. Prunty

1 Edwin Rodriguez  
2 Shira D. Modell  
3 Federal Trade Commission  
4 600 Pennsylvania Ave., NW  
5 Washington, DC 20580  
6 Tel: (202) 326-2757, -2438, -3147, -3116  
7 Fax: (202) 326-3259  
8 Email: esanger@ftc.gov; jprunty@ftc.gov; erodriguez@ftc.gov;  
9 smodell@ftc.gov

7 **XII. DURATION AND SCOPE OF THE ORDER**

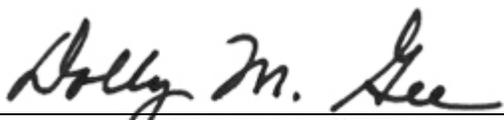
8 **IT IS FURTHER ORDERED** that this Order shall expire on Wednesday,  
9 July 8, 2020 at 11:59 p.m, unless before such time, the Order is extended for an  
10 additional period pursuant to Federal Rule of Civil Procedure 65(b)(2). The asset  
11 freeze and other requirements imposed by this Order are in addition to the existing  
12 provisions of the Preliminary Injunction and other orders of this Court. Nothing in  
13 this Order shall affect the operation of any provision of the Preliminary Injunction  
14 or other orders entered in this proceeding.

15 **XIII. RETENTION OF JURISDICTION**

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

18  
19 IT IS SO ORDERED.

20  
21 DATED: June 24, 2020

22   
23 \_\_\_\_\_  
24 DOLLY M. GEE  
25 UNITED STATES DISTRICT JUDGE  
26  
27  
28