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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

FEDERAL TRADE COMMISSION,
Plaintiff,
v.
DENNY LAKE individually and also
d/b/a JD United, U.S. Crush,
Advocacy Division, Advocacy
Department, Advocacy Agency, and
Advocacy Program; CHAD
CALDARONELLO (a/k/a Chad
Carlson and Chad Johnson),
individually and as an officer of C.C.
Enterprises, Inc.; C.C.
ENTERPRISES, INC. (also d/b/a
HOPE Services, Trust Payment
Center, and Retention Divisions);
DEREK NELSON (a/k/a Dereck
Wilson), individually and as an officer
of D.N. Marketing, Inc.; D.N.
MARKETING, INC. (also d/b/a
HAMP Services and Trial Payment
Processing); BRIAN PACIOS (a/k/a
Brian Barry and Brian Kelly); JUSTIN
MOREIRA (a/k/a Justin Mason, Justin
King, and Justin Smith),
Defendants, and
CORTNEY GONSALVES,
Relief Defendant.

Case No. SACV15-00585CJC(JPRx)
EX PARTE

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

3 2. There is good cause to believe that venue lies properly with this
4 Court;

5 3. There is good cause to believe that Defendants Chad Caldaronello,
6 C.C. Enterprises, Inc., Derek Nelson, N. Marketing, Inc., Brian Pacios, and
7 Justin Moreira have engaged and are likely to continue to engage in acts or
8 practices that violate Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), including but
9 not limited to falsely and misleadingly representing, directly or indirectly,
10 expressly or by implication that:

11 a. Defendants will obtain mortgage modifications for consumers
12 that will make their payments substantially more affordable, will substantially
13 lower their interest rates, and will help them avoid foreclosure;

14 b. A consumer's trial payments and/or reinstatement fee payment
15 will be held in his or her lender's trust account and either be paid to his or her
16 lender at the end of the trial period to finalize his or her modification, or be
17 refunded;

18 c. Defendants are affiliated with, endorsed or approved by, or
19 otherwise associated with the United States government, Making Home Affordable
20 ("MHA"), the Department of Housing and Urban Development ("HUD"), or the
21 Neighborhood Assistance Corporation of America ("NACA");

22 d. Defendants communicate with specialized departments,
23 divisions, or "higher-ups" at the maker, servicer, or servicer of the consumer's
24 dwelling loan;

25 e. The consumer's lender can no longer foreclose on the
26 consumer's house after Defendants received documents and the first payment
27 from the consumer;

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1 a. In connection with the telemarketing of Defendants' services,
2 misrepresenting, directly or indirectly, expressly or by implication, any material
3 aspect of the performance, efficacy, nature or central characteristics of such
4 services, in violation of the TSR; 16 C.F.R. § 310.3(a)(2)(iii);

5 b. In connection with the telemarketing of Defendants' services,
6 misrepresenting, directly or indirectly, expressly or by implication, material
7 aspects of the nature or terms of Defendants' refund, cancellation, exchange, or
8 repurchase policies, in violation of the TSR; 16 C.F.R. § 310.3(a)(2)(iv);

9 c. In connection with the telemarketing of Defendants' services,
10 asking for or receiving payment of any fee or other consideration in advance of
11 obtaining a loan or other extension of credit after representing a high likelihood of
12 success in obtaining or arranging a loan or other extension of credit to consumers,
13 in violation of the TSR; 16 C.F.R. § 310.4(a)(4).

