

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF OHIO

FEDERAL TRADE COMMISSION, ) Case No. 1:12CV2394  
 )  
Plaintiff, ) JUDGE GWIN  
 )  
v. ) MAGISTRATE JUDGE McHARGH  
 )  
E.M.A. NATIONWIDE, INC., *et al.*, )  
 )  
Defendants. )

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**STIPULATED PRELIMINARY INJUNCTION BETWEEN  
PLAINTIFF AND DANIEL MICHAELS, A/K/A DAN MICHAELS, A/K/A DAN  
MICHLES; JAMES BENHAIM, A/K/A JIMMY BENHAIM; E.M.A. NATIONWIDE,  
INC., ALSO D/B/A EMA AND EXPENSE MANAGEMENT AMERICA; NEW LIFE  
FINANCIAL SOLUTIONS, INC., ALSO D/B/A NEW LIFE FINANCIAL, AND NEW  
LIFE FINANCIAL SERVICES; IUC INC., ALSO D/B/A 1<sup>ST</sup> UNITED CONSULTANTS;  
AND FIRST UNITED CONSULTANTS; 7246421 CANADA INC.; 7242697 CANADA  
INC.; 7246293 CANADA INC.; AND 7242701 CANADA INC.**

On September 25, 2012, Plaintiff Federal Trade Commission (FTC or Commission), 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 the 2009 Omnibus Appropriations Act, Public Law 111-8, Section 626, 123 Stat. 524, 678 (Mar. 11, 2009) (Omnibus Act), as clarified by the Credit Card Accountability Responsibility and Disclosure Act of 2009, Public Law 111-24, Section 511, 123 Stat. 1734-64 (May 22, 2009) (Credit Card Act), and amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111-203, Section 1097, 124 Stat. 1376, 2102-03 (July 21, 2010) (Dodd-Frank Act), 12 U.S.C. § 5538, filed a Complaint for preliminary and permanent injunctive relief, rescission or reformation of contracts, restitution, the refund of monies paid, disgorgement of ill-gotten monies, and other equitable relief for Defendants' acts or practices in violation of Section 5(a) of the FTC Act,

15 U.S.C. § 45(a), the Telemarketing Sales Rule (TSR), 16 C.F.R. Part 310, and the Mortgage Assistance Relief Services Rule, 16 C.F.R. Part 322 (effective December 29, 2010, except for Section 322.5, which became effective on January 31, 2011), recodified as the Mortgage Assistance Relief Services (Regulation O), 12 C.F.R. Part 1015 (effective December 30, 2011) (MARS Rule), in connection with the marketing and sale of Debt Relief Services and Mortgage Assistance Relief Services. The Court scheduled a hearing on Preliminary Injunction for October 12, 2012.

The Commission and Defendants Daniel Michaels, a/k/a Dan Michaels, a/k/a Dan Michles; James Benhaim, a/k/a Jimmy Benhaim; E.M.A. Nationwide, Inc., also d/b/a EMA and Expense Management America; New Life Financial Solutions, Inc., also d/b/a New Life Financial, and New Life Financial Services; 1UC Inc., also d/b/a 1<sup>st</sup> United Consultants, and First United Consultants; 7246421 Canada Inc.; 7242697 Canada Inc.; 7246293 Canada Inc.; and 7242701 Canada Inc. (collectively, Stipulating Defendants), agree to entry of this Stipulated Preliminary Injunction (Order). THEREFORE, on the joint motion of the parties, it is hereby ORDERED, ADJUDGED AND DECREED as follows:

1. The Commission and Stipulating Defendants agree to the terms of this Order.
2. Stipulating Defendants are entering into this Order without in any way admitting liability for any allegations in the Complaint.
3. The Commission is entering into this Order without in any way admitting any of the defenses raised or that may be raised by Stipulating Defendants.
4. No security is required of any agency of the United States for issuance of a preliminary injunction. Fed. R. Civ. P. 65(c).

