

1 Michael Gerard Fletcher (State Bar No. 070849)  
mfletcher@frandzel.com  
2 Craig A. Welin (State Bar No. 138418)  
cwelin@frandzel.com  
3 Hal D. Goldflam (State Bar No. 179689)  
hgoldflam@frandzel.com  
4 FRANDZEL ROBINS BLOOM & CSATO, L.C.  
1000 Wilshire Boulevard, Nineteenth Floor  
5 Los Angeles, California 90017-2427  
Telephone: (323) 852-1000  
6 Facsimile: (323) 651-2577

7 Attorneys for Receiver ROBB EVANS &  
ASSOCIATES LLC

8  
9  
10 **UNITED STATES DISTRICT COURT**  
11 **CENTRAL DISTRICT OF CALIFORNIA**  
12 **WESTERN DIVISION**

13 FEDERAL TRADE COMMISSION,

14 Plaintiff,

15 v.

16 JASON CARDIFF, etc., et al.,

17 Defendants.  
18

Case No. 5:18-cv-02104-DMG-PLA

**SUPPLEMENTAL REPORT OF  
THE TEMPORARY RECEIVER  
ROBB EVANS & ASSOCIATES  
LLC OVER AND REGARDING  
VPL MEDICAL, INC., JASON  
CARDIFF, AND MATERIALLY  
ALTERED BANK ACCOUNT  
STATEMENTS**

Date: July 7, 2020

Time: 2:00 p.m.

Place: Courtroom 8C, West 1st Street

Judge: Hon. Dolly M. Gee

19  
20  
21  
22  
23 **TO THE HONORABLE DOLLY M. GEE, JUDGE OF THE UNITED**  
24 **STATES DISTRICT COURT.**

25  
26 Receiver Robb Evans & Associates LLC (“Receiver”) has been appointed by  
27 this Court to be the temporary receiver over and concerning, among other things and  
28 persons, VPL Medical, Inc. (“VPL”) by this Court’s *Temporary Restraining Order*

FRANDZEL ROBINS BLOOM & CSATO, L.C.  
1000 WILSHIRE BOULEVARD, NINETEENTH FLOOR  
LOS ANGELES, CALIFORNIA 90017-2427  
(323) 852-1000

1 *With Asset Freeze And Other Equitable Relief And Order To Show Cause Why A*  
2 *Preliminary Injunction Should Not Issue Under Seal And In Camera*, entered by the  
3 Court on June 24, 2020 (Dkt. no. pending). The Receiver previously filed its initial  
4 *Report Of Receiver’s Immediate Access To The Premises Of VPL Medical, Inc.*  
5 (Dkt. 365).

6 The Receiver now submits to the Court its *Supplemental Report Of Receiver’s*  
7 *Immediate Access To The Premises Of VPL Medical, Inc.* concerning documents  
8 regarding Jason Cardiff recovered by the Receiver at VPL, which include materially  
9 altered bank account statements (“VPL Supplemental Receiver’s Report”). The  
10 VPL Supplemental Receiver’s Report is attached hereto as Exhibit A, together with  
11 its accompanying report exhibits.

12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

DATED: July 6, 2020

Respectfully submitted,

FRANDZEL ROBINS BLOOM &  
CSATO, L.C.  
MICHAEL GERARD FLETCHER  
CRAIG A. WELIN  
HAL D. GOLDFLAM

By: /s/ Michael Gerard Fletcher  
MICHAEL GERARD FLETCHER  
Attorneys for Receiver ROBB EVANS  
AND ASSOCIATES LLC

FRANZEL ROBINS BLOOM & CSATO, L.C.  
1000 WILSHIRE BOULEVARD, NINETEENTH FLOOR  
LOS ANGELES, CALIFORNIA 90017-2427  
(323) 852-1000

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

**EXHIBIT A**

[VPL Supplemental Receiver’s Report Attached]

**Robb Evans & Associates LLC**  
**Receiver of**  
**Redwood Scientific Technologies, Inc. et al.**  
**and**  
**Temporary Receiver of VPL Medical, Inc.**

**SUPPLEMENTAL REPORT OF RECEIVER'S IMMEDIATE ACCESS TO  
THE PREMISIES OF VPL MEDICAL, INC.**  
**Dated July 6, 2020**

This supplemental report will detail the alteration of bank statements for a personal account of Jason Cardiff.

As previously reported, on June 25, 2020, the Receiver entered the premises of VPL Medical Inc. (VPL) located at 9007 Arrow Route, Suite 290 in Rancho Cucamonga, CA.