14 6. There is good cause to believe that Defendant Denny Lake, both
15 individually and d/b/a JD United, U.S. Crush, Advocacy Division, Advocacy
16 Department, Advocacy Agency, and Advocacy Program, has engaged and is likely
17 to continue to engage in acts or practices that violate the MARS Rule, 12 C.F.R.
18 Part 1015, including but not limited to:

19 a. Providing substantial assistance or support to sellers and
20 telemarketers in connection with the contacting and communicating with consumer
21 clients on behalf of Defendants Chad Caldaronello, C.C. Enterprises, Inc., Derek
22 Nelson, D.N. Marketing, Inc., Brian Pacios, and Justin Moreira, when Defendant
23 Lake knew or consciously avoided knowing that these Defendants were engaged in
24 acts or practices that violated the MARS Rule; and

25 b. Providing substantial assistance or support to Defendants Chad
26 Caldaronello, C.C. Enterprises, Inc., Derek Nelson, D.N. Marketing, Inc., Brian
27 Pacios, and Justin Moreira, who were in the course of providing, offering to
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1 provide, or arranging for others to provide mortgage assistance relief services,
2 when Defendant Lake knew or consciously avoided knowing that these Defendants
3 were engaged in acts or practices that violated the MARS Rule.

4 7. There is good cause to believe that Relief Defendant Cortney
5 Gonsalves received funds or assets that can be traced directly to Defendants'
6 unlawful acts or practices, and that she has no legitimate claim to those funds;

7 8. There is good cause to believe that immediate and irreparable harm
8 will result from Defendants' ongoing violations of Section 5(a) of the FTC Act,
9 MARS Rule, and the TSR unless Defendants are restrained and enjoined by Order
10 of this Court;

11 9. There is good cause to believe that immediate and irreparable damage
12 to the Court's ability to grant effective relief for consumers in the form of
13 monetary restitution and disgorgement of ill-gotten gains will occur from the
14 transfer, dissipation, or concealment by Defendants of their assets or business
15 records unless Defendants can be restrained and enjoined by Order of this
16 Court and that in accordance with Fed. Civ. P. 65(b), the interest of justice
17 requires that the FTC's application be heard *ex parte* without prior notice to
18 Defendants. Therefore, there is good cause for relieving the FTC of the duty to
19 provide Defendants with prior notice of the FTC's application;

20 10. Good cause exists for permitting the FTC to take limited expedited
21 discovery from third parties as to the existence and location of assets and
22 Documents;

23 11. Weighing the equities and considering the FTC's likelihood of
24 ultimate success, a temporary restraining order with an asset freeze, limited
25 expedited discovery as to the existence and location of assets and Documents, and
26 other equitable relief is in the public interest; and
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1 12. No security is required of any agency of the United States for the
2 issuance of a Temporary Restraining Order. Fed.R. Civ. P. 65(c).

3 DEFINITIONS

4 For the purposes of this Temporary Restraining Order, the following
5 definitions apply:

6 A. "Assets" means any legal or equitable interest in, right to, or claim to,
7 any and all real and personal property of Defendants or Relief Defendant, or held
8 for the benefit of Defendant or Relief Defendant, wherever located, whether in the
9 United States or abroad, including but not limited to chattel, goods, instruments,
10 equipment, fixtures, general intangibles, effects, leaseholds, contracts, mail or
11 other deliveries, inventory, checks, notes, accounts, credits, receivables (as those
12 terms are defined in the Uniform Commercial Code), shares of stock, futures, all
13 cash or currency, and trusts, including but not limited to a trust held for the benefit
14 of other defendant. -18. .9742 0 TD 0 Tc2or dtotthe.bl0 -1 .7 0 TD [Indivi of Def /TT2 1 Tf 1.32

