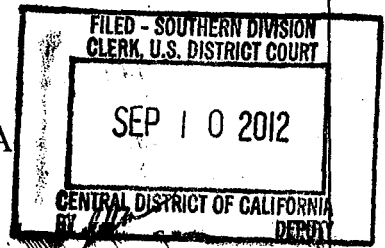


ORIGINAL

NOTE CHANGES MADE BY THE COURT

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA



FEDERAL TRADE COMMISSION,

Plaintiff,

v.

NELSON GAMBLE & ASSOCIATES  
LLC, also d/b/a Nelson Gamble &  
Associates, P.C. and Nelson Parker  
Gamble & Banks, LLP; JACKSON  
HUNTER MORRIS & KNIGHT LLP;  
BLACKROCK PROFESSIONAL  
CORPORATION; MEKHIA  
CAPITAL, LLC; and  
JEREMY R. NELSON,

Defendants.

SACV12 - 1504 JST (JPRx)

Case No.

~~PROPOSED~~ EX PARTE  
TEMPORARY RESTRAINING  
ORDER WITH ASSET FREEZE,  
IMMEDIATE ACCESS TO  
BUSINESS PREMISES, LIMITED  
EXPEDITED DISCOVERY, AND  
AN ORDER TO SHOW CAUSE  
WHY A PRELIMINARY  
INJUNCTION SHOULD NOT  
ISSUE

Plaintiff Federal Trade Commission ("FTC"), has filed a complaint seeking a permanent injunction and other equitable relief, pursuant to Sections 13(b) and 19 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b) and 57b, the Telemarketing and Consumer Fraud and Abuse Prevention Act ("Telemarketing Act"), 15 U.S.C. § 6101 *et seq.*, and Section 917(c) of the Electronic Fund Transfer Act ("EFTA"), 15 U.S.C. § 1693o(c), and a motion for temporary restraining order ("TRO" or "Order") pursuant to Rule 65(b) of the Federal Rules of Civil Procedure.

FINDINGS OF FACT

This Court, having considered the complaint, the TRO motion, and all attached declarations, exhibits, and memorandum of law filed in support, finds that:

- 1 1. This Court has jurisdiction over the subject matter of this case, there is good  
2 cause to believe it will have jurisdiction over all the parties hereto, and  
3 venue in this district is proper;
- 4 2. There is good cause to believe that Defendants Nelson Gamble & Associates  
5 LLC (also d/b/a Nelson Gamble & Associates, P.C., and Nelson Parker  
6 Gamble & Banks, LLP), Jackson Hunter Morris & Knight LLP, BlackRock  
7 Professional Corporation, Mekhia Capital LLC, and Jeremy R. Nelson, have  
8 engaged and are likely to continue to engage in acts or practices that violate  
9 Section 5(a) of the FTC Act, 15 U.S.C. § 45(a); the FTC's Telemarketing  
10 Sales Rule ("TSR"), 16 C.F.R. Part 310; Section 907(a) of EFTA, 15 U.S.C.  
11 § 1693e(a); Section 205.10(b) of the Federal Reserve Board's Regulation E,  
12 12 C.F.R. § 205.10(b); and Section 1005.10(b) of the Consumer Financial  
13 Protection Bureau's Regulation E, 12 C.F.R. § 1005.10(b), and that the FTC  
14 is therefore likely to prevail on the merits of this action;
- 15 3. There is good cause to believe that consumers will suffer immediate and  
16 continuing harm from Defendants' ongoing violations of Section 5(a) of the  
17 FTC Act, the TSR, the EFTA, and Regulation E unless Defendants are  
18 restrained and enjoined by Order of this Court;
- 19 4. There is good cause to believe that immediate and irreparable damage to the  
20 Court's ability to grant effective final relief for consumers in the form of  
21 monetary restitution and disgorgement of ill-gotten gains will occur from the  
22 transfer, dissipation, or concealment by Defendants of their assets or  
23 business records unless Defendants are immediately restrained and enjoined  
24 by Order of this Court; and that in accordance with Fed. R. Civ. P. 65(b) and  
25 Local Rule 7-19.2, the interest of justice requires that the FTC's Motion be  
26 heard *ex parte* without prior notice to Defendants. Therefore, there is good  
27  
28

1 cause for relieving the FTC of the duty to provide Defendants with prior  
2 notice of the FTC's Motion;

3 5. Good cause exists for permitting the FTC immediate access to Defendants'  
4 business premises, and permitting the FTC to take expedited discovery;

5 6. Weighing the equities and considering the FTC's likelihood of ultimate  
6 success, a temporary restraining order with an asset freeze, expedited  
7 discovery as to the existence and location of assets and documents, and other  
8 equitable relief is in the public interest; and

9 7. No security is required of any agency of the United States for issuance of a  
10 TRO, Fed. R. Civ. P. 65(c);

#### 11 **DEFINITIONS**

12  
13 A. **"Assets"** means any legal or equitable interest in, right to, or claim to, any  
14 real or personal property, including, without limitation, chattels, goods,  
15 instruments, equipment, fixtures, general intangibles, leaseholds, mail or  
16 other deliveries, inventory, checks, notes, accounts, credits, contracts,  
17 receivables, shares of stock, and all cash, wherever located.

18 B. **"Assisting others"** includes, but is not limited to:

19 1. performing customer service functions, including, but not limited to,  
20 receiving or responding to consumer complaints;

21 2. formulating or providing, or arranging for the formulation or  
22 provision of, any advertising or marketing material, including, but not  
23 limited to, any telephone sales script, direct mail solicitation, or the  
24 design, text, or use of images of any Internet website, email, or other  
25 electronic communication;

26 3. formulating or providing, or arranging for the formulation or  
27 provision of, any marketing support material or service, including but  
28

1 not limited to, web or Internet Protocol addresses or domain name  
2 registration for any Internet websites, affiliate marketing services, or  
3 media placement services;

- 4 4. providing names of, or assisting in the generation of, potential  
5 customers;  
6 5. performing marketing, billing, or payment services of any kind; and  
7 6. acting or serving as an owner, officer, director, manager, or principal  
8 of any entity.

9  
10 C. **“Competent and reliable evidence”** means tests, analyses, research,  
11 studies, or other evidence based on the expertise of professionals in the  
12 relevant area, that has been conducted and evaluated in an objective manner  
13 by persons qualified to do so, using procedures generally accepted in the  
14 profession to yield accurate and reliable results.

15 D. **“Consumer”** means any person.

16 E. **“Corporate Defendants”** means Nelson Gamble & Associates LLC,  
17 Jackson Hunter Morris & Knight LLP, Mekhia Capital LLC, and Blackrock  
18 Professional Corporation, and their successors, assigns, affiliates, or  
19 subsidiaries, and each of them by whatever names each might be known.

20 F. **“Customer”** means any person who has paid, or may be required to pay, for  
21 products, services, plans, or programs offered for sale or sold by any other  
22 person.

23  
24 G. **“Debt Relief product or service”** means any product, service, plan, or  
25 program represented, expressly or by implication, to renegotiate, settle, or in  
26 any way alter the terms of payment or other terms of the debt or obligation,  
27 between a person and one or more unsecured creditors or debt collectors,  
28

1 including, but not limited to, a reduction in the balance, interest rate, or fees  
2 owed by a person to an unsecured creditor or debt collector.

3 H. **“Defendants”** means the Individual Defendant and the Corporate  
4 Defendants, individually, collectively, or in any combination, and each of  
5 them by whatever names each might be known.

6 I. **“Document”** is synonymous in meaning and equal in scope to the usage of  
7 the term in Federal Rule of Civil Procedure 34(a), and includes writings,  
8 drawings, graphs, charts, photographs, audio and video recordings, computer  
9 records, and other data compilations from which the information can be  
10 obtained and translated, if necessary, through detection devices into  
11 reasonably usable form. A draft or non-identical copy is a separate  
12 document within the meaning of the term.