Among the documents located in Jason Cardiff's office were a lease agreement for an apartment in New York City and a copy of a bank statement for the period of May 1, 2020 through May 31, 2020 from Arrowhead Credit Union (Arrowhead). A portion of the lease agreement is attached at Exhibit 1. The lease agreement lists Jason and Eunjung Cardiff as the tenants. The rent for this two-year lease is \$20,000.00 per month. The Arrowhead bank statement is under Exhibit 2. The beginning balance on the bank statement is \$100,237.00 and the ending balance is \$100,065.95.

On June 25, 2020 the Receiver emailed this Court's Temporary Restraining Order (TRO) to Arrowhead. Arrowhead confirmed receipt of the TRO on the same day. Arrowhead did not confirm a frozen account balance to the Receiver. On July 3, 2020 the Receiver emailed a copy of the May bank statement found in Jason Cardiff's office to Arrowhead. On July 3, 2020 Arrowhead sent the Receiver copies of the bank statements for this account from December 24, 2019 (account opening date) through June 30, 2020 Exhibit 3. At no time during this period did the ending account balance exceed \$237.00. In fact, at no time during this period did the account balance ever exceed \$4,237.00, which is the highest balance occurring on April 17, 2020.

Under Exhibit 4 is a June 18, 2020 email from Jason Cardiff to Ronita Kalra who is the real New York estate broker for the lease agreement under Exhibit 1. Also, under Exhibit 4 is a list of attachments to the June 18, 2020 email.

Two Arrowhead bank statements are included as attachments to the email. One bank statement is for the period ending April 30, 2020 and the other bank statement is for the period ending May 31, 2020 (Exhibit 5). Both of these bank statements have been altered by \$100,000.00 from the actual bank statements Arrowhead sent to the Receiver (Exhibit 3). The

statement for the period ending April 30, 2020 is particularly sloppy in that whoever altered the statement forgot to add \$100,000.00 in front of the April 29, 2020 new balance total on the statement.

In addition, unsigned letters of recommendation from Mr. Cochell and Mr. White were also among the attachments to the June 18, 2020 email from Jason Cardiff to Ronita Karla (Exhibit 6).

Respectfully submitted,

/s/

Robb Evans & Associates LLC  
Receiver

# EXHIBIT 1



# EXHIBIT 2





Member Number	Statement Period	Page
4190	05/01/20 Thru 05/31/20	1 of 1

ACCOUNT SUMMARY	
ARROWHEAD CHECKING	\$100,065.95

JASON E CARDIFF

UPLAND CA 91784

## Member Assistance Program

If you've been affected by COVID-19, you're not in this alone. We have financial assistance programs to help.<sup>1</sup>

Learn more at [arrowheadcu.org/update](http://arrowheadcu.org/update)



Restrictions May Apply

<b>ARROWHEAD CHECKING - ID</b>		<b>Last Year Dividends Earned: \$0.00</b>	<b>YTD Dividends Earned: \$0.00</b>
<b>Beginning Balance</b>	<b>+ Deposits &amp; Other Credits (0)</b>	<b>- Checks (1)</b>	<b>- Other Withdrawals (3)</b>
<b>\$100,237.00</b>	<b>\$0.00</b>	<b>\$100.00</b>	<b>\$71.05</b>
			<b>= Ending Balance</b>
			<b>\$100,065.95</b>

Date	Amount	New Balance	Transaction Description
05/01		100,237.00	Balance Forward
05/06	-21.05	100,215.95	Withdrawal ACH HARLAND CLARKE TYPE: CHK ORDER ID: [REDACTED] CO: HARLAND CLARKE
05/26	-25.00	100,190.95	Withdrawal ACH COINBASE.COM TYPE: [REDACTED] ID: [REDACTED] CO: COINBASE.COM
05/27	-25.00	100,165.95	Withdrawal ACH COINBASE.COM TYPE: [REDACTED] ID: [REDACTED] CO: COINBASE.COM
05/27	-100.00	100,065.95	Check 101

**Summary of Cleared Checks:** \* Indicates check number out of sequence or duplicated. e Indicates Electronic Check.

CHECK #	DATE	AMOUNT
101	05/27	100.00

# EXHIBIT 3



Member Number	Statement Period	Page
████ 4190	12/24/19 Thru 12/31/19	1 of 1

ACCOUNT SUMMARY	
████ ACCESS ACCOUNT	\$35.00

JASON E CARDIFF  
 ██████████  
 UPLAND CA 91784

<b>ACCESS ACCOUNT - ID █████</b>	<b>Last Year Dividends Earned: \$0.00</b>	<b>YTD Dividends Earned: \$0.00</b>
<b>Beginning Balance + Deposits &amp; Other Credits (1) -</b>	<b>Checks (0) -</b>	<b>Other Withdrawals (0) =</b>
<b>\$0.00 + \$35.00</b>	<b>\$0.00 -</b>	<b>\$0.00 =</b>
		<b>Ending Balance \$35.00</b>

Date	Amount	New Balance	Transaction Description
12/24		0.00	Balance Forward
12/24	35.00	35.00	Deposit

Credit Reporting Information - We may report information about your account to credit bureaus. Late payments, missed payments and other defaults on your account may be reflected in your credit report.