1 account number ending in "8344"; are maintained at Comerica Bank with an
2 account number ending in "8707"; are maintained at Comerica Bank with an
3 account number ending in "3367"; are maintained at Comerica Bank with an
4 account number ending in "5726"; are maintained at Comerica Bank with an
5 account number ending in "8882"; are maintained at Comerica Bank with an
6 account number ending in "6561"; are maintained at Comerica Bank with an
7 account number ending in "6320"; are maintained at Farmers & Merchants Bank
8 with an account number ending in "1538"; are maintained at JP Morgan Chase
9 with an account number ending in "1963"; are maintained at JP Morgan Chase
10 with an account number ending in "0038"; are maintained at JP Morgan Chase
11 Bank with an account number ending in "4854"; are maintained at JP Morgan
12 Chase Bank with an account number ending in "6050"; are maintained at JP
13 Morgan Chase Bank with an account number ending in "6529"; are maintained at
14 JP Morgan Chase Bank with an account number ending in "6636"; are maintained
15 at JP Morgan Chase Bank with an account number ending in "9414"; are
16 maintained at JP Morgan Chase Bank with an account number ending in "0647";
17 are maintained at JP Morgan Chase Bank with an account number ending in
18 "9828"; are maintained at JP Morgan Chase Bank with an account number ending
19 in "9215"; are maintained at JP Morgan Chase Bank with an account number
20 ending in "0618"; are maintained at JP Morgan Chase Bank with an account
21 number ending in "1855"; are maintained at JP Morgan Chase Bank with an
22 account number ending in "920"; are maintained at JP Morgan Chase Bank with

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1 with an account number ending in "9082"; are maintained at Wells Fargo Bank
2 with an account number ending "1575."

3 C. "Asset Freeze Defendant" means all Corporate Defendants,
4 Individual Defendants, and Reli Defendant Gonsalves.

5 D. "Assisting others" includes but is not limited to: (1) performing
6 customer service functions, including, but not limited to, receiving or responding
7 to consumer complaints; (2) formulating or providing, or arranging for the
8 formulation or provision of, any advertising or marketing material, including but
9 not limited to, any telephone sales script, direct mail solicitation, or the design,
10 text, or use of images of any Internet website, email, or other electronic
11 communications; (3) formulating or providing, or arranging for the formulation or
12 provision of, any marketing support material or service, including but not limited
13 to, web or Internet Protocol addresses or domain name registration for any Internet
14 websites, affiliate marketing services, or media placement services; (4) providing
15 names of, or assisting in the generation of, potential customers; (5) performing or
16 providing marketing, billing, or payment services of any kind; (6) acting or serving
17 as an owner, officer, director, manager or principal of any entity; or (7) providing
18 telemarketing services.

19 E. "Corporate Defendants" means C.C. Enterprises, Inc. (also d/b/a
20 HOPE Services, Trust Payment Center and Retention Divisions), and D.N.
21 Marketing, Inc. (also d/b/a HAMP Services and Trial Payment Processing), and
22 their successors, assigns, affiliates, subsidiaries, and each of them by whatever
23 names each might be known.

24 F. "Defendants" means all Individual Defendants, Corporate
25 Defendants, and Denny Lake (d/b/a JD United, U.S. Crush, Advocacy Division,
26 Advocacy Department, Advocacy Division, Advocacy Agency, Advocacy
27 Program, or any other entity providing Mortgage Assistance Relief Products or
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1 Services from an office located at 2280 University Drive, Suite 101, Newport
2 Beach, California 92660) and their successors, assigns, affiliates, subsidiaries, or
3 agents, individually, collectively, or in any combination, and each of them by
4 whatever names each might be known.

5 G. "Document" is synonymous in meaning and equal in scope to the
6 terms "document" and "electronically stored information," as described and used
7 in Federal Rule of Civil Procedure 34(a)(1)(A).

8 H. "Electronic Data Host" means any person or entity in the business of
9 storing, hosting, or otherwise maintaining electronically stored information.

10 I. "Financial Institution" means any bank, savings and loan institution,
11 credit union, or any financial depository of any kind, including but not limited to,
12 any brokerage house, trustee, broker, escrow agent, title company,
13 commodity trading company, or precious metal dealer.

14 J. "Individual Defendants" means Denny Lake, Chad Caldaronello
15 (a/k/a Chad Carlson and Chad Johnson), Derek Nelson (a/k/a Dereck Wilson),
16 Brian Pacios (a/k/a Brian Barry and Brian Kelly), Justin Moreira (a/k/a Justin
17 Mason, Justin King, and Justin Smith), and any other names they might use, have
18 used, be known or have been known.

19 K. "Mortgage assistance relief product or service" means any product,
20 service, plan, or program, offered or provided to the consumer in exchange for
21 consideration, that is represented, expressly or by implication, to assist or attempt
22 to assist the consumer with any of the following:

- 23 1. stopping, preventing, or postponing any mortgage or deed of
24 trust foreclosure sale for the consumer's dwelling, any repossession of the
25 consumer's dwelling, or otherwise saving the consumer's dwelling from
26 foreclosure or repossession;

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2. negotiating, obtaining, or arranging a modification of any term of a dwelling loan, including a reduction in the amount of interest, principal balance, monthly payments, or fees;

3. obtaining any forbearance or modification of interest, principal or

1 (Feb. 28, 2013) prohibits Brian Pacios from marketing or providing; these entities’
2 subsidiaries, affiliates, divisions, successors, and assigns, and Denny Lake (d/b/a
3 JD United, U.S. Crush, Advocacy Division, Advocacy Department, Advocacy
4 Division, Advocacy Agency, Advocacy Program, or any other business providing
5 Mortgage Assistance Relief Products Services from an office located at 2280
6 University Drive, Suite 101, Newport Beach, California 92660):“Receivership
7 Defendants” include businesses that lack a legal structure (such as businesses
8 operating under fictitious business names), that otherwise satisfy the definition
9 of “Receivership Defendant.”

10 O. “Relief Defendant” means Courtney Gonsalves and her successors
11 and assigns, and each of them by whatever names each might be known.

12 P. “Temporary Receiver” means the Temporary Receiver appointed in
13 Section X of this Order. The term “Temporary Receiver” also includes any deputy
14 receivers or agents as may be named by the Temporary Receiver.

15 Q. “Telemarketer” means any person who, in connection with
16 telemarketing, initiates or receives telephone calls to or from a customer or donor.

17 16 C.F.R. § 310.2(cc). Q.

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1 promotion, offering for sale, sale, or provision of any mortgage assistance relief
2 service or debt relief service, are hereby temporarily restrained and enjoined from
3 engaging in, or assisting others in engaging in, the following conduct:

4 A. Misrepresenting, expressly or by implication, any material aspect of
5 any mortgage assistance relief service, in violation of 12 C.F.R. § 1015.3(b);

6 B. Representing, expressly or by implication, in connection with the
7 advertising, marketing, promotion, offering for sale, sale or performance of any
8 mortgage assistance relief service, that a consumer cannot or should not contact or
9 communicate with his lender or servicer, in violation of 12 C.F.R. § 1015.3(a);

10 C. Failing to make the following disclosure in all general and consumer-
11 specific commercial communications: “[Name of Company] is not associated with
12 the government, and our service is approved by the government or your
13 lender,” in violation of 12 C.F.R. § 1015.4(a)(1) & 1015.4(b)(2);

14 D. Failing to make the following disclosure in all general and consumer-
15 specific commercial communications: “Even if you accept this offer and use our
16 service, your lender may not agree to refinance your loan,” in violation of 12 C.F.R.
17 § 1015.4(a)(2) & 1015.4(b)(3);

18 E. Failing to make the following disclosure in all consumer-specific
19 commercial communications: “You may stop your business with us at any time.
20 You may accept or reject the offer of mortgage assistance we obtain from your
21 lender [or servicer]. If you reject the offer, you do not have to pay us. If you
22 accept the offer, you will have to pay [insert amount or method for calculating
23 the amount] for our services,” in violation of 12 C.F.R. § 1015.4(b)(1). For the
24 purposes of this subsection, the amount “you have to pay” shall consist of the
25 total amount the consumer must pay to purchase, receive, and use all of the
26 mortgage assistance relief services that are the subject of the sales offer, including
27 but not limited to, all fees and charges; and
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1 F. Failing, in all general commercial communications, consumer-specific
2 commercial communications, and other communications in cases where any
3 Defendant or person has presented, expressly or by implication, in connection
4 with the advertising, marketing, promotion, offering for sale, or performance of
5 any mortgage assistance relief service that the consumer should temporarily or
6 permanently discontinue payments, in whole or in part, on a dwelling loan, to place
7 clearly and prominently, and in close proximity to any such representation the
8 following disclosure: "If you stop paying your mortgage, you could lose your
9 home and damage your credit rating," violation of 12 C.F.R. § 1015.4(c).