5. Entry of this Order is in the public interest.

**DEFINITIONS**

For purposes of this Order, the following definitions shall apply:

1. “**Asset**” or “**Assets**” means any legal or equitable interest in, right to, or claim to, any real or personal property, including, but not limited to, “goods,” “instruments,” “equipment,” “fixtures,” “general intangibles,” “inventory,” “checks,” or “notes,” (as these terms are defined in the Uniform Commercial Code), lines of credit, chattels, leaseholds, contracts, mail or other deliveries, shares of stock, lists of consumer names, accounts, credits, premises, receivables, funds, and all cash, wherever located.
2. “**Assisting others**” includes, but is not limited to:
  - a. performing customer service functions, including, but not limited to, receiving or responding to consumer complaints;
  - b. formulating or providing, or arranging for the formulation or provision of, any advertising or marketing material, including, but not limited to, any telephone sales script, direct mail solicitation, or the design, text, or use of images of any Internet website, email, or other electronic communication;
  - c. formulating or providing, or arranging for the formulation or provision of, any marketing support material or service, including, but not limited to, web or Internet protocol addresses or domain name registration for any Internet websites, affiliating marketing services, or media placement services;
  - d. providing names of, or assisting in the generation of, potential customers;
  - e. performing marketing, billing, or payment services of any kind; and

- f. acting as an owner, officer, director, manager, or principal of any entity.
3. **“Defendants”** means James Benhaim, a/k/a Jimmy Benhaim; Daniel Michaels, a/k/a Dan Michaels, a/k/a Dan Michles; Phillip Hee Min Kwon, a/k/a Phillip H. Kwon; Joseph Shamolian; Nissim N. Ohayon; E.M.A. Nationwide, Inc., also d/b/a EMA and Expense Management America; New Life Financial Solutions, Inc., also d/b/a New Life Financial, and New Life Financial Services; 1UC Inc., also d/b/a 1<sup>st</sup> United Consultants, and First United Consultants; 7242701 Canada Inc.; 7242697 Canada Inc.; 7246293 Canada Inc.; and 7246421 Canada Inc.
  4. **“Stipulating Defendants”** means James Benhaim, a/k/a Jimmy Benhaim; Daniel Michaels, a/k/a Dan Michaels, a/k/a Dan Michles; E.M.A. Nationwide, Inc., also d/b/a EMA and Expense Management America; New Life Financial Solutions, Inc., also d/b/a New Life Financial, and New Life Financial Services; 1UC Inc., also d/b/a 1<sup>st</sup> United Consultants, and First United Consultants; 7242701 Canada Inc.; 7242697 Canada Inc.; 7246293 Canada Inc.; and 7246421 Canada Inc.
  5. **“Stipulating Corporate Defendants”** means E.M.A. Nationwide, Inc., also d/b/a EMA and Expense Management America; New Life Financial Solutions, Inc., also d/b/a New Life Financial, and New Life Financial Services; 1UC Inc., also d/b/a 1<sup>st</sup> United Consultants, and First United Consultants; 7242701 Canada Inc.; 7242697 Canada Inc.; 7246293 Canada Inc.; and 7246421 Canada Inc.
  6. **“Stipulating Individual Defendants”** means James Benhaim, a/k/a Jimmy Benhaim; and Daniel Michaels, a/k/a Dan Michaels, a/k/a Dan Michles.

7. **“Debt Relief Service”** means any product, service, plan, or program represented, expressly or by implication, to renegotiate, settle, or in any way alter the terms of payment or other terms of debt or obligation, between a person and one or more unsecured creditors or debt collectors, including, but not limited to, a reduction in the balance, interest rate, or fees owed by a person to an unsecured creditor or debt collector.
8. **“Document”** or **“Record”** means any materials listed in Federal Rule of Civil Procedure 34(a) and includes writings, drawings, graphs, charts, photographs, electronically stored information, audio and video recordings, computer records, and other data compilations from which information can be obtained and translated, if necessary, into reasonably usable form through detection devices. A draft or non-identical copy is a separate document within the meaning of the term.
9. **“Financial institution”** means any bank, savings and loan institution, credit union, or any financial depository of any kind, including, but not limited to, any brokerage house, trustee, broker-dealer, escrow agent, title company, commodity trading company, or precious metal dealer.
10. **“Material”** means likely to affect a person’s choice of, or conduct regarding, goods or services.
11. **“Mortgage Assistance Relief Service”** means any product, service, plan, or program offered or provided to the consumer in exchange for consideration, that is represented, expressly or by implication, to assist or attempt to assist the consumer with any of the following:

- a. stopping, preventing, or postponing any mortgage or deed of trust foreclosure sale for the consumer's dwelling, any repossession of the consumer's dwelling, or otherwise saving the consumer's dwelling from foreclosure or repossession;
- b. negotiating, obtaining, or arranging a modification of any term of a dwelling loan, including a reduction in the amount of interest, principal balance, monthly payment, or fees;
- c. obtaining any forbearance or modification in the timing of payments from any dwelling loan holder or servicer on any dwelling loan;
- d. negotiating, obtaining, or arranging any extension of the period of time within which the consumer may (i) cure his or her default on a dwelling loan, (ii) reinstate his or her dwelling loan, (iii) redeem a dwelling, or (iv) exercise any right to reinstate a dwelling loan or redeem a dwelling;
- e. obtaining any waiver of an acceleration clause or balloon payment contained in any promissory note or contract secured by any dwelling; or
- f. negotiating, obtaining, or arranging (i) a short sale of a dwelling, (ii) a deed-in-lieu of foreclosure, (iii) or any other disposition of a dwelling loan other than a sale to a third party that is not the dwelling loan holder.

The foregoing shall include any manner of claimed assistance, including, but not limited to, auditing or examining a consumer's mortgage loan or home loan application and offering to provide or providing legal services.

12. “**Person**” means a natural person, an organization or other legal entity, including corporation, partnership, sole proprietorship, limited liability company, association, cooperative, or any other group or combination acting as an entity.
13. “**Plaintiff**” means the Federal Trade Commission.
14. “**Telemarketing**” means a plan, program, or campaign which is conducted to induce the purchase of goods or services or a charitable contribution, by use of one or more telephones and which involves more than one interstate telephone call, whether inbound or outbound.

**I.**

**PROHIBITED REPRESENTATIONS**

**IT IS THEREFORE ORDERED** that in connection with the advertising, marketing, promotion, offering for sale or sale of any Debt Relief Service or Mortgage Assistance Relief Service, Stipulating Defendants and their successors, assigns, officers, agents, servants, employees, and attorneys, and those persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any corporation, subsidiary, division or other device, are hereby restrained and enjoined, until further order of this Court, from engaging in, or assisting others in engaging in, the following conduct:

- A. Falsely representing, expressly or by implication, any of the following:
  1. that any Stipulating Defendant or any other person generally will obtain for consumers a renegotiation, settlement, modification or other alteration of the terms of any secured or unsecured debt, including, but not limited to, mortgage

loan modifications, that will make consumers' payments substantially more affordable;

2. the nature of any Stipulating Defendant's or any other person's relationship with any mortgage loan holder or servicer, or other secured or unsecured lender;
3. the amount of time it will take or is likely to take to obtain or arrange a renegotiation, settlement, modification, or other alteration of the terms of any secured or unsecured debt, including, but not limited to, the modification of any term of a consumer's home loan, deed of trust, or mortgage, including any recapitalization or reinstatement agreement;
4. that a consumer's payment to any Stipulating Defendant for a Debt Relief Service or Mortgage Assistance Relief Service will be held in an escrow account for disbursement to the consumer's creditors after a renegotiation, settlement, modification or other alteration of the terms of any secured or unsecured debt, including, but not limited to, the modification of any term of a consumer's home loan, deed of trust, or mortgage, including any recapitalization or reinstatement agreement, is achieved by any Stipulating Defendant on behalf of the consumer; and
5. any other fact material to a consumer's decision whether to purchase any Debt Relief Service or Mortgage Assistance Relief Service.

