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

FEDERAL TRADE COMMISSION,
Plaintiff,
v.
TRIANGLE MEDIA CORPORATION;
JASPER RAIN MARKETING LLC;
HARDWIRE INTERACTIVE INC.; and
BRIAN PHILLIPS,
Defendants.

Case No.: 18cv1388-MMA (NLS)

**ORDER GRANTING IN PART AND
DENYING IN PART PLAINTIFF'S
EX PARTE MOTION FOR
TEMPORARY RESTRAINING
ORDER WITH ASSET FREEZE,
APPOINTMENT OF A RECEIVER,
OTHER EQUITABLE RELIEF, AND
ORDER TO SHOW CAUSE WHY A
PRELIMINARY INJUNCTION
SHOULD NOT ISSUE**

[FILED UNDER SEAL]

[Doc. No. 5]

Plaintiff, the Federal Trade Commission, has filed its Complaint for Permanent Injunction and Other Equitable Relief pursuant to Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b), Section 5 of the Restore Online Shoppers' Confidence Act ("ROSCA"), 15 U.S.C. § 8404, and Section 918(c) of the Electronic Fund Transfer Act ("EFTA"), 15 U.S.C. § 1693o(c), and has moved, pursuant to Fed. R. Civ. P. 65(b), for a temporary restraining order, asset freeze, other equitable

1 relief, and an order to show cause why a preliminary injunction should not issue against
2 Defendants. Upon review of the Complaint, the instant motion,¹ and documents filed in
3 support thereof, the Court **GRANTS IN PART AND DENIES IN PART** Plaintiff's *ex*
4 *parte* motion. Specifically, the Court **DENIES WITHOUT PREJUDICE** Plaintiff's *ex*
5 *parte* request to conduct limited expedited discovery via depositions of parties and non-
6 parties, interrogatories, and subpoenas upon non-parties that direct production or
7 inspection within five days of service. The parties are advised that all further discovery
8 proceedings will be determined by the Magistrate Judge assigned to the case. The Court
9 **GRANTS** Plaintiff's remaining requests.

10 **IT IS FURTHER ORDERED** that pursuant to Federal Rule of Civil Procedure
11 65(b), Defendants must appear before this Court on **July 13, 2018 at 2:30 p.m.** in
12 Courtroom 3D at the Edward J. Schwartz United States Courthouse, 221 West Broadway,
13 San Diego, CA 92101, to show cause why this Court should not enter a preliminary
14 injunction, pending final ruling on the Complaint against Defendants, enjoining the
15 violations of the law alleged in the Complaint, continuing the freeze of their Assets,
16 continuing the receivership, and imposing such additional relief as may be appropriate.
17 The Court issues a briefing schedule regarding this hearing in section XXX of this Order.

18 **LEGAL STANDARD**

19 A temporary restraining order ("TRO") may be granted upon a showing "that
20 immediate and irreparable injury, loss, or damage will result to the movant before the
21 adverse party can be heard in opposition." Fed. R. Civ. P. 65(b)(1)(A). The purpose of
22 such an order, as a form of preliminary injunctive relief, is to preserve the status quo and
23 prevent irreparable harm "just so long as is necessary to hold a hearing, and no longer."
24 *Granny Goose Foods, Inc. v. Brotherhood of Teamsters*, 415 U.S. 423, 439 (1974). A
25 request for a TRO is evaluated by the same factors that generally apply to a preliminary
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28 ¹ The Court **GRANTS** Plaintiff's *ex parte* motion to for leave to file a memorandum in excess of 25
pages in support of Plaintiff's *ex parte* motion for a TRO. Doc. No. 7.

1 injunction. *See Stuhlbarg Int'l Sales Co. v. John D. Brush & Co.*, 240 F.3d 832, 839 n.7
2 (9th Cir. 2001). However, a TRO is an “extraordinary remedy” and is “never granted as
3 of right.” *Winter v. Natural Res. Def. Council. Inc.*, 555 U.S. 7, 24 (2008). Instead, the
4 moving party bears the burden of demonstrating that “he is likely to succeed on the
5 merits, that he is likely to suffer irreparable harm in the absence of preliminary relief, that
6 the balance of equities tips in his favor, and that an injunction is in the public interest.”
7 *Id.* at 20. Although a plaintiff must satisfy all four of the requirements set forth in
8 *Winter*, this Circuit employs a sliding scale whereby “the elements of the preliminary
9 injunction test are balanced, so that a stronger showing of one element may offset a
10 weaker showing of another.” *Alliance for the Wild Rockies v. Cottrell*, 652 F.3d 1127,
11 1131 (9th Cir. 2011). Accordingly, if the moving party can demonstrate the requisite
12 likelihood of irreparable harm and show that an injunction is in the public interest, a
13 preliminary injunction may issue so long as there are serious questions going to the
14 merits and the balance of hardships tips sharply in the moving party’s favor. *Id.*

15 **FINDINGS OF FACT**

16 The Court, having considered the Complaint, the *ex parte* Motion for a Temporary
17 Restraining Order, declarations, exhibits, and the memorandum of points and authorities
18 filed in support thereof, and being otherwise advised, finds that:

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

22 B. There is good cause to believe that, in numerous instances, Defendants
23 misrepresented the price of trial offers, misrepresented that consumers’ orders were not
24 complete, failed to adequately disclose material terms of their continuity plans before
25 collecting consumers’ billing information, charged consumers for their continuity plans
26 without their consent, and charged consumers’ credit and debit cards without their
27 consent.

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1 C. There is good cause to believe that Defendants have engaged in and are
2 likely to engage in acts or practices that violate Section 5(a) of the FTC Act, 15 U.S.C.
3 § 45(a), Section 4 of the Restore Online Shoppers' Confidence Act ("ROSCA"), 15
4 U.S.C. § 8403, and Section 907(a) of the Electronic Fund Transfer Act ("EFTA"), 15
5 U.S.C. § 1693e(a), and Section 1005.10(b) of Regulation E, 12 C.F.R. § 1005.10(b) and
6 that Plaintiff is therefore likely to prevail on the merits of this action. As demonstrated
7 by consumer complaints and declarations; records of undercover purchases; corporate,
8 banking, and payment processing records; and the additional documentation filed by the
9 FTC, the FTC has established a likelihood of success in showing that Defendants
10 deceived consumers by misrepresenting the price of the trial offer, charging consumers
11 the full price of the product after a short, inadequately disclosed trial period, enrolling
12 consumers in continuity programs without the consumer's consent, and charging
13 consumers' credit and debit cards without the consumers' authorization.

14 D. There is good cause to believe that immediate and irreparable harm will
15 result from Defendants' ongoing violations of the FTC Act, ROSCA, EFTA, and
16 Regulation E unless Defendants are restrained and enjoined by order of this Court.

17 E. There is good cause to believe that, unless Defendants are immediately
18 restrained and enjoined by order of this Court, immediate and irreparable damage to the
19 Court's ability to grant effective final relief for consumers—including monetary
20 restitution, rescission, disgorgement or refunds—will occur from the sale, transfer,
21 destruction or other disposition or concealment by Defendants of their assets or records;
22 and that, in accordance with Fed. R. Civ. P. 65(b), the interests of justice require that this
23 Order be granted without prior notice to Defendants. Thus, there is good cause for
24 relieving Plaintiff of the duty to provide Defendants with prior notice of its Motion for a
25 Temporary Restraining Order.

26 F. Good cause exists for issuing this Order, appointing a temporary receiver
27 over the Receivership Entities, freezing Defendants' assets, permitting the Plaintiff and
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1 the Receiver immediate access to the Defendants' business premises, and permitting the
2 Plaintiff and the Receiver to take expedited discovery.

3 G. Weighing the equities and considering Plaintiff's likelihood of ultimate
4 success on the merits, a temporary restraining order with an asset freeze, the appointment
5 of a temporary receiver, immediate access to business premises, expedited discovery, and
6 other equitable relief is in the public interest.

7 H. This Court has authority to issue this Order pursuant to Section 13(b) of the
8 FTC Act, 15 U.S.C. § 53(b); Fed. R. Civ. P. 65; and the All Writs Act, 28 U.S.C. § 1651.

9 I. Plaintiff is an independent agency of the United States. No security is
10 required of any agency of the United States for issuance of a temporary restraining order.
11 Fed. R. Civ. P. 65(c).

12 DEFINITIONS

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

14 A. "**Asset**" includes any legal or equitable interest in, right to, or claim to, any
15 property, wherever located and by whomever held, and all proceeds, product, offspring,
16 rents, or profit of or from that property.

17 B. "**Billing Information**" means any data that enables any person to access a
18 customer's account, such as a credit card, checking, savings, share or similar account, or
19 debit card.

20 C. "**Charge,**" "**Charged,**" or "**Charging**" means any attempt to collect money
21 or other consideration from a consumer, including causing Billing Information to be
22 submitted for payment, including against the consumer's credit card, debit card, bank
23 account, or other account.

24 D. "**Clearly and conspicuously**" means that a required disclosure is difficult to
25 miss (i.e., easily noticeable) and easily understandable by ordinary consumers, including
26 in all of the following ways:

27 1. In any communication that is solely visual or solely audible, the
28 disclosure must be made through the same means through which the communication is

1 presented. In any communication made through both visual and audible means, such as a
2 television advertisement, the disclosure must be presented simultaneously in both the
3 visual and audible portions of the communication even if the representation requiring the
4 disclosure is made in only one means;

5 2. A visual disclosure, by its size, contrast, location, the length of time it
6 appears, and other characteristics, must stand out from any accompanying text or other
7 visual elements so that it is easily noticed, read, and understood;

8 3. An audible disclosure, including by telephone or streaming video,
9 must be delivered in a volume, speed, and cadence sufficient for ordinary consumers to
10 easily hear and understand it;

11 4. In any communication using an interactive electronic medium, such as
12 the Internet or software, the disclosure must be unavoidable;

13 5. The disclosure must use diction and syntax understandable to ordinary
14 consumers and must appear in each language in which the representation that requires the
15 disclosure appears;

16 6. The disclosure must comply with these requirements in each medium
17 through which it is received, including all electronic devices and face-to-face
18 communications;

19 7. The disclosure must not be contradicted or mitigated by, or
20 inconsistent with, anything else in the communication; and

21 8. When the representation or sales practice targets a specific audience,
22 such as children, the elderly, or the terminally ill, “ordinary consumers” includes
23 reasonable members of that group.

24 E. **“Corporate Defendants”** means Triangle Media Corporation also doing
25 business as Triangle CRM, Phenom Health, Beauty and Truth, and E-Cigs; Jasper Rain
26 Marketing LLC also doing business as Cranium Power and Phenom Health; Hardwire
27 Interactive Inc. also doing business as Phenom Health, Beauty and Truth, and E-Cigs,
28 and each of their subsidiaries, affiliates, successors, and assigns.

1 F. **“Defendants”** means the Corporate Defendants and the Individual
2 Defendant, individually, collectively, or in any combination.

3 G. **“Document”** is synonymous in meaning and equal in scope to the usage of
4 “document” and “electronically stored information” in Federal Rule of Civil Procedure
5 34(a), Fed. R. Civ. P. 34(a), and includes writings, drawings, graphs, charts, photographs,
6 sound and video recordings, images, Internet sites, web pages, websites, electronic
7 correspondence, including e-mail and instant messages, contracts, accounting data,
8 advertisements, FTP Logs, Server Access Logs, books, written or printed records,
9 handwritten notes, telephone logs, telephone scripts, receipt books, ledgers, personal and
10 business canceled checks and check registers, bank statements, appointment books,
11 computer records, customer or sales databases and any other electronically stored
12 information, including Documents located on remote servers or cloud computing
13 systems, and other data or data compilations from which information can be obtained
14 directly or, if necessary, after translation into a reasonably usable form. A draft or non-
15 identical copy is a separate document within the meaning of the term.

16 H. **“Electronic Data Host”** means any person or entity in the business of
17 storing, hosting, or otherwise maintaining electronically stored information. This includes
18 any entity hosting a website or server, and any entity providing “cloud based” electronic
19 storage.

20 I. **“Individual Defendant”** means Brian Phillips.

21 J. **“Negative Option Feature”** means, in an offer or agreement to sell or
22 provide any good or service, a provision under which the consumer’s silence or failure to
23 take affirmative action to reject a good or service or to cancel the agreement is interpreted
24 by the seller or provider as acceptance or continuing acceptance of the offer.

