

1 JONATHAN E. NUECHTERLEIN
General Counsel
2 DAVID A. O'TOOLE
dotoole@ftc.gov
3 JOANNIE T. WEI
jwei@ftc.gov
4 Federal Trade Commission
5 55 West Monroe Street, Suite 1825
6 Chicago, Illinois 60603
7 Tel: (312) 960-5634; Fax: (312) 960-5600

8 FAYE CHEN BARNOUW, Cal. Bar. No. 168631
9 fbarnouw@ftc.gov (Local Counsel)
Federal Trade Commission
10 10877 Wilshire Boulevard, Suite 700
11 Los Angeles, California 90024
12 Tel: (310) 824-4343; Fax: (310) 824-4380

13 Attorneys for Plaintiff
14 FEDERAL TRADE COMMISSION

15 UNITED STATES DISTRICT COURT
16 CENTRAL DISTRICT OF CALIFORNIA

17 _____)
18 FEDERAL TRADE COMMISSION,) Case No. CV 13-06794 CAS (CWx)
19) **Order Stipulating to Preliminary**
20 Plaintiff,) **Injunction With Asset Freeze,**
21 v.) **Appointment of a Receiver, and**
22) **Other Equitable Relief**
23)
24 APPLIED MARKETING SCIENCES,)
LLC, a Nevada limited liability)
company, *et al.*,)
25 Defendants.)
26)
27)
28 _____)

1 Plaintiff Federal Trade Commission and Defendants Applied Marketing
2 Sciences, LLC, Standard Registration Corporation, Worldwide Information
3 Systems, Incorporated, and Liam O. Moran, having stipulated to the following
4 terms, and good cause appearing, IT IS HEREBY ORDERED THAT:
5

6 1. The hearing scheduled before this Court on the 7th day of
7 October, 2013, at 10:00 a.m. at the United States Courthouse, United States
8 District Court for the Central District of California, Los Angeles, to show cause, if
9 any, why this Court should not enter a preliminary injunction, pending final ruling
10 on the Complaint, against said Defendants enjoining them from further violations
11 of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a); continuing the freeze of their
12 assets; making the temporary Receiver's appointment permanent; and imposing
13 such additional relief as may be appropriate, is cancelled.
14
15
16

17 2. The FTC and the Defendants have consented to entry of this
18 Stipulated Preliminary Injunction Order. This Court, having considered the
19 Stipulated Preliminary Injunction Order and for other cause appearing, finds that:
20
21

22 **FINDINGS OF FACT**

23 1. This Court has jurisdiction over the subject matter of this case and
24 over all the parties hereto, and venue in this district is proper;
25

26 2. There is good cause to believe that Defendants Applied Marketing
27 Sciences, a Nevada limited liability company, Standard Registration Corp., a
28

1 Nevada corporation, also d/b/a Consolidated Research Authority and CRA,
2 Worldwide Information Systems, Inc., a Nevada corporation, also d/b/a Specific
3 Monitoring Service, SMS, Specific Reporting Service, SRS, Universal Information
4 Services, UIS, Compendium Sampler Services, and CSS, and Liam O. Moran,
5 have engaged and are likely to continue to engage in acts or practices that violate
6 Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and that the FTC is therefore likely
7 to prevail on the merits of this action;
8

9
10 3. There is good cause to believe that consumers will suffer immediate
11 and continuing harm from Defendants' ongoing violations of Section 5(a) of the
12 FTC Act unless Defendants are restrained and enjoined by Order of this Court;
13

14 4. There is good cause to believe that immediate and irreparable damage
15 to the Court's ability to grant effective final relief for consumers in the form of
16 monetary restitution and/or disgorgement of ill-gotten gains will occur from the
17 transfer, dissipation, or concealment by Defendants of their assets or business
18 records unless Defendants are immediately restrained and enjoined by Order of this
19 Court. Therefore, there is good cause for an asset freeze and the appointment of a
20 permanent receiver over the Corporate Defendants;
21

22 6. Weighing the equities and considering the FTC's likelihood of
23 ultimate success, a Preliminary Injunction is in the public interest; and
24
25
26
27
28

1 7. No security is required of any agency of the United States for issuance
2 of a restraining order, Fed. R. Civ. P. 65(c).

3
4 **DEFINITIONS**

5 For the purposes of this Stipulated Preliminary Injunction, the following
6 definitions shall apply:

7
8 1. **“Asset” or “Assets”** means any legal or equitable interest in, right to,
9 or claim to, any real or personal property, including, but not limited to, “goods,”
10 “instruments,” “equipment,” “fixtures,” “general intangibles,” “inventory,”
11 “checks,” or “notes” (as these terms are defined in the Uniform Commercial
12 Code), lines of credit, chattels, leaseholds, contracts, mail or other deliveries,
13 shares of stock, lists of consumer names, accounts, credits, premises, receivables,
14 funds, and all cash, wherever located.