13  
14 J. **“Financial Institution”** means any bank, savings and loan institution, credit  
15 union, or any financial depository of any kind, including, but not limited to,  
16 any brokerage house, trustee, broker-dealer, escrow agent, title company,  
17 commodity trading company, or precious metal dealer.

18 K. **“Financial related product or service”** means any product, service, plan,  
19 or program represented, expressly or by implication, to:

- 20 A. provide any consumer, arrange for any consumer to receive, or assist  
21 any consumer in receiving, credit, debit, or stored value cards;  
22  
23 B. improve, or arrange to improve, any consumer's credit record, credit  
24 history, or credit rating;  
25  
26 C. provide advice or assistance to any consumer with regard to any  
27 activity or service the purpose of which is to improve a consumer's  
28 credit record, credit history, or credit rating;

1 D. provide any consumer, arrange for any consumer to receive, or assist  
2 any consumer in receiving, a loan or other extension of credit;

3 E. provide any consumer, arrange for any consumer to receive, or assist  
4 any consumer in receiving any service represented, expressly or by  
5 implication, to renegotiate, settle, or in any way alter the terms of  
6 payment or other terms of any debt or obligation (other than a debt or  
7 obligation secured by a mortgage on a consumer's dwelling) between  
8 a consumer and one or more secured creditors, servicers, or debt  
9 collectors.  
10

11 L. **“Individual Defendant”** means Jeremy Rommel Nelson.

12 M. **“Material”** means likely to affect a person’s choice of, or conduct  
13 regarding, goods or services.

14 N. **“National Do Not Call Registry”** means the National Do Not Call registry,  
15 which is the “do-not-call” registry maintained by the Federal Trade  
16 Commission pursuant to 16 C.F.R. § 310.4(b)(1)(iii)(B).

17 O. **“Person”** means a natural person, an organization or other legal entity,  
18 including a corporation, partnership, sole proprietorship, limited liability  
19 company, association, cooperative, or any other group or combination acting  
20 as an entity.

21 P. **“Telemarketing”** means a plan, program, or campaign (whether or not  
22 covered by the Telemarketing Sales Rule, 16 C.F.R. Part 310), which is  
23 conducted to induce the purchase of goods or services or a charitable  
24 contribution by use of one or more telephones.  
25

26 Q. The terms **“and”** and **“or”** shall be construed conjunctively or disjunctively  
27 as necessary to make the applicable phrase or sentence inclusive rather than  
28 exclusive.



1           6. Any other fact material to a consumer's decision whether to  
2           purchase any debt relief product or service; and

3       B. Representing, or assisting others who are representing, expressly or by  
4       implication, the benefits, performance, or efficacy of any debt relief  
5       product or service, unless at the time such representation is made,  
6       Defendants possess and rely upon competent and reliable evidence  
7       that substantiates that the representation is true.

8                           **RESTRICTIONS ON TELEMARKETING**

9  
10   **II. IT IS FURTHER ORDERED** that, in connection with the telemarketing of  
11   any product or service, Defendants and their successors, assigns, officers,  
12   agents, servants, employees, and attorneys, and those persons or entities in  
13   active concert or participation with any of them who receive actual notice of  
14   this Order by personal service or otherwise, whether acting directly or  
15   through any corporation, subsidiary, division, or other device, are hereby  
16   temporarily restrained and enjoined from:

- 17   A. misrepresenting, directly or by implication:
- 18       1. The amount of money or the percentage of the debt amount that  
19       customers will save by using any product or service, including  
20       but not limited to any debt relief product or service; and  
21       2. That any person is a lawyer or law firm or employs a lawyer or  
22       law firm for the purpose of providing debt relief products or  
23       services;
- 24   B. causing billing information to be submitted for payment, directly or  
25   indirectly, without the express informed consent of the customer;
- 26   C. requesting or receiving payment of fees or consideration for debt  
27   relief services;
- 28



1. before (A) they have renegotiated, settled, reduced, or otherwise altered the terms of at least one debt pursuant to a settlement agreement, debt management plan, or other such valid contractual agreement executed by the customer; and (B) the customer has made at least one payment pursuant to that agreement; and/or
2. when, to the extent that debts enrolled in a service are renegotiated, settled, reduced, or otherwise altered individually, the fee or consideration either (A) does not bear the same proportional relationship to the total fee for renegotiating, settling, reducing, or altering the terms of the entire debt balance as the individual debt amount bears to the entire debt amount, or (B) is not a percentage of the amount saved as a result of the renegotiation, settlement, reduction, or alteration and that percentage does not change from one individual debt to another;

D. initiating, or causing others to initiate, an outbound telephone call to a person's telephone number on the National Do Not Call Registry;

E. initiating, or causing others to initiate, an outbound telephone call to a person who previously has stated that he or she does not wish to receive such a call made by or on behalf of the seller whose goods or services are being offered;

F. initiating, or causing others to initiate, outbound telephone calls that fail to transmit the telephone number and name of the telemarketer or seller to any caller identification service in use by a recipient of a telemarketing call;

- 1 G. making, or causing others to make, outbound telephone calls that  
2 deliver prerecorded messages to induce the purchase of goods or  
3 services when the persons to whom these telephoned calls were made  
4 had not signed an express agreement, in writing, authorizing the seller  
5 to place prerecorded calls to such persons;
- 6 H. making, or causing others to make, outbound telephone calls that  
7 deliver a prerecorded message in which the telemarketer or message  
8 fails to disclose truthfully, promptly, and in a clear and conspicuous  
9 manner to the person receiving the call:
- 10 1. The identity of the seller;
  - 11 2. That the purpose of the call is to sell goods or services; and
  - 12 3. The nature of the goods or services;
- 13 I. causing a telephone to ring, or engaging a person in telephone  
14 conversation, repeatedly or continuously with intent to annoy, abuse,  
15 or harass any person at the called number.

16  
17 **PROHIBITION ON UNAUTHORIZED WITHDRAWALS**

18 **III. IT IS FURTHER ORDERED** that Defendants and their successors,  
19 assigns, officers, agents, servants, employees, attorneys, and those persons  
20 or entities in active concert or participation with any of them who receive  
21 actual notice of this Order by personal service or otherwise, whether acting  
22 directly or through any corporation, subsidiary, division, or other device, are  
23 hereby temporarily restrained and enjoined from:

- 24 A. Causing consumers' bank accounts to be debited without having  
25 obtained consumers' express informed consent.
- 26 B. making electronic fund transfers from a consumer's account on a  
27 recurring basis without:  
28

- 1           1.     Obtaining a written authorization signed or similarly  
2                     authenticated from consumers for preauthorized electronic fund  
3                     transfers from the accounts; and
- 4           2.     Providing to the consumers a copy of a written authorization  
5                     signed or similarly authenticated by the consumers for  
6                     preauthorized electronic fund transfers from the consumers'  
7                     accounts.

8                                   **RESTRICTION ON COLLECTION OF ADVANCE FEES**

9  
10 **IV. IT IS FURTHER ORDERED** that Defendants and their successors,  
11 assigns, officers, agents, servants, employees, and attorneys, and those  
12 persons or entities in active concert or participation with any of them who  
13 receive actual notice of this Order by personal service, facsimile  
14 transmission, email, or otherwise, whether acting directly or through any  
15 corporation, subsidiary, division, or other device, in connection with the  
16 advertising, marketing, promotion, offering for sale, sale, or provision of any  
17 debt relief product or service, are hereby temporarily restrained and enjoined  
18 from requesting or accepting payment of any fee or consideration in advance  
19 of performing each and every debt relief product or service that Defendants  
20 contracted to perform or represented would be performed.

21                                   **DISABLEMENT OF WEBSITES AND PRESERVATION OF**  
22                                   **ELECTRONIC RECORDS**

23  
24 **V. IT IS FURTHER ORDERED** that, immediately upon service of the Order  
25 upon them, (1) any person hosting any Internet website for, or on behalf of,  
26 any Defendant, and (2) Defendants and their successors, assigns, officers,  
27 agents, servants, employees, and attorneys, and those persons or entities in  
28 active concert or participation with any of them who receive actual notice of

1 this Order by personal service, facsimile transmission, email, or otherwise,  
2 whether acting directly or through any corporation, subsidiary, division, or  
3 other device, shall:

4 A. Immediately do whatever is necessary to ensure that any Internet  
5 website used by Defendants for the advertising, marketing, promotion,  
6 offering for sale, sale, or provision of any debt relief product or  
7 service, including, but not limited to nelsongamble.com,  
8 stopmodfraud.com, fhagateway.com, platinumfha.com,  
9 myfreddiemac.com, myfanniema.com, cmbmortgagecorp.com,  
10 closeyourhomeloan.com, drlgpc.com, drlgpa.com, nelsongamble.org,  
11 nelsongamble.net, nelsongamble.info, checkmatedebt.info,  
12 checkmatedebt.org, checkmatedebt.com,  
13 checkmatedebtsolutions.com, checkmatedebt.net, jhmklaw.com,  
14 jhmklaw.org, jhmklaw.net, mekhiacapital.com, jhmklp.com,  
15 jhmklp.net, debtsettlementscam.org, blackrockmortgage.com,  
16 blackrockpc.com, blackrockllp.com, blackrocklaw.com,  
17 blackrocklawgroup.com, and blackrocklaw.net, cannot be accessed by  
18 the public;

19  
20 B. Prevent the destruction or erasure of any Internet website used by Defendant  
21 for the advertising, marketing, promotion, offering for sale, sale, or  
22 provision of any debt relief product or service, including but not limited to  
23 nelsongamble.com, stopmodfraud.com, fhagateway.com, platinumfha.com,  
24 myfreddiemac.com, myfanniema.com, cmbmortgagecorp.com,  
25 closeyourhomeloan.com, drlgpc.com, drlgpa.com, nelsongamble.org,  
26 nelsongamble.net, nelsongamble.info, checkmatedebt.info,  
27 checkmatedebt.org, checkmatedebt.com, checkmatedebtsolutions.com,  
28

1 checkmatedebt.net, jhmklaw.com, jhmklaw.org, jhmklaw.net,  
2 mekhiacapital.com, jhmklp.com, jhmklp.net, debtsettlementscam.org,  
3 blackrockmortgage.com, blackrockpc.com, blackrockllp.com,  
4 blackrocklaw.com, blackrocklawgroup.com, and blackrocklaw.net, by  
5 preserving such website in the format in which it is maintained currently;  
6 and

7 C. Immediately notify in writing counsel for the FTC of any other Internet  
8 website operated or controlled by any Defendant not listed in Section VA. or  
9 V.B above.  
10

#### 11 **SUSPENSION OF INTERNET DOMAIN NAME REGISTRATIONS**

12 **VI. IT IS FURTHER ORDERED** that any domain name registrar shall  
13 suspend the registration of any Internet website used by Defendants for the  
14 advertising, marketing, promotion, offering for sale, sale, or provision of any  
15 debt relief product or service, including, but not limited to  
16 nelsongamble.com, stopmodfraud.com, fhagateway.com, platinumfha.com,  
17 myfreddiemac.com, myfanniema.com, cmbmortgagecorp.com,  
18 closeyourhomeloan.com, drlgpc.com, drlgpa.com, nelsongamble.org,  
19 nelsongamble.net, nelsongamble.info, checkmatedebt.info,  
20 checkmatedebt.org, checkmatedebt.com, checkmatedebtsolutions.com,  
21 checkmatedebt.net, jhmklaw.com, jhmklaw.org, jhmklaw.net,  
22 mekhiacapital.com, jhmklp.com, jhmklp.net, debtsettlementscam.org,  
23 blackrockmortgage.com, blackrockpc.com, blackrockllp.com,  
24 blackrocklaw.com, blackrocklawgroup.com, and blackrocklaw.net, and  
25 provide immediate notice to counsel for the FTC of any other Internet  
26 domain names registered by Defendant or his officers, agents, servants,  
27 employees, and attorneys, and those persons in active concert or  
28

1 participation with Defendant who receive actual notice of this Order by  
2 personal service or otherwise.

3 **ASSET FREEZE**

4 **VII. IT IS FURTHER ORDERED** that Defendants are hereby temporarily  
5 restrained and enjoined from directly or indirectly:

6 A. Transferring, liquidating, converting, encumbering, pledging, loaning,  
7 selling, concealing, dissipating, disbursing, assigning, spending,  
8 withdrawing, granting a lien or security interest or other interest in, or  
9 otherwise disposing of any funds, real or personal property, accounts,  
10 contracts, consumer lists, or any other assets, or any interest therein,  
11 wherever located, including outside the United States, that are (1)  
12 owned or controlled, directly or indirectly, by any Defendant(s), in  
13 whole or in part, or held, in whole or in part for the benefit of any  
14 Defendant(s); (2) in the actual or constructive possession of any  
15 Defendant(s); or (3) owned, controlled by, or in the actual or  
16 constructive possession of any corporation, partnership, or other entity  
17 directly or indirectly owned, managed, or controlled by, or under  
18 common control with any Defendant(s), including but not limited to,  
19 any assets of Checkmate Debt Solutions, Inc., Debt Relief Law Group  
20 PC, Lexxani Insurance Services Inc., CMB Mortgage Corporation, J.  
21 Nelson Financial Enterprises Inc. (d/b/a Venture Capital Investments),  
22 and the Nelson Family Trust, and any assets held by, for, or under the  
23 name of any Defendant(s) at any bank, savings and loan institution, or  
24 bank of any Defendant(s), or with any broker-dealer, escrow agent,  
25 title company, commodity trading company, precious metal dealer, or  
26 other financial institution or depository of any kind;  
27  
28

- 1 B. Opening or causing to be opened any safe deposit boxes titled in the  
2 name of any Defendant(s), or subject to access by any Defendant(s);  
3 C. Incurring charges or cash advances on any credit card, debit card, or  
4 checking card issued in the name, singly or jointly, of any  
5 Defendant(s);  
6 D. Obtaining a personal or secured loan;  
7 E. Incurring liens or encumbrances on real property, personal property or  
8 other assets in the name, singly or jointly, of any Defendant(s); and  
9 F. Cashing any checks from consumers, clients, or customers of any  
10 Defendant(s).  
11 G. The funds, property, and assets affected by this Section shall include:  
12 (a) all assets of each Defendant as of the time this Order is entered,  
13 and (b) those assets obtained after entry of this Order that are obtained  
14 from any debt relief activities that predate the entry of this Order.  
15

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

18 **VIII. IT IS FURTHER ORDERED** that any financial or brokerage institution or  
19 depository, escrow agent, title company, commodity trading company, trust,  
20 entity, or person that holds, controls, or maintains custody of any account or  
21 asset owned or controlled by any Defendant(s), or has held, controlled, or  
22 maintained any account or asset of, or on behalf of, any Defendant(s), upon  
23 service with a copy of this Order, shall:  
24

- 25 A. Hold and retain within its control and prohibit Defendants from  
26 withdrawing, removing, assigning, transferring, pledging,  
27 encumbering, disbursing, dissipating, converting, selling, gifting, or  
28 otherwise disposing of any of the assets, funds, or other property held

1 by or on behalf of any Defendant(s) in any account maintained in the  
2 name of or for the benefit of any Defendant(s), in whole or in part,  
3 except as directed by further order of the Court;

4 B. Deny the Defendants access to any safe deposit box titled in the name  
5 of any Defendant(s), individually or jointly, or subject to access by  
6 any Defendant(s), whether directly or indirectly.

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

- 10
- 11 1. the identification number of each such account or asset titled (1)  
12 in the name, individually or jointly, of any Defendant(s); (2)  
13 held on behalf of, or for the benefit of, any Defendant(s); (3)  
14 owned or controlled by any Defendant(s); or (4) otherwise  
15 subject to access by any Defendant(s), directly or indirectly;
  - 16 2. the balance of each such account, or a description of the nature  
17 and value of such asset as of the close of business on the day on  
18 which this Order is served, and, if the account or other asset has  
19 been closed or removed, the date closed or removed, the total  
20 funds removed in order to close the account, and the name of  
21 the person or entity to whom such account or other asset was  
22 remitted;
  - 23 3. the identification of any safe deposit box that is either titled in  
24 the name of any Defendant(s), or is otherwise subject to access  
25 by any Defendant(s); and
  - 26 4. if an account, safe deposit box, or other asset has been closed or  
27 removed, the date closed or removed, the balance on such date,  
28



1 and the manner in which such account or asset was closed or  
2 removed.

- 3 D. Provide counsel for Plaintiff, within three (3) business days after  
4 being served with a request, copies of all documents pertaining to  
5 such account or asset, including but not limited to originals or copies  
6 of account applications, account statements, signature cards, checks,  
7 drafts, deposit tickets, transfers to and from the accounts, all other  
8 debit and credit instruments or slips, currency transaction reports,  
9 1099 forms, and safe deposit box logs; provided that such institution  
10 or custodian may charge a reasonable fee.

11 **FINANCIAL REPORTS AND ACCOUNTING**

12 **IX. IT IS FURTHER ORDERED** that each Defendant, within three (3)  
13 business days of service of this Order, shall prepare and deliver to counsel  
14 for the FTC:

- 15 A. For the Individual Defendant, a completed financial statement accurate as of  
16 the date of service of this Order upon such Defendant (unless otherwise  
17 agreed upon with FTC counsel) on the form of Attachment A to this Order  
18 captioned "Form Re: Financial Statement for Individual Defendant."  
19 B. For Corporate Defendants, a completed financial statement accurate as of the  
20 date of service of this Order upon such Defendant (unless otherwise agreed  
21 upon with FTC counsel) in the form of Attachment B to this Order captioned  
22 "Form Re: Financial Statement for Business Entity Defendant."  
23 C. For each Defendant, a completed statement, verified under oath, of all  
24 payments, transfers or assignments of funds, assets, or property worth  
25 \$1,000 or more since January 1, 2009. Such statement shall include: (a) the  
26 amount transferred or assigned; (b) the name of each transferee or assignee;  
27  
28

1 (c) the date of the transfer or assignment; and (d) the type and amount of  
2 consideration paid the Defendant. Each statement shall specify the name  
3 and address of each financial institution and brokerage firm at which the  
4 Defendant has accounts or safe deposit boxes. Said statements shall include  
5 assets held in foreign as well as domestic accounts.

#### 6 **CONSUMER CREDIT REPORTS**

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

#### 13 **REPATRIATION OF FOREIGN ASSETS**

14 **XI. IT IS FURTHER ORDERED** that, within five (5) business days following  
15 the service of this Order, each Defendant shall:

- 16 A. Provide counsel for the FTC with a full accounting of all assets,  
17 accounts, funds, and documents outside of the territory of the United  
18 States that are held either: (1) by them; (2) for their benefit; (3) in  
19 trust by or for them, individually or jointly; or (4) under their direct or  
20 indirect control, individually or jointly;
- 21 B. Transfer to the territory of the United States all assets, accounts,  
22 funds, and documents in foreign countries held either: (1) by them; (2)  
23 for their benefit; (3) in trust by or for them, individually or jointly; or  
24 (4) under their direct or indirect control, individually or jointly;
- 25 C. Hold and retain all repatriated assets, accounts, funds, and documents,  
26 and prevent any transfer, disposition, or dissipation whatsoever of any  
27 such assets, accounts, funds, or documents; and  
28

1 D. Provide the FTC access to all records of accounts or assets of the  
2 Corporate Defendants and Individual Defendants held by financial  
3 institutions located outside the territorial United States by signing the  
4 Consent to Release of Financial Records attached to this Order as  
5 Attachment C.

6 **NON-INTERFERENCE WITH REPATRIATION**

7 **XII. IT IS FURTHER ORDERED** that Defendants, and each of their  
8 successors, assigns, members, officers, agents, servants, employees, and  
9 attorneys, and those persons in active concert or participation with them who  
10 receive actual notice of this Order by personal service or otherwise, whether  
11 acting directly or through any entity, corporation, subsidiary, division,  
12 affiliate or other device, are hereby temporarily restrained and enjoined from  
13 taking any action, directly or indirectly, which may result in the  
14 encumbrance or dissipation of foreign assets, or in the hindrance of the  
15 repatriation required by Section XI of this Order, including but not limited  
16 to:  
17

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

24 B. Notifying any trustee, protector or other agent of any foreign trust or  
25 other related entities of either the existence of this Order, or of the fact  
26 that repatriation is required pursuant to a Court Order, until such time  
27 that all assets have been fully repatriated pursuant to Section XI.  
28

1 **FTC ACCESS TO BUSINESS PREMISES AND RECORDS**

2 **XIII. IT IS FURTHER ORDERED** that:

- 3 A. Plaintiff and Plaintiff's representatives, agents, contractors, or  
4 assistants, are permitted and the Defendants shall allow immediate  
5 access to any business premises and storage facilities of Defendants.  
6 Such locations include, but are not limited to, the offices and facilities  
7 of the Defendants at or in the vicinity of 8001 Irvine Center Drive,  
8 Irvine, California and/or 30221 Aventure, 2<sup>nd</sup> Floor, Rancho Santo  
9 Margarita, California. Defendants shall allow Plaintiff into the  
10 premises and facilities described in this Section and shall allow  
11 Plaintiff and its representatives, agents, contractors, or assistants to  
12 inspect, inventory, and copy documents relevant to any matter  
13 contained in this Order. Counsel for Plaintiff may exclude  
14 Defendants and their agents and employees from the business  
15 premises and facilities during the immediate access.  
16
- 17 B. Defendants and all agents or employees of Defendants shall provide  
18 counsel for Plaintiff with any necessary means of access to  
19 documents, including, without limitation, the locations of Defendants'  
20 business premises, keys and combinations to business premises locks,  
21 computer access codes of all computers used to conduct Defendants'  
22 business, and storage area access information.  
23
- 24 C. Counsel for Plaintiff shall have the right to remove any documents  
25 related to Defendants' business practices from the premises in order  
26 that they may be inspected, inventoried, and copied. The materials so  
27 removed shall be returned within five (5) business days of completing  
28 said inventory and copying.

1 D. If any property, records, documents, or computer files relating to the  
2 Defendants' finances or business practices are located in the residence  
3 of any Defendant or are otherwise in the custody or control of any  
4 Defendant, then such Defendant shall produce them to counsel for  
5 Plaintiff within twenty-four (24) hours of service of this Order. In  
6 order to prevent the destruction of computer data, upon service of this  
7 Order upon Defendants, any such computers shall be powered down  
8 (turned off) in the normal course for the operating systems used on  
9 such computers and shall not be powered up or used again until  
10 produced for copying and inspection, along with any codes needed for  
11 access.  
12

13 E. In the event any of Defendants' documents have been removed from  
14 Defendants' premises by, and are in the possession of another law  
15 enforcement or investigative agency, the FTC may have immediate  
16 access to such documents for purposes of inspection, indexing, and  
17 copying, subject to the agency consenting to access by the FTC.

18 F. The FTC's access to the Defendants' documents pursuant to this  
19 Section shall not provide grounds for any Defendant to object to any  
20 subsequent request for documents served by the FTC.

21 G. Plaintiff is authorized to employ the assistance of law enforcement  
22 officers, including, but not limited to, the United States Postal  
23 Inspection Service, Internal Revenue Service, and Federal Bureau of  
24 Investigation, to effect service, to implement peacefully the provisions  
25 of this Order, and keep the peace.  
26  
27  
28



1 account (including a credit card, bank account, or other financial account),  
2 of any person which any Defendant obtained prior to entry of this Order in  
3 connection with any debt relief service.

4 **LIMITED EXPEDITED DISCOVERY**

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

11 A. The FTC may, upon three (3) calendar days notice, take the deposition  
12 of any person or entity, whether or not a party, in any judicial district,  
13 for the purpose of discovering: (1) the assets of Defendants; (2)  
14 location of documents; and (3) compliance with this Order.

15 Depositions may be conducted telephonically or in person.

16 Deposition transcripts that have not been signed by the witness may  
17 be used at the preliminary injunction hearing in this matter. Provided  
18 that, notwithstanding Federal Rule of Civil Procedure 30(a)(2), this  
19 Section shall not preclude any future depositions by the FTC.

20 Provided further, that any deposition taken pursuant to this Section  
21 shall be in addition to, and not subject to, the presumptive limits on  
22 depositions set forth in Federal Rule of Civil Procedure 30(a)(2)(A).

23 B. The FTC may serve interrogatories for the purpose of discovering:  
24 (1) the assets of Defendants; (2) location of documents; and (3)  
25 compliance with this Order. Defendants shall respond within five (5)  
26 calendar days after the FTC serves such interrogatories. Provided  
27  
28

1 that, notwithstanding Federal Rule of Civil Procedure 33(a)(1), this  
2 Subsection shall not preclude any future interrogatories by the FTC.

3 C. The FTC may, upon five (5) calendar days notice, including through  
4 the use of a Rule 45 Subpoena, demand the production of documents  
5 from any person or entity, whether or not a Defendant, relating to: (1)  
6 the assets of Defendants; (2) location of documents; and (3)  
7 compliance with this Order. Provided that two (2) calendar days  
8 notice shall be deemed sufficient for the production of any such  
9 documents that are maintained or stored only as electronic data.

10 D. The FTC is granted leave to subpoena documents immediately from  
11 any financial institution, account custodian, or other entity or person  
12 that holds, controls, or maintains custody of any account or asset of  
13 any Defendant(s), or has held, controlled or maintained custody of any  
14 account or asset of any Defendant(s) concerning the nature, location,  
15 status, and extent of Defendants' assets, and compliance with this  
16 Order, and such financial institution, account custodian or other entity  
17 shall respond to such subpoena within five (5) business days after  
18 service.

19 E. For purposes of discovery pursuant to this Section, service shall be  
20 sufficient if made by facsimile or by overnight courier.

### 21 **MONITORING**

22 **XVII.**

23 ~~IT IS FURTHER ORDERED that employees, agents, or  
24 representatives of the FTC may contact Defendants or Defendants'  
25 employees, agents, or representatives directly and anonymously for  
26 the purpose of monitoring compliance with this Order, and may tape~~  
27  
28



1 record any oral ~~communications~~ that occur in the course of such  
2 contacts. JX

3 **SERVICE OF THIS ORDER**

4 **XVIII. IT IS FURTHER ORDERED** that copies of this Order may be  
5 served by facsimile transmission, personal or overnight delivery, or  
6 U.S. Express Mail, by agents and employees of the FTC or any state  
7 or federal law enforcement agency or by private process server, on  
8 Defendants or any other persons or entities that may be subject to any  
9 provision of this Order.

10 **DISTRIBUTION OF ORDER BY DEFENDANTS**

11 **XIX. IT IS FURTHER ORDERED** that within three (3) calendar days after  
12 service of this Order, Defendants shall provide a copy of this Order to each  
13 of their agents, employees, directors, officers, subsidiaries, affiliates,  
14 attorneys, independent contractors, representatives, franchisees, and all  
15 persons in active concert or participation with Defendants. Within five (5)  
16 calendar days following this Order, Defendants shall provide the FTC with  
17 an affidavit identifying the names, titles, addresses, and telephone numbers  
18 of the persons that Defendants have served with a copy of this Order in  
19 compliance with this provision.

20 **CORRESPONDENCE WITH PLAINTIFF**

21 **XX. IT IS FURTHER ORDERED** that, for the purposes of this Order, because  
22 mail addressed to the FTC is subject to delay due to heightened security  
23 screening, all correspondence and service of pleadings on Plaintiff shall be  
24 sent either via electronic transmission or via Federal Express to: Gregory A.  
25 Ashe, Federal Trade Commission, 600 Pennsylvania Avenue, NW, Room  
26  
27  
28

1 NJ-3158, Washington, DC 20580. Email: gashe@ftc.gov; Telephone: (202)  
2 326-3719; Facsimile: (202) 326-3768.

3 **ORDER TO SHOW CAUSE AND PRELIMINARY INJUNCTION**  
4 **HEARING**

5 **XXI. IT IS FURTHER ORDERED**, pursuant to Federal Rule of Civil Procedure  
6 65(b), that Defendants shall appear on the 20<sup>th</sup> day of September,  
7 2012, at 8:30 a.m./p.m. at the United States Courthouse, Courtroom  
8 10A, Santa Ana, Los Angeles, California, to show cause, if any there be, why this  
9 Court should not enter a preliminary injunction, pending final ruling on the  
10 complaint, against Defendants, enjoining them from further violations of the  
11 FTC Act, the Telemarketing Sale Rule, the EFTA, the Federal Reserve  
12 Board's Regulation E, and the Consumer Financial Protection Bureau's  
13 Regulation E, and imposing such additional relief as may be appropriate.

14 **SERVICE OF PLEADINGS, EVIDENCE, WITNESS LISTS**

15 **XXII. IT IS FURTHER ORDERED** that:

16 A. Defendants shall file any answering affidavits, pleadings, or legal  
17 memoranda with the Court and serve the same on counsel for the FTC  
18 no later than five (5) business days prior to the preliminary injunction  
19 hearing in this matter. The FTC may file responsive or supplemental  
20 pleadings, materials, affidavits, or memoranda with the Court and  
21 serve the same on counsel for Defendants no later than one (1)  
22 business day prior to the preliminary injunction hearing in this matter.  
23 *Provided that* service shall be performed by personal or overnight  
24 delivery, facsimile, or email, and documents shall be delivered so that  
25 they shall be received by the other parties no later than 4 p.m. (EST)  
26 on the appropriate dates listed in this Subparagraph;  
27  
28

1 B. The question of whether this Court should enter a preliminary  
2 injunction pursuant to Rule 65 of the Federal Rules of Civil Procedure  
3 enjoining the Defendants during the pendency of this action shall be  
4 resolved on the pleadings, declarations, exhibits, and memoranda filed  
5 by, and oral argument of, the parties. Live testimony shall be heard  
6 only on further order of this Court on motion filed with the Court and  
7 served on counsel for the other parties at least five (5) business days  
8 prior to the preliminary injunction hearing in this matter. Such motion  
9 shall set forth the name, address, and telephone number of each  
10 proposed witness, a detailed summary or affidavit disclosing the  
11 substance of each proposed witness' expected testimony, and an  
12 explanation of why the taking of live testimony would be helpful to  
13 this Court. Any papers opposing a timely motion to present live  
14 testimony or to present live testimony in response to live testimony to  
15 be presented by another party shall be filed with this Court and served  
16 on the other parties at least three (3) business days prior to the  
17 preliminary injunction hearing in this matter. *Provided that service*  
18 *shall be performed by personal or overnight delivery or by facsimile*  
19 *or email, and documents shall be delivered so that they shall be*  
20 *received by the other parties no later than 4 p.m. (EST) on the*  
21 *appropriate dates listed in this Sub-section.*

22  
23 **DURATION OF ORDER**

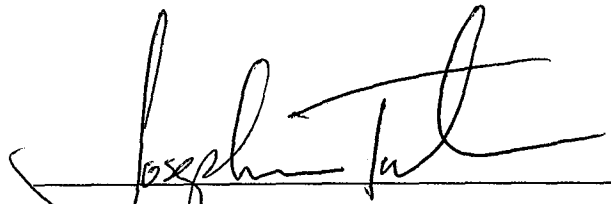
24  
25 **XXIII. IT IS FURTHER ORDERED** that the Temporary Restraining Order  
26 granted herein shall expire on the 24<sup>th</sup> day of  
27 September, 2012, at 4 o'clock ~~a.m.~~ (p.m.), unless  
28 within such time, the Order, for good cause shown, is extended for an

1 additional period not to exceed ten (10) calendar days, or unless it is  
2 further extended pursuant to Federal Rule of Civil Procedure 65.

3 **JURISDICTION**

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

6  
7  
8 **IT IS SO ORDERED**, this 10<sup>th</sup> day of September, 2012, at  
9 4:10 o'clock ~~a.m.~~/p.m.

10  
11  
12   
13 UNITED STATES DISTRICT JUDGE

# **ATTACHMENT A**

FEDERAL TRADE COMMISSION

FINANCIAL STATEMENT OF INDIVIDUAL 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. "Dependents" include your 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.
4. "Assets" and "Liabilities" include ALL assets and liabilities, located within the United States or elsewhere, whether held individually or jointly.
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(s) being continued.
6. Type or print legibly.
7. Initial each page in the space provided in the lower right corner.
8. 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 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. Information About You**

Your Full Name \_\_\_\_\_ Social Security No. \_\_\_\_\_

Place of Birth \_\_\_\_\_ Date of Birth \_\_\_\_\_ Drivers License No. \_\_\_\_\_

Current Address \_\_\_\_\_ From (Date) \_\_\_\_\_

Rent or Own? \_\_\_\_\_ Telephone No. \_\_\_\_\_ Facsimile No. \_\_\_\_\_

E-Mail Address \_\_\_\_\_ Internet Home Page \_\_\_\_\_

Previous Addresses for past five years:

Address \_\_\_\_\_ Rent or Own? \_\_\_\_\_ From/Until \_\_\_\_\_

Address \_\_\_\_\_ Rent or Own? \_\_\_\_\_ From/Until \_\_\_\_\_

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. \_\_\_\_\_

Place of Birth \_\_\_\_\_ Date of Birth \_\_\_\_\_

Identify any other name(s) and/or social security number(s) your spouse/companion has used, and the time period(s) during which they were used \_\_\_\_\_

Address (if different from yours) \_\_\_\_\_

From (Date) \_\_\_\_\_ Rent or Own? \_\_\_\_\_ Telephone No. \_\_\_\_\_

Employer's Name and Address \_\_\_\_\_

Job Title \_\_\_\_\_ Years in Present Job \_\_\_\_\_ Annual Gross Salary/Wages \$ \_\_\_\_\_

**Item 3. Information About Your Previous Spouse**

Previous Spouse's Name & Address \_\_\_\_\_

\_\_\_\_\_ Social Security No. \_\_\_\_\_ Date of Birth \_\_\_\_\_

**Item 4. Contact Information**

Name & Address of Nearest Living Relative or Friend \_\_\_\_\_  
\_\_\_\_\_  
Telephone No. \_\_\_\_\_

**Item 5. Information About Dependents Who Live With You**

▶Name \_\_\_\_\_ Date of Birth \_\_\_\_\_  
Relationship \_\_\_\_\_ Social Security No. \_\_\_\_\_

▶Name \_\_\_\_\_ Date of Birth \_\_\_\_\_  
Relationship \_\_\_\_\_ Social Security No. \_\_\_\_\_

▶Name \_\_\_\_\_ Date of Birth \_\_\_\_\_  
Relationship \_\_\_\_\_ Social Security No. \_\_\_\_\_

**Item 6. Information About Dependents Who Do Not Live With You**

▶Name & Address \_\_\_\_\_  
Date of Birth \_\_\_\_\_ Relationship \_\_\_\_\_ Social Security No. \_\_\_\_\_

▶Name Address \_\_\_\_\_  
Date of Birth \_\_\_\_\_ Relationship \_\_\_\_\_ Social Security No. \_\_\_\_\_

▶Name & Address \_\_\_\_\_  
Date of Birth \_\_\_\_\_ Relationship \_\_\_\_\_ Social Security No. \_\_\_\_\_

**Item 7. Employment Information**

Provide the following information for this year-to-date and for each of the previous five full years, for each company of which you were a director, officer, employee, agent, contractor, participant or consultant at any time during that period. "Income" includes, but is not limited to, any salary, commissions, draws, consulting fees, loans, loan payments, dividends, royalties or other benefits for which you did not pay (e.g., health insurance premiums, automobile lease or loan payments) received by you or anyone else on your behalf.

▶Company Name & Address \_\_\_\_\_  
Dates Employed: From (Month/Year) \_\_\_\_\_ To (Month/Year) \_\_\_\_\_

Positions Held with Beginning and Ending Dates \_\_\_\_\_  
\_\_\_\_\_



**Item 7. continued**

Income Received: This year-to-date: \$ \_\_\_\_\_ : \$ \_\_\_\_\_  
20\_\_\_\_ : \$ \_\_\_\_\_ : \$ \_\_\_\_\_  
\_\_\_\_\_ : \$ \_\_\_\_\_ : \$ \_\_\_\_\_

►Company Name & Address \_\_\_\_\_

Dates Employed: From (Month/Year) \_\_\_\_\_ To (Month/Year) \_\_\_\_\_

Positions Held with Beginning and Ending Dates \_\_\_\_\_

Income Received: This year-to-date: \$ \_\_\_\_\_ : \$ \_\_\_\_\_  
20\_\_\_\_ : \$ \_\_\_\_\_ : \$ \_\_\_\_\_  
\_\_\_\_\_ : \$ \_\_\_\_\_ : \$ \_\_\_\_\_

►Company Name & Address \_\_\_\_\_

Dates Employed: From (Month/Year) \_\_\_\_\_ To (Month/Year) \_\_\_\_\_

Positions Held with Beginning and Ending Dates \_\_\_\_\_

Income Received: This year-to-date: \$ \_\_\_\_\_ : \$ \_\_\_\_\_  
20\_\_\_\_ : \$ \_\_\_\_\_ : \$ \_\_\_\_\_  
\_\_\_\_\_ : \$ \_\_\_\_\_ : \$ \_\_\_\_\_

**Item 8. Pending Lawsuits Filed by You or Your Spouse**

List all pending lawsuits that have been filed by you or your spouse in court or before an administrative agency. (List lawsuits that resulted in final judgments or settlements in Items 16 and 25).

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

\_\_\_\_\_ Status \_\_\_\_\_

**Item 9. Pending Lawsuits Filed Against You or Your Spouse**

List all pending lawsuits that have been filed against you or your spouse in court or before an administrative agency. (List lawsuits that resulted in final judgments or settlements in Items 16 and 25).

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

\_\_\_\_\_ Status \_\_\_\_\_

**Item 10. Safe Deposit Boxes**

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

<u>Owner's Name</u>	<u>Name &amp; Address of Depository Institution</u>	<u>Box No.</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

**Item 11. Business Interests**

List all businesses for which you, your spouse, or your dependents are an officer or director.

►Business' Name & Address \_\_\_\_\_

Business Format (e.g., corporation) \_\_\_\_\_ Description of Business \_\_\_\_\_

\_\_\_\_\_ Position(s) Held, and By Whom \_\_\_\_\_

►Business' Name & Address \_\_\_\_\_

Business Format (e.g., corporation) \_\_\_\_\_ Description of Business \_\_\_\_\_

\_\_\_\_\_ Position(s) Held, and By Whom \_\_\_\_\_

►Business' Name & Address \_\_\_\_\_

Business Format (e.g., corporation) \_\_\_\_\_ Description of Business \_\_\_\_\_

\_\_\_\_\_ Position(s) Held, and By Whom \_\_\_\_\_

**FINANCIAL INFORMATION: ASSETS AND LIABILITIES**

**REMINDER:** "Assets" and "Liabilities" include ALL assets and liabilities, located within the United States or elsewhere, whether held individually or jointly.

**Item 12.                      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 you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents. The term "cash" includes currency and uncashed checks.

Cash on Hand \$ \_\_\_\_\_ Cash Held For Your Benefit \$ \_\_\_\_\_

<u>Name on Account</u>	<u>Name &amp; Address of Financial Institution</u>	<u>Account No.</u>	<u>Current Balance</u>
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

**Item 13.                      U.S. Government Securities**

List all U.S. Government securities, including but not limited to, savings bonds, treasury bills, and treasury notes, held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

<u>Name on Account</u>	<u>Type of Obligation</u>	<u>Security Amount</u>	<u>Maturity Date</u>
_____	_____	\$ _____	_____
_____	_____	\$ _____	_____
_____	_____	\$ _____	_____

**Item 14. Publicly Traded Securities and Loans Secured by Them**

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 you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

► Issuer \_\_\_\_\_ Type of Security \_\_\_\_\_ No. of Units Owned \_\_\_\_\_

Name on Security \_\_\_\_\_ Current Fair Market Value \$ \_\_\_\_\_ Loan(s) Against Security \$ \_\_\_\_\_

Broker House, Address \_\_\_\_\_ Broker Account No. \_\_\_\_\_

► Issuer \_\_\_\_\_ Type of Security \_\_\_\_\_ No. of Units Owned \_\_\_\_\_

Name on Security \_\_\_\_\_ Current Fair Market Value \$ \_\_\_\_\_ Loan(s) Against Security \$ \_\_\_\_\_

Broker House, Address \_\_\_\_\_ Broker Account No. \_\_\_\_\_

**Item 15. Other Business Interests**

List all other business interests, including but not limited to, non-public corporations, subchapter-S corporations, limited liability corporations ("LLCs"), general or limited partnership interests, joint ventures, sole proprietorships, and oil and mineral leases, held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

► Business Format \_\_\_\_\_ Business' Name & Address \_\_\_\_\_

\_\_\_\_\_ Ownership % \_\_\_\_\_

Owner (e.g., self, spouse) \_\_\_\_\_ Current Fair Market Value \$ \_\_\_\_\_

► Business Format \_\_\_\_\_ Business' Name & Address \_\_\_\_\_

\_\_\_\_\_ Ownership % \_\_\_\_\_

Owner (e.g., self, spouse) \_\_\_\_\_ Current Fair Market Value \$ \_\_\_\_\_

**Item 16. Monetary Judgments or Settlements Owed to You, Your Spouse, or Your Dependents**

List all monetary judgments or settlements owed to you, your spouse, or your dependents.

► 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 17. Other Amounts Owed to You, Your Spouse, or Your Dependents**

List all other amounts owed to you, your spouse, or your dependents.

Debtor's Name, Address, & Telephone No. \_\_\_\_\_

Original Amount Owed \$ \_\_\_\_\_ Current Amount Owed \$ \_\_\_\_\_ Monthly Payment \$ \_\_\_\_\_

**Item 18. Life Insurance Policies**

List all life insurance policies held by you, your spouse, or your dependents.

►Insurance Company's Name, Address, & Telephone No. \_\_\_\_\_

Insured \_\_\_\_\_ Beneficiary \_\_\_\_\_ Face Value \$ \_\_\_\_\_

Policy No. \_\_\_\_\_ Loans Against Policy \$ \_\_\_\_\_ Surrender Value \$ \_\_\_\_\_

►Insurance Company's Name, Address, & Telephone No. \_\_\_\_\_

Insured \_\_\_\_\_ Beneficiary \_\_\_\_\_ Face Value \$ \_\_\_\_\_

Policy No. \_\_\_\_\_ Loans Against Policy \$ \_\_\_\_\_ Surrender Value \$ \_\_\_\_\_

**Item 19. 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, and other retirement accounts, held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

►Name on Account \_\_\_\_\_ Type of Plan \_\_\_\_\_ Date Established \_\_\_\_\_

Trustee or Administrator's Name, Address & Telephone No. \_\_\_\_\_

Account No. \_\_\_\_\_ Surrender Value \$ \_\_\_\_\_

►Name on Account \_\_\_\_\_ Type of Plan \_\_\_\_\_ Date Established \_\_\_\_\_

Trustee or Administrator's Name, Address & Telephone No. \_\_\_\_\_

Account No. \_\_\_\_\_ Surrender Value \$ \_\_\_\_\_

**Item 20. Personal Property**

List all personal property, by category, whether held for personal use or for investment, including but not limited to, furniture and household goods of value, computer equipment, electronics, coins, stamps, artwork, gemstones, jewelry, bullion, other collectibles, copyrights, patents, and other intellectual property, held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

<u>Property Category</u> (e.g., artwork, jewelry)	<u>Name of Owner</u>	<u>Property Location</u>	<u>Acquisition Cost</u>	<u>Current Value</u>
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____

**Item 21. Cars, Trucks, Motorcycles, Boats, Airplanes, and Other Vehicles**

List all cars, trucks, motorcycles, boats, airplanes, and other vehicles owned or operated by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

▶ Vehicle Type \_\_\_\_\_ Make \_\_\_\_\_ Model \_\_\_\_\_ Year \_\_\_\_\_

Registered Owner's Name \_\_\_\_\_ Registration State & No. \_\_\_\_\_

Address of Vehicle's Location \_\_\_\_\_

Purchase Price \$ \_\_\_\_\_ Current Value \$ \_\_\_\_\_ Account/Loan No. \_\_\_\_\_

Lender's Name and Address \_\_\_\_\_

Original Loan Amount \$ \_\_\_\_\_ Current Loan Balance \$ \_\_\_\_\_ Monthly Payment \$ \_\_\_\_\_

▶ Vehicle Type \_\_\_\_\_ Make \_\_\_\_\_ Model \_\_\_\_\_ Year \_\_\_\_\_

Registered Owner's Name \_\_\_\_\_ Registration State & No. \_\_\_\_\_

Address of Vehicle's Location \_\_\_\_\_

Purchase Price \$ \_\_\_\_\_ Current Value \$ \_\_\_\_\_ Account/Loan No. \_\_\_\_\_

Lender's Name and Address \_\_\_\_\_

Original Loan Amount \$ \_\_\_\_\_ Current Loan Balance \$ \_\_\_\_\_ Monthly Payment \$ \_\_\_\_\_

**Item 21. Continued**

▶ Vehicle Type \_\_\_\_\_ Make \_\_\_\_\_ Model \_\_\_\_\_ Year \_\_\_\_\_

Registered Owner's Name \_\_\_\_\_ Registration State & No. \_\_\_\_\_

Address of Vehicle's Location \_\_\_\_\_

Purchase Price \$ \_\_\_\_\_ Current Value \$ \_\_\_\_\_ Account/Loan No. \_\_\_\_\_

Lender's Name and Address \_\_\_\_\_

Original Loan Amount \$ \_\_\_\_\_ Current Loan Balance \$ \_\_\_\_\_ Monthly Payment \$ \_\_\_\_\_

**Item 22. Real Property**

List all real estate held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.

▶ Type of Property \_\_\_\_\_ Property's Location \_\_\_\_\_

Name(s) on Title and Ownership Percentages \_\_\_\_\_

Acquisition Date \_\_\_\_\_ Purchase Price \$ \_\_\_\_\_ Current Value \$ \_\_\_\_\_

Basis of Valuation \_\_\_\_\_ 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 \_\_\_\_\_

Acquisition Date \_\_\_\_\_ Purchase Price \$ \_\_\_\_\_ Current Value \$ \_\_\_\_\_

Basis of Valuation \_\_\_\_\_ 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. Credit Cards**

List each credit card held by you, your spouse, or your dependents. Also list any other credit cards that you, your spouse, or your dependents use.

<u>Name of Credit Card (e.g., Visa, MasterCard, Department Store)</u>	<u>Account No.</u>	<u>Name(s) on Account</u>	<u>Current Balance</u>	<u>Minimum Monthly Payment</u>
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	\$ _____	\$ _____

**Item 24. Taxes Payable**

List all taxes, such as income taxes or real estate taxes, owed by you, your spouse, or your dependants.

<u>Type of Tax</u>	<u>Amount Owed</u>	<u>Year Incurred</u>
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____

**Item 25. Judgments or Settlements Owed**

List all judgments or settlements owed by you, your spouse, or your dependents.

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_ Docket No. \_\_\_\_\_

Nature of Lawsuit \_\_\_\_\_ Date \_\_\_\_\_ Amount \$ \_\_\_\_\_



**Item 26. Other Loans and Liabilities**

List all other loans or liabilities in your, your spouse's, or your dependents' names.

▶Name & Address of Lender/Creditor \_\_\_\_\_

Nature of Liability \_\_\_\_\_ Name(s) on Liability \_\_\_\_\_

Date of Liability \_\_\_\_\_ Amount Borrowed \$ \_\_\_\_\_ Current Balance \$ \_\_\_\_\_

Payment Amount \$ \_\_\_\_\_ Frequency of Payment \_\_\_\_\_

▶Name & Address of Lender/Creditor \_\_\_\_\_

Nature of Liability \_\_\_\_\_ Name(s) on Liability \_\_\_\_\_

Date of Liability \_\_\_\_\_ Amount Borrowed \$ \_\_\_\_\_ Current Balance \$ \_\_\_\_\_

Payment Amount \$ \_\_\_\_\_ Frequency of Payment \_\_\_\_\_

**OTHER FINANCIAL INFORMATION**

**Item 27. Tax Returns**

List all federal tax returns that were filed during the last three years by or on behalf of you, your spouse, or your dependents. *Provide a copy of each signed tax return that was filed during the last three years.*

<u>Tax Year</u>	<u>Name(s) on Return</u>	<u>Refund Expected</u>
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

**Item 28. Applications for Credit**

List all applications for bank loans or other extensions of credit that you, your spouse, or your dependents have submitted within the last two years. *Provide a copy of each application, including all attachments.*

<u>Name(s) on Application</u>	<u>Name &amp; Address of Lender</u>
_____	_____
_____	_____
_____	_____

**Item 29. Trusts and Escrows**

List all funds or other assets that are being held in trust or escrow by any person or entity for you, your spouse, or your dependents. 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. *Provide copies of all executed trust documents.*

<u>Trustee or Escrow Agent's Name &amp; Address</u>	<u>Date Established</u>	<u>Grantor</u>	<u>Beneficiaries</u>	<u>Present Market Value of Assets</u>
				\$ _____
				\$ _____
				\$ _____
				\$ _____
				\$ _____

**Item 30. Transfers of Assets**

List each person to whom you have transferred, in the aggregate, more than \$2,500 in funds or other assets during the previous three years by loan, gift, sale, or other transfer. For each such person, state the total amount transferred during that period.

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

**SUMMARY FINANCIAL SCHEDULES**

**Item 31. Combined Balance Sheet for You, Your Spouse, and Your Dependents**

<u>ASSETS</u>		<u>LIABILITIES</u>	
Cash on Hand (Item 12)	\$ _____	Credit Cards (Item 23)	\$ _____
Cash in Financial Institutions (Item 12)	\$ _____	Motor Vehicles - Liens (Item 21)	\$ _____
U.S. Government Securities (Item 13)	\$ _____	Real Property - Encumbrances (Item 22)	\$ _____
Publicly Traded Securities (Item 14)	\$ _____	Loans Against Publicly Traded Securities (Item 14)	\$ _____
Other Business Interests (Item 15)	\$ _____	Taxes Payable (Item 24)	\$ _____
Judgments or Settlements Owed to You (Item 16)	\$ _____	Judgments or Settlements Owed (Item 25)	\$ _____
Other Amounts Owed to You (Item 17)	\$ _____	Other Loans and Liabilities (Item 26)	\$ _____
Surrender Value of Life Insurance (Item 18)	\$ _____	<u>Other Liabilities (Itemize)</u>	
Deferred Income Arrangements (Item 19)	\$ _____	_____	\$ _____
Personal Property (Item 20)	\$ _____	_____	\$ _____
Motor Vehicles (Item 21)	\$ _____	_____	\$ _____
Real Property (Item 22)	\$ _____	_____	\$ _____
<u>Other Assets (Itemize)</u>		_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
<b>Total Assets</b>	<b>\$ _____</b>	<b>Total Liabilities</b>	<b>\$ _____</b>

**Item 32. Combined Average Monthly Income and Expenses for You, Your Spouse, and Your Dependents for the Last 6 Months**

Provide the average monthly income and expenses for you, your spouse, and your dependents for the last 6 months. Do not include credit card payments separately; rather, include credit card expenditures in the appropriate categories.

<u>INCOME</u>		<u>EXPENSES</u>	
Salary - After Taxes	\$ _____	Mortgage Payments for Residence(s)	\$ _____
Fees, Commissions, and Royalties	\$ _____	Property Taxes for Residence(s)	\$ _____
Interest	\$ _____	Rental Property Expenses, Including Mortgage Payments, Taxes, and Insurance	\$ _____
Dividends and Capital Gains	\$ _____	Car or Other Vehicle Lease or Loan Payments	\$ _____
Gross Rental Income	\$ _____	Food Expenses	\$ _____
Profits from Sole Proprietorships	\$ _____	Clothing Expenses	\$ _____
Distributions from Partnerships, S-Corporations, and LLCs	\$ _____	Utilities	\$ _____
Distributions from Trusts and Estates	\$ _____	Medical Expenses, Including Insurance	\$ _____
Distributions from Deferred Income Arrangements	\$ _____	Other Insurance Premiums	\$ _____
Social Security Payments	\$ _____	Other Transportation Expenses	\$ _____
Alimony/Child Support Received	\$ _____	Other Household Expenses	\$ _____
Gambling Income	\$ _____	<u>Other Expenses (Itemize)</u>	
<u>Other Income (Itemize)</u>		_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
<b>Total Income</b>	<b>\$ _____</b>	<b>Total Expenses</b>	<b>\$ _____</b>



# **ATTACHMENT B**

FEDERAL TRADE COMMISSION

FINANCIAL STATEMENT OF CORPORATE DEFENDANT

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**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.

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**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 &amp; Address</u>	<u>% Owned</u>
_____	_____
_____	_____
_____	_____
_____	_____

**Item 5. Board Members**

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

<u>Name &amp; 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 &amp; 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 &amp; 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 &amp; 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, &amp; 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 &amp; 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 &amp; 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 &amp; 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.

Name of Credit Card or Store

Names of Authorized Users and Positions Held


**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, &amp; 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**

**CONSENT TO RELEASE FINANCIAL RECORDS**

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, 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 very 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 the Federal Trade Commission v. Nelson Gamble & Associates LLC, *et al.*, now pending in the United States District Court of the Central District of California, and this shall be irrevocable authority for so doing.

This direction is intended to apply to the laws of countries other than the Unites States of America which restrict or prohibit disclosure of bank or other financial information without the consent of the holder of the account, and shall be construed as consent with respect hereto, and the same shall apply to any ofthe accounts for which I may be a relevant principal.

Dated: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_