Member Number	Statement Period	Page
████ 4190	01/01/20 Thru 03/31/20	1 of 1

ACCOUNT SUMMARY	
████ ARROWHEAD CHECKING	\$35.00

JASON E CARDIFF  
 ██████████  
 UPLAND CA 91784

<b>ARROWHEAD CHECKING - ID █████</b>		Last Year Dividends Earned: \$0.00		YTD Dividends Earned: \$0.00	
Beginning Balance	+ Deposits & Other Credits (0)	- Checks (0)	- Other Withdrawals (0)	=	Ending Balance
\$35.00	\$0.00	\$0.00	\$0.00		\$35.00

Date	Amount	New Balance	Transaction Description
01/01		35.00	Balance Forward

No Transactions This Period



Member Number	Statement Period	Page
██████████ 4190	04/01/20 Thru 04/30/20	1 of 1

ACCOUNT SUMMARY	
██████████ ARROWHEAD CHECKING	\$237.00

JASON E CARDIFF  
 ██████████  
 UPLAND CA 91784

<b>ARROWHEAD CHECKING - ID ██████████</b>		Last Year Dividends Earned: \$0.00		YTD Dividends Earned: \$0.00	
Beginning Balance	+ Deposits & Other Credits (2)	- Checks (0)	- Other Withdrawals (2)	=	Ending Balance
\$35.00	\$4,202.00	\$0.00	\$4,000.00		\$237.00

Date	Amount	New Balance	Transaction Description
04/01		35.00	Balance Forward
04/13	1,302.00	1,337.00	Deposit ACH IRS TREAS 310 TYPE: TAX REF ID: ██████████ CO: IRS TREAS 310
04/17	2,900.00	4,237.00	Deposit ACH IRS TREAS 310 TYPE: TAX REF ID: ██████████ CO: IRS TREAS 310
04/23	-1,000.00	3,237.00	Withdrawal
04/29	-3,000.00	237.00	Withdrawal



Member Number	Statement Period	Page
██████████ 4190	05/01/20 Thru 05/31/20	1 of 1

ACCOUNT SUMMARY	
██████████ ARROWHEAD CHECKING	\$65.95

JASON E CARDIFF  
 ██████████  
 UPLAND CA 91784

<b>ARROWHEAD CHECKING - ID ██████████</b>		Last Year Dividends Earned: \$0.00		YTD Dividends Earned: \$0.00	
Beginning Balance	+ Deposits & Other Credits (0)	- Checks (1)	- Other Withdrawals (3)	=	Ending Balance
\$237.00	\$0.00	\$100.00	\$71.05		\$65.95

Date	Amount	New Balance	Transaction Description
05/01		237.00	Balance Forward
05/06	-21.05	215.95	Withdrawal ACH HARLAND CLARKE TYPE: CHK ORDER ID: ██████████ CO: HARLAND CLARKE
05/26	-25.00	190.95	Withdrawal ACH COINBASE.COM TYPE: ██████████ ID: ██████████ CO: COINBASE.COM
05/27	-25.00	165.95	Withdrawal ACH COINBASE.COM TYPE: ██████████ ID: ██████████ CO: COINBASE.COM
05/27	-100.00	65.95	Check 101

**Summary of Cleared Checks:** \* Indicates check number out of sequence or duplicated. e Indicates Electronic Check.

CHECK #	DATE	AMOUNT
101	05/27	100.00



Member Number	Statement Period	Page
██████████ 4190	06/01/20 Thru 06/30/20	1 of 1

ACCOUNT SUMMARY	
██████████ ARROWHEAD CHECKING	\$40.95

JASON E CARDIFF  
 ██████████  
 UPLAND CA 91784

<b>ARROWHEAD CHECKING - ID ██████████</b>		Last Year Dividends Earned: \$0.00		YTD Dividends Earned: \$0.00	
Beginning Balance	+ Deposits & Other Credits (0)	- Checks (0)	- Other Withdrawals (1)	=	Ending Balance
\$65.95	\$0.00	\$0.00	\$25.00		\$40.95