25 K. **“Plaintiff,” “Commission,”** or **“FTC”** means the Federal Trade
26 Commission.

27 L. **“Preauthorized Electronic Fund Transfer”** means an electronic fund
28 transfer authorized in advance to recur at substantially regular intervals.

1 M. “**Receiver**” means the temporary receiver appointed in Section XV of this
2 Order and any deputy receivers that shall be named by the temporary receiver.

3 N. “**Receivership Entities**” means Corporate Defendants as well as any other
4 entity that has conducted any business related to Defendants’ marketing of negative
5 option offers, including receipt of Assets derived from any activity that is the subject of
6 the Complaint in this matter, and that the Receiver determines is controlled or owned by
7 any Defendant.

8 **ORDER**

9 **I. Prohibited Misrepresentations**

10 **IT IS THEREFORE ORDERED** that Defendants, Defendants’ officers, agents,
11 employees, and attorneys, and all other persons in active concert or participation with
12 them, who receive actual notice of this Order, whether acting directly or indirectly, in
13 connection with promoting or offering for sale any good or service with a Negative
14 Option Feature, are temporarily restrained and enjoined from misrepresenting or assisting
15 others in misrepresenting, expressly or by implication:

16 A. That Defendants will Charge consumers at most only a shipping and
17 handling fee for a one-time shipment of Defendants’ product;

18 B. That consumers’ orders are not complete; or

19 C. Any other material fact.

20 **II. Required Disclosures Relating to Negative Option Features**

21 **IT IS FURTHER ORDERED** that Defendants, Defendants’ officers, agents,
22 employees, and attorneys, and all other persons in active concert or participation with any
23 of them, who receive actual notice of this Order, whether acting directly or indirectly, in
24 connection with promoting or offering for sale any good or service with a Negative
25 Option Feature, are temporarily restrained and enjoined from:

26 A. Representing directly or indirectly, expressly or by implication, that any
27 good or service that includes a Negative Option Feature is being offered on a free, trial,
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1 no obligation, reduced, or discounted basis, without disclosing Clearly and
2 Conspicuously, and immediately adjacent to, any such representation:

3 1. The extent to which the consumer must take affirmative action(s) to
4 avoid any Charges: a) for the offered good or service, b) of an increased amount after the
5 trial or promotional period ends, and c) on a recurring basis;

6 2. The total cost (or range of costs) the consumer will be Charged and, if
7 applicable, the frequency of such Charges unless the consumer timely takes steps to
8 prevent or stop such Charges; and

9 3. The deadline(s) (by date or frequency) by which the consumer must
10 affirmatively act in order to stop all recurring Charges.

11 B. Obtaining Billing Information from a consumer for any transaction
12 involving a good or service that includes a Negative Option Feature, without first
13 disclosing Clearly and Conspicuously, and immediately adjacent to where a consumer
14 provides Billing Information:

15 1. The extent to which the consumer must take affirmative action(s) to
16 avoid any Charges: a) for the offered good or service, b) of an increased amount after the
17 trial or promotional period ends, and c) on a recurring basis;

18 2. The total cost (or range of costs) the consumer will be Charged, the
19 date the initial Charge will be submitted for payment, and, if applicable, the frequency of
20 such Charges unless the consumer timely takes affirmative steps to prevent or stop such
21 Charges;

22 3. The deadline(s) (by date or frequency) by which the consumer must
23 affirmatively act in order to stop all recurring Charges;

24 4. The name of the seller or provider of the good or service and, if the
25 name of the seller or provider will not appear on billing statements, the billing descriptor
26 that will appear on such statements;

27 5. A description of the good or service;

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1 6. Any Charge or cost for which the consumer is responsible in
2 connection with the cancellation of an order or the return of a good;

3 7. The simple cancellation mechanism to stop any recurring Charges, as
4 required by Section IV.

5 C. Failing to send the consumer:

6 1. Immediately after the consumer's submission of an online order,
7 written confirmation of the transaction by email. The email must Clearly and
8 Conspicuously disclose all the information required by Subsection II.B, and contain a
9 subject line reading "Order Confirmation" along with the name of the product or service,
10 and no additional information; or

11 2. Within two days after receipt of the consumer's order by mail or
12 telephone, a written confirmation of the transaction, either by email or first class mail.
13 The email or letter must Clearly and Conspicuously disclose all the information required
14 by Subsection II.B. The subject line of the email must Clearly and Conspicuously state
15 "Order Confirmation" along with the name of the product or service, and nothing else.
16 The outside of the envelope must Clearly and Conspicuously state "Order Confirmation"
17 along with the name of the product or service, and no additional information other than
18 the consumer's address, the Defendants' return address, and postage.

19 **III. Obtaining Express Informed Consent**

20 **IT IS FURTHER ORDERED** that Defendants, Defendants' officers, agents,
21 employees, and attorneys, and all other persons in active concert or participation with any
22 of them, who receive actual notice of this Order, whether acting directly or indirectly, in
23 connection with promoting or offering for sale any good or service with a Negative
24 Option Feature, are temporarily restrained and enjoined from using, or assisting others in
25 using, Billing Information to obtain payment from a consumer, unless Defendant first
26 obtains the express informed consent of the consumer to do so.

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1 **IV. Simple Mechanism to Cancel Negative Option Feature**

2 **IT IS FURTHER ORDERED** that Defendants, Defendants' officers, agents,
3 employees, attorneys, and all other persons in active concert or participation with any of
4 them, who receive actual notice of this Order, whether acting directly or indirectly, in
5 connection with promoting or offering for sale any good or service with a Negative
6 Option Feature, are temporarily restrained and enjoined from failing to provide a simple
7 mechanism for the consumer to: (1) avoid being Charged, or Charged an increased
8 amount, for the good or service and (2) immediately stop any recurring Charges. Such
9 mechanism must not be difficult, costly, confusing, or time consuming, and must be at
10 least as simple as the mechanism the consumer used to initiate the Charge(s).

11 **V. Prohibition Against Debiting Consumers' Bank Accounts Without Authorization**

12 **IT IS FURTHER ORDERED** that Defendants, Defendants' officers, agents,
13 employees, and attorneys, and all other persons in active concert or participation with any
14 of them, who receive actual notice of this Order, whether acting directly or indirectly, in
15 connection with the sale of any good or service, are temporarily restrained and enjoined
16 from:

17 A. Failing to timely obtain written authorization signed or similarly
18 authenticated by the consumer for any Preauthorized Electronic Fund Transfer from a
19 consumer's account before initiating any Preauthorized Electronic Fund Transfer; and

20 B. Failing to provide the consumer a copy of a valid written authorization
21 signed or similarly authenticated by the consumer for any Preauthorized Electronic Fund
22 Transfer.

23 **VI. Prohibition on Release of Customer Information**

24 **IT IS FURTHER ORDERED** that Defendants, Defendants' officers, agents,
25 employees, and attorneys, and all other persons in active concert or participation with any
26 of them, who receive actual notice of this Order, whether acting directly or indirectly, are
27 temporarily restrained and enjoined from:

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1 A. Selling, renting, leasing, transferring, or otherwise disclosing, the name,
2 address, birth date, telephone number, email address, credit card number, bank account
3 number, Social Security number, or other financial or identifying information of any
4 person that any Defendant obtained in connection with any activity that pertains to the
5 subject matter of this Order; or

6 B. Benefiting from or using the name, address, birth date, telephone number,
7 email address, credit card number, bank account number, Social Security number, or
8 other financial or identifying information of any person that any Defendant obtained in
9 connection with any activity that pertains to the subject matter of this Order.

10 Provided, however, that Defendants may disclose such identifying information to a law
11 enforcement agency, to their attorneys as required for their defense, as required by any
12 law, regulation, or court order, or in any filings, pleadings or discovery in this action in
13 the manner required by the Federal Rules of Civil Procedure and by any protective order
14 in the case.

15 **VII. Asset Freeze**

16 **IT IS FURTHER ORDERED** that Defendants, Defendants' officers, agents,
17 employees, and attorneys, and all other persons in active concert or participation with any
18 of them, who receive actual notice of this Order, whether acting directly or indirectly, are
19 temporarily restrained and enjoined from:

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

- 24 1. owned or controlled, directly or indirectly, by any Defendant;
- 25 2. held, in part or in whole, for the benefit of any Defendant;
- 26 3. in the actual or constructive possession of any Defendant; or

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1 4. owned or controlled by, in the actual or constructive possession of, or
2 otherwise held for the benefit of, any corporation, partnership, asset protection trust, or
3 other entity that is directly or indirectly owned, managed or controlled by any Defendant;

4 B. Opening or causing to be opened any safe deposit boxes, commercial mail
5 boxes, or storage facilities titled in the name of any Defendant or subject to access by any
6 Defendant, except as necessary to comply with written requests from the Receiver acting
7 pursuant to its authority under this Order, and after providing Plaintiff prior notice and an
8 opportunity to inspect the contents to determine that they contain no Assets covered by
9 this Section;

10 C. Incurring charges or cash advances on any credit, debit, or ATM card issued
11 in the name, individually or jointly, of any Corporate Defendant or any corporation,
12 partnership, or other entity directly or indirectly owned, managed, or controlled by any
13 Defendant or of which any Defendant is an officer, director, member, or manager. This
14 includes any corporate bankcard or corporate credit card account for which any
15 Defendant is, or was on the date that this Order was signed, an authorized signor; or

16 D. Depositing or cashing any checks or depositing any money orders or cash
17 received from consumers, clients, or customers of any Defendant. The Assets affected by
18 this Section shall include: (1) all Assets of Defendants as of the time this Order is
19 entered; and (2) Assets obtained by Defendants after this Order is entered if those Assets
20 are derived from any activity that is the subject of the Complaint in this matter or that is
21 prohibited by this Order. This Section does not prohibit any transfers of Assets to the
22 Receiver or agreed to in writing by Plaintiff, or repatriation of foreign Assets specifically
23 required by this Order.

24 **VIII. Duties of Asset Holders and Other third parties**

25 **IT IS FURTHER ORDERED** that any financial or brokerage institution,
26 Electronic Data Host, credit card processor, payment processor, merchant bank, acquiring
27 bank, independent sales organization, third party processor, payment gateway, insurance
28 company, business entity, or person who receives actual notice of this Order (by service

1 or otherwise) and that (a) holds, controls, or maintains custody, through an account or
2 otherwise, of any Document on behalf of any Defendant or any Asset that is: owned or
3 controlled, directly or indirectly, by any Defendant; held, in part or in whole, for the
4 benefit of any Defendant; in the actual or constructive possession of any Defendant; or
5 owned or controlled by, in the actual or constructive possession of, or otherwise held for
6 the benefit of, any corporation, partnership, asset protection trust, or other entity that is
7 directly or indirectly owned, managed or controlled by any Defendant; (b) holds,
8 controls, or maintains custody of any Document or Asset associated with credits, debits
9 or charges made on behalf of any Defendant, including reserve funds held by payment
10 processors, credit card processors, merchant banks, acquiring banks, independent sales
11 organizations, third party processors, payment gateways, insurance companies, or other
12 entities; or (c) has held, controlled, or maintained custody of any such Document, Asset,
13 or account at any time since the date of entry of this Order shall:

14 A. Hold, preserve, and retain within its control and prohibit the withdrawal,
15 removal, alteration, assignment, transfer, pledge, encumbrance, disbursement,
16 dissipation, relinquishment, conversion, sale, or other disposal of any such Document or
17 Asset, as well as all Documents or other property related to such Assets, except by further
18 order of this Court;

19 B. Deny any Person, except the Receiver, access to any safe deposit box,
20 commercial mail box, or storage facility that is titled in the name of any Defendant, either
21 individually or jointly, or otherwise subject to access by any Defendant;

22 C. Provide Plaintiff's counsel and the Receiver, within three business days of
23 receiving a copy of this Order, a sworn statement setting forth, for each Asset or account
24 covered by this Section:

- 25 1. The identification number of each such account or Asset;
- 26 2. The balance of each such account, or a description of the nature and
27 value of each such Asset as of the close of business on the day on which this Order is
28 served, and, if the account or other Asset has been closed or removed, the date closed or

1 removed, the total funds removed in order to close the account, and the name of the
2 person or entity to whom such account or other Asset was remitted; and

3 3. The identification of any safe deposit box, commercial mail box, or
4 storage facility that is either titled in the name, individually or jointly, of any Defendant,
5 or is otherwise subject to access by any Defendant; and

6 D. Provide Plaintiff's counsel and the Receiver, within five business days of a
7 request from Plaintiff's counsel or the Receiver, with copies of all records or other
8 Documents pertaining to such account or Asset, including originals or copies of account
9 applications, account statements, signature cards, checks, drafts, deposit tickets, transfers
10 to and from the accounts, including wire transfers and wire transfer instructions, all other
11 debit and credit instruments or slips, currency transaction reports, 1099 forms, and all
12 logs and records pertaining to safe deposit boxes, commercial mail boxes, and storage
13 facilities.

14 Provided, however, that this Section does not prohibit any transfers of Assets to the
15 Receiver or agreed to in writing by Plaintiff, or repatriation of foreign Assets specifically
16 required by this Order.

17 **IX. Financial Disclosures**

18 **IT IS FURTHER ORDERED** that each Defendant, within five days of service of
19 this Order upon them, shall prepare and deliver to Plaintiff's counsel and the Receiver:

20 A. completed financial statements on the forms attached to this Order as
21 **Attachment A** (Financial Statement of Individual Defendant) for each Individual
22 Defendant, and **Attachment B** (Financial Statement of Corporate Defendant) for each
23 Corporate Defendant; and

24 B. completed **Attachment C** (IRS Form 4506, Request for Copy of a Tax
25 Return) for each Individual and Corporate Defendant.

26 **X. Foreign Asset Repatriation**

27 **IT IS FURTHER ORDERED** that within five days following the service of this
28 Order, each Defendant shall:

1 A. Provide Plaintiff’s counsel and the Receiver with a full accounting, verified
2 under oath and accurate as of the date of this Order, of all Assets, Documents, and
3 accounts outside of the United States which are: (1) titled in the name, individually or
4 jointly, of any Defendant; (2) held by any person or entity for the benefit of any
5 Defendant or for the benefit of, any corporation, partnership, asset protection trust, or
6 other entity that is directly or indirectly owned, managed or controlled by any Defendant;
7 or (3) under the direct or indirect control, whether jointly or singly, of any Defendant;

8 B. Take all steps necessary to provide Plaintiff’s counsel and Receiver access to
9 all Documents and records that may be held by third parties located outside of the
10 territorial United States of America, including signing the Consent to Release of
11 Financial Records appended to this Order as **Attachment D**;

12 C. Transfer to the territory of the United States any and all Documents and
13 Assets located in foreign countries which are: (1) titled in the name, individually or
14 jointly, of any Defendant; (2) held by any person or entity for the benefit of any
15 Defendant or for the benefit of any corporation, partnership, asset protection trust, or
16 other entity that is directly or indirectly owned, managed or controlled by any Defendant;
17 or (3) under the direct or indirect control, whether jointly or singly, of any Defendant;
18 and

19 D. The same business day as any repatriation, (1) notify the Receiver and
20 counsel for Plaintiff of the name and location of the financial institution or other entity
21 that is the recipient of such Documents or Assets; and (2) serve this Order on any such
22 financial institution or other entity.

23 **XI. Non-Interference with Repatriation**

24 **IT IS FURTHER ORDERED** that Defendants, Defendants’ officers, agents,
25 employees, and attorneys, and all other persons in active concert or participation with any
26 of them, who receive actual notice of this Order, whether acting directly or indirectly, are
27 temporarily restrained and enjoined from taking any action, directly or indirectly, which
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1 may result in the encumbrance or dissipation of foreign Assets, or in the hindrance of the
2 repatriation required by this Order, including:

3 A. Sending any communication or engaging in any other act, directly or
4 indirectly, that results in a determination by a foreign trustee or other entity that a
5 “duress” event has occurred under the terms of a foreign trust agreement until such time
6 that all Defendants’ Assets have been fully repatriated pursuant to this Order; or

7 B. Notifying any trustee, protector or other agent of any foreign trust or other
8 related entities of either the existence of this Order, or of the fact that repatriation is
9 required pursuant to a court order, until such time that all Defendants’ Assets have been
10 fully repatriated pursuant to this Order.

11 **XII. Consumer Credit Reports**

12 **IT IS FURTHER ORDERED** that Plaintiff may obtain credit reports concerning
13 any Defendants pursuant to Section 604(a)(1) of the Fair Credit Reporting Act, 15 U.S.C.
14 1681b(a)(1), and that, upon written request, any credit reporting agency from which such
15 reports are requested shall provide them to Plaintiff.

16 **XIII. Preservation of Records**

17 **IT IS FURTHER ORDERED** that Defendants, Defendants’ officers, agents,
18 employees, and attorneys, and all other persons in active concert or participation with any
19 of them, who receive actual notice of this Order, whether acting directly or indirectly, are
20 temporarily restrained and enjoined from:

21 A. Destroying, erasing, falsifying, writing over, mutilating, concealing, altering,
22 transferring, or otherwise disposing of, in any manner, directly or indirectly, Documents
23 that relate to: (1) the business, business practices, Assets, or business or personal
24 finances of any Defendant; (2) the business practices or finances of entities directly or
25 indirectly under the control of any Defendant; or (3) the business practices or finances of
26 entities directly or indirectly under common control with any other Defendant; or

1 B. Failing to create and maintain Documents that, in reasonable detail,
2 accurately, fairly, and completely reflect Defendants' incomes, disbursements,
3 transactions, and use of Defendants' Assets.

4 **XIV. Report of New Business Activity**

5 **IT IS FURTHER ORDERED** that Defendants, Defendants' officers, agents,
6 employees, and attorneys, and all other persons in active concert or participation with any
7 of them, who receive actual notice of this Order, whether acting directly or indirectly, are
8 temporarily restrained and enjoined from creating, operating, or exercising any control
9 over any business entity, whether newly formed or previously inactive, including any
10 partnership, limited partnership, joint venture, sole proprietorship, or corporation, without
11 first providing Plaintiff's counsel and the Receiver with a written statement disclosing:
12 (1) the name of the business entity; (2) any fictitious business names associated with the
13 entity; (3) the address and telephone number of the business entity; (4) the state of
14 incorporation or organization of the business entity; (5) the Employee Identification
15 Number or Federal Employer Identification Number of the business entity; (6) the names
16 of the business entity's officers, directors, principals, managers, and employees; and (7) a
17 detailed description of the business entity's intended activities.

18 **XV. Temporary Receiver**

19 **IT IS FURTHER ORDERED** that Thomas W. McNamara of McNamara Smith
20 LLP, San Diego, California, is appointed as temporary receiver ("Receiver") of the
21 Receivership Entities with full powers of an equity receiver. The Receiver shall be solely
22 the agent of this Court in acting as Receiver under this Order.

23 **XVI. Duties and Authority of Receiver**

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

26 A. Assume full control of Receivership Entities by removing, as the Receiver
27 deems necessary or advisable, any director, officer, independent contractor, employee,
28

1 attorney, or agent of any Receivership Entity from control of, management of, or
2 participation in, the affairs of the Receivership Entity;

3 B. Take exclusive custody, control, and possession of all Assets and
4 Documents of, or in the possession, custody, or under the control of, any Receivership
5 Entity, wherever situated;

6 C. Conserve, hold, manage, and prevent the loss of all Assets of the
7 Receivership Entities, and perform all acts necessary or advisable to preserve the value of
8 those Assets. The Receiver shall assume control over the income and profits therefrom
9 and all sums of money now or hereafter due or owing to the Receivership Entities. The
10 Receiver shall have full power to sue for, collect, and receive, all Assets of the
11 Receivership Entities and of other persons or entities whose interests are now under the
12 direction, possession, custody, or control of, the Receivership Entities. Provided,
13 however, that the Receiver shall not attempt to collect any amount from a consumer if the
14 Receiver believes the consumer's debt to the Receivership Entities has resulted from the
15 deceptive acts or practices or other violations of law alleged in the Complaint in this
16 matter, without prior Court approval;

17 D. Obtain, conserve, hold, manage, and prevent the loss of all Documents of the
18 Receivership Entities, and perform all acts necessary or advisable to preserve such
19 Documents. The Receiver shall: divert mail; preserve all Documents of the Receivership
20 Entities that are accessible via electronic means (such as online access to financial
21 accounts and access to electronic documents held onsite or by Electronic Data Hosts, by
22 changing usernames, passwords or other log-in credentials); take possession of all
23 electronic Documents of the Receivership Entities stored onsite or remotely; take
24 whatever steps necessary to preserve all such Documents; and obtain the assistance of the
25 FTC's Digital Forensic Unit for the purpose of obtaining electronic documents stored
26 onsite or remotely;

27 E. Choose, engage, and employ attorneys, accountants, appraisers, and other
28 independent contractors and technical specialists, as the Receiver deems advisable or

1 necessary in the performance of duties and responsibilities under the authority granted by
2 this Order;

3 F. Make payments and disbursements from the receivership estate that are
4 necessary or advisable for carrying out the directions of, or exercising the authority
5 granted by, this Order, and to incur, or authorize the making of, such agreements as may
6 be necessary and advisable in discharging his or her duties as Receiver. The Receiver
7 shall apply to the Court for prior approval of any payment of any debt or obligation
8 incurred by the Receivership Entities prior to the date of entry of this Order, except
9 payments that the Receiver deems necessary or advisable to secure Assets of the
10 Receivership Entities, such as rental payments;

11 G. Take all steps necessary to secure and take exclusive custody of each
12 location from which the Receivership Entities operate their businesses. Such steps may
13 include, as the Receiver deems necessary or advisable: (1) securing the location by
14 changing the locks and alarm codes and disconnecting any internet access or other means
15 of access to the computers, servers, internal networks, or other records maintained at that
16 location; and (2) requiring any persons present at the location to leave the premises, to
17 provide the Receiver with proof of identification, and/or to demonstrate to the satisfaction
18 of the Receiver that such persons are not removing from the premises Documents or
19 Assets of the Receivership Entities. Law enforcement personnel, including police or
20 sheriffs, may assist the Receiver in implementing these provisions in order to keep the
21 peace and maintain security. If requested by the Receiver, the United States Marshal will
22 provide appropriate and necessary assistance to the Receiver to implement this Order and
23 is authorized to use any necessary and reasonable force to do so;

24 H. Take all steps necessary to prevent the modification, destruction, or erasure
25 of any web page or website registered to and operated, in whole or in part, by any
26 Defendants, and to provide access to all such web page or websites to Plaintiff's
27 representatives, agents, and assistants, as well as Defendants and their representatives;

28

1 I. Enter into and cancel contracts and purchase insurance as advisable or
2 necessary;

3 J. Prevent the inequitable distribution of Assets and determine, adjust, and
4 protect the interests of consumers who have transacted business with the Receivership
5 Entities;

6 K. Make an accounting, as soon as practicable, of the Assets and financial
7 condition of the receivership and file the accounting with the Court and deliver copies
8 thereof to all parties;

9 L. Institute, compromise, adjust, appear in, intervene in, defend, dispose of, or
10 otherwise become party to any legal action in state, federal or foreign courts or arbitration
11 proceedings as the Receiver deems necessary and advisable to preserve or recover the
12 Assets of the Receivership Entities, or to carry out the Receiver's mandate under this
13 Order, including actions challenging fraudulent or voidable transfers;

14 M. Issue subpoenas to obtain Documents and records pertaining to the
15 receivership, and conduct discovery in this action on behalf of the receivership estate, in
16 addition to obtaining other discovery as set forth in this Order;

17 N. Open one or more bank accounts at designated depositories for funds of the
18 Receivership Entities. The Receiver shall deposit all funds of the Receivership Entities in
19 such designated accounts and shall make all payments and disbursements from the
20 receivership estate from such accounts. The Receiver shall serve copies of monthly
21 account statements on all parties;

22 O. Maintain accurate records of all receipts and expenditures incurred as
23 Receiver;

24 P. Allow the Plaintiff's representatives, agents, and assistants, as well as
25 Defendants and their representatives, reasonable access to the premises of the
26 Receivership Entities, or any other premises where the Receivership Entities conduct
27 business. The purpose of this access shall be to inspect and copy any and all books,
28 records, Documents, accounts, and other property owned by, or in the possession of, the

1 Receivership Entities or their agents. The Receiver shall have the discretion to determine
2 the time, manner, and reasonable conditions of such access;

3 Q. Allow the Plaintiff's representatives, agents, and assistants, as well as
4 Defendants and their representatives reasonable access to all Documents in the
5 possession, custody, or control of the Receivership Entities;

6 R. Cooperate with reasonable requests for information or assistance from any
7 state or federal civil or criminal law enforcement agency;

8 S. Suspend business operations of the Receivership Entities if in the judgment
9 of the Receiver such operations cannot be continued legally and profitably;

10 T. If the Receiver identifies a nonparty entity as a Receivership Entity,
11 promptly notify the entity as well as the parties, and inform the entity that it can
12 challenge the Receiver's determination by filing a motion with the Court. Provided,
13 however, that the Receiver may delay providing such notice until the Receiver has
14 established control of the nonparty entity and its assets and records, if the Receiver
15 determines that notice to the entity or the parties before the Receiver establishes control
16 over the entity may result in the destruction of records, dissipation of assets, or any other
17 obstruction of the Receiver's control of the entity;

18 U. If in the Receiver's judgment the business operations cannot be continued
19 legally and profitably, take all steps necessary to ensure that any of the Receivership
20 Entities' web pages or websites relating to the activities alleged in the Complaint cannot
21 be accessed by the public, or are modified for consumer education and/or informational
22 purposes, and take all steps necessary to ensure that any telephone numbers associated
23 with the Receivership Entities cannot be accessed by the public, or are answered solely to
24 provide consumer education or information regarding the status of operations; and

25 V. File with the Court, on or before the date set in Section XXIX of this Order
26 for the hearing to show cause, a report outlining (1) the steps taken by the Receiver to
27 implement the terms of the Order; (2) the value of all assets and sum of all liabilities of
28 the Receivership Entities; (3) the steps the Receiver intends to take in the future to protect

1 receivership assets, recover receivership assets from third parties, and adjust receivership
2 liabilities; (4) the Receiver's opinion on whether any portion of the business of any of the
3 Receivership Entities can continue to operate legally and profitably; and (5) any other
4 matters that the Receiver believes should be brought to the Court's attention.

5 **XVII. Transfer of Receivership Property to Receiver**

6 **IT IS FURTHER ORDERED** that Defendants and any other person, with
7 possession, custody or control of property of, or records relating to, the Receivership
8 Entities shall, upon notice of this Order by personal service or otherwise, fully cooperate
9 with and assist the Receiver in taking and maintaining possession, custody, or control of
10 the Assets and Documents of the Receivership Entities and immediately transfer or
11 deliver to the Receiver possession, custody, and control of, the following:

- 12 A. All Assets held by or for the benefit of the Receivership Entities;
- 13 B. All Documents of or pertaining to the Receivership Entities;
- 14 C. All computers, electronic devices, mobile devices and machines used to
15 conduct the business of the Receivership Entities;
- 16 D. All Assets and Documents belonging to other persons or entities whose
17 interests are under the direction, possession, custody, or control of the Receivership
18 Entities; and
- 19 E. All keys, codes, user names and passwords necessary to gain or to secure
20 access to any Assets or Documents of or pertaining to the Receivership Entities,
21 including access to their business premises, means of communication, accounts,
22 computer systems (onsite and remote), Electronic Data Hosts, or other property.

23 In the event that any person or entity fails to deliver or transfer any Asset or Document,
24 or otherwise fails to comply with any provision of this Section, the Receiver may file an
25 Affidavit of Non-Compliance regarding the failure and a motion seeking compliance or a
26 contempt citation. Upon the filing of the affidavit, the Court may authorize, without
27 additional process or demand, Writs of Possession or Sequestration or other equitable
28 writs requested by the Receiver. The writs shall authorize and direct the United States

1 Marshal or any sheriff or deputy sheriff of any county, or any other federal or state law
2 enforcement officer, to seize the asset, document, or other thing and to deliver it to the
3 Receiver.

4 **XVIII. Provision of Information to Receiver**

5 **IT IS FURTHER ORDERED** that Defendants shall immediately provide to the
6 Receiver:

7 A. A list of all Assets and accounts of the Receivership Entities that are held in
8 any name other than the name of a Receivership Entity, or by any person or entity other
9 than a Receivership Entity;

10 B. A list of all agents, employees, officers, attorneys, servants and those
11 persons in active concert and participation with the Receivership Entities, or who have
12 been associated or done business with the Receivership Entities; and

13 C. A description of any documents covered by attorney-client privilege or
14 attorney work product, including files where such documents are likely to be located,
15 authors or recipients of such documents, and search terms likely to identify such
16 electronic documents.

17 **XIX. Cooperation with the Receiver**

18 **IT IS FURTHER ORDERED** that Defendants; Receivership Entities;
19 Defendants' or Receivership Entities' officers, agents, employees, and attorneys, all other
20 persons in active concert or participation with any of them, and any other person with
21 possession, custody, or control of property of or records relating to the Receivership
22 entities who receive actual notice of this Order shall fully cooperate with and assist the
23 Receiver. This cooperation and assistance shall include providing information to the
24 Receiver that the Receiver deems necessary to exercise the authority and discharge the
25 responsibilities of the Receiver under this Order; providing any keys, codes, user names
26 and passwords required to access any computers, electronic devices, mobile devices, and
27 machines (onsite or remotely) and any cloud account (including specific method to access
28 account) or electronic file in any medium; advising all persons who owe money to any

1 Receivership Entity that all debts should be paid directly to the Receiver; and transferring
2 funds at the Receiver's direction and producing records related to the Assets and sales of
3 the Receivership Entities.

4 **XX. Non-Interference with the Receiver**

5 **IT IS FURTHER ORDERED** that Defendants; Receivership Entities;
6 Defendants' or Receivership Entities' officers, agents, employees, attorneys, and all other
7 persons in active concert or participation with any of them, who receive actual notice of
8 this Order, and any other person served with a copy of this Order, are restrained and
9 enjoined from directly or indirectly:

10 A. Interfering with the Receiver's efforts to manage, or take custody, control, or
11 possession of, the Assets or Documents subject to the receivership;

12 B. Transacting any of the business of the Receivership Entities;

13 C. Transferring, receiving, altering, selling, encumbering, pledging, assigning,
14 liquidating, or otherwise disposing of any Assets owned, controlled, or in the possession
15 or custody of, or in which an interest is held or claimed by, the Receivership Entities; or

16 D. Refusing to cooperate with the Receiver or the Receiver's duly authorized
17 agents in the exercise of their duties or authority under any order of this Court.

18 **XXI. Stay of Actions**

19 **IT IS FURTHER ORDERED** that, except by leave of this Court, during the
20 pendency of the receivership ordered herein, Defendants, Defendants' officers, agents,
21 employees, attorneys, and all other persons in active concert or participation with any of
22 them, who receive actual notice of this Order, and their corporations, subsidiaries,
23 divisions, or affiliates, and all investors, creditors, stockholders, lessors, customers and
24 other persons seeking to establish or enforce any claim, right, or interest against or on
25 behalf of Defendants, and all others acting for or on behalf of such persons, are enjoined
26 from taking action that would interfere with the exclusive jurisdiction of this Court over
27 the Assets or Documents of the Receivership Entities, including:

28

1 A. Filing or assisting in the filing of a petition for relief under the Bankruptcy
2 Code, 11 U.S.C. § 101 *et seq.*, or of any similar insolvency proceeding on behalf of the
3 Receivership Entities;

4 B. Commencing, prosecuting, or continuing a judicial, administrative, or other
5 action or proceeding against the Receivership Entities, including the issuance or
6 employment of process against the Receivership Entities, except that such actions may be
7 commenced if necessary to toll any applicable statute of limitations; or

8 C. Filing or enforcing any lien on any asset of the Receivership Entities, taking
9 or attempting to take possession, custody, or control of any Asset of the Receivership
10 Entities; or attempting to foreclose, forfeit, alter, or terminate any interest in any Asset of
11 the Receivership Entities, whether such acts are part of a judicial proceeding, are acts of
12 self-help, or otherwise; or

13 Provided, however, that this Order does not stay: (1) the commencement or
14 continuation of a criminal action or proceeding; (2) the commencement or continuation of
15 an action or proceeding by a governmental unit to enforce such governmental unit's
16 police or regulatory power; or (3) the enforcement of a judgment, other than a money
17 judgment, obtained in an action or proceeding by a governmental unit to enforce such
18 governmental unit's police or regulatory power.

19 **XXII. Compensation of Receiver**

20 **IT IS FURTHER ORDERED** that the Receiver and all personnel hired by the
21 Receiver as herein authorized, including counsel to the Receiver and accountants, are
22 entitled to reasonable compensation for the performance of duties pursuant to this Order
23 and for the cost of actual out-of-pocket expenses incurred by them, from the Assets now
24 held by, in the possession or control of, or which may be received by, the Receivership
25 Entities. The Receiver shall file with the Court and serve on the parties periodic requests
26 for the payment of such reasonable compensation, with the first such request filed no
27 more than sixty days after the date of entry of this Order. The Receiver shall not increase
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1 the hourly rates used as the bases for such fee applications without prior approval of the
2 Court.

3 **XXIII. Receiver's Bond**

4 **IT IS FURTHER ORDERED** that the Receiver shall file with the Clerk of this
5 Court a bond in the sum of \$30,000.00 with sureties to be approved by the Court,
6 conditioned that the Receiver will well and truly perform the duties of the office and
7 abide by and perform all acts the Court directs. 28 U.S.C. § 754.

8 **XXIV. Immediate Access to Business Premises and Records**

9 **IT IS FURTHER ORDERED** that:

10 A. To allow Plaintiff and the Receiver to preserve Assets and evidence relevant
11 to this action and to expedite discovery, Plaintiff and the Receiver, and their
12 representatives, agents, contractors, and assistants, shall have immediate access to any
13 business premises and storage facilities, owned, controlled, or used by the Receivership
14 Entities. Such locations include 1350 Columbia Street, Suites 303 and 302, San Diego,
15 California 92101, and 4519 George Road, Suite 170, Tampa, Florida 33634; and any
16 offsite location or commercial mailbox used by the Receivership Entities. The Receiver
17 may exclude Defendants, Receivership Entities, and their employees from the business
18 premises during the immediate access;

19 B. Plaintiff and the Receiver, and their representatives, agents, contractors, and
20 assistants, are authorized to obtain the assistance of federal, state and local law
21 enforcement officers as they deem necessary to effect service and to implement
22 peacefully the provisions of this Section;

23 C. Plaintiff and the Receiver, and their representatives, agents, contractors, and
24 assistants, are authorized to remove Documents from the Receivership Entities' premises
25 in order that they may be inspected, inventoried, and copied. Plaintiff shall return any
26 removed materials to the Receiver within five business days of completing inventorying
27 and copying, or such time as is agreed upon by Plaintiff and the Receiver;

28

1 D. Plaintiff's access to the Receivership Entities' documents pursuant to this
2 Section shall not provide grounds for any Defendant to object to any subsequent request
3 for documents served by Plaintiff;

4 E. If any Documents, computers, or electronic storage devices containing
5 information related to the business practices or finances of the Receivership Entities are
6 at a location other than those listed herein, including personal residence(s) of any
7 Defendant, then, immediately upon receiving notice of this order, Defendants and
8 Receivership Entities shall produce to the Receiver all such Documents, computers, and
9 electronic storage devices, along with any codes or passwords needed for access. In
10 order to prevent the destruction of computer data, upon service of this Order, any such
11 computers or electronic storage devices shall be powered down in the normal course of
12 the operating system used on such devices and shall not be powered up or used until
13 produced for copying and inspection; and

14 F. If any communications or records of any Receivership Entity are stored with
15 an Electronic Data Host, such Entity shall, immediately upon receiving notice of this
16 order, provide the Receiver with the username, passwords, and any other login credential
17 needed to access the communications and records, and shall not attempt to access, or
18 cause a third-party to attempt to access, the communications or records.

19 **XXV. Distribution of Order by Defendants**

20 **IT IS FURTHER ORDERED** that Defendants shall immediately provide a copy
21 of this Order to each affiliate, telemarketer, marketer, sales entity, successor, assign,
22 member, officer, director, employee, agent, independent contractor, client, attorney,
23 spouse, subsidiary, division, and representative of any Defendant, and shall, within ten
24 days from the date of entry of this Order, provide Plaintiff and the Receiver with a sworn
25 statement that this provision of the Order has been satisfied, which statement shall
26 include the names, physical addresses, phone number, and email addresses of each such
27 person or entity who received a copy of the Order. Furthermore, Defendants shall not
28 take any action that would encourage officers, agents, members, directors, employees,

1 salespersons, independent contractors, attorneys, subsidiaries, affiliates, successors,
2 assigns or other persons or entities in active concert or participation with them to
3 disregard this Order or believe that they are not bound by its provisions.

4 **XXVI. Expedited Discovery**

5 **IT IS FURTHER ORDERED** that, notwithstanding the provisions of the Fed. R.
6 Civ. P. 26(d) and (f) and 30(a)(2)(A)(iii), and pursuant to Fed. R. Civ. P. 30(a), 34, and
7 45, Plaintiff and the Receiver are granted leave, at any time after service of this Order, to
8 conduct limited expedited discovery for the purpose of discovering: (1) the nature,
9 location, status, and extent of Defendants' Assets; (2) the nature, location, and extent of
10 Defendants' business transactions and operations; (3) Documents reflecting Defendants'
11 business transactions and operations; or (4) compliance with this Order. The limited
12 expedited discovery set forth in this Section shall proceed as follows:

13 A. Plaintiff and the Receiver may serve upon parties requests for production of
14 Documents or inspection that require production or inspection within five days of service,
15 provided, however, that three days of notice shall be deemed sufficient for the production
16 of any such Documents that are maintained or stored only in an electronic format.

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

19 C. Any expedited discovery taken pursuant to this Section is in addition to, and
20 is not subject to, the limits on discovery set forth in the Federal Rules of Civil Procedure
21 and the Local Rules of this Court. The expedited discovery permitted by this Section
22 does not require a meeting or conference of the parties, pursuant to Rules 26(d) & (f) of
23 the Federal Rules of Civil Procedure.

24 D. The parties are exempted from making initial disclosures under Fed. R. Civ.
25 P. 26(a)(1) until further order of this Court.

26 **XXVII. Service of this Order**

27 **IT IS FURTHER ORDERED** that copies of this Order as well as the Motion for
28 Temporary Restraining Order and all other pleadings, Documents, and exhibits filed

1 contemporaneously with that Motion (other than the complaint and summons), may be
2 served by any means, including facsimile transmission, electronic mail or other electronic
3 messaging, personal or overnight delivery, U.S. Mail or FedEx, by agents and employees
4 of Plaintiff, by any law enforcement agency, or by private process server, upon any
5 Defendant or any person (including any financial institution) that may have possession,
6 custody or control of any Asset or Document of any Defendant, or that may be subject to
7 any provision of this Order pursuant to Rule 65(d)(2) of the Federal Rules of Civil
8 Procedure. For purposes of this Section, service upon any branch, subsidiary, affiliate or
9 office of any entity shall effect service upon the entire entity.

10 **XXVIII. Correspondence and Service on Plaintiff**

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

13 Samantha Gordon
14 Matthew Wernz
15 230 South Dearborn, Suite 3030
16 Chicago, Illinois 60604
17 312-960-5634
sgordon@ftc.gov
mwernz@ftc.gov

18 **XXIX. Preliminary Injunction Hearing**

19 **IT IS FURTHER ORDERED** that, pursuant to Fed. R. Civ. P. 65(b), Defendants
20 shall appear before this Court on **July 13, 2018 at 2:30 p.m. in Courtroom 3D** to show
21 cause, if there is any, why this Court should not enter a preliminary injunction, pending
22 final ruling on the Complaint against Defendants, enjoining the violations of the law
23 alleged in the Complaint, continuing the freeze of their Assets, continuing the
24 receivership, and imposing such additional relief as may be appropriate.

25 **XXX. Briefs and Affidavits Concerning Preliminary Injunction**

26 **IT IS FURTHER ORDERED** that:

27 A. Defendants shall file with the Court and serve on Plaintiff's counsel any
28 answering pleadings, affidavits, motions, expert reports or declarations, or legal

1 memoranda no later than **July 6, 2018**. Plaintiff may file responsive or supplemental
2 pleadings, materials, affidavits, or memoranda with the Court and serve the same on
3 counsel for Defendants no later than **July 11, 2018**. Provided that such affidavits,
4 pleadings, motions, expert reports, declarations, legal memoranda or oppositions must be
5 served by personal or overnight delivery, facsimile or email, and be received by the other
6 party or parties no later than 5:00 p.m. (Pacific Time) on the appropriate dates set forth in
7 this Section.

8 B. An evidentiary hearing on Plaintiff's request for a preliminary injunction is
9 not necessary unless Defendants demonstrate that they have, and intend to introduce,
10 evidence that raises a genuine and material factual issue. The question of whether this
11 Court should enter a preliminary injunction shall be resolved on the pleadings,
12 declarations, exhibits, and memoranda filed by, and oral argument of, the parties. Live
13 testimony shall be heard only on further order of this Court. Any motion to permit such
14 testimony shall be filed with the Court and served on counsel for the other parties at least
15 five days prior to the preliminary injunction hearing in this matter. Such motion shall set
16 forth the name, address, and telephone number of each proposed witness, a detailed
17 summary or affidavit revealing the substance of each proposed witness's expected
18 testimony, and an explanation of why the taking of live testimony would be helpful to
19 this Court. Any papers opposing a timely motion to present live testimony or to present
20 live testimony in response to another party's timely motion to present live testimony shall
21 be filed with this Court and served on the other parties at least three days prior to the
22 order to show cause hearing.

23 Provided, however, that service shall be performed by personal or overnight
24 delivery, facsimile or email, and Documents shall be delivered so that they shall be
25 received by the other parties no later than 5:00 p.m. (Pacific Time) on the appropriate
26 dates provided in this Section.

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1 **XXXI. Duration of the Order**

2 **IT IS FURTHER ORDERED** that this Order shall expire fourteen days from the
3 date of entry noted below, unless within such time, the Order is extended for an
4 additional period pursuant to Fed. R. Civ. P. 65(b)(2).


5 **XXXII. Retention of Jurisdiction**

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

8 The Court **DIRECTS** the Clerk of Court to file this Order **under seal**.

9 **IT IS SO ORDERED.**

10 DATE: June 29, 2018



HON. MICHAEL M. ANELLO
United States District Judge

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Attachment A

FEDERAL TRADE COMMISSION

FINANCIAL STATEMENT OF INDIVIDUAL DEFENDANT

Definitions and Instructions:

1. Complete all items. Enter "None" or "N/A" ("Not Applicable") in the first field only of any item that does not apply to you. If you cannot fully answer a question, explain why.
2. "Dependents" include your spouse, live-in companion, dependent children, or any other person, whom you or your spouse (or your children's other parent) claimed or could have claimed as a dependent for tax purposes at any time during the past five years.
3. "Assets" and "Liabilities" include ALL assets and liabilities, located within the United States or any foreign country or territory, whether held individually or jointly and whether held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.
4. Attach continuation pages as needed. On the financial statement, state next to the Item number that the Item is being continued. On the continuation page(s), identify the Item number(s) being continued.
5. Type or print legibly.
6. Initial each page in the space provided in the lower right corner.
7. Sign and date the completed financial statement on the last page.

Penalty for False Information:

Federal law provides that any person may be imprisoned for not more than five years, fined, or both, if such person:

(1) "in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact; makes any materially false, fictitious or fraudulent statement or representation; or makes or uses any false writing or document knowing the same to contain any materially false, fictitious or fraudulent statement or entry" (18 U.S.C. § 1001);

(2) "in any . . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code, willfully subscribes as true any material matter which he does not believe to be true" (18 U.S.C. § 1621); or

(3) "in any (. . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code) in any proceeding before or ancillary to any court or grand jury of the United States knowingly makes any false material declaration or makes or uses any other information . . . knowing the same to contain any false material declaration" (18 U.S.C. § 1623).

For a felony conviction under the provisions cited above, federal law provides that the fine may be not more than the greater of (i) \$250,000 for an individual or \$500,000 for a corporation, or (ii) if the felony results in pecuniary gain to any person or pecuniary loss to any person other than the defendant, the greater of twice the gross gain or twice the gross loss. 18 U.S.C. § 3571.

BACKGROUND INFORMATION			
Item 1. Information About You			
Full Name	Social Security No.		
Current Address of Primary Residence	Driver's License No.		State Issued
	Phone Numbers Home: () Fax: ()		Date of Birth: / / (mm/dd/yyyy)
	Place of Birth		
<input type="checkbox"/> Rent <input type="checkbox"/> Own From (Date): / / (mm/dd/yyyy)	E-Mail Address		
Internet Home Page			
Previous Addresses for past five years (if required, use additional pages at end of form)			
Address	From: / / (mm/dd/yyyy)		Until: / / (mm/dd/yyyy)
<input type="checkbox"/> Rent <input type="checkbox"/> Own			
Address	From: / /		Until: / /
<input type="checkbox"/> Rent <input type="checkbox"/> Own			
Address	From: / /		Until: / /
<input type="checkbox"/> Rent <input type="checkbox"/> Own			
Identify any other name(s) and/or social security number(s) you have used, and the time period(s) during which they were used:			
Item 2. Information About Your Spouse or Live-In Companion			
Spouse/Companion's Name	Social Security No.	Date of Birth / / (mm/dd/yyyy)	
Address (if different from yours)	Phone Number ()		Place of Birth
	<input type="checkbox"/> Rent <input type="checkbox"/> Own From (Date): / / (mm/dd/yyyy)		
Identify any other name(s) and/or social security number(s) you have used, and the time period(s) during which they were used:			
Employer's Name and Address		Job Title	
		Years in Present Job	Annual Gross Salary/Wages \$
Item 3. Information About Your Previous Spouse			
Name and Address		Social Security No.	
		Date of Birth / / (mm/dd/yyyy)	
Item 4. Contact Information (name and address of closest living relative other than your spouse)			
Name and Address		Phone Number ()	

Initials: _____

Item 7. Pending Lawsuits Filed By or Against You or Your Spouse

List all pending lawsuits that have been filed by or against you or your spouse in any court or before an administrative agency in the United States or in any foreign country or territory. *Note: At Item 12, list lawsuits that resulted in final judgments or settlements in your favor. At Item 21, list lawsuits that resulted in final judgments or settlements against you.*

Caption of Proceeding	Court or Agency and Location	Case No.	Nature of Proceeding	Relief Requested	Status or Disposition

Item 8. Safe Deposit Boxes

List all safe deposit boxes, located within the United States or in any foreign country or territory, whether held individually or jointly and whether held by you, your spouse, or any of your dependents, or held by others for the benefit of you, your spouse, or any of your dependents.

Name of Owner(s)	Name & Address of Depository Institution	Box No.	Contents

Initials: _____

FINANCIAL INFORMATION

REMINDER: When an item asks for information regarding your "assets" and "liabilities" include ALL assets and liabilities, located within the United States or in any foreign country or territory, or institution, whether held individually or jointly, and whether held by you, your spouse, or any of your dependents, or held by others for the benefit of you, your spouse, or any of your dependents. In addition, provide all documents requested in Item 24 with your completed Financial Statement.

ASSETS

Item 9. Cash, Bank, and Money Market Accounts

List cash on hand (as opposed to cash in bank accounts or other financial accounts) and all bank accounts, money market accounts, or other financial accounts, including but not limited to checking accounts, savings accounts, and certificates of deposit. The term "cash on hand" includes but is not limited to cash in the form of currency, uncashed checks, and money orders.

a. Amount of Cash on Hand \$		Form of Cash on Hand	
b. Name on Account	Name & Address of Financial Institution	Account No.	Current Balance
			\$
			\$
			\$
			\$
			\$

Item 10. Publicly Traded Securities

List all publicly traded securities, including but not limited to, stocks, stock options, corporate bonds, mutual funds, U.S. government securities (including but not limited to treasury bills and treasury notes), and state and municipal bonds. Also list any U.S. savings bonds.

Owner of Security	Issuer	Type of Security	No. of Units Owned
Broker House, Address	Broker Account No.		
	Current Fair Market Value \$	Loan(s) Against Security \$	
Owner of Security	Issuer	Type of Security	No. of Units Owned
Broker House, Address	Broker Account No.		
	Current Fair Market Value \$	Loan(s) Against Security \$	
Owner of Security	Issuer	Type of Security	No. of Units Owned
Broker House, Address	Broker Account No.		
	Current Fair Market Value \$	Loan(s) Against Security \$	

Initials: _____

Item 11. Non-Public Business and Financial Interests				
List all non-public business and financial interests, including but not limited to any interest in a non-public corporation, subchapter-S corporation, limited liability corporation ("LLC"), general or limited partnership, joint venture, sole proprietorship, international business corporation or personal investment corporation, and oil or mineral lease.				
Entity's Name & Address	Type of Business or Financial Interest (e.g., LLC, partnership)	Owner (e.g., self, spouse)	Ownership %	If Officer, Director, Member or Partner, Exact Title

Item 12. Amounts Owed to You, Your Spouse, or Your Dependents			
Debtor's Name & Address	Date Obligation Incurred (Month/Year) /	Original Amount Owed \$	Nature of Obligation (if the result of a final court judgment or settlement, provide court name and docket number)
	Current Amount Owed \$	Payment Schedule \$	
Debtor's Telephone	Debtor's Relationship to You		
Debtor's Name & Address	Date Obligation Incurred (Month/Year) /	Original Amount Owed \$	Nature of Obligation (if the result of a final court judgment or settlement, provide court name and docket number)
	Current Amount Owed \$	Payment Schedule \$	
Debtor's Telephone	Debtor's Relationship to You		

Item 13. Life Insurance Policies			
List all life insurance policies (including endowment policies) with any cash surrender value.			
Insurance Company's Name, Address, & Telephone No.	Beneficiary	Policy No.	Face Value \$
	Insured	Loans Against Policy \$	Surrender Value \$
Insurance Company's Name, Address, & Telephone No.	Beneficiary	Policy No.	Face Value \$
	Insured	Loans Against Policy \$	Surrender Value \$

Item 14. Deferred Income Arrangements			
List all deferred income arrangements, including but not limited to, deferred annuities, pensions plans, profit-sharing plans, 401(k) plans, IRAs, Keoghs, other retirement accounts, and college savings plans (e.g., 529 Plans).			
Trustee or Administrator's Name, Address & Telephone No.	Name on Account		Account No.
	Date Established / / (mm/dd/yyyy)	Type of Plan	Surrender Value before Taxes and Penalties \$
Trustee or Administrator's Name, Address & Telephone No.	Name on Account		Account No.
	Date Established / /	Type of Plan	Surrender Value before Taxes and Penalties \$

Initials: _____

Item 15. Pending Insurance Payments or Inheritances		
List any pending insurance payments or inheritances owed to you.		
Type	Amount Expected	Date Expected (mm/dd/yyyy)
	\$	/ /
	\$	/ /
	\$	/ /

Item 16. Vehicles					
List all cars, trucks, motorcycles, boats, airplanes, and other vehicles.					
Vehicle Type	Year	Registered Owner's Name	Purchase Price	Original Loan Amount	Current Balance
Make		Registration State & No.	Account/Loan No.	Current Value	Monthly Payment
Model		Address of Vehicle's Location			
		Lender's Name and Address			
			\$	\$	\$
				\$	\$
			\$	\$	\$
				\$	\$
			\$	\$	\$
				\$	\$

Item 17. Other Personal Property				
List all other personal property not listed in Items 9-16 by category, whether held for personal use, investment or any other reason, including but not limited to coins, stamps, artwork, gemstones, jewelry, bullion, other collectibles, copyrights, patents, and other intellectual property.				
Property Category (e.g., artwork, jewelry)	Name of Owner	Property Location	Acquisition Cost	Current Value
			\$	\$
			\$	\$
			\$	\$

Initials: _____

Item 18. Real Property List all real property interests (including any land contract)			
Property's Location		Type of Property	Name(s) on Title or Contract and Ownership Percentages
Acquisition Date (mm/dd/yyyy) / /	Purchase Price \$	Current Value \$	Basis of Valuation
Lender's Name and Address		Loan or Account No.	Current Balance On First Mortgage or Contract \$
			Monthly Payment \$
Other Mortgage Loan(s) (describe)		Monthly Payment \$	<input type="checkbox"/> Rental Unit
		Current Balance \$	Monthly Rent Received \$
Property's Location		Type of Property	Name(s) on Title or Contract and Ownership Percentages
Acquisition Date (mm/dd/yyyy) / /	Purchase Price \$	Current Value \$	Basis of Valuation
Lender's Name and Address		Loan or Account No.	Current Balance On First Mortgage or Contract \$
			Monthly Payment \$
Other Mortgage Loan(s) (describe)		Monthly Payment \$	<input type="checkbox"/> Rental Unit
		Current Balance \$	Monthly Rent Received \$
LIABILITIES			
Item 19. Credit Cards List each credit card account held by you, your spouse, or your dependents, and any other credit cards that you, your spouse, or your dependents use, whether issued by a United States or foreign financial institution.			
Name of Credit Card (e.g., Visa, MasterCard, Department Store)	Account No.	Name(s) on Account	Current Balance
			\$
			\$
			\$
			\$
			\$
Item 20. Taxes Payable List all taxes, such as income taxes or real estate taxes, owed by you, your spouse, or your dependents.			
Type of Tax	Amount Owed	Year Incurred	
	\$		
	\$		
	\$		

Initials: _____

Item 21. Other Amounts Owed by You, Your Spouse, or Your Dependents			
List all other amounts, not listed elsewhere in this financial statement, owed by you, your spouse, or your dependents.			
Lender/Creditor's Name, Address, and Telephone No.		Nature of Debt (if the result of a court judgment or settlement, provide court name and docket number)	
		Lender/Creditor's Relationship to You	
Date Liability Was Incurred / / (mm/dd/yyyy)	Original Amount Owed \$	Current Amount Owed \$	Payment Schedule
Lender/Creditor's Name, Address, and Telephone No.		Nature of Debt (if the result of a court judgment or settlement, provide court name and docket number)	
		Lender/Creditor's Relationship to You	
Date Liability Was Incurred / / (mm/dd/yyyy)	Original Amount Owed \$	Current Amount Owed \$	Payment Schedule

OTHER FINANCIAL INFORMATION

Item 22. Trusts and Escrows				
List all funds and other assets that are being held in trust or escrow by any person or entity for you, your spouse, or your dependents. Include any legal retainers being held on your behalf by legal counsel. Also list all funds or other assets that are being held in trust or escrow by you, your spouse, or your dependents, for any person or entity.				
Trustee or Escrow Agent's Name & Address	Date Established (mm/dd/yyyy)	Grantor	Beneficiaries	Present Market Value of Assets*
	/ /			\$
	/ /			\$
	/ /			\$

*If the market value of any asset is unknown, describe the asset and state its cost, if you know it.

Item 23. Transfers of Assets				
List each person or entity to whom you have transferred, in the aggregate, more than \$5,000 in funds or other assets during the previous five years by loan, gift, sale, or other transfer (exclude ordinary and necessary living and business expenses paid to unrelated third parties). For each such person or entity, state the total amount transferred during that period.				
Transferee's Name, Address, & Relationship	Property Transferred	Aggregate Value*	Transfer Date (mm/dd/yyyy)	Type of Transfer (e.g., Loan, Gift)
		\$	/ /	
		\$	/ /	
		\$	/ /	

*If the market value of any asset is unknown, describe the asset and state its cost, if you know it.

Initials: _____

Item 24. Document Requests	
Provide copies of the following documents with your completed Financial Statement.	
	Federal tax returns filed during the last three years by or on behalf of you, your spouse, or your dependents.
	All applications for bank loans or other extensions of credit (other than credit cards) that you, your spouse, or your dependents have submitted within the last two years, including by obtaining copies from lenders if necessary.
Item 9	For each bank account listed in Item 9, all account statements for the past 3 years.
Item 11	For each business entity listed in Item 11, provide (including by causing to be generated from accounting records) the most recent balance sheet, tax return, annual income statement, the most recent year-to-date income statement, and all general ledger files from account records.
Item 17	All appraisals that have been prepared for any property listed in Item 17, including appraisals done for insurance purposes. You may exclude any category of property where the total appraised value of all property in that category is less than \$2,000.
Item 18	All appraisals that have been prepared for real property listed in Item 18.
Item 21	Documentation for all debts listed in Item 21.
Item 22	All executed documents for any trust or escrow listed in Item 22. Also provide any appraisals, including insurance appraisals that have been done for any assets held by any such trust or in any such escrow.

SUMMARY FINANCIAL SCHEDULES

Item 25. Combined Balance Sheet for You, Your Spouse, and Your Dependents

Assets		Liabilities	
Cash on Hand (Item 9)	\$	Loans Against Publicly Traded Securities (Item 10)	\$
Funds Held in Financial Institutions (Item 9)	\$	Vehicles - Liens (Item 16)	\$
U.S. Government Securities (Item 10)	\$	Real Property – Encumbrances (Item 18)	\$
Publicly Traded Securities (Item 10)	\$	Credit Cards (Item 19)	\$
Non-Public Business and Financial Interests (Item 11)	\$	Taxes Payable (Item 20)	\$
Amounts Owed to You (Item 12)	\$	Amounts Owed by You (Item 21)	\$
Life Insurance Policies (Item 13)	\$	Other Liabilities (Itemize)	
Deferred Income Arrangements (Item 14)	\$		\$
Vehicles (Item 16)	\$		\$
Other Personal Property (Item 17)	\$		\$
Real Property (Item 18)	\$		\$
Other Assets (Itemize)			\$
	\$		\$
	\$		\$
	\$		\$
Total Assets	\$	Total Liabilities	\$

Item 26. Combined Current Monthly Income and Expenses for You, Your Spouse, and Your Dependents

Provide the current monthly income and expenses for you, your spouse, and your dependents. Do not include credit card payments separately; rather, include credit card expenditures in the appropriate categories.

Income (State source of each item)		Expenses	
Salary - After Taxes	\$	Mortgage or Rental Payments for Residence(s)	\$
Source:			
Fees, Commissions, and Royalties	\$	Property Taxes for Residence(s)	\$
Source:			
Interest	\$	Rental Property Expenses, Including Mortgage Payments, Taxes, and Insurance	\$
Source:			
Dividends and Capital Gains	\$	Car or Other Vehicle Lease or Loan Payments	\$
Source:			
Gross Rental Income	\$	Food Expenses	\$
Source:			
Profits from Sole Proprietorships	\$	Clothing Expenses	\$
Source:			
Distributions from Partnerships, S-Corporations, and LLCs	\$	Utilities	\$
Source:			

Initials: _____

Item 26. Combined Current Monthly Income and Expenses for You, Your Spouse, and Your Dependents (cont.)			
Distributions from Trusts and Estates	\$	Medical Expenses, Including Insurance	\$
Source:			
Distributions from Deferred Income Arrangements	\$	Other Insurance Premiums	\$
Source:			
Social Security Payments	\$	Other Transportation Expenses	\$
Alimony/Child Support Received	\$	Other Expenses (Itemize)	
Gambling Income	\$		\$
Other Income (Itemize)			\$
	\$		\$
	\$		\$
	\$		\$
Total Income	\$	Total Expenses	\$

ATTACHMENTS

Item 27. Documents Attached to this Financial Statement

List all documents that are being submitted with this financial statement. For any Item 24 documents that are not attached, explain why.

Item No. Document Relates To	Description of Document

I am submitting this financial statement with the understanding that it may affect action by the Federal Trade Commission or a federal court. I have used my best efforts to obtain the information requested in this statement. The responses I have provided to the items above are true and contain all the requested facts and information of which I have notice or knowledge. I have provided all requested documents in my custody, possession, or control. I know of the penalties for false statements under 18 U.S.C. § 1001, 18 U.S.C. § 1621, and 18 U.S.C. § 1623 (five years imprisonment and/or fines). I certify under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed on:

(Date)

Signature

Attachment B

FEDERAL TRADE COMMISSION
FINANCIAL STATEMENT OF CORPORATE DEFENDANT

Instructions:

1. Complete all items. Enter "None" or "N/A" ("Not Applicable") where appropriate. If you cannot fully answer a question, explain why.
2. The font size within each field will adjust automatically as you type to accommodate longer responses.
3. In completing this financial statement, "the corporation" refers not only to this corporation but also to each of its predecessors that are not named defendants in this action.
4. When an Item asks for information about assets or liabilities "held by the corporation," include ALL such assets and liabilities, located within the United States or elsewhere, held by the corporation or held by others for the benefit of the corporation.
5. Attach continuation pages as needed. On the financial statement, state next to the Item number that the Item is being continued. On the continuation page(s), identify the Item number being continued.
6. Type or print legibly.
7. An officer of the corporation must sign and date the completed financial statement on the last page and initial each page in the space provided in the lower right corner.

Penalty for False Information:

Federal law provides that any person may be imprisoned for not more than five years, fined, or both, if such person:

- (1) "in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry" (18 U.S.C. § 1001);
- (2) "in any . . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code, willfully subscribes as true any material matter which he does not believe to be true" (18 U.S.C. § 1621); or
- (3) "in any (. . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code) in any proceeding before or ancillary to any court or grand jury of the United States knowingly makes any false material declaration or makes or uses any other information . . . knowing the same to contain any false material declaration." (18 U.S.C. § 1623)

For a felony conviction under the provisions cited above, federal law provides that the fine may be not more than the greater of (i) \$250,000 for an individual or \$500,000 for a corporation, or (ii) if the felony results in pecuniary gain to any person or pecuniary loss to any person other than the defendant, the greater of twice the gross gain or twice the gross loss. 18 U.S.C. § 3571.

BACKGROUND INFORMATION

Item 1. General Information

Corporation's Full Name _____

Primary Business Address _____ From (Date) _____

Telephone No. _____ Fax No. _____

E-Mail Address _____ Internet Home Page _____

All other current addresses & previous addresses for past five years, including post office boxes and mail drops:

Address _____ From/Until _____

Address _____ From/Until _____

Address _____ From/Until _____

All predecessor companies for past five years:

Name & Address _____ From/Until _____

Name & Address _____ From/Until _____

Name & Address _____ From/Until _____

Item 2. Legal Information

Federal Taxpayer ID No. _____ State & Date of Incorporation _____

State Tax ID No. _____ State _____ Profit or Not For Profit _____

Corporation's Present Status: Active _____ Inactive _____ Dissolved _____

If Dissolved: Date dissolved _____ By Whom _____

Reasons _____

Fiscal Year-End (Mo./Day) _____ Corporation's Business Activities _____

Item 3. Registered Agent

Name of Registered Agent _____

Address _____ Telephone No. _____

Item 4. Principal Stockholders

List all persons and entities that own at least 5% of the corporation's stock.

<u>Name & Address</u>	<u>% Owned</u>

Item 5. Board Members

List all members of the corporation's Board of Directors.

<u>Name & Address</u>	<u>% Owned</u>	<u>Term (From/Until)</u>

Item 6. Officers

List all of the corporation's officers, including *de facto* officers (individuals with significant management responsibility whose titles do not reflect the nature of their positions).

<u>Name & Address</u>	<u>% Owned</u>

Item 7. Businesses Related to the Corporation

List all corporations, partnerships, and other business entities in which this corporation has an ownership interest.

<u>Name & Address</u>	<u>Business Activities</u>	<u>% Owned</u>

State which of these businesses, if any, has ever transacted business with the corporation _____

Item 8. Businesses Related to Individuals

List all corporations, partnerships, and other business entities in which the corporation's principal stockholders, board members, or officers (i.e., the individuals listed in Items 4 - 6 above) have an ownership interest.

<u>Individual's Name</u>	<u>Business Name & Address</u>	<u>Business Activities</u>	<u>% Owned</u>

State which of these businesses, if any, have ever transacted business with the corporation _____

Item 9. Related Individuals

List all related individuals with whom the corporation has had any business transactions during the three previous fiscal years and current fiscal year-to-date. A "related individual" is a spouse, sibling, parent, or child of the principal stockholders, board members, and officers (i.e., the individuals listed in Items 4 - 6 above).

<u>Name and Address</u>	<u>Relationship</u>	<u>Business Activities</u>

Item 10. Outside Accountants

List all outside accountants retained by the corporation during the last three years.

<u>Name</u>	<u>Firm Name</u>	<u>Address</u>	<u>CPA/PA?</u>

Item 11. Corporation's Recordkeeping

List all individuals within the corporation with responsibility for keeping the corporation's financial books and records for the last three years.

<u>Name, Address, & Telephone Number</u>	<u>Position(s) Held</u>

Item 12. Attorneys

List all attorneys retained by the corporation during the last three years.

<u>Name</u>	<u>Firm Name</u>	<u>Address</u>

Item 13. Pending Lawsuits Filed by the Corporation

List all pending lawsuits that have been filed by the corporation in court or before an administrative agency. (List lawsuits that resulted in final judgments or settlements in favor of the corporation in Item 25).

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Item 14. Current Lawsuits Filed Against the Corporation

List all pending lawsuits that have been filed against the corporation in court or before an administrative agency. (List lawsuits that resulted in final judgments, settlements, or orders in Items 26 - 27).

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Item 15. Bankruptcy Information

List all state insolvency and federal bankruptcy proceedings involving the corporation.

Commencement Date _____ Termination Date _____ Docket No. _____

If State Court: Court & County _____ If Federal Court: District _____

Disposition _____

Item 16. Safe Deposit Boxes

List all safe deposit boxes, located within the United States or elsewhere, held by the corporation, or held by others for the benefit of the corporation. *On a separate page, describe the contents of each box.*

Owner's Name Name & Address of Depository Institution Box No.

FINANCIAL INFORMATION

REMINDER: When an Item asks for information about assets or liabilities "held by the corporation," include ALL such assets and liabilities, located within the United States or elsewhere, held by the corporation or held by others for the benefit of the corporation.

Item 17. Tax Returns

List all federal and state corporate tax returns filed for the last three complete fiscal years. *Attach copies of all returns.*

<u>Federal/ State/Both</u>	<u>Tax Year</u>	<u>Tax Due Federal</u>	<u>Tax Paid Federal</u>	<u>Tax Due State</u>	<u>Tax Paid State</u>	<u>Preparer's Name</u>
		\$ _____	\$ _____	\$ _____	\$ _____	
		\$ _____	\$ _____	\$ _____	\$ _____	
		\$ _____	\$ _____	\$ _____	\$ _____	

Item 18. Financial Statements

List all financial statements that were prepared for the corporation's last three complete fiscal years and for the current fiscal year-to-date. *Attach copies of all statements, providing audited statements if available.*

<u>Year</u>	<u>Balance Sheet</u>	<u>Profit & Loss Statement</u>	<u>Cash Flow Statement</u>	<u>Changes in Owner's Equity</u>	<u>Audited?</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Item 19. Financial Summary

For each of the last three complete fiscal years and for the current fiscal year-to-date for which the corporation has not provided a profit and loss statement in accordance with Item 18 above, provide the following summary financial information.

	<u>Current Year-to-Date</u>	<u>1 Year Ago</u>	<u>2 Years Ago</u>	<u>3 Years Ago</u>
<u>Gross Revenue</u>	\$ _____	\$ _____	\$ _____	\$ _____
<u>Expenses</u>	\$ _____	\$ _____	\$ _____	\$ _____
<u>Net Profit After Taxes</u>	\$ _____	\$ _____	\$ _____	\$ _____
<u>Payables</u>	\$ _____	[REDACTED]		
<u>Receivables</u>	\$ _____	[REDACTED]		

Item 20. Cash, Bank, and Money Market Accounts

List cash and all bank and money market accounts, including but not limited to, checking accounts, savings accounts, and certificates of deposit, held by the corporation. The term "cash" includes currency and uncashed checks.

Cash on Hand \$ _____ Cash Held for the Corporation's Benefit \$ _____

<u>Name & Address of Financial Institution</u>	<u>Signator(s) on Account</u>	<u>Account No.</u>	<u>Current Balance</u>
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

Item 21. Government Obligations and Publicly Traded Securities

List all U.S. Government obligations, including but not limited to, savings bonds, treasury bills, or treasury notes, held by the corporation. Also list all publicly traded securities, including but not limited to, stocks, stock options, registered and bearer bonds, state and municipal bonds, and mutual funds, held by the corporation.

Issuer _____ Type of Security/Obligation _____

No. of Units Owned _____ Current Fair Market Value \$ _____ Maturity Date _____

Issuer _____ Type of Security/Obligation _____

No. of Units Owned _____ Current Fair Market Value \$ _____ Maturity Date _____

Item 22. Real Estate

List all real estate, including leaseholds in excess of five years, held by the corporation.

Type of Property _____ Property's Location _____

Name(s) on Title and Ownership Percentages _____

Current Value \$ _____ Loan or Account No. _____

Lender's Name and Address _____

Current Balance On First Mortgage \$ _____ Monthly Payment \$ _____

Other Loan(s) (describe) _____ Current Balance \$ _____

Monthly Payment \$ _____ Rental Unit? _____ Monthly Rent Received \$ _____

Type of Property _____ Property's Location _____

Name(s) on Title and Ownership Percentages _____

Current Value \$ _____ Loan or Account No. _____

Lender's Name and Address _____

Current Balance On First Mortgage \$ _____ Monthly Payment \$ _____

Other Loan(s) (describe) _____ Current Balance \$ _____

Monthly Payment \$ _____ Rental Unit? _____ Monthly Rent Received \$ _____

Item 23. Other Assets

List all other property, by category, with an estimated value of \$2,500 or more, held by the corporation, including but not limited to, inventory, machinery, equipment, furniture, vehicles, customer lists, computer software, patents, and other intellectual property.

<u>Property Category</u>	<u>Property Location</u>	<u>Acquisition Cost</u>	<u>Current Value</u>
		\$ _____	\$ _____
		\$ _____	\$ _____
		\$ _____	\$ _____
		\$ _____	\$ _____
		\$ _____	\$ _____
		\$ _____	\$ _____
		\$ _____	\$ _____
		\$ _____	\$ _____
		\$ _____	\$ _____
		\$ _____	\$ _____

Item 24. Trusts and Escrows

List all persons and other entities holding funds or other assets that are in escrow or in trust for the corporation.

<u>Trustee or Escrow Agent's Name & Address</u>	<u>Description and Location of Assets</u>	<u>Present Market Value of Assets</u>
		\$ _____
		\$ _____
		\$ _____
		\$ _____
		\$ _____
		\$ _____
		\$ _____
		\$ _____

Item 25. Monetary Judgments and Settlements Owed To the Corporation

List all monetary judgments and settlements, recorded and unrecorded, owed to the corporation.

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Item 26. Monetary Judgments and Settlements Owed By the Corporation

List all monetary judgments and settlements, recorded and unrecorded, owed by the corporation.

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Item 27. Government Orders and Settlements

List all existing orders and settlements between the corporation and any federal or state government entities.

Name of Agency _____ Contact Person _____
 Address _____ Telephone No. _____
 Agreement Date _____ Nature of Agreement _____

Item 28. Credit Cards

List all of the corporation's credit cards and store charge accounts and the individuals authorized to use them.

<u>Name of Credit Card or Store</u>	<u>Names of Authorized Users and Positions Held</u>

Item 29. Compensation of Employees

List all compensation and other benefits received from the corporation by the five most highly compensated employees, independent contractors, and consultants (other than those individuals listed in Items 5 and 6 above), for the two previous fiscal years and current fiscal year-to-date. "Compensation" includes, but is not limited to, salaries, commissions, consulting fees, bonuses, dividends, distributions, royalties, pensions, and profit sharing plans. "Other benefits" include, but are not limited to, loans, loan payments, rent, car payments, and insurance premiums, whether paid directly to the individuals, or paid to others on their behalf.

<u>Name/Position</u>	<u>Current Fiscal Year-to-Date</u>	<u>1 Year Ago</u>	<u>2 Years Ago</u>	<u>Compensation or Type of Benefits</u>
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	

Item 30. Compensation of Board Members and Officers

List all compensation and other benefits received from the corporation by each person listed in Items 5 and 6, for the current fiscal year-to-date and the two previous fiscal years. "Compensation" includes, but is not limited to, salaries, commissions, consulting fees, dividends, distributions, royalties, pensions, and profit sharing plans. "Other benefits" include, but are not limited to, loans, loan payments, rent, car payments, and insurance premiums, whether paid directly to the individuals, or paid to others on their behalf.

<u>Name/Position</u>	<u>Current Fiscal Year-to-Date</u>	<u>1 Year Ago</u>	<u>2 Years Ago</u>	<u>Compensation or Type of Benefits</u>
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	

Item 31. Transfers of Assets Including Cash and Property

List all transfers of assets over \$2,500 made by the corporation, other than in the ordinary course of business, during the previous three years, by loan, gift, sale, or other transfer.

<u>Transferee's Name, Address, & Relationship</u>	<u>Property Transferred</u>	<u>Aggregate Value</u>	<u>Transfer Date</u>	<u>Type of Transfer (e.g., Loan, Gift)</u>
		\$ _____		
		\$ _____		
		\$ _____		
		\$ _____		
		\$ _____		

Attachment C

Form **4506**

(July 2017)

Department of the Treasury
Internal Revenue Service

Request for Copy of Tax Return

- ▶ Do not sign this form unless all applicable lines have been completed.
- ▶ Request may be rejected if the form is incomplete or illegible.
- ▶ For more information about Form 4506, visit www.irs.gov/form4506.

OMB No. 1545-0429

Tip. You may be able to get your tax return or return information from other sources. If you had your tax return completed by a paid preparer, they should be able to provide you a copy of the return. The IRS can provide a **Tax Return Transcript** for many returns free of charge. The transcript provides most of the line entries from the original tax return and usually contains the information that a third party (such as a mortgage company) requires. See **Form 4506-T, Request for Transcript of Tax Return**, or you can quickly request transcripts by using our automated self-help service tools. Please visit us at IRS.gov and click on "Get a Tax Transcript..." or call 1-800-908-9946.

1a Name shown on tax return. If a joint return, enter the name shown first.	1b First social security number on tax return, individual taxpayer identification number, or employer identification number (see instructions)
2a If a joint return, enter spouse's name shown on tax return.	2b Second social security number or individual taxpayer identification number if joint tax return

3 Current name, address (including apt., room, or suite no.), city, state, and ZIP code (see instructions)

4 Previous address shown on the last return filed if different from line 3 (see instructions)

5 If the tax return is to be mailed to a third party (such as a mortgage company), enter the third party's name, address, and telephone number.

Caution: If the tax return is being mailed to a third party, ensure that you have filled in lines 6 and 7 before signing. Sign and date the form once you have filled in these lines. Completing these steps helps to protect your privacy. Once the IRS discloses your tax return to the third party listed on line 5, the IRS has no control over what the third party does with the information. If you would like to limit the third party's authority to disclose your return information, you can specify this limitation in your written agreement with the third party.

6 Tax return requested. Form 1040, 1120, 941, etc. and all attachments as originally submitted to the IRS, including Form(s) W-2, schedules, or amended returns. Copies of Forms 1040, 1040A, and 1040EZ are generally available for 7 years from filing before they are destroyed by law. Other returns may be available for a longer period of time. Enter only one return number. If you need more than one type of return, you must complete another Form 4506. ▶ _____

Note: If the copies must be certified for court or administrative proceedings, check here

7 Year or period requested. Enter the ending date of the year or period, using the mm/dd/yyyy format. If you are requesting more than eight years or periods, you must attach another Form 4506.

8 Fee. There is a \$50 fee for each return requested. Full payment must be included with your request or it will be rejected. Make your check or money order payable to "United States Treasury." Enter your SSN, ITIN, or EIN and "Form 4506 request" on your check or money order.	
a Cost for each return	\$ 50.00
b Number of returns requested on line 7	
c Total cost. Multiply line 8a by line 8b	\$

9 If we cannot find the tax return, we will refund the fee. If the refund should go to the third party listed on line 5, check here

Caution: Do not sign this form unless all applicable lines have been completed.

Signature of taxpayer(s). I declare that I am either the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax return requested. If the request applies to a joint return, at least one spouse must sign. If signed by a corporate officer, 1 percent or more shareholder, partner, managing member, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506 on behalf of the taxpayer. **Note:** This form must be received by IRS within 120 days of the signature date.

Signatory attests that he/she has read the attestation clause and upon so reading declares that he/she has the authority to sign the Form 4506. See instructions.

Phone number of taxpayer on line 1a or 2a

Sign Here

Signature (see instructions)	Date
Title (if line 1a above is a corporation, partnership, estate, or trust)	
Spouse's signature	Date

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about Form 4506 and its instructions, go to www.irs.gov/form4506. Information about any recent developments affecting Form 4506, Form 4506-T and Form 4506T-EZ will be posted on that page.

General Instructions

Caution: Do not sign this form unless all applicable lines have been completed.

Purpose of form. Use Form 4506 to request a copy of your tax return. You can also designate (on line 5) a third party to receive the tax return.

How long will it take? It may take up to 75 calendar days for us to process your request.

Tip. Use Form 4506-T, Request for Transcript of Tax Return, to request tax return transcripts, tax account information, W-2 information, 1099 information, verification of nonfiling, and records of account.

Automated transcript request. You can quickly request transcripts by using our automated self-help service tools. Please visit us at IRS.gov and click on "Get a Tax Transcript..." or call 1-800-908-9946.

Where to file. Attach payment and mail Form 4506 to the address below for the state you lived in, or the state your business was in, when that return was filed. There are two address charts: one for individual returns (Form 1040 series) and one for all other returns.

If you are requesting a return for more than one year or period and the chart below shows two different addresses, send your request to the address based on the address of your most recent return.

Chart for individual returns (Form 1040 series)

If you filed an individual return and lived in:

Mail to:

Alabama, Kentucky, Louisiana, Mississippi, Tennessee, Texas, a foreign country, American Samoa, Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, or A.P.O. or F.P.O. address

Internal Revenue Service
RAIVS Team
Stop 6716 AUSC
Austin, TX 73301

Alaska, Arizona, Arkansas, California, Colorado, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, Wisconsin, Wyoming

Internal Revenue Service
RAIVS Team
Stop 37106
Fresno, CA 93888

Connecticut, Delaware, District of Columbia, Florida, Georgia, Maine, Maryland, Massachusetts, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia

Internal Revenue Service
RAIVS Team
Stop 6705 P-6
Kansas City, MO 64999

Chart for all other returns

If you lived in or your business was in:

Mail to:

Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wyoming, a foreign country, American Samoa, Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, or A.P.O. or F.P.O. address

Internal Revenue Service
RAIVS Team
P.O. Box 9941
Mail Stop 6734
Ogden, UT 84409

Connecticut, Delaware, District of Columbia, Georgia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, Wisconsin

Internal Revenue Service
RAIVS Team
P.O. Box 145500
Stop 2800 F
Cincinnati, OH 45250

Specific Instructions

Line 1b. Enter your employer identification number (EIN) if you are requesting a copy of a business return. Otherwise, enter the first social security number (SSN) or your individual taxpayer identification number (ITIN) shown on the return. For example, if you are requesting Form 1040 that includes Schedule C (Form 1040), enter your SSN.

Line 3. Enter your current address. If you use a P.O. box, please include it on this line 3.

Line 4. Enter the address shown on the last return filed if different from the address entered on line 3.

Note: If the addresses on lines 3 and 4 are different and you have not changed your address with the IRS, file Form 8822, Change of Address. For a business address, file Form 8822-B, Change of Address or Responsible Party — Business.

Signature and date. Form 4506 must be signed and dated by the taxpayer listed on line 1a or 2a. The IRS must receive Form 4506 within 120 days of the date signed by the taxpayer or it will be rejected. Ensure that all applicable lines are completed before signing.



You must check the box in the signature area to acknowledge you have the authority to sign and request the information. The form will not be processed and returned to you if the box is unchecked.

Individuals. Copies of jointly filed tax returns may be furnished to either spouse. Only one signature is required. Sign Form 4506 exactly as your name appeared on the original return. If you changed your name, also sign your current name.

Corporations. Generally, Form 4506 can be signed by: (1) an officer having legal authority to bind the corporation, (2) any person designated by the board of directors or other governing body, or (3) any officer or employee on written request by any principal officer and attested to by the secretary or other officer. A bona fide shareholder of record owning 1 percent or more of the outstanding stock of the corporation may submit a Form 4506 but must provide documentation to support the requester's right to receive the information.

Partnerships. Generally, Form 4506 can be signed by any person who was a member of the partnership during any part of the tax period requested on line 7.

All others. See section 6103(e) if the taxpayer has died, is insolvent, is a dissolved corporation, or if a trustee, guardian, executor, receiver, or administrator is acting for the taxpayer.

Note: If you are Heir at law, Next of kin, or Beneficiary you must be able to establish a material interest in the estate or trust.

Documentation. For entities other than individuals, you must attach the authorization document. For example, this could be the letter from the principal officer authorizing an employee of the corporation or the letters testamentary authorizing an individual to act for an estate.

Signature by a representative. A representative can sign Form 4506 for a taxpayer only if this authority has been specifically delegated to the representative on Form 2848, line 5. Form 2848 showing the delegation must be attached to Form 4506.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to establish your right to gain access to the requested return(s) under the Internal Revenue Code. We need this information to properly identify the return(s) and respond to your request. If you request a copy of a tax return, sections 6103 and 6109 require you to provide this information, including your SSN or EIN, to process your request. If you do not provide this information, we may not be able to process your request. Providing false or fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file Form 4506 will vary depending on individual circumstances. The estimated average time is: **Learning about the law or the form, 10 min.; Preparing the form, 16 min.; and Copying, assembling, and sending the form to the IRS, 20 min.**

If you have comments concerning the accuracy of these time estimates or suggestions for making Form 4506 simpler, we would be happy to hear from you. You can write to:

Internal Revenue Service
Tax Forms and Publications Division
1111 Constitution Ave. NW, IR-6526
Washington, DC 20224.

Do not send the form to this address. Instead, see *Where to file* on this page.

Attachment D

1 ALDEN F. ABBOTT
2 General Counsel

3 SAMANTHA GORDON (IL Bar No. 6272135)
4 sgordon@ftc.gov

5 MATTHEW H. WERNZ (IL Bar No. 6294061)
6 mwernz@ftc.gov

7 Federal Trade Commission
8 230 South Dearborn, Suite 3030

9 Chicago, Illinois 60604
10 312.960.5623 (Gordon)

11 312.960.5596 (Wernz)

12 ATTORNEYS FOR PLAINTIFF

13 **UNITED STATES DISTRICT COURT**
14 **SOUTHERN DISTRICT OF CALIFORNIA**

15 FEDERAL TRADE COMMISSION,
16 Plaintiff,

17 v.

18 TRIANGLE MEDIA CORPORATION, a
19 Delaware corporation, also doing business
20 as Triangle CRM, Phenom Health, Beauty
21 and Truth, and E-Cigs;

22 JASPER RAIN MARKETING LLC, a
23 California limited liability company, also
24 doing business as Cranium Power and
25 Phenom Health;

26 HARDWIRE INTERACTIVE INC., a
27 British Virgin Islands corporation, also
28 doing business as Phenom Health, Beauty
and Truth, and E-Cigs; and

BRIAN PHILLIPS, individually and as an
officer of Triangle Media Corporation,

Case No.: [Case No.]

**CONSENT TO RELEASE
FINANCIAL RECORDS**

ATTACHMENT D

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Defendants.

I, _____ of _____, (City, State), do hereby direct any bank, saving and loan association, credit union, depository institution, finance company, commercial lending company, credit card processor, credit card processing entity, automated clearing house, network transaction processor, bank debit processing entity, automated clearing house, network transaction processor, bank debit processing entity, brokerage house, escrow agent, money market or mutual fund, title company, commodity trading company, trustee, or person that holds, controls, or maintains custody of assets, wherever located, that are owned or controlled by me or at which there is an account of any kind upon which I am authorized to draw, and its officers, employees, and agents, to disclose all information and deliver copies of all documents of every nature in its possession or control which relate to the said accounts to any attorney of the Federal Trade Commission, and to give evidence relevant thereto, in the matter of *Federal Trade Commission v. Triangle Media Corporation, et al.*, now pending in the United States District Court of the Southern District of California, and this shall be irrevocable authority for so doing.

ATTACHMENT D

1 This direction is intended to apply to the laws of countries other than the United
2 States of America which restrict or prohibit disclosure of bank or other financial
3 information without the consent of the holder of the account, and shall be construed as
4 consent with respect hereto, and the same shall apply to any of the accounts for which I
5 may be a relevant principal.
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9 Dated: _____ Signature: _____
10 Printed Name: _____
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ATTACHMENT D