15
16
17 2. **“Assisting others”** includes, but is not limited to: (a) performing
18 customer service functions, including, but not limited to, receiving or responding
19 to consumer complaints; (b) formulating or providing, or arranging for the
20 formulation or provision of, any prize promotion letter, sales script or other
21 marketing material; (c) providing names of, or assisting in the generation of,
22 potential customers; (d) performing or providing marketing or billing services of
23 any kind; (e) acting as an officer or director of a business entity; (f) hosting
24 websites; or (g) processing payments.
25
26
27
28

1 3. **“Corporate Defendants”** means Applied Marketing Sciences, a
2 Nevada limited liability company; Standard Registration Corp., a Nevada
3 corporation, also d/b/a Consolidated Research Authority and CRA; Worldwide
4 Information Systems, Inc., a Nevada corporation, also d/b/a Specific Monitoring
5 Service, SMS, Specific Reporting Service, SRS, Universal Information Services,
6 UIS, Compendium Sampler Services, and CSS; and their successors and assigns,
7 as well as any subsidiaries, and any fictitious business entities or business names
8 created or used by these entities.
9
10

11 4. **“Defendants”** means all of the Individual Defendants and the
12 Corporate Defendants, individually, collectively, or in any combination.
13

14 5. **“Document”** or **“Documents”** means any materials listed in Federal
15 Rule of Civil Procedure 34(a), and includes writings, drawings, graphs, charts,
16 photographs, audio and video recordings, computer records, and other data
17 compilations from the information can be obtained and translated, if necessary,
18 through detection devices into reasonably usable form. A draft or non-identical
19 copy is a separate document within the meaning of the term.
20
21
22

23 6. **“Financial Institution”** means any bank, savings and loan institution,
24 credit union, or any financial depository of any kind, including, but not limited to,
25 any brokerage house, trustee, broker-dealer, escrow agent, title company,
26 commodity trading company, or precious metal dealer.
27
28

1 7. **“Individual Defendant”** means Liam O. Moran, and by whatever
2 other name he may be known.

3 8. **“Person”** means a natural person, an organization or other legal
4 entity, including a corporation, partnership, sole proprietorship, limited liability
5 company, association, cooperative, or any other group or combination acting as an
6 entity.
7
8

9 9. **“Receivership Defendants”** means Applied Marketing Sciences, a
10 Nevada limited liability company; Standard Registration Corp., a Nevada
11 corporation, also d/b/a Consolidated Research Authority and CRA; and Worldwide
12 Information Systems, Inc., a Nevada corporation, also d/b/a Specific Monitoring
13 Service, SMS, Specific Reporting Service, SRS, Universal Information Services,
14 UIS, Compendium Sampler Services, and CSS; and their successors and assigns,
15 as well as any subsidiaries, affiliates, divisions, or sales or customer service
16 operations, and any fictitious business entities or business names created or used
17 by these entities, including, but not limited to, Compendium Media Works, LLC, a
18 Nevada limited liability company, also d/b/a Kaizen Revenue Resources and KRR
19 and Research Production Publishing Inc., a Nevada corporation, also d/b/a SRI.
20
21
22
23

24 **I. PROHIBITED BUSINESS ACTIVITIES**

25 **IT IS THEREFORE ORDERED** that Defendants and their officers,
26 agents, servants, employees, and attorneys, and all other persons in active concert
27
28

1 or participation with any of them who receive actual notice of this Order by
2 personal service or otherwise, whether acting directly or through any corporation,
3 subsidiary, division, or other device, in connection with the advertising, marketing,
4 promotion, offering for sale, or sale of sweepstakes information, are hereby
5 restrained and enjoined from:
6

7 A. Misrepresenting, or assisting others in misrepresenting, directly or
8 indirectly, expressly or by implication, any material fact, including, but not limited
9 to, that consumers who pay Defendants a fee will receive a substantial cash prize;
10
11 and
12

13 B. Failing to disclose, clearly and prominently:

14 1. That such sweepstakes information is being distributed for the
15 purpose of soliciting a purchase, if such is the case, along with a complete
16 description of the goods and services being sold; and
17

18 2. That the consumer to whom the promotion is provided has not
19 won a monetary or any other type of prize, if such is the case.
20

21
22 **II. ASSET FREEZE**

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

1 subsidiary, division, or other device, except as provided herein, as stipulated by the
2 parties, or as directed by further order of the Court, are hereby restrained and
3 enjoined from:

4
5 A. Transferring, liquidating, converting, encumbering, pledging, loaning,
6 selling, concealing, dissipating, disbursing, assigning, spending, withdrawing,
7 granting a lien or security interest or other interest in, or otherwise disposing of any
8 funds, real or personal property, accounts, contracts, shares of stock, lists of
9 consumer names, or other assets, or any interest therein, wherever located,
10 including outside the territorial United States, that are:

11
12
13 1. Owned, controlled, or held by, in whole or in part, for the
14 benefit of, or subject to access by, or belonging to, any Defendant;

15
16 2. In the actual or constructive possession of any Defendant; or

17
18 3. In the actual or constructive possession of, or owned,
19 controlled, or held by, or subject to access by, or belonging to, any other
20 corporation, partnership, trust, or any other entity directly or indirectly owned,
21 managed, or controlled by, or under common control with, any Defendant,
22 including, but not limited to, any assets held by or for any Defendant in any
23 account at any bank or savings and loan institution, or with any credit card
24 processing agent, automated clearing house processor, network transaction
25 processor, bank debit processing agent, customer service agent, commercial mail
26
27
28