B. Representing, expressly or by implication, that a consumer cannot or should not contact or communicate with his or her mortgage loan holder or servicer, or other secured or unsecured lender. *Provided, however,* that this prohibition shall not apply in cases in



which a Stipulating Defendant: (i) provides Mortgage Assistance Relief Services as part of the authorized practice of law; (ii) is licensed to practice law in the state in which the consumer for whom Stipulating Defendant is providing Mortgage Assistance Relief Services resides or in which the consumer's dwelling is located; and (iii) complies with state laws and regulations that cover the same type of conduct.

- C. Asking for or receiving payment before consumers have executed a written agreement between the consumer and the loan holder or servicer that incorporates the offer obtained by Stipulating Defendants.

## II.

### RESTRICTIONS ON TELEMARKETING

**IT IS FURTHER ORDERED** that in connection with the advertising, marketing, promotion, offering for sale or sale of any Debt Relief Service or Mortgage Assistance Relief Service, Stipulating Defendants and their successors, assigns, officers, agents, servants, employees, and attorneys, and those persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any corporation, subsidiary, division or other device, are hereby restrained and enjoined, until further order of this Court, from violating, or assisting others in violating, any provision of the Telemarketing Sales Rule, 16 C.F.R. Part 310, including, but not limited to:

- A. Section 310.3(a)(2)(i) of the TSR, 16 C.F.R. § 310.3(a)(2)(i), by misrepresenting, directly or by implication, the total costs to purchase, receive, or use Stipulating Defendants' services;

- B. Section 310.3(a)(2)(iii) of the TSR, 16 C.F.R. § 310.3(a)(2)(iii), by misrepresenting, directly or by implication, any material aspect of the performance, efficacy, nature, or central characteristic of any good or service, including, but not limited to, the amount of money or the percentage of debt amount that consumers will save by using Stipulating Defendants' services;
- C. Section 310.3(a)(2)(x) of the TSR, 16 C.F.R. § 310.3(a)(2)(x), by misrepresenting, directly or by implication, any material aspect of Debt Relief Services, including, but not limited to, the amount of money or the percentage of debt amount that consumers will save by using Stipulating Defendants' services; and
- D. Section 310.4(a)(5)(i) of the TSR, 16 C.F.R. § 310.4(a)(5)(i), by initiating or causing others to initiate an outbound telephone call to a person's telephone number on the National Do Not Call Registry in violation of the TSR, 16 C.F.R. § 310.4(a)(5)(i).

### III.

#### DISCLOSURES REQUIRED BY MARS RULE

**IT IS FURTHER ORDERED** that in connection with the advertising, marketing, promotion, offering for sale or sale of any Mortgage Assistance Relief Service, Stipulating Defendants and their successors, assigns, officers, agents, servants, employees, and attorneys, and those persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any corporation, subsidiary, division or other device, are hereby restrained and enjoined, until further order of this Court, from engaging in, or assisting others in engaging in, the following conduct:

- A. Failing to make the following disclosures in all general commercial communications:

1. “[Name of company] is not associated with the government, and our service is not approved by the government or your lender,” in violation of the MARS Rule, 16 C.F.R. § 322.4(a)(1), and Regulation O, 12 C.F.R. § 1015.4(a)(1); and
2. “Even if you accept this offer and use our service, your lender may not agree to change your loan,” in violation of the MARS Rule, 16 C.F.R. § 322.4(a)(2), and Regulation O, 12 C.F.R. § 1015.4(a)(2).

B. Failing to make the following disclosures in all consumer-specific commercial communications:

1. “You may stop doing business with us at any time. You may accept or reject the offer of mortgage assistance we obtain from your lender [or servicer]. If you reject the offer, you do not have to pay us. If you accept the offer, you will have to pay us [insert amount or method for calculating the amount] for our services,” in violation of 16 C.F.R. § 322.4(b)(1), and Regulation O, 12 C.F.R. § 1015.4(b)(1). For the purposes of this section, the amount “you will have to pay” shall consist of the total amount the consumer must pay to purchase, receive, and use all of the Mortgage Assistance Relief Services that are the subject of the sales offer, including, but not limited to, all fees and charges.
2. “[Name of Company] is not associated with the government, and our service is not approved by the government or your lender,” in violation of 16 C.F.R. § 1015.4(b)(2), and Regulation O, 12 C.F.R. § 1015.4(b)(2); and
3. “Even if you accept this offer and use our service, your lender may not agree to change your loan,” in violation of 16 C.F.R. § 1015.4(b)(3), and Regulation O,

12 C.F.R. § 1015.4(b)(3).

- C. Failing, in all general communications, consumer-specific commercial communications, and other communications in cases where any Stipulating Defendant or person has represented, expressly or by implication, in connection with the advertising, marketing, promotion, offering for sale, sale, or performance of any Mortgage Assistance Relief Service, that the consumer should temporarily or permanently discontinue payments, in whole or in part, on a dwelling loan, to place clearly and permanently, and in close proximity to any such representation the following disclosure: "If you stop paying your mortgage, you could lose your home and damage your credit rating," in violation of 16 C.F.R. § 1015.4(c), and Regulation O, 12 C.F.R. § 1015.4(c).
- D. This Section III shall not apply in cases in which a Stipulating Defendant: (i) provides Mortgage Assistance Relief Services as part of the authorized practice of law; (ii) is licensed to practice law in the state in which the consumer for whom Stipulating Defendant is providing Mortgage Assistance Relief Services resides or in which the consumer's dwelling is located; and (iii) complies with state laws and regulations that cover the same type of conduct.

#### IV.

#### RESTRICTION ON COLLECTION OF ADVANCE FEES

**IT IS FURTHER ORDERED** that immediately upon entry of this Order, Stipulating Defendants and their successors, assigns, officers, agents, servants, employees, and attorneys, and those persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any

corporation, subsidiary, division or other device, are hereby restrained and enjoined, until further order of this Court, from requesting, accepting, or continuing to collect payment, in full or part, of any fee or consideration in advance of performing each and every Debt Relief Service or Mortgage Assistance Relief Service that Stipulating Defendants contracted to perform or represented would be performed.

V.

**SUSPENSION ON COLLECTION OF ACCOUNTS**

**IT IS FURTHER ORDERED** that Stipulating Defendants, and their officers, agents, servants, employees, attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other device, or any of them, are hereby restrained and enjoined, until further order of this Court, from attempting to collect payment for Debt Relief Services, and Mortgage Assistance Relief Services, directly or through any collection agent, on any account.

VI.

**DIRECTION TO PAYMENT PROCESSORS**

**IT IS FURTHER ORDERED** that Stipulating Defendants shall immediately direct all of their payment processors, including but not limited to Meracord, to immediately stop transferring any funds to any Defendant or any corporation, partnership, affiliate, or other entity directly or indirectly owned, managed, or controlled by, or under common control with them, including but not limited to Debt Source Solutions and First Liberty Consultants, until further order of this Court. Within three (3) days from the date of entry of this Order, Stipulating

Defendants shall provide Plaintiff with a sworn statement that Stipulating Defendants have complied with this provision of the Order.

**VII.**

**ASSET FREEZE AS TO THE STIPULATING CORPORATE DEFENDANTS**

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

- A. Transferring, liquidating, converting, encumbering, pledging, loaning, selling, concealing, dissipating, disbursing, assigning, spending, withdrawing, granting a lien or security interest or other interest in, or otherwise disposing of any funds, real or personal property, accounts, contracts, shares of stock, lists of consumer names, or other Assets, or any interest therein, wherever located, including outside the territorial United States, that are:
1. owned, controlled, or held by, in whole or in part, for the benefit of, or subject to access by, or belonging to any Stipulating Corporate Defendant;
  2. in the actual or constructive possession of any Stipulating Corporate Defendant; or
  3. in the actual or constructive possession of, or owned, controlled, or held by, or subject to access by, or belonging to, any other corporation, partnership, trust, or any other entity directly or indirectly owned,

managed, or controlled by, or under common control with, any Stipulating Corporate Defendant, including, but not limited to, any assets held by or for any of them in any account at any bank or savings and loan institution, or with any credit card processing agent, automated clearing house processor, network transaction processor, bank debit processing agent, customer service agent, commercial mail receiving agency, or mail holding or forwarding company, or any credit union, retirement fund custodian, money market or mutual fund, storage company, trustee, or with any broker-dealer, escrow agent, title company, commodity trading company, precious metal dealer, or other financial institution or depository of any kind, either within or outside the territorial United States;