Date	Amount	New Balance	Transaction Description
06/01		65.95	Balance Forward
06/01	-25.00	40.95	Withdrawal ACH COINBASE.COM TYPE: ██████████ ID: ██████████ CO: COINBASE.COM

# EXHIBIT 4



**Subject:** docs cardiff  
**From:** Jason Cardiff <jc@vplmedical.com>  
**Date:** 6/18/2020, 11:34 AM  
**To:** "Kalra, Ronita" <ronita.kalra@elliman.com>, Eunjung Lee <eunjlee26@yahoo.com>, kaicardiff@yahoo.com

please ignore the first batch this is final

--

Jason Cardiff  
Here to Help, Viral Protection Labs  
9007 Arrow Route  
Rancho Cucamonga Ca 91730  
Cell  
Office  
[www.vplmedical.com](http://www.vplmedical.com)

accout letter.png

CLIENT CARDIFF.pdf	57.1 KB
bank stpersonal.pdf	115 KB
eunjung cardiff cdl.JPG	330 KB
bb app.pdf	1.4 MB
financials thru May 31, 2020.pdf	359 KB
June 16 lettersteve.pdf	69.2 KB
hhs contract.pdf	1.8 MB
jc id .jpg	2.0 MB
kai cardiff fed id.JPG	238 KB
jc tax.pdf	897 KB
letter of rec.pdf	130 KB
letter of recomenda.pdf	370 KB
letter of recomendation james white.pdf	52.5 KB
phil letter of rec.pdf	90.8 KB
may vpl chase.pdf	77.5 KB
jc lease.pdf	4.0 MB

# EXHIBIT 5



Member Number	Statement Period	Page
4190	04/01/20 Thru 04/30/20	1 of 1

ACCOUNT SUMMARY	
ARROWHEAD CHECKING	\$100,237.00

JASON E CARDIFF  
UPLAND CA 91784

## Member Assistance Program

If you've been affected by COVID-19, you're not in this alone. We have financial assistance programs to help.

Learn more at [arrowheadcu.org/update](http://arrowheadcu.org/update)



\* Restrictions May Apply

<b>ARROWHEAD CHECKING - ID</b>		<b>Last Year Dividends Earned: \$0.00</b>		<b>YTD Dividends Earned: \$0.00</b>				
<b>Beginning Balance</b>	<b>+</b>	<b>Deposits &amp; Other Credits (2)</b>	<b>-</b>	<b>Checks (0)</b>	<b>-</b>	<b>Other Withdrawals (2)</b>	<b>=</b>	<b>Ending Balance</b>
\$100,035.00		\$4,202.00		\$0.00		\$4,000.00		\$100,237.00

Date	Amount	New Balance	Transaction Description
04/01		100,035.00	Balance Forward
04/13	1,302.00	100,337.00	Deposit ACH IRS TREAS 310 TYPE: TAX REF ID: [REDACTED] CO: IRS TREAS 310
04/17	2,900.00	104,237.00	Deposit ACH IRS TREAS 310 TYPE: TAX REF ID: [REDACTED] CO: IRS TREAS 310
04/23	-1,000.00	103,237.00	Withdrawal
04/29	-3,000.00	237.00	Withdrawal



Member Number	Statement Period	Page
4190	05/01/20 Thru 05/31/20	1 of 1

ACCOUNT SUMMARY	
ARROWHEAD CHECKING	\$100,065.95

JASON E CARDIFF  
UPLAND CA 91784

## Member Assistance Program

If you've been affected by COVID-19, you're not in this alone. We have financial assistance programs to help.

Learn more at [arrowheadcu.org/update](http://arrowheadcu.org/update)



\* Restrictions May Apply

ARROWHEAD CHECKING - ID		Last Year Dividends Earned: \$0.00		YTD Dividends Earned: \$0.00				
Beginning Balance	+	Deposits & Other Credits (0)	-	Checks (1)	-	Other Withdrawals (3)	=	Ending Balance
\$100,237.00		\$0.00		\$100.00		\$71.05		\$100,065.95

Date	Amount	New Balance	Transaction Description
05/01		100,237.00	Balance Forward
05/06	-21.05	100,215.95	Withdrawal ACH HARLAND CLARKE TYPE: CHK ORDER ID: [REDACTED] CO: HARLAND CLARKE
05/26	-25.00	100,190.95	Withdrawal ACH COINBASE.COM TYPE: [REDACTED] ID: [REDACTED] CO: COINBASE.COM
05/27	-25.00	100,165.95	Withdrawal ACH COINBASE.COM TYPE: [REDACTED] ID: [REDACTED] CO: COINBASE.COM
05/27	-100.00	100,065.95	Check 101

**Summary of Cleared Checks:** \* Indicates check number out of sequence or duplicated. e Indicates Electronic Check.

CHECK #	DATE	AMOUNT
101	05/27	100.00

# EXHIBIT 6

June 15, 2020

Dear Ms: Kalra

I write to support Jason and Eunjung Cardiff's application to lease your property at 523 B East 85<sup>th</sup> NY, NY 10028.

I have known both Jason and Eunjung Cardiff for about a year and have spent a good bit of time getting to know them on both a personal and professional basis.

They are both incredible people in their own right. I think it is a fair statement to say that they got caught up in a lawsuit brought by the Federal Trade Commission (the "FTC") that cost them a business that was becoming incredibly successful on a national level. Jason can tell you more about the details but the bottom line the Cardiff's invested millions in a concept of developing thin strip technology as an alternative to taking pills or injections for tobacco cessation, weight loss and other issues. There was an overwhelming show of support by consumers such that CVS became a distributor of the tobacco cessation products. The Federal Trade Commission decided to challenge the technology rather than work with the Cardiff's to satisfy any issues regarding the products.

My firm challenged the FTC's statutory authority and won on appeal before the Seventh Circuit Court of Appeals. In *FTC v. Credit Bureau Center*, 937 F.3d 764 (7<sup>th</sup> Cir. 2019), the Court ruled that the FTC lacked statutory authority under Section 13(b) of the FTC Act to seek restitution (i.e. get a judgment). The FTC appealed, but have every reason to believe that the Supreme Court will rule in our favor.

One concern is whether the Cardiff's will be able to pay the rent for your property. Even *assuming* for sake of argument, that the Cardiff's are ultimately responsible for a large judgment (which I think unlikely), the federal government does not have the ability to seize their assets after judgment. They must go through a collection process like any other debtor. In these circumstances, the FTC works out a payment arrangement with someone who has the means to pay over time. Given the millions in contracts signed by Jason, we doubt that there will be a problem in paying his rent.

I have represented white collar criminals over my forty year career, but Jason and Eunjung are not white collar criminals. In fact, they are both very good people who have lived up to their commitments to me. Both are extremely motivated, energetic people who experienced great success *in their own right* before this disastrous encounter with the FTC. Jason has been working on his new company for some time and has achieved remarkable financial success in a short time. One example is a contract with HHS for providing 20,000,000 face masks. He has martialed the capital and human resources and is starting production within the next week. In my experience, very few people come back from losing a business and successfully develop a new company in a different industry. In sum, I think Jason and Eunjung have the character and drive to succeed even in the worst circumstances.

Before divesting myself of real estate, I owned and managed several residential properties, so I know how important it is to attract a high quality client.

I recommend Jason and Eunjung Cardiff without hesitation. If you have any questions or concerns, please do not hesitate to contact me. 1-713-306-8434

Very truly yours,

Stephen R. Cochell



## JAMES D. WHITE, Attorney at Law

Offices in Laguna Beach, Ca. and Sun Valley, Id.

Admitted to Practice in California and Idaho

- 113 Quarter Horse Dr., P.O. Box 367, Bellevue, Idaho, 83313
- E-mail: [jdw@jamesdwhitelaw.com](mailto:jdw@jamesdwhitelaw.com)
- Cell: (949) 697-9236

June 17, 2020

To Whom It May Concern:

I have practiced law for the last 44 years. I consider myself a good judge of character. I refuse to represent clients I do not trust. I write to provide my letter of recommendation to you for Jason Cardiff, his wife, Eunjung, and their young daughter as potential tenants for a residential property they seek to rent from you.

I have visited the Cardiffs' home in southern California on several occasions. They are proud owners and take excellent care of their property and I am sure they would do the same for any property they may rent from you.

I have known the Jason and Eunjung a little over two years as I have represented them in an on-going legal matter adverse to the Federal Trade Commission. I have been impressed by their courage, drive, determination and good humor in these adverse circumstances.

I believe they have been grossly abused by the FTC. In my opinion, the FTC truly is the "Devil Inside the Beltway", a true story about another business ruined by an overzealous FTC. You may wish to add it to your reading list.

Recently, Jason and a close friend have founded a new business which is off to an excellent start and I believe will be very successful. From the very beginning of my relationship with the Cardiffs, I have been impressed by the close family relations they have and nurture and by their dedication to re-build their

Page 2  
June 17, 2020

business lives. I have no doubt they will succeed and I encourage you to consider them as worthy tenants for your property.

Very truly yours,

James D. White