1 receiving agency, or mail holding or forwarding company, or any credit union,
2 retirement fund custodian, money market or mutual fund, storage company,
3 trustee, or with any broker-dealer, escrow agent, title company, commodity trading
4 company, precious metal dealer, or other financial institution or depository of any
5 kind, either within or outside the territorial United States;
6

7 B. Opening or causing to be opened any safe deposit boxes, commercial
8 mail boxes, or storage facilities titled in the name of any Defendant, or subject to
9 access by any Defendant or under any Defendant's control, without providing the
10 Commission prior notice and an opportunity to inspect the contents in order to
11 determine that they contain no assets covered by this Section;
12

13 C. Cashing any checks or depositing or processing any payments from
14 customers or clients of Defendants;
15

16 D. Incurring charges or cash advances on any credit card issued in the
17 name, singly or jointly, of any Defendant; or
18

19 E. Incurring liens or encumbrances on real property, personal property,
20 or other assets in the name, singly or jointly, of any Defendant or of any
21 corporation, partnership, or other entity directly or indirectly owned, managed, or
22 controlled by any Defendant.
23

24 Notwithstanding the asset freeze provisions of Section II.A-E above, and
25 subject to prior written agreement with the Commission, Individual Defendant
26
27
28

1 may, upon compliance with Section VI (Financial Statements) infra, pay from his
2 individual personal funds reasonable, usual, ordinary, and necessary living
3 expenses.
4

5 The funds, property, and assets affected by this Section shall include both
6 existing assets and assets acquired after the effective date of this Order.
7

8 **III. DUTIES OF THIRD PARTIES HOLDING DEFENDANTS' ASSETS**

9 **IT IS FURTHER ORDERED** that any financial institution, business entity,
10 or person maintaining or having custody or control of any account or other asset of
11 any Defendant, or any corporation, partnership, or other entity directly or indirectly
12 owned, managed, or controlled by, or under common control with any Defendant,
13 which is served with a copy of this Order, or otherwise has actual or constructive
14 knowledge of this Order, shall:
15
16

17 A. Hold and retain within its control and prohibit the withdrawal,
18 removal, assignment, transfer, pledge, hypothecation, encumbrance, disbursement,
19 dissipation, conversion, sale, liquidation, or other disposal of any of the assets,
20 funds, documents, or other property held by, or under its control:
21
22

23 1. On behalf of, or for the benefit of, any Defendant or any other
24 party subject to Section II above;
25
26
27
28

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

2. In any account maintained in the name of, or for the benefit of, or subject to withdrawal by, any Defendant or other party subject to Section II above; and

3. That are subject to access or use by, or under the signatory power of, any Defendant or other party subject to Section II above;

B. Deny Defendants access to any safe deposit boxes or storage facilities that are either:

1. Titled in the name, individually or jointly, of any Defendant, or other party subject to Section II above; or

2. Subject to access by any Defendant or other party subject to Section II above;

C. Within five (5) days of the date of service of this Order, provide Plaintiff a sworn statement setting forth:

1. The identification number of each account or asset titled in the name, individually or jointly, of any Defendant, or held on behalf of, or for the benefit of, any Defendant or other party subject to Section II above, including all trust accounts managed on behalf of any Defendant or subject to any Defendant's control;

2. The balance of each such account, or a description of the nature and value of such asset;

1 3. The identification and location of any safe deposit box,
2 commercial mail box, or storage facility that is either titled in the name,
3 individually or jointly, of any Defendant, or is otherwise subject to access or
4 control by any Defendant or other party subject to Section II above, whether in
5 whole or in part; and
6

7 4. If the account, safe deposit box, storage facility, or other asset
8 has been closed or removed, the date closed or removed and the balance on said
9 date;
10

11 D. Within five (5) days of a request from Plaintiff, provide Plaintiff
12 copies of all records or other documentation pertaining to each such account or
13 asset, including, but not limited to, originals or copies of account applications,
14 account statements, corporate resolutions, signature cards, checks, drafts, deposit
15 tickets, transfers to and from the accounts, all other debit and credit instruments or
16 slips, currency transaction reports, 1099 forms, and safe deposit box logs; and
17

18 E. This Section shall apply to existing accounts and assets, assets
19 deposited or accounts opened after the effective date of this Order, and any
20 accounts or assets maintained, held or controlled three years prior to the effective
21 date of this Order. This Section shall not prohibit transfers in accordance with any
22 provision of this Order, any further order of the Court, or by written agreement of
23 the parties.
24
25
26
27
28

1 **IV. MAINTAIN RECORDS AND REPORT NEW BUSINESS ACTIVITY**

2 **IT IS FURTHER ORDERED** that Defendants, and their officers, agents,
3 servants, employees, attorneys, and all other persons in active concert or
4 participation with any of them, who receive actual notice of this Order by personal
5 service or otherwise, whether acting directly or through any trust, corporation,
6 subsidiary, division, or other device, are hereby restrained and enjoined from:
7