- B. Opening or causing to be opened any safe deposit boxes, commercial mail boxes, or storage facilities titled in the name of any Stipulating Corporate Defendant or subject to access by any of them or under any of their control, without providing Plaintiff prior notice and an opportunity to inspect the contents in order to determine that they contain no assets covered by this Section; or
- C. Incurring liens or encumbrances on real property, personal property, or other assets in the name, singly or jointly, of any Stipulating Corporate Defendant or of any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by any Stipulating Corporate Defendant.

*Provided, however,* that this Paragraph shall be construed to apply to both existing Assets and Assets that any Stipulating Corporate Defendant acquires after the date of this Order, if such after acquired Assets are derived from any activity prohibited by this Order.

*Provided, further,* that nothing in this Order shall prohibit any reversals of bank charges that occur in the ordinary course of business as required by any applicable banking laws or regulations.

### VIII.

#### FINANCIAL INSTITUTIONS AND DUTIES OF ASSET HOLDERS

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

- A. Hold and retain within its control and prohibit the transfer, encumbrance, assignment, removal, withdrawal, dissipation, sale, gift, disbursal, conversion, destruction, or other disposal of any such Record, account, or other Asset, except for transfers or withdrawals directed by further order of this Court;
- B. Deny any Person or entity access to any safe deposit box titled individually or jointly in the name of the Stipulating Corporate Defendants, or otherwise held for the benefit of or subject to access by any Stipulating Corporate Defendant.



*Provided, however,* that nothing in this Order shall prohibit any reversals of bank charges that occur in the ordinary course of business as required by any applicable banking laws or regulations.

**IX.**

**ASSET PRESERVATION AS TO STIPULATING INDIVIDUAL DEFENDANTS**

**IT IS FURTHER ORDERED** that Stipulating Individual Defendants and their assigns, agents, servants, employees, and attorneys, and those persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any corporation, subsidiary, division or other device, are hereby restrained and enjoined, until further order of this Court, from directly or indirectly selling, liquidating, assigning, transferring, converting, loaning, encumbering, pledging, concealing, dissipating, spending, withdrawing, or otherwise disposing of any funds, real or personal property, or other Assets or any interest therein, wherever located, including any Assets outside the territorial United States, which are owned and controlled by Stipulating Individual Defendants or held in their possession, other than those expenditures or transfers for reasonable, actual, and necessary business operations and business and personal expenses that they will reasonably incur. The funds, property and Assets affected by this Paragraph shall include both existing Assets and Assets acquired after the effective date of this Order, including without limitation, those acquired by loan or gift.

*Provided, however,* that each Stipulating Individual Defendants shall provide the FTC with a sworn statement providing a monthly accounting that separately states his monthly expenditures for business operations and expenses and personal expenses. The monthly accounting shall be

provided on the second Monday of every month and provide a financial accounting for the preceding calendar month, with the first accounting to be provided on November 12, 2012.

**X.**

**MAINTAIN RECORDS AND REPORT NEW BUSINESS ACTIVITY**

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

- A. Failing to create and maintain books, records, accounts, bank statements, current accountants' reports, general ledgers, general journals, cash receipt ledgers, cash disbursement ledgers and source documents, documents indicating title to real or personal property, and any other data which, in reasonable detail, accurately, fairly and completely reflect the incomes, disbursements, transactions, dispositions, and uses of Stipulating Defendants' Assets; *provided* that the duty to maintain as described in this Part refers only to those Documents over which Stipulating Defendants have custody or control;
- B. Destroying, erasing, mutilating, concealing, altering, transferring, or otherwise disposing of, in any manner, directly or indirectly, Documents over which Stipulating Defendants have custody or control, including electronically-stored materials, that relate in any way to the business practices or business or personal finances of any Stipulating Defendant; to the business practices or finances of entities directly or indirectly under the control of

Stipulating Defendants; or to the business practices or finances of entities directly or indirectly under common control with any other Defendant; and

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

## XI.

### PROHIBITION ON DISCLOSING CUSTOMER INFORMATION

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

- A. Selling, renting, leasing, transferring, or otherwise disclosing the name, address, birth date, telephone number, email address, Social Security number, Social Insurance number, credit card number, bank account number, or other financial or identifying personal information of any person from whom or about whom any Defendant obtained such information in connection with activities alleged in the FTC's Complaint; and

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

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

## XII.

### FINANCIAL STATEMENTS

**IT IS FURTHER ORDERED** that no later than thirty (30) days after entry of this Order, Stipulating Corporate Defendants shall provide to counsel for Plaintiff a completed financial statement, in the form provided as **Attachment A**, signed under penalty of perjury, accurate as of the date of entry of this Order. The financial statements shall include assets held outside the territory of the United States of America, shall be accurate as of the date of entry of this Order, and shall be verified under oath. Stipulating Corporate Defendants shall attach to these completed financial statements copies of all legal, state, provincial, and federal income and property tax returns, with attachments and schedules, as called for by the instructions to the financial statements.

*Provided, however,* that nothing in this Section shall prohibit the parties from agreeing to a reasonable extension by which Stipulating Corporate Defendants may submit the financial statements required by this Section.

**XIII.**

**DISTRIBUTION OF ORDER BY STIPULATING DEFENDANTS**

**IT IS FURTHER ORDERED** that Stipulating Defendants shall immediately provide a copy of this Order to each of their corporations, subsidiaries, affiliates, divisions, directors, officers, partners, successors, assigns, employees, attorneys, agents, representatives, sales entities, sales persons, telemarketers, independent contractors, and any other persons in active concert or participation with them. Within ten (10) days from the date of entry of this Order, each Stipulating Defendant shall provide Plaintiff with a sworn statement that each Stipulating Defendant has complied with this provision of the Order, which statement shall include the name, title, address, telephone number, date of service, and manner of service of each person or entity Stipulating Defendants served with a copy of this Order in compliance with this provision.

**XIV.**

**SERVICE OF ORDER**

**IT IS FURTHER ORDERED** that copies of this Order may be served by any means, including facsimile transmission, electronic mail, personal or overnight delivery, or by U.S. Mail, by agents and employees of Plaintiff, by any law enforcement agency, or by private process server, upon any person that may have possession or control of any document of any Stipulating Defendant, or that may be subject to any provision of this Order.

XV.

**CORRESPONDENCE**

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

Christopher D. Panek  
Federal Trade Commission  
1111 Superior Avenue, Suite 200  
Cleveland, Ohio 44114  
(216) 263-3406 (telephone)  
(216) 263-3426 (fax)  
[cpanek@ftc.gov](mailto:cpanek@ftc.gov)

XVI.

**JURISDICTION**

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


**SO ORDERED**, this 25th day of October, 2012 at \_\_\_\_\_ a.m./p.m.

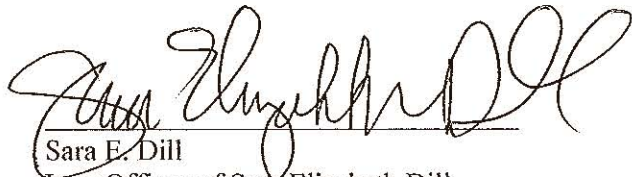
s/ James S. Gwin

\_\_\_\_\_  
UNITED STATES DISTRICT COURT JUDGE

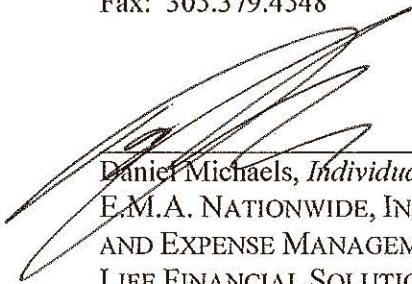
**SO STIPULATED AND AGREED:**

FOR DEFENDANTS DANIEL MICHAELS, A/K/A DAN MICHAELS, A/K/A DAN MICHLES; E.M.A. