

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

Case No. 09-cv-61840 Seitz/O'Sullivan

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

1<sup>st</sup> GUARANTY MORTGAGE CORP., *et al.*,

Defendants.

**STIPULATED PRELIMINARY INJUNCTION**

Plaintiff, Federal Trade Commission ("FTC" or the "Commission") commenced this action on November 17, 2009, pursuant to Sections 13(b) and 19 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b) and 57b, Section 410(b) of the Credit Repair Organizations Act, 15 U.S.C. § 1679h(b), and the Telemarketing and Consumer Fraud and Abuse Prevention Act ("Telemarketing Act"), 15 U.S.C. §§ 6101-6108. On motion by the FTC, this Court, on November 17, 2009, issued an *ex parte* temporary restraining order ("TRO") with asset freeze, appointment of a temporary receiver, and other equitable relief. The FTC and Defendant Stephen Lalonde stipulate and agree to entry of this preliminary injunction order ("Order").

WHEREFORE, it is stipulated, agreed, and ordered as follows:

**FINDINGS**

1. This Court has jurisdiction over the subject matter of this case, and there is good cause to believe that it will have jurisdiction over all parties hereto.

2. There is good cause to believe that venue lies properly with this Court.
3. The FTC has alleged in its complaint that:
  - a. Defendants 1<sup>st</sup> Guaranty, Spectrum, Stephen Lalonde, and Amy Lalonde, have misrepresented that they would obtain refinanced home mortgage loans for consumers and use the proceeds of those loans to pay off fully and promptly consumers' existing mortgage loans;
  - b. Defendants 1st Guaranty, Crossland, Scoreleaper, Stephen Lalonde, and Michael Petroski have misrepresented that they can remove truthful, negative items from consumers' credit reports, and thereby substantially improve the consumers' credit scores, and use the improved scores to obtain successfully home mortgages for the consumers;
  - c. Defendants 1st Guaranty, Crossland, Scoreleaper, Stephen Lalonde, and Michael Petroski have charged or received money or other valuable consideration for the performance of credit repair services before such services were fully performed, and requested and received advance payments for loans or other extension of credit, which they have guaranteed or represented they can obtain with a high likelihood of success; and
  - d. Defendants 1st Guaranty, Crossland, Scoreleaper, Stephen Lalonde, and Michael Petroski have misrepresented that they will obtain for consumers mortgage home modifications that will make consumers' mortgage payments more affordable.
4. Weighing the equities and considering the Commission's substantial likelihood of success on the merits, issuance of a preliminary injunction requiring an immediate freeze and accounting of assets, preserving business records, and providing other equitable relief is in the public interest.

5. As an agency of the United States, the FTC need not post a security for the issuance of a preliminary injunction. Fed.R.Civ.P. 65(c).

#### DEFINITIONS

For the purposes of this Preliminary Injunction, the following definitions apply:

1. **“Assets”** means any legal or equitable interest in, right to, or claim to, any and all real and personal property of Defendants, or held for the benefit of Defendants, including but not limited to chattel, goods, instruments, equipment, fixtures, general intangibles, effects, leaseholds, inventory, checks, notes, accounts, credits, receivables, shares of stock, contracts, and all cash and currency, or other assets, or any interest therein, wherever located.

2. **“Corporate Defendants”** means 1<sup>st</sup> Guaranty Mortgage Corporation, Corp., Spectrum Title, Inc., Crossland Credit Consulting Corp., and Scoreleaper, L.L.C., and their successors, assigns, and d/b/a's.

3. **“Credit repair service”** means any service, in return for payment of money or other consideration, for the express or implied purpose of: (1) improving any consumer's credit record, credit history, or credit rating; or (2) providing advice or assistance to any consumer with regard to any activity or service the purpose of which is to improve a consumer's credit record, credit history, or credit rating.

4. **“Credit-related product, program, or service”** means any product, program, or service which is advertised, offered for sale, or sold to consumers as a method by which consumers may establish or obtain any extension of credit or credit device, including, but not limited to, credit cards, loans, or financing, or as a method to consolidate or liquidate debts.

5. **“Defendant”** means Stephen Lalonde.
6. **“Defendants”** means all of the Individual Defendants and Corporate Defendants, individually, collectively, or in any combination.
7. **“Document”** is synonymous in meaning and equal in scope to the terms “document” and “electronically stored information,” as described and used in Federal Rule of Civil Procedure 34(a)(1)(A).
8. **“Financial Institution”** means any bank, savings and loan institution, credit union, or any financial depository of any kind, including, but not limited to, any brokerage house, trustee, broker-dealer, escrow agent, title company, commodity trading company, or precious metal dealer.
9. **“Individual Defendants”** means Stephen Lalonde, Amy Lalonde, and Michael Petroski and by whatever other names each may be known.
10. **“Mortgage loan modification service”** means any service, product, or program that is represented, expressly or by implication, to assist a homeowner in any manner to: (A) obtain or arrange a modification of any term of a home loan, deed of trust, or mortgage; (B) obtain or arrange a refinancing, recapitalization, or reinstatement of a home loan, deed of trust, or mortgage; (C) obtain or arrange a pre-foreclosure sale, short sale, or deed-in-lieu of foreclosure; (D) stop, prevent, or postpone any home mortgage or deed of trust foreclosure sale; (E) obtain any forbearance from any beneficiary or mortgagee; (F) obtain a loan or advance of funds that is connected to the consumer’s home ownership; (G) avoid or ameliorate the impairment of the homeowner’s credit standing, credit rating or credit profile; (H) examine, audit or evaluate any term of a home loan, deed of trust or mortgage; or (I) save the consumer's residence from foreclosure.

11. **“Plaintiff”** means the Federal Trade Commission (“Commission” or “FTC”).

12. **“Receivership Defendants”** means 1<sup>st</sup> Guaranty Mortgage Corp., Crossland Credit Consulting Corp., Spectrum Title, Inc., and Scoreleaper, L.L.C., and their successors, assigns, and d/b/a’s.

13. **“Telemarketing”** means any plan, program or campaign (whether or not covered by the TSR, 16 C.F.R. Part 310) that is conducted to induce the purchase of goods or services by means of the use of one or more telephones.

14. **“Receiver”** means Mark Raymond, the receiver appointed by the Court in Section XI of the Temporary Restraining Order issued on November 17, 2009. The term “Receiver” also includes any deputy receivers or agents as may be named by the Receiver.

## **ORDER**

### **I.**

#### **INJUNCTION AGAINST MISREPRESENTATIONS**

**IT IS THEREFORE ORDERED** that, in connection with the advertising, marketing, promotion, offering for sale or sale of any mortgage, credit repair service, credit-related product, program, or service, or mortgage loan modification service, the Defendant, and each of his agents, servants, employees, and attorneys, and those persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any entity, corporation, subsidiary, division, affiliate or other device, are hereby restrained and enjoined from misrepresenting, or from assisting others who are misrepresenting, either orally or in writing, expressly or by implication:

A. That the Defendant or any other person will:

1. Obtain refinanced home mortgage loans for consumers and use the proceeds from those loans to pay off consumers' existing mortgage loans fully and promptly;

2. Remove truthful, negative items from consumers' credit reports, and thereby substantially improve the consumers' credit scores and use the improved scores to obtain successfully home mortgages for the consumers;

3. Remove negative items from consumers' credit reports, even if the reports are accurate, by challenging such items with dispute letters to the credit reporting agencies;

4. Raise consumers' credit scores within 30 to 120 days to levels that will enable consumers to obtain home mortgages;

5. Repair consumers' credit based solely on consumers' oral statements and a cursory review of summary information in consumers' credit reports, and without looking at documents underlying such reports;

6. Obtain for consumers mortgage loan modifications that will make consumers' mortgage payments substantially more affordable;

7. Guarantee a loan modification or obtain a loan modification with a high likelihood of success;

8. Obtain a loan modification based solely on consumers' oral statements and a cursory review of summary information in consumers' credit reports, and without looking at documents underlying such reports; and

9. Obtain within as little as two weeks modified loans for consumers with substantially reduced interest rates and/or monthly payments.

B. The terms that any beneficiary, mortgagee, or other home-loan holder will or is likely to offer or accept to cure any delinquency or default on, or to reinstate or modify, any mortgage, deed of trust, or other home loan;

C. The amount of time it will take or is likely to take to obtain or arrange a modification of any term of a consumer's home loan, deed of trust, or mortgage, including any recapitalization or reinstatement agreement;

D. The refund policy of the Defendant or any other person, including but not limited to the likelihood of a consumer obtaining a full or partial refund, or the circumstances in which a full or partial refund will be granted to the consumer; or

E. Any other material fact.

## II.

### **PROHIBITED BUSINESS ACTIVITIES PURSUANT TO THE CREDIT REPAIR ORGANIZATIONS ACT**

**IT IS FURTHER ORDERED** that, in connection with the advertising, marketing, promotion, offering for sale, or sale of any credit repair service to consumers, the Defendant, and each of his agents, servants, employees, and attorneys, and those persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any entity, corporation, subsidiary, division, affiliate or other device, are hereby restrained and enjoined from violating, or assisting others in violating the Credit

Repair Organizations Act, 15 U.S.C. §§ 1679-1679j, as presently enacted or as it may hereinafter be amended, by, including, but not limited to:

A. Making or using untrue or misleading statements to induce consumers to purchase credit repair services, including, but not limited to, the representation that Defendants can remove truthful, negative items from consumers' credit reports, and thereby substantially improve the consumers' credit scores and use the improved scores to obtain successfully home mortgages for the consumers, in violation of 15 U.S.C. § 1679b(a)(3), or

B. Charging or receiving money or other valuable consideration for the performance of credit repair services that Defendants have agreed to perform before all such services have been fully performed, in violation of 15 U.S.C. § 1679b(b).

### III.

#### **PROHIBITED BUSINESS ACTIVITIES PURSUANT TO THE TELEMARKETING SALES RULE**

**IT IS FURTHER ORDERED** that, in connection with the advertising, marketing, promotion, offering for sale or sale of any mortgage, credit repair service, credit-related product, program, or service, or mortgage loan modification service to consumers, the Defendant, and each of his agents, servants, employees, and attorneys, and those persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any entity, corporation, subsidiary, division, affiliate or other device, are hereby restrained and enjoined from violating, or assisting others in violating, any provision of the Telemarketing Sales Rule ("TSR"), 16 C.F.R. Part 310, as presently enacted or as it may hereinafter be amended, by, including, but not limited to, requesting or receiving payment of any fee or



consideration in advance of obtaining a loan or other extension of credit when the seller or telemarketer has guaranteed or represented a high likelihood of success in obtaining or arranging a loan or other extension of credit for a person, in violation of Section 310.4(a)(4) of the TSR, 16 C.F.R. § 310.4(a)(4).

**IV.**

**ASSET FREEZE**

**IT IS FURTHER ORDERED** that the Defendant is hereby restrained and enjoined from directly or indirectly:

A. Transferring, operating, liquidating, converting, encumbering, pledging, loaning, selling, concealing, dissipating, disbursing, assigning, spending, withdrawing, granting a lien or security interest or other interest in, or otherwise disposing of any funds, real or personal property, accounts, contracts, consumer lists, or any other assets, or any interest therein, wherever located, including outside the United States, that are (1) owned or controlled, directly or indirectly, by the Defendant, in whole or in part, or held, in whole or in part for the benefit of the Defendant; (2) in the actual or constructive possession of the Defendant; or (3) owned, controlled by, or in the actual or constructive possession of any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by, or under common control with the Defendant, including, but not limited to, any assets of CapSouth, L.L.C., Closed First, Inc., Delta Asset Management, Inc., Delta Financial Management, Crossland Property Management, Inc., Ok Close Inc., and any assets held by, for, or under the name of the Defendant at any bank, savings and loan institution, or bank of the Defendant,

or with any broker-dealer, escrow agent, title company, commodity trading company, precious metal dealer, or other financial institution or depository of any kind;

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

C. Incurring charges or cash advances on any credit card, debit card, or checking card issued in the name, singly or jointly, of the Defendant;

D. Obtaining a personal or secured loan;

E. Incurring liens or encumbrances on real property, personal property or other assets in the name, singly or jointly, of the Defendant; and

F. Cashing any checks from consumers, clients, or customers of the Defendant.

The assets affected by this Section shall include (a) all assets of the Defendant as of the date the TRO was filed (November 17, 2009); and (b) any assets obtained after November 17, 2009, derived from conduct alleged in the FTC's complaint.

## V.

### FINANCIAL REPORTS AND ACCOUNTING

**IT IS FURTHER ORDERED** that to the extent Defendant has failed to provide any of the materials required by Section VII of this Court's November 17, 2009 TRO, Defendant shall immediately:

A. Prepare and serve on counsel for Plaintiff and the Receiver, after service of this Order, completed financial statements fully disclosing his finances and those of all corporations, partnerships, trusts or other entities that he owns, controls, or is associated with in any capacity,

jointly or individually, including, but not limited to, CapSouth, L.L.C., Closed First, Inc., Delta Asset Management, Inc., and Delta Financial Management, on the forms attached to this Order as Attachments A and B, accurate as of the date of service of this Order upon Defendant;

B. Prepare and serve on counsel for Plaintiff and the Receiver, after service of this Order, copies of signed and completed federal and state income tax forms, including all schedules and attachments for the three most recent filing years;

C. Provide access to records and documents held by financial institutions outside the territory of the United States, by signing the Consent to Release of Financial Records attached to this Order as Attachment C, immediately upon service of this Order upon them, or within such time as permitted by the Receiver or counsel for Plaintiff in writing; and

D. Provide copies of such other financial statements as the Receiver or Plaintiff may request in order to monitor the Defendant's compliance with the provisions of this Order.

## VI.

### **RETENTION OF ASSETS AND RECORDS BY FINANCIAL INSTITUTIONS AND OTHER THIRD PARTIES**

**IT IS FURTHER ORDERED** that any financial or brokerage institution or depository, escrow agent, title company, commodity trading company, trust, entity, or person that holds, controls, or maintains custody of any account or asset owned or controlled by the Defendant, or has held, controlled, or maintained any account or asset of, or on behalf of, the Defendant at any time since January 1, 2007, upon service with a copy of this Order, shall:

A. Hold and retain within its control and prohibit Defendant from withdrawing, removing, assigning, transferring, pledging, encumbering, disbursing, dissipating, converting,

selling, gifting, or otherwise disposing of any of the assets, funds, or other property held by or on behalf of the Defendant in any account maintained in the name of, or for the benefit of, the Defendant, in whole or in part, except:

1. As directed by further order of the Court; or
2. As directed in writing by the Receiver (regarding assets held in the name of, or

for the benefit of, the Defendant).

B. Deny the Defendant access to any safe deposit box titled in the name of the Defendant, individually or jointly, or subject to access by the Defendant, whether directly or indirectly.

C. Provide counsel for Plaintiff and the Receiver, within three (3) business days after being served with a copy of this Order, a certified statement setting forth:

1. The identification number of each such account or asset titled: (a) in the name, individually or jointly, of the Defendant; (b) held on behalf of, or for the benefit of, the Defendant; (c) owned or controlled by the Defendant; or (d) otherwise subject to access by the Defendant, directly or indirectly;

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

3. The identification of any safe deposit box that is either titled in the name of the Defendant, or is otherwise subject to access by the Defendant; and

4. If an account, safe deposit box, or other asset has been closed or removed, the date closed or removed, the balance on such date, and the manner in which such account or asset was closed or removed.

D. Provide counsel for Plaintiff and the Receiver, within three (3) business days after being served with a request, copies of all documents pertaining to such account or asset, including, but not limited to, originals or copies of account applications, account statements, signature cards, checks, drafts, deposit tickets, transfers to and from the accounts, all other debit and credit instruments or slips, currency transaction reports, 1099 forms, and safe deposit box logs; provided that such institution or custodian may charge a reasonable fee.

E. Cooperate with all reasonable requests of the Receiver relating to this Order's implementation.

## VII.

### REPATRIATION OF FOREIGN ASSETS

**IT IS FURTHER ORDERED** that, to the extent the Defendant has failed to fully comply with Section IX of the TRO, the Defendant shall immediately:

A. Provide counsel for Plaintiff and the Receiver with a full accounting of all funds and assets outside of the territory of the United States which are held either: (1) by the Defendant; (2) for the benefit of the Defendant; or (3) under direct or indirect control, individually or jointly, of the Defendant, as required by the forms included in Attachments A and B;

B. Transfer to the territory of the United States all such funds and assets in foreign countries; and

C. Hold and retain all repatriated funds and assets, and prevent any disposition, transfer, or dissipation whatsoever of any such assets or funds, except as required by this Order.

### VIII.

#### NON-INTERFERENCE WITH REPATRIATION

**IT IS FURTHER ORDERED** that the Defendant, and each of his agents, servants, employees, and attorneys, and those persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any entity, corporation, subsidiary, division, affiliate or other device, are hereby restrained and enjoined from taking any action, directly or indirectly, which may result in the encumbrance or dissipation of foreign assets, or in the hindrance of the repatriation required by Section VII of this Order, including but not limited to:

A. Sending any statement, letter, fax, e-mail or wire transmission, telephoning or engaging in any other act, directly or indirectly, that results in a determination by a foreign trustee or other entity that a "duress" event has occurred under the terms of a foreign trust agreement, until such time that all assets have been fully repatriated pursuant to Section VII of this Order; and

B. Notifying any trustee, protector, or other agent of any foreign trust or other related entities of either the existence of this Order, or of the fact that repatriation is required pursuant to a Court Order, until such time that all assets have been fully repatriated pursuant to Section VII of this Order.

**IX.**

**RECEIVER**

**IT IS FURTHER ORDERED** that Mark Raymond is appointed Receiver over the Receivership Defendants with the full powers of an equity receiver. The Receiver shall be the agent of this Court and solely the agent of this Court in acting as Receiver under this Order. The Receiver shall be accountable directly to this Court. The Receiver shall comply with all local rules and laws governing federal equity receivers.

**X.**

**COOPERATION WITH THE RECEIVER**

**IT IS FURTHER ORDERED** that the Defendant shall fully cooperate with and assist the Receiver. The Defendant's cooperation and assistance shall include, but not be limited to, providing any information to the Receiver that the Receiver deems necessary to exercise the authority and discharge the responsibilities of the Receiver under this Order; providing any login and password required to access any computer or electronic files or information in any medium; and advising all persons who owe money to the Receivership Defendants that all debts should be paid directly to the Receiver. Defendant is hereby restrained and enjoined from directly or indirectly:

- A. Transacting any of the business of the Receivership Defendants;
- B. Excusing debts owed to the Receivership Defendants;
- C. Destroying, secreting, defacing, transferring, or otherwise altering or disposing of any documents of the Receivership Defendants;

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

E. Failing to notify the Receiver of any asset, including accounts, of any of the Receivership Defendants held in any name other than the name of one or more Receivership Defendants, or by any person or entity other than Receivership Defendants, or failing to provide any assistance or information requested by the Receiver in connection with obtaining possession, custody, or control of such assets; or

F. Doing any act or thing whatsoever to interfere with the Receiver's taking and keeping custody, control, possession, or managing of the assets or documents subject to this receivership; or to harass or interfere with the Receiver in any way; or to interfere in any manner with the exclusive jurisdiction of this Court over the assets or documents of the Receivership Defendants; or to refuse to cooperate with the Receiver or the Receiver's duly authorized agents in the exercise of their duties or authority under any Order of this Court.

This Section does not prohibit transfers to the Receiver, as specifically required in Section XII (Delivery of Receivership Property), nor does it prohibit the Repatriation of Foreign Assets, as specifically required in Section VII of this Order.

## **XI.**

### **DUTIES AND AUTHORITY OF RECEIVER**

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



A. Assume full control of the Receivership Defendants by removing, as the Receiver deems necessary or advisable, any director, officer, independent contractor, employee, attorney, or agent of the Receivership Defendants, including the Defendant, from control of, management of, or participation in, the affairs of the Receivership Defendants.

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

C. Take all steps necessary to secure the business premises of the Receivership Defendants, which may include, but are not limited to, taking the following steps as the Receiver deems necessary or advisable: (1) serving and filing this Order; (2) completing a written inventory of all receivership assets; (3) obtaining pertinent information from all employees and other agents of the Receivership Defendants, including, but not limited to, the name, home address, social security number, job description, method of compensation, and all accrued and unpaid commissions and compensation of each such employee or agent; (4) video-recording all portions of the location; (5) changing the locks and disconnecting any computer networks or other means of access to electronically stored information or other documents maintained at that location; or (6) requiring any persons present on the premises to leave the premises, to provide the Receiver with proof of identification, and/or to demonstrate to the satisfaction of the Receiver that such persons are not

removing from the premises documents or assets of the Receivership Defendants. Such authority shall include, but not be limited to, the authority to order any owner, director, or officer of any Receivership Defendant to remove him or herself from the business premises.

D. Conserve, hold, and manage all receivership assets, and perform all acts necessary or advisable to preserve the value of those assets, in order to prevent any irreparable loss, damage, or injury to consumers, including, but not limited to, obtaining an accounting of the assets and preventing the transfer, withdrawal, or misapplication of assets.

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

F. Prevent the inequitable distribution of assets and determine, adjust, and protect the interests of consumers and creditors who have transacted business with one or more of the Receivership Defendants.

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

H. Choose, engage, and employ attorneys, accountants, appraisers, investigators, and other independent contractors and technical specialists, as the Receiver deems advisable or necessary in the performance of duties and responsibilities.

I. Make payments and disbursements from the receivership estate that are necessary or advisable for carrying out the directions of, or exercising the authority granted by, this Order. The Receiver shall apply to the Court for prior approval of any payment of any debt or obligation

incurred by the Receivership Defendants prior to the date of entry of this Order, except payments that the Receiver deems necessary or advisable to secure assets of the Receivership Defendants, such as rental payments.

J. Collect any money due or owing to the Receivership Defendants.

K. 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 to carry out the Receiver's mandate under this Order.

L. Defend, compromise, adjust, or otherwise dispose of any or all actions or proceedings instituted against the Receivership Defendants or the Receiver that the Receiver deems necessary and advisable to preserve the assets of the Receivership Defendants or to carry out the Receiver's mandate under this Order.

M. Continue and conduct the businesses 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 businesses profitably, using the assets of the receivership estate, and lawfully, if at all.

N. Take depositions and issue subpoenas to obtain documents and records pertaining to the receivership and compliance with this Order. Subpoenas may be served by agents or attorneys of the Receiver and by agents of any process server retained by the Receiver.

O. Open one or more bank accounts as designated depositories for funds of the Receivership Defendants. The Receiver shall deposit all funds of the Receivership Defendants in

such a designated account and shall make all payments and disbursements from the receivership estate from such an account.

- P. Maintain accurate records of all receipts and expenditures made by the Receiver.

## **XII.**

### **DELIVERY OF RECEIVERSHIP PROPERTY**

**IT IS FURTHER ORDERED** that immediately upon service of this Order upon them, the Defendant, and the Receivership Defendants, shall forthwith or within such time as permitted by the Receiver in writing, deliver to the Receiver possession and custody of:

- A. All funds, assets, and property of the Receivership Defendants, whether situated within or outside the territory of the United States, which are: (1) held by one or more Receivership Defendants, individually or jointly, (2) held for the benefit of one or more Receivership Defendants, or (3) under the direct or indirect control, individually or jointly, of one or more Receivership Defendants;

- B. All documents of the Receivership Defendants, including but not limited to, all books and records of assets including funds and property, all financial and accounting records, balance sheets, income statements, bank records (including monthly statements, canceled checks, records of wire transfers, records of ACH transactions, and check registers), corporate minutes, contracts, customer and consumer lists, title documents, and electronic records;

- C. All funds and other assets belonging to members of the public now held by one or more of the Receivership Defendants;

D. All keys, computer and other passwords, entry codes, combinations to locks required to open or gain access to any of the property or effects, and all monies in any bank deposited to the credit of the Receivership Defendants, wherever situated; and

E. Information identifying the accounts, employees, properties, or other assets or obligations of the Receivership Defendants.

### **XIII.**

#### **TRANSFER OF FUNDS TO THE RECEIVER BY FINANCIAL INSTITUTIONS AND OTHER THIRD PARTIES**

**IT IS FURTHER ORDERED** that, upon service of a copy of this Order, any financial or brokerage institution or depository, escrow agent, title company, commodity trading company, or trust shall cooperate with all reasonable requests of counsel for Plaintiff and the Receiver relating to implementation of this Order, including transferring funds at the Receiver's direction and producing records related to the assets and sales of the Receivership Defendants.

### **XIV.**

#### **RECEIVER'S REPORTS**

**IT IS FURTHER ORDERED** that the Receiver shall report to this Court within 90 days of entry of this Order, regarding: (1) the steps taken by the Receiver to implement the terms of this Order; (2) the value of all liquidated and unliquidated assets of the Receivership Defendants; (3) the sum of all liabilities of the Receivership Defendants; (4) the steps the Receiver intends to take in the future to: (a) prevent any diminution in the value of assets of the Receivership Defendants; (b) pursue receivership assets from third parties; and (c) adjust the liabilities of the Receivership Defendants, if appropriate; and (5) any other matters which the Receiver believes should be brought

to the Court's attention. Provided, however, if any of the required information would hinder the Receiver's ability to pursue receivership assets, the portions of the Receiver's report containing such information may be filed under seal and not served on the parties.

**XV.**

**RECEIVER'S BOND**

**IT IS FURTHER ORDERED** that the \$50,000 bond filed by the Receiver pursuant to Section XVII of the Temporary Restraining Order issued on November 17, 2009, shall remain in effect.

**XVI.**

**COMPENSATION OF THE RECEIVER**

**IT IS FURTHER ORDERED** that the Receiver, and all persons or entities retained or hired by the Receiver as authorized under this Order, shall be entitled to reasonable compensation for the performance of duties undertaken pursuant to this Order and for the cost of actual out-of-pocket expenses incurred by them from the assets now held by or in the possession or control of, or which may be received by, the Receivership Defendants. The Receiver shall file with the Court and serve on the parties a request for the payment of reasonable compensation at the time of the filing of any report required by Section XIV. The Receiver shall not increase the fees or rates used as the basis for such fee applications without prior approval of the Court.

**XVII.**

**RECEIVER AND COMMISSION ACCESS  
TO BUSINESS PREMISES AND RECORDS**

**IT IS FURTHER ORDERED** that Plaintiff, the Receiver, and their respective representatives, agents, contractors, or assistants, are permitted and the Defendant shall allow access to any business premises and storage facilities of the Receivership Defendants. Such locations include, but are not limited to, the offices and facilities of the Receivership Defendants at or in the vicinity of 5100 North Dixie Highway, Oakland Park, FL 33334 and 3101 North Federal Highway, Ste. 700, Ft. Lauderdale, FL 33306.

Plaintiff and the Receiver are authorized to employ the assistance of law enforcement officers, including, but not limited to, the United States Marshals Service, to effect service, to implement peacefully the provisions of this Order, and keep the peace. The Receiver shall allow Plaintiff into the premises and facilities described in this Section and shall allow Plaintiff and its representatives, agents, contractors, or assistants to inspect, inventory, and copy documents relevant to any matter contained in this Order.

The Defendant and all agents or employees of the Defendant shall provide counsel for Plaintiff and the Receiver with any necessary means of access to documents, including, without limitation, the locations of Receivership Defendants' business premises, keys and combinations to business premises locks, computer access codes of all computers used to conduct Receivership Defendants' business, and storage area access information.

The Receiver and counsel for Plaintiff shall have the right to remove any documents related to the Defendant's business practices from the premises in order that they may be inspected, inventoried, and copied. The materials so removed shall be returned within five (5) business days of completing said inventory and copying.

If any property, records, documents, or computer files relating to the Receivership Defendants' finances or business practices are located in the residence of the Defendant or are otherwise in the custody or control of the Defendant, then the Defendant shall produce them to the Receiver immediately, if not already provided pursuant to the TRO. In order to prevent the destruction of computer data, upon service of this Order upon the Defendant, any such computers shall be powered down (turned off) in the normal course for the operating systems used on such computers and shall not be powered up or used again until produced for copying and inspection, along with any codes needed for access.

**XIX.**

**DEFENDANT'S ACCESS TO PREMISES AND RECORDS**

**IT IS FURTHER ORDERED** that the Receiver shall allow the Defendant and his representatives reasonable access to the premises of the Receivership Defendants. The purpose of this access shall be to inspect, inventory, and copy any and all documents and other property owned by or in the possession of the Receivership Defendants, provided that those documents and property are not removed from the premises. The Receiver shall have the discretion to determine the time, manner, and reasonable conditions of such access.

**XX.**

**PRESERVATION OF RECORDS**



**IT IS FURTHER ORDERED** that the Defendant, and each of his agents, servants, employees, and attorneys, and those persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any entity, corporation, subsidiary, division, affiliate or other device, are hereby restrained and enjoined from destroying, erasing, mutilating, concealing, altering, transferring, or otherwise disposing of, in any manner, directly or indirectly, any documents that relate to the business practices or finances of the Defendant, including, but not limited to, any contracts, accounting data, correspondence, advertisements, computer tapes, disks or other computerized records, books, written or printed records, handwritten notes, recordings, telephone logs, telephone scripts, receipt books, ledgers, personal and business canceled checks and check registers, bank statements, appointment books, copies of federal, state, or local business or personal income or property tax returns.

**XXI.**

**PROHIBITION ON RELEASE OF CUSTOMER INFORMATION  
OR CUSTOMER LISTS**

**IT IS FURTHER ORDERED** that the Defendant, and each of his agents, servants, employees, and attorneys, and those persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any entity, corporation, subsidiary, division, affiliate or other device, are restrained and enjoined from disclosing, using, or benefitting from customer information, including the name, address, telephone number, email address, social security number, other identifying information, or any data that enables access to a customer's account (including a credit card, bank account, or other financial account), of any person which any Defendant obtained prior to entry of this Order in connection with any mortgage, credit repair service, credit-related product, program, or service, or mortgage loan modification service.

**XXII.**

**CREDIT REPORTS**

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

**XXIII.**

**NOTIFICATION OF BUSINESS ACTIVITIES**

**IT IS FURTHER ORDERED** that:

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

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

**XXIV.**

**EXPEDITED DISCOVERY**

**IT IS FURTHER ORDERED** that the FTC is granted leave to conduct certain expedited discovery, and that, commencing with the time and date of this Order, in lieu of the time periods, notice provisions, and other requirements of Rules 26, 30, 34, and 45 of the Federal Rules of Civil Procedure, expedited discovery as to parties and non-parties shall proceed as follows:

A. The FTC may, upon seven (7) business days notice, take the deposition of any person or entity, whether or not a party, in any judicial district, for the purpose of discovering: (1) the assets of any Defendant; and (2) compliance with this Order. Depositions may be conducted telephonically or in person. Deposition transcripts that have not been signed by the witness may be used at the preliminary injunction hearing in this matter. Provided that, notwithstanding Fed. R. Civ. P. 30(a)(2), this Section shall not preclude any future depositions by the FTC. Provided further, that any deposition taken pursuant to this Section shall be in addition to, and not subject to, the presumptive limits on depositions set forth in Fed. R. Civ. P. 30(a)(2)(A).

B. The FTC may serve interrogatories for the purpose of discovering: (1) the assets of any Defendant; and (2) compliance with this Order. The Defendant shall respond within five (5) calendar days after the FTC serves such interrogatories. Provided that, notwithstanding Fed. R. Civ. P. 33(a)(1), this Subsection shall not preclude any future interrogatories by the FTC.

C. The FTC may serve requests for admission, which shall be responded to within seven (7) business days after the FTC serves such requests on the Defendant. Provided that, notwithstanding Fed. R. Civ. P. 36, this Subsection shall not: (a) preclude the FTC's ability to seek further admissions at a later time; or (b) otherwise alter the requirements set forth in Fed. R. Civ. P. 36.

D. The FTC may, upon seven (7) business days notice, including through the use of a Rule 45 Subpoena, demand the production of documents from any person or entity, whether or not a Defendant, relating to: (1) the assets of any Defendant; and (2) compliance with this Order. Provided

that two (2) calendar days notice shall be deemed sufficient for the production of any such documents that are maintained or stored only as electronic data.

E. The FTC is granted leave to subpoena documents immediately from any financial institution, account custodian, or other entity or person that holds, controls, or maintains custody of any account or asset of the Defendant, or has held, controlled or maintained custody of any account or asset of the Defendant concerning the nature, location, status, and extent of Defendant's assets, and compliance with this Order, and such financial institution, account custodian or other entity shall respond to such subpoena within seven (7) business days after service.

For purposes of discovery upon the Defendant pursuant to this Section, service shall be sufficient if made by facsimile or by overnight courier.

**XXV.**

**BANKRUPTCY PETITIONS**

**IT IS FURTHER ORDERED** that, in light of the appointment of the Receiver, the Receivership Defendants are hereby prohibited from filing a petition for relief under the United States Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, without prior permission from this Court.

**XXVI.**

**STAY OF ACTIONS**

**IT IS FURTHER ORDERED** that:

A. Except by leave of this Court, during the pendency of the Receivership ordered herein, Receivership Defendants and all customers, principals, investors, creditors, stockholders, lessors, and other persons seeking to establish or enforce any claim, right, or interest against or on behalf of Receivership Defendants, and all others acting for or on behalf of such persons, including attorneys, trustees, agents, sheriffs, constables, marshals, and other officers and their deputies, and their respective attorneys, servants, agents, and employees be and are hereby stayed from:

1. Commencing, prosecuting, continuing, entering, or enforcing any suit or proceeding, except that such actions may be filed to toll any applicable statute of limitations;
2. Accelerating the due date of any obligation or claimed obligation; filing or enforcing any lien; taking or attempting to take possession, custody, or control of any asset; attempting to foreclose, forfeit, alter, or terminate any interest in any asset, whether such acts are part of a judicial proceeding, are acts of self-help, or otherwise;
3. Executing, issuing, serving, or causing the execution, issuance or service of, any legal process, including, but not limited to, attachments, garnishments, subpoenas, writs of replevin, writs of execution, or any other form of process whether specified in this Order or not; or
4. Doing any act or thing whatsoever to interfere with the Receiver's taking custody, control, possession, or management of the assets or documents subject to this receivership;

or to harass or interfere with the Receiver in any way; or to interfere in any manner with the exclusive jurisdiction of this Court over the assets or documents of the Receivership Defendants.

B. This Section does not stay:

1. The commencement or continuation of a criminal action or proceeding;
2. The commencement or continuation of an action or proceeding by a governmental unit to enforce such governmental unit's police or regulatory power;
3. The enforcement of a judgment, other than a money judgment, obtained in an action or proceeding by a governmental unit to enforce such governmental unit's police or regulatory power;
4. The commencement of any action by the Secretary of the United States Department of Housing and Urban Development to foreclose a mortgage or deed of trust in any case in which the mortgage or deed of trust held by the Secretary is insured or was formerly insured under the National Housing Act and covers property, or combinations of property, consisting of five (5) or more living units; or
5. The issuance to a Receivership Defendant of a notice of tax deficiency.

**XXVII.**

**SERVICE OF ORDER**

**IT IS FURTHER ORDERED** that copies of this Order may be served by any means, including facsimile transmission or email, by employees or agents of the FTC or the Receiver, upon any financial institution or other entity or person that may have possession, custody, or control of any documents or assets of the Defendant, or that may otherwise be subject to any provision of this Order. Service upon any branch or office of any financial institution shall effect service upon the entire financial institution.

**XXVIII.**

**ACKNOWLEDGMENT OF RECEIPT OF ORDER BY DEFENDANT**

**IT IS FURTHER ORDERED** that the Defendant, within three (3) business days of receipt of this Order, must submit to counsel for Plaintiff a truthful sworn statement acknowledging receipt of this Order.

**XXIX.**

**PROOF OF DISTRIBUTION OF ORDER BY DEFENDANT**

**IT IS FURTHER ORDERED** that the Defendant shall immediately provide a copy of this Order to his agents, servants, employees, consultants, and any affiliated businesses, and other persons and entities subject in any part to his direct or indirect control. Within five (5) business days of receipt of this Order, the Defendant must submit to counsel for Plaintiff a truthful sworn statement identifying those persons and entities to whom this Order has been distributed.



**XXX.**

**CORRESPONDENCE**

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

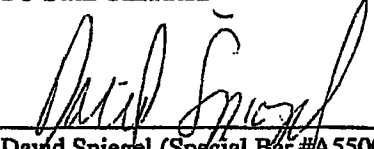
David Spiegel  
Edwin Rodriguez  
Federal Trade Commission  
601 New Jersey Ave., NW, Rm. 2122  
Washington, DC 20001  
Tel: (202) 326-3281 (Spiegel)  
(202) 326-3147 (Rodriguez)  
Fax: (202) 326-2558  
E-mail: [dspiegel@ftc.gov](mailto:dspiegel@ftc.gov); [erodriguez@ftc.gov](mailto:erodriguez@ftc.gov)

**XXXI.**

**RETENTION OF JURISDICTION**

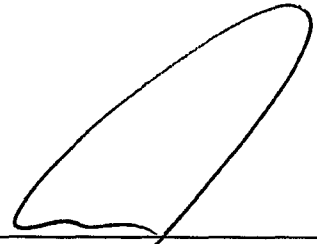

**IT IS FURTHER ORDERED** that the Court shall continue to retain jurisdiction of this matter for all purposes.

**SO STIPULATED:**

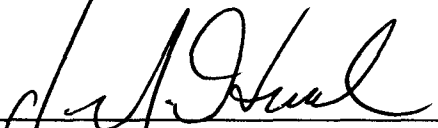
  
\_\_\_\_\_  
David Spiegel (Special Bar #A5500392)  
Edwin Rodriguez (Special Bar #A5500818)  
Federal Trade Commission  
600 Pennsylvania Avenue, N.W., NJ-2122  
Washington, D.C. 20580  
Tel: (202) 326-3281(Spiegel)  
Tel: (202) 326-3147 (Rodriguez)  
Fax: (202) 326-2558

Email: [dspiegel@ftc.gov](mailto:dspiegel@ftc.gov); [erodriguez@ftc.gov](mailto:erodriguez@ftc.gov)

Attorneys for Plaintiff  
FEDERAL TRADE COMMISSION

  
\_\_\_\_\_  
Stephen Lalonde, pro se, individually.  
\_\_\_\_\_  
Mark Raymond  
Receiver for 1<sup>st</sup> Guaranty Mortgage Corp.,  
Spectrum Title, Inc., Crossland Credit  
Consulting Corp., and Scoreleaper, LLC

IT IS SO ORDERED, this 15 day of December, 2009.

  
\_\_\_\_\_  
JOHN J. O'SULLIVAN  
UNITED STATES MAGISTRATE JUDGE