8
9 A. Failing to create and maintain books, records, accounts, bank
10 statements, current accountants' reports, general ledgers, general journals, cash
11 receipt ledgers, cash disbursement ledgers and source documents, documents
12 indicating title to real or personal property, and any other data which, in reasonable
13 detail, accurately, fairly and completely reflect the incomes, disbursements,
14 transactions, dispositions, and uses of the Defendants' assets;
15
16

17 B. Destroying, erasing, mutilating, concealing, altering, transferring, or
18 otherwise disposing of, in any manner, directly or indirectly, any documents,
19 including electronically-stored materials, that relate in any way to the business
20 practices or business or personal finances of Defendants; to the business practices
21 or finances of entities directly or indirectly under the control of Defendants; or to
22 the business practices or finances of entities directly or indirectly under common
23 control with any other Defendant; and
24
25
26
27
28

1 C. Creating, operating, or exercising any control over any new business
2 entity, whether newly formed or previously inactive, including any partnership,
3 limited partnership, joint venture, sole proprietorship, or corporation, without first
4 providing Plaintiff with a written statement disclosing: (1) the name of the business
5 entity; (2) the address, telephone number, email address, and website address of the
6 business entity; (3) the names of the business entity's officers, directors, principals,
7 managers, and employees; and (4) a detailed description of the business entity's
8 intended activities.
9
10

11
12 **V. PROHIBITION ON DISCLOSING CUSTOMER INFORMATION**

13 **IT IS FURTHER ORDERED** that Defendants, and their officers, agents,
14 servants, employees, attorneys, and all other persons in active concert or
15 participation with any of them, who receive actual notice of this Order by personal
16 service or otherwise, whether acting directly or through any trust, corporation,
17 subsidiary, division, or other device, are hereby restrained and enjoined from:
18

19 A. Selling, renting, leasing, transferring, or otherwise disclosing the
20 name, address, birth date, telephone number, email address, Social Security
21 number, Social Insurance number, credit card number, bank account number, or
22 other financial or identifying personal information of any person from whom or
23 about whom any Defendant obtained such information in connection with activities
24 alleged in Plaintiff's Complaint; and
25
26
27
28

1 B. Benefiting from or using the name, address, birth date, telephone
2 number, email address, Social Security number, Social Insurance number, credit
3 card number, bank account number, or other financial or identifying personal
4 information of any person from whom or about whom any Defendant obtained
5 such information in connection with activities alleged in Plaintiff's Complaint.
6

7 *Provided, however,* that Defendants may disclose such financial or
8 identifying personal information to a law enforcement agency or as required by
9 any law, regulation, or court order.
10

11 **VI. FINANCIAL STATEMENTS**

12 **IT IS FURTHER ORDERED** that, unless previously submitted in full
13 compliance with the TRO, each Defendant shall serve upon counsel for Plaintiff,
14 no later than five (5) business days after entry of this Order, a completed financial
15 statement accurate as of the date of entry of this Order, on the forms served on
16 Defendants with the TRO for Individual Defendants and for Corporate Defendants,
17 as the case may be, signed under penalty of perjury.
18

19 The financial statements shall include assets held outside the territory of the
20 United States, shall be accurate as of the date of the entry of this Order, and shall
21 be verified under oath. Defendants shall attach to these completed financial
22 statements copies of all local, state, provincial, and federal income and property tax
23
24
25
26
27
28

1 returns, with attachments and schedules, as called for by the instructions to the
2 financial statements.

3
4 **VII. PERMANENT RECEIVER**

5 **A. APPOINTMENT OF PERMANENT RECEIVER**

6 **IT IS FURTHER ORDERED** that Robb Evans and Robb Evans and
7 Associates, LLC are appointed Temporary Equity Receiver (“Receiver”) for
8 Receivership Defendants and any of their affiliates, subsidiaries, divisions, or sales
9 or customer service operations, wherever located, including, but not limited to,
10 Compendium Media Works, LLC, a Nevada limited liability company, also d/b/a
11 Kaizen Revenue Resources and KRR and Research Production Publishing Inc., a
12 Nevada corporation, also d/b/a SRI, with the full power of an equity receiver. The
13 Receiver shall be the agent of this Court, and solely the agent of this Court, in
14 acting as Receiver under this Order. The Receiver shall be accountable directly to
15 this Court. The Receiver shall comply with all Local Rules of this Court governing
16 receivers.

17
18
19
20
21 **B. RECEIVERSHIP DUTIES**

22 **IT IS FURTHER ORDERED** that the Receiver is directed and authorized
23 to accomplish the following:
24

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

1 employee, independent contractor, or agent of the Receivership Defendants,
2 including any Individual Defendant, from control of, management of, or
3 participation in, the affairs of the Receivership Defendants;
4

5 2. Take exclusive custody, control, and possession of all assets
6 and documents of, or in the possession, custody, or under the control of, the
7 Receivership Defendants, wherever situated. The Receiver shall have full power to
8 divert mail and to sue for, collect, receive, take in possession, hold, and manage all
9 assets and documents of the Receivership Defendants and other persons or entities
10 whose interests are now held by or under the direction, possession, custody, or
11 control of the Receivership Defendants. Provided, however, that the Receiver shall
12 not attempt to collect any amount from a consumer or to allow the Receivership
13 Defendants to continue to debit or otherwise charge a consumer's account, if the
14 Receiver believes the consumer was a victim of the unfair or deceptive acts or
15 practices alleged in the Complaint in this matter;
16
17
18
19