10 III. ADVANCE FEE PROHIBITION

11 IT IS FURTHER ORDERED that Defendants, Defendants' officers,
12 agents, servants, employees, and attorneys, o

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1 service or debt relief service, are not to be temporarily restrained and enjoined
2 destroying, erasing, mutilating, concealing, altering, transferring, or otherwise
3 disposing of, in any manner, directly or indirectly, any documents or records that
4 relate to the business practices, or business and personal finances, of Defendants,
5 or an entity directly or indirectly under the control of Defendants.

6 V. DISABLEMENT OF WEBSITES AND PRESERVATION OF
7 ELECTRONICALLY STORED INFORMATION

8 IT IS FURTHER ORDERED that, immediately upon service of the Order
9 upon them and pending determination of the FTC's request for a preliminary
10 injunction, (1) any person hosting any Internet website, server, or "cloud-based"
11 electronic storage for, or on behalf of, any Defendant, and (2) Defendants,
12 Defendants' officers, agents, servants, employees, and attorneys, and all other
13 persons in active concert or participation with any of them, who receive actual
14 notice of this Order, whether acting directly or indirectly, shall:

15 A. Immediately take all necessary steps to ensure that any Internet
16 website used by Defendants for the advertising, marketing, promotion, offering for
17 sale, sale, or provision of any mortgage assistance relief service, and containing
18 statements or representations prohibited by Sections I and II of this Order cannot
19 be accessed by the public; and

20 B. Prevent the alteration, destruction or erasure of any (1) Internet
21 website used by Defendants for the advertising, marketing, promotion, offering for
22 sale, sale, or provision of any mortgage assistance relief service, by preserving
23 such websites in the format in which they are maintained currently and (2) any
24 electronically stored information stored on behalf of Corporate Defendants, Lake
25 (individually or d/b/a JD United, U.S.

1 VI. SUSPENSION OF INTERNET DOMAIN NAME REGISTRATIONS

2 IT IS FURTHER ORDERED that, pending determination of the FTC's
3 request for a preliminary injunction, any domain name registrar shall suspend the
4 registration of any Internet website used by Defendants for the advertising,
5 marketing, promotion, offering for sale, or provision of any mortgage
6 assistance relief service, and containing statements or representations prohibited by
7 Sections I and II of this Order and provide immediate notice to counsel for the FTC
8 of any other Internet domain names registered by Defendants, Defendants'
9 officers, agents, servants, employees, attorneys, and all other persons in active
10 concert or participation with any of them who receive actual notice of this Order
11 by personal service or otherwise.

12 VII. PROHIBITION ON USE OF CUSTOMER INFORMATION

13 IT IS FURTHER ORDERED that Defendants, and Defendants' officers,
14 agents, directors, servants, employees, persons, and attorneys, as well as all
15 other persons or entities in active concert or participation with them, who receive
16 actual notice of this Order by personal service or otherwise, whether acting directly
17 or through any trust, corporation, subsidiary, division, or other device, are hereby
18 temporarily restrained and enjoined from using, benefitting from, selling, renting,
19 leasing, transferring, or otherwise disclosing the name, address, telephone number,
20 email address, Social Security number, credit card number, debit card number,
21 bank account number, any financial account number, any data that enables
22 access to a customer's account, or other identifying information of any person
23 which any Defendant obtained prior to entry of this Order in connection with the
24 marketing or sale of any good or service, including those who were contacted or
25 are on a list to be contacted by any of Defendants; provided that Defendants
26 may disclose such identifying information to a law enforcement agency or as
27 required by any law, regulation, or court order.

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1 VIII. ASSET FREEZE

2 IT IS FURTHER ORDERED that Asset Freeze Defendants, and their
3 officers, agents, servants, employees, attorneys, and all other persons or
4 entities directly or indirectly under the control of any of them, including any
5 Financial Institution, and all other persons or entities in active concert or
6 participation with any of them who receive actual notice of this Order are hereby
7 temporarily restrained and enjoined from directly or indirectly:

8 A. Transferring, liquidating, converting, encumbering, pledging, loaning,
9 selling, concealing, dissipating, disbursing, assigning, spending, withdrawing,
10 granting a lien or security interest or other interest in, or otherwise disposing of any
11 Assets, or any interest therein, where located, including outside the United
12 States, that are:

- 13 1. Asset Freeze Accounts;
- 14 2. owned or controlled, directly or indirectly, by any Asset Freeze
15 Defendant, in whole or in part, or held, in whole or in part, for the benefit of any
16 Asset Freeze Defendant;
- 17 3. in the actual or constructive possession of any Asset Freeze
18 Defendant;
- 19 4. owned, controlled by, or in the actual or constructive possession
20 of any corporation, partnership, or other entity directly or indirectly owned,
21 managed, or controlled by, or under common control with any Asset Freeze
22 Defendant, including any entity acting under a fictitious name owned by or
23 controlled by any Asset Freez

1 B. Opening or causing to be opened any safe deposit boxes titled in the
2 name of any Asset Freeze Defendant (including, without limitation, Defendant
3 Caldaronello's J.P. Morgan Chase safe deposit box no 10000001125574);

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

6 D. Obtaining a personal or secured loan;

7 E. Incurring liens or encumbrances on real property, including real property, or

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1 X. APPOINTMENT OF TEMPORARY RECEIVER

2 IT IS FURTHER ORDERED that McNamara Benjamin LLP is appointed
3 Temporary Receiver for the Receivership of Debtors, with the full power of an
4 equity Receiver. The Temporary Receiver shall be the agent of this Court and
5 solely the agent of this Court in acting as Temporary Receiver under this Order.
6 The Temporary Receiver shall be accountable directly to this Court. The
7 Temporary Receiver shall comply with local rules and laws governing federal
8 equity receivers.

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1 in the possession or custody of, or in which an interest is held or claimed by, the
2 Receivership Defendants, or the Temporary Receiver;

3 E.

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1 persons or entities whose interests ~~now~~ held by or under the direction,
2 possession, custody, or control ~~of~~ the Receivership Defendants;

3 C. Take all steps necessary to ~~secure~~ the business premises of the
4 Receivership Defendants, which may ~~include~~, but are not limited to, taking the
5 following steps as the Temporary Receiver ~~deems~~ necessary or advisable:

- 6 (1) serving and filing this Order; (2) completing a written inventory of all
- 7 receivership Assets; (3) obtaining ~~person~~ information from all employees and
- 8 other agents of the Receivership ~~Defendants~~, including, but not limited to, the
- 9 name, home address, Social Security ~~number~~, job description, method of
- 10 compensation, and all accrued and unpaid ~~commissions~~ and compensation of each
- 11 such employee or agent; (4) video-recording ~~all~~ portions of the location; (5)
- 12 changing the locks and disconnecting ~~any~~ computer networks or other means of
- 13 access to electronically stored information ~~or~~ other documents maintained at that
- 14 location; or (6) requiring any persons ~~present~~ the premises at the time this Order
- 15 is served to leave the premises, to ~~provide~~ the Temporary Receivers with proof of
- 16 identification, and/or to demonstrate ~~the~~ satisfaction of the Temporary Receiver
- 17 that such persons are not removing from ~~the~~ premises Documents or Assets of the
- 18 Receivership Defendants. Such ~~authority~~ shall include, but not be limited to, the
- 19 authority to order any owner, director, ~~or~~ officer of the Receivership Defendants to
- 20 leave the business premises;

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

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

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

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

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

12 I. Make payments and disbursements from the receivership estate that
13 are necessary or advisable for carrying out the directions of, or exercising the
14 authority granted by, this Order. The Temporary Receiver shall apply to the Court
15 for prior approval of any payment of any debt or obligation incurred by the
16 Receivership Defendants prior to the date of entry of this Order, except payments
17 that the Temporary Receiver deems necessary or advisable to secure Assets of the
18 Receivership Defendants, such as rental payments;

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

20 K. Institute, compromise, adjust, appear in, intervene in, or become party
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1 the Assets of the Receivership Defendants, or to carry out the Temporary
2 Receiver's mandate under this Order;

3 M. Continue and conduct the business of the Defendants in such
4 manner, to such extent, and for such duration as the Temporary Receiver may in
5 good faith deem to be necessary appropriate to operate the businesses profitably,
6 using the Assets of the receivership estate, and lawfully, if at all;

7 N. Take depositions and issue subpoenas to obtain documents and
8 records pertaining to the receivership and compliance with this Order. Subpoenas
9 may be served by electronic mail, by agents or attorneys of the Temporary
10 Receiver and by agents of any processes maintained by the Temporary Receiver;

11 O. Open one or more bank accounts designated depositories for funds
12 of the Receivership Defendants. The Temporary Receiver shall deposit all funds
13 of the Receivership Defendants in such designated accounts and shall make all
14 payments and disbursements from the receivership estate from such an account;
15 and

16 P. Maintain accurate records of all receipts and expenditures made by the
17 Temporary Receiver.

18 XIII. TRANSFER OF FUNDS TO THE TEMPORARY RECEIVER BY
19 FINANCIAL INSTITUTIONS AND OTHER THIRD PARTIES

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1 XIV. TEMPORARY RECEIVER’S REPORTS

2 IT IS FURTHER ORDERED that the Temporary Receiver shall report to
3 this Court on or before the date set for the hearing regarding the Preliminary
4 Injunction, regarding: (1) the steps taken by the Temporary Receiver to implement
5 the terms of this Order; (2) the value of liquidated and unliquidated Assets of
6 the Receivership Defendants; (3) the amount of all liabilities of the Receivership
7 Defendants; (4) the steps the Temporary Receiver intends to take in the future to:
8 (a) prevent any diminution in the value of Assets of the Receivership Defendants;
9 (b) pursue receivership Assets from third parties; and (c) adjust the liabilities of the
10 Receivership Defendants, if appropriate; and (5) any other matters which the
11 Temporary Receiver believes should be brought to the Court’s attention. Provided,
12 however, if any of the required information would hinder the Temporary
13 Receiver’s ability to pursue receivership Assets, the portions of the Temporary
14 Receiver’s report containing such information may be filed under seal and not
15 served on the parties.

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17 XV. COMPENSATION OF THE TEMPORARY RECEIVER

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

3 XVI. TEMPORARY RECEIVER'S ACCE
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1 Receivership Defendants' business premises, keys and combinations to locks,
2 computer access codes, and storage area access information.

3 D. If any documents, computers, or electronic data storage devices
4 containing information related to the business practices or finances of the
5 Receivership Defendant are at a location other than those listed herein, including
6 but not limited to, the personal residences of the Defendant(s), then, immediately
7 upon notice of this Order, Defendant(s) shall produce to the Temporary Receiver all
8 such documents, computers, or electronic data storage devices. To prevent the
9 destruction of electronic data, upon service of this Order upon Receivership
10 Defendant(s), any computers or electronic data storage devices containing such
11 information shall be powered down (turned off) in the normal course for the
12 operating systems used on such devices and shall not be used until produced for
13 copying and inspection, along with any codes needed for access.

14 E. FTC representatives may attend immediate access for the purposes
15 identified herein; however, FTC representatives may only attend with the
16 Temporary Receiver's consent, and under the Temporary Receiver's supervision.