20 3. Use any means necessary to take possession of and to secure all
21 areas of the business premises of the Receivership Defendants. Such steps may
22 include, but are not limited to, the following as the Receiver deems necessary or
23 advisable: (a) serving this Order; (b) completing a written inventory of all
24 receivership assets; (c) obtaining pertinent information from all employees and
25 other agents of the Receivership Defendants, including, but not limited to, the
26
27
28

1 name, home address, Social Security number, job description, method of
2 compensation, and all accrued and unpaid commissions and compensation of each
3 such employee or agent; (d) videotaping all portions of the locations; (e) securing
4 the locations by changing the locks and disconnecting any computer modems or
5 other means of access to the computer or other records maintained at the locations;
6 (f) requiring any persons present on the premises at the time this Order is served to
7 leave the premises, to provide the Receiver with proof of identification, or to
8 demonstrate to the satisfaction of the Receiver that such persons are not removing
9 from the premises documents or assets of the Receivership Defendants; and/or (g)
10 employ the assistance of law enforcement officers as the Receiver deems necessary
11 to implement the provisions of this Order;
12
13
14
15

16 4. Conserve, hold, and manage all receivership assets, and
17 perform all acts necessary or advisable to preserve the value of those assets, in
18 order to prevent any irreparable loss, damage, or injury to consumers or to
19 creditors of the Receivership Defendants, including, but not limited to, obtaining
20 an accounting of the assets and preventing transfer, withdrawal, or misapplication
21 of assets, and including the authority to liquidate or close out any open securities or
22 commodity futures positions of the Receivership Defendants;
23
24

25 5. Enter into contracts and purchase insurance as advisable or
26 necessary;
27
28

1 6. Prevent the inequitable distribution of assets and determine,
2 adjust, and protect the interests of consumers and creditors who have transacted
3 business with the Receivership Defendants;
4

5 7. Manage and administer the business of the Receivership
6 Defendants until further order of this Court by performing all incidental acts that
7 the Receiver deems to be advisable or necessary, which includes retaining, hiring,
8 or dismissing any employees, independent contractors, or agents;
9

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

15 9. Make payments and disbursements from the receivership estate
16 that are necessary or advisable for carrying out the directions of, or exercising the
17 authority granted by, this Order. The Receiver shall apply to the Court for prior
18 approval of any payment of any debt or obligation incurred by the Receivership
19 Defendants prior to the date of entry of this Order, except payments that the
20 Receiver deems necessary or advisable to secure assets of the Receivership
21 Defendants, such as rental payments;
22
23
24
25
26
27
28

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

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

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

12. Defend, compromise, adjust, or otherwise dispose of any or all actions or proceedings instituted in the past or in the future against the Receiver in his or her role as Receiver, or against the Receivership Defendants that the Receiver deems necessary and advisable to preserve the assets of the Receivership Defendants or that the Receiver deems necessary and advisable to carry out the Receiver’s mandate under this Order;

13. Continue and conduct the business of the Receivership Defendants in such manner, to such extent, and for such duration as the Receiver may in good faith deem to be necessary or appropriate to operate the business profitably and lawfully, if at all; provided, however, that the continuation and conduct of the business shall be conditioned upon the Receiver’s good faith

1 determination that the business can be lawfully operated at a profit using the assets
2 of the receivership estate;

3 14. Issue subpoenas to obtain documents and records pertaining to
4 the receivership, and conduct discovery in this action on behalf of the receivership
5 estate;
6

7 15. Open one or more bank accounts as designated depositories for
8 funds of the Receivership Defendants. The Receiver shall deposit all funds of the
9 Receivership Defendants in such a designated account and shall make all payments
10 and disbursements from the receivership estate from such an account;
11

12 16. Maintain accurate records of all receipts and expenditures that
13 he or she makes as Receiver;
14

15 17. Cooperate with reasonable requests for information or
16 assistance from any state or federal law enforcement agency; and
17

18 18. File reports with the Court on a timely and reasonable basis.
19

20 **C. COOPERATION WITH THE RECEIVER**

21 **IT IS FURTHER ORDERED** that:
22

23 1. Defendants and their officers, agents, servants, employees, and
24 attorneys, and all other persons in active concert or participation with any of them,
25 who receive actual notice of this Order by personal service or otherwise, whether
26 acting directly or through any trust, corporation, subsidiary, division, or other
27
28

1 device, shall fully cooperate with and assist the Receiver. This cooperation and
2 assistance shall include, but not be limited to:

3 a. Providing any information to the Receiver that the
4 Receiver deems necessary to exercising the authority and discharging the
5 responsibilities of the Receiver under this Order;

6 b. Providing any password required to access any computer,
7 electronic file, or telephonic data in any medium; or

8 c. Advising all persons who owe money to the Receivership
9 Defendants that all debts should be paid directly to the Receiver.

10
11
12
13 2. Defendants and their officers, agents, servants, employees, and
14 attorneys, and all other persons in active concert or participation with any of them,
15 who receive actual notice of this Order by personal service or otherwise, whether
16 acting directly or through any trust, corporation, subsidiary, division, or other
17 device, are hereby restrained and enjoined from directly or indirectly:
18

19 a. Transacting any of the business of the Receivership
20 Defendants;

21 b. Destroying, secreting, defacing, transferring, or otherwise
22 altering or disposing of any documents of the Receivership Defendants, including,
23 but not limited to, books, records, accounts, writings, drawings, graphs, charts,
24 photographs, audio and video recordings, computer records, and other data
25
26
27
28

1 compilations, electronically-stored records, or any other records of any kind or
2 nature;

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

7
8
9 d. Excusing debts owed to the Receivership Defendants;

10 e. Failing to notify the Receiver of any asset, including
11 accounts, of the Receivership Defendants held in any name other than the name of
12 the Receivership Defendants, or by any person or entity other than the
13 Receivership Defendants, or failing to provide any assistance or information
14 requested by the Receiver in connection with obtaining possession, custody, or
15 control of such assets;

16
17
18
19 f. Doing any act or refraining from any act whatsoever to
20 interfere with the Receiver's taking custody, control, possession, or managing of
21 the assets or documents subject to this receivership; or to harass or interfere with
22 the Receiver in any way; or to interfere in any manner with the exclusive
23 jurisdiction of this Court over the assets or documents of the Receivership
24 Defendants; or to refuse to cooperate with the Receiver or the Receiver's duly
25
26
27
28

1 authorized agents in the exercise of their duties or authority under any Order of this
2 Court; or

3 g. Filing, or causing to be filed, any petition on behalf of the
4 Receivership Defendants for relief under the United States Bankruptcy Code, 11
5 U.S.C. § 101 et seq., without prior permission from this Court.
6

7 **D. DELIVERY OF RECEIVERSHIP PROPERTY**

8 **IT IS FURTHER ORDERED** that:

9 1. Immediately upon entry of this Order, or within such period as
10 may be permitted by the Receiver, Defendants or any other person or entity shall
11 transfer or deliver possession, custody, and control of the following to the
12 Receiver:
13

14 a. All assets of the Receivership Defendants, including
15 assets subject to repatriation pursuant to Section VIII, *infra*;

16 b. All documents of the Receivership Defendants,
17 including, but not limited to, books and records of accounts, all financial and
18 accounting records, balance sheets, income statements, bank records (including
19 monthly statements, canceled checks, records of wire transfers, and check
20 registers), client lists, title documents and other papers;

21 c. All assets belonging to members of the public now held
22 by the Receivership Defendants; and
23
24
25
26
27
28

1 d. All keys, codes, and passwords necessary to gain or to
2 secure access to any assets or documents of the Receivership Defendants,
3 including, but not limited to, access to their business premises, means of
4 communication, accounts, computer systems, mail boxes, or other property. This
5 includes providing the necessary means to gain access to at least the following
6 commercial mail boxes:
7

- 8
- 9 (i) P.O. Box 98845, Las Vegas, Nevada 89193;
 - 10 (ii) P.O. Box 60187 RPO Fraser, Vancouver, British
11 Columbia, Canada V5W 4B5;
 - 12 (iii) P.O. Box 98849, Las Vegas, Nevada 89193;
 - 13 (iv) 3875-A Telegraph Road, PMB 408, Ventura,
14 California 93003;
 - 15 (v) 2674 East Main Street, Suite E-450, Ventura,
16 California 93003-2829;
 - 17 (vi) P.O. Box 30970, Las Vegas, NV 89173-0970;
 - 18 (vii) P.O. Box 31030, Las Vegas, NV 89173-1030; and
19 (viii) P.O. Box 7267, Ventura, California 93006-7267.

20 2. In the event any person or entity fails to deliver or transfer any
21 receivership asset or document or otherwise fails to comply with any provision of
22 this Section, the Receiver may file *ex parte* an Affidavit of Non-Compliance
23
24
25
26
27
28

1 regarding the failure. Upon filing of the affidavit, the Court may authorize,
2 without additional process or demand, Writs of Possession or Sequestration or
3 other equitable writs requested by the Receiver. The writs shall authorize and
4 direct the United States Marshal or any sheriff or deputy sheriff of any county, or
5 any other federal or state law enforcement officer, to seize the asset, document, or
6 other thing and to deliver it to the Receiver.
7
8

9 **E. TRANSFER OF FUNDS TO THE RECEIVER**

10 **IT IS FURTHER ORDERED** that, upon service of a copy of this Order, all
11 financial institutions, finance companies, commercial lending companies, credit
12 card processing agents or agents providing electronic funds transfer services or
13 automated clearing house processing, brokerage houses, escrow agents, money
14 market or mutual funds, title companies, commodity futures merchants,
15 commodity trading companies, precious metal dealers, trustees, or other financial
16 institutions or depositories of any kind, shall cooperate with all reasonable requests
17 of the Receiver relating to implementation of this Order, including transferring
18 funds at his or her direction and producing records related to the assets of the
19 Receivership Defendants.
20
21
22
23

24 **F. STAY OF ACTIONS**

25 **IT IS FURTHER ORDERED** that:
26
27
28

1 1. Except by leave of this Court, during pendency of the
2 receivership ordered herein, Defendants and all other persons and entities be and
3 hereby are stayed from taking any action to establish or enforce any claim, right, or
4 interest for, against, on behalf of, in, or in the name of, the Receivership
5 Defendants, any of its subsidiaries, affiliates, partnerships, assets, documents, or
6 the Receiver or the Receiver's duly authorized agents acting in their capacities as
7 such, including, but not limited to, the following actions:
8

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

13 b. Accelerating the due date of any obligation or claimed
14 obligation; filing, perfecting or enforcing any lien; taking or attempting to take
15 possession, custody, or control of any asset; attempting to foreclose, forfeit, alter,
16 or terminate any interest in any asset, whether such acts are part of a judicial
17 proceeding, are acts of self-help, or otherwise, or setoff of any debt owing to the
18 Receivership Defendants that arose before the date of this Order against any claim
19 against the Receivership Defendants;
20

21 c. Executing, issuing, serving, or causing the execution,
22 issuance or service of, any legal process, including, but not limited to, attachments,
23
24
25
26
27
28

1 garnishments, subpoenas, writs of replevin, writs of execution, or any other form
2 of process whether specified in this Order or not; or

3 d. Doing any act or thing whatsoever to interfere with the
4 Receiver taking custody, control, possession, or management of the assets or
5 documents subject to this receivership, or to harass or interfere with the Receiver
6 in any way, or to interfere in any manner with the exclusive jurisdiction of this
7 Court over the assets or documents of the Receivership Defendants.
8

9
10 2. This Order does not stay:

11 a. The commencement or continuation of a criminal action
12 or proceeding;

13 b. The commencement or continuation of an action or
14 proceeding by a governmental unit to enforce such governmental unit's police or
15 regulatory power; or

16 c. The enforcement of a judgment, other than a money
17 judgment, obtained in an action or proceeding by a governmental unit to enforce
18 such governmental unit's police or regulatory power.
19

20 3. Except as otherwise provided in this Order, all persons and
21 entities in need of documentation from the Receiver shall in all instances first
22 attempt to secure such information by submitting a formal written request to the
23 Receiver, and, if such request has not been responded to within thirty (30) days of
24
25
26
27
28

1 receipt by the Receiver, any such person or entity may thereafter seek an Order of
2 this Court with regard to the relief requested.

3 **G. COMPENSATION OF RECEIVER**

4 **IT IS FURTHER ORDERED** that the Receiver and all personnel hired by
5 the Receiver as herein authorized, including counsel to the Receiver and
6 accountants, are entitled to reasonable compensation for the performance of duties
7 pursuant to this Order and for the cost of actual out-of-pocket expenses incurred by
8 them, from the assets now held by, or in the possession or control of, or which may
9 be received by the Receivership Defendants. The Receiver shall file with the
10 Court and serve on the parties periodic requests for the payment of such reasonable
11 compensation, with the first such request filed no more than sixty (60) days after
12 the date of this Order. The Receiver shall not increase the hourly rates used as the
13 bases for such fee applications without prior approval of the Court.
14
15
16
17
18

19 **VIII. REPATRIATION OF ASSETS AND DOCUMENTS**

20 **IT IS FURTHER ORDERED** that Defendants shall:

21 A. Unless previously completed in full compliance with the TRO entered
22 in this case on September 17, 2013, within three (3) business days following entry
23 of this Order, take such steps as are necessary to repatriate to the territory of the
24 United States of America all documents and assets that are located outside such
25
26
27
28

1 territory and are held by or for Defendants or are under Defendants' direct or
2 indirect control, jointly, severally, or individually;

3 B. Unless previously completed in full compliance with the TRO entered
4 in this case on September 17, 2013, within three (3) business days following entry
5 of this Order, provide Plaintiff with a full accounting of all documents and assets
6 that are located outside of the territory of the United States of America or that have
7 been transferred to the territory of the United States of America pursuant to
8 Subsection A above and are held by or for any Defendant or are under any
9 Defendant's direct or indirect control, jointly, severally, or individually, including
10 the addresses and names of any foreign or domestic financial institution or other
11 entity holding the documents and assets, along with the account numbers and
12 balances;
13
14
15
16

17 C. Hold and retain all such documents and assets and prevent any
18 transfer, disposition, or dissipation whatsoever of any such documents or assets;
19 and
20

21 D. Unless previously completed in full compliance with the TRO entered
22 in this case on September 17, 2013, within three (3) business days following entry
23 of this Order, provide Plaintiff access to Defendants' records and documents held
24 by financial institutions or other entities outside the territory of the United States of
25
26
27
28

1 America, by signing and delivering to Plaintiff’s counsel the Consent to Release of
2 Financial Records attached to this Order as Attachment A.

3 **IX. INTERFERENCE WITH REPATRIATION**

4 **IT IS FURTHER ORDERED** that Defendants are hereby restrained and
5 enjoined from taking any action, directly or indirectly, which may result in the
6 encumbrance or dissipation of foreign assets, or in the hindrance of the repatriation
7 required by the preceding Section VIII of this Order, including, but not limited to:
8

9 A. Sending any statement, letter, facsimile, email or wire transmission, or
10 telephoning or engaging in any other act, directly or indirectly, that results in a
11 determination by a foreign trustee or other entity that a “duress” event has occurred
12 under the terms of a foreign trust agreement, until such time that assets have been
13 fully repatriated pursuant to the preceding Section of this Order; and
14

15 B. Notifying any trustee, protector or other agent of any foreign trust or
16 other related entities of either the existence of this Order, or of the fact that
17 repatriation is required pursuant to a Court Order, until such time as assets have
18 been fully repatriated pursuant to the preceding Section of this Order.
19
20
21
22

23 **X. EXPEDITED DISCOVERY**

24 **IT IS FURTHER ORDERED** that pursuant to Federal Rules of Civil
25 Procedure 30(a), 31(a), 34, and 45, and notwithstanding the provisions of Federal
26
27
28

1 Rules of Civil Procedure 26(d) and (f), 30(a)(2)(A), and 31(a)(2)(A), the parties are
2 granted leave, at any time after entry of this Order to:

3 A. Take the deposition of any person, whether or not a party, for the
4 purpose of discovering the nature, location, status, and extent of the assets of
5 Defendants, and Defendants' affiliates and subsidiaries; the nature and location of
6 documents reflecting the business transactions of Defendants, and Defendants'
7 affiliates and subsidiaries; the location of any premises where Defendants, directly
8 or through any third party, conduct business operations; the Defendants'
9 whereabouts; and/or the applicability of any evidentiary privileges to this action;
10 and
11

12 B. Demand the production of documents from any person, whether or not
13 a party, relating to the nature, status, and extent of the assets of Defendants, and
14 Defendants' affiliates and subsidiaries; the nature and location of documents
15 reflecting the business transactions of Defendants, and Defendants' affiliates and
16 subsidiaries; the location of any premises where Defendants, directly or through
17 any third party, conduct business operations; the Defendants' whereabouts; and/or
18 the applicability of any evidentiary privileges to this action.
19
20
21
22
23

24 Three (3) days notice shall be deemed sufficient for any such deposition,
25 five (5) days notice shall be deemed sufficient for the production of any such
26 documents, and twenty-four (24) hours notice shall be deemed sufficient for the
27
28

1 production of any such documents that are maintained or stored only as electronic
2 data. The provisions of this Section shall apply both to parties to this case and to
3 non-parties. The limitations and conditions set forth in Federal Rules of Civil
4 Procedure 30(a)(2)(A)(ii) and 31(a)(2)(A)(ii) regarding subsequent depositions of
5 an individual shall not apply to depositions taken pursuant to this Section. Any
6 such depositions taken pursuant to this Section shall not be counted toward any
7 limit on the number of depositions under the Federal Rules of Civil Procedure or
8 the Local Rules of the Central District of California, including those set forth in
9 Federal Rules of Civil Procedure 30(a)(2)(A) and 31(a)(2)(A). Service of
10 discovery upon a party, taken pursuant to this Section, shall be sufficient if made
11 through the means described in Section XIII of this Order.
12
13
14
15

16 **XII. DISTRIBUTION OF ORDER BY DEFENDANTS**

17 **IT IS FURTHER ORDERED** that Defendants shall immediately provide a
18 copy of this Order to each of their corporations, subsidiaries, affiliates, divisions,
19 directors, officers, agents, partners, successors, assigns, employees, attorneys,
20 agents, representatives, sales entities, sales persons, telemarketers, independent
21 contractors, and any other persons in active concert or participation with them.
22
23 Within five (5) calendar days following entry of this Order, each Defendant shall
24 file with this Court and serve on Plaintiff, an affidavit identifying the names, titles,
25
26
27
28

1 addresses, and telephone numbers of the persons that Defendants have served with
2 a copy of this Order in compliance with this provision.
3

4
5 **XIII. SERVICE OF THIS ORDER**

6 **IT IS FURTHER ORDERED** that copies of this Order may be distributed
7 by United States First Class Mail, overnight delivery, facsimile, electronic mail, or
8 personally, by agents or employees of Plaintiff, by agents or employees of the
9 Receiver, by any law enforcement agency, or by private process server, upon any
10 person, financial institution, or other entity that may have possession or control of
11 any property, property right, document, or asset of any Defendant, or that may be
12 subject to any provision of this Order. Service upon any branch or office of any
13 financial institution or entity shall effect service upon the entire financial
14 institution or entity.
15
16
17
18
19

20 **XIV. CONSUMER REPORTING AGENCIES**

21 **IT IS FURTHER ORDERED** that, pursuant to Section 604 of the Fair
22 Credit Reporting Act, 15 U.S.C. § 1681b, any consumer reporting agency may
23 furnish a consumer or credit report concerning any Defendant to Plaintiff.
24
25
26

27 **XV. JURISDICTION**
28

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

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

IT IS SO ORDERED, this 30th day of September, 2013.



Hon. Christina A. Snyder
United States District Judge