17 XVII. PARTIES' ACCESS TO BUSINESS PREMISES AND

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1 D. If the Temporary Receiver has cause to believe that any Individual
2 Defendant with a smartphone or tablet has used that device in part for business
3 purposes related to Mortgage Assistance Relief Products or Services or
4 Telemarketing, and the device is located

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1 jurisdiction of this Court over the Assets or Documents of the Receivership
2 Defendants.

3 B. This Section does not stay:

4 1. The commencement or continuation of a criminal action or
5 proceeding;

6 2. The commencement or continuation of an action or proceeding
7 by a governmental unit to enforce such governmental unit's police or regulatory
8 power;

9 3. The enforcement of a judgment other than a money judgment,
10 obtained in an action or proceeding by a governmental unit to enforce such
11 governmental unit's police or regulatory power, including but not limited to any
12 actions (including discovery) taken by the FTC in enforcing the Orders in the
13 related matter, *FTC v. Lakhany, et al.*, No. SACV 12-00337; or

14 4. The issuance to the Receivers Defendants of a notice of tax
15 deficiency.

16 XXI. ACKNOWLEDGMENT OF RECEIPT OF ORDER BY
17 DEFENDANTS

18 IT IS FURTHER ORDERED that each Defendant and Relief Defendant,
19 within three (3) business days of receipt of this Order, must submit to counsel for
20 the FTC a truthful sworn statement acknowledging receipt of this Order.

21 XXII. CORRESPONDENCE WITH PLAINTIFF

22 IT IS FURTHER ORDERED that, for the purposes of this Order, because
23 mail addressed to the FTC is subject to delay due to heightened security screening,
24 all correspondence and service of pleadings Plaintiff shall be sent via electronic
25 submission and Federal Express to:

26 Jonathan Cohen
27 Miriam Lederer

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1 hearing. The FTC may file responsive supplemental pleadings, materials,
2 affidavits, witness lists with detailed summaries of expected witness testimony,
3 and/or memoranda with the Court and serve them on Defendant's counsel no later
4 than two days prior to that hearing. Such affidavits, pleadings, motions, expert
5 reports, declarations, witness lists with detailed summaries of expected witness
6 testimony, legal memoranda and/or oppositions must be served by electronic mail
7 (or Federal Express, if electronic mail is impractical) and must be received by the
8 other party no later than the deadline set forth in this Section.

9 XXV. UNDER SEAL

10 IT IS FURTHER ORDERED that the seal in this case shall dissolve on
11 April 20, 2015.

12 XXVI. DURATION OF ORDER

13 IT IS FURTHER ORDERED that the Temporary Restraining Order
14 granted herein shall expire on the 30th day of April, 2015, at 10:30 o'clock a.m.,
15 unless within such time the Order, for good cause shown, is extended for an
16 additional period not to exceed fourteen (14) calendar days, or unless it is further
17 extended pursuant to Federal Rule of Civil Procedure 65.

18 XXVII. RETENTION OF JURISDICTION

19 IT IS FURTHER ORDERED that this Court shall retain jurisdiction of
20 this matter for all purposes of construction, modification and enforcement of this
21 Order.

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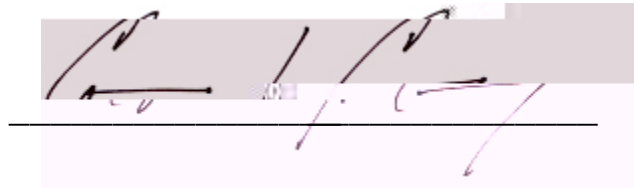
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1 IT IS SO ORDERED, this 16th day of April, 2015, at 10:30 AM, Pacific
2 Standard Time.

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9 Dated: April 16, 2015

A handwritten signature in black ink is written over a horizontal line. The signature is partially obscured by a grey rectangular redaction box. Below the signature, there is a date stamp that reads "APR 16 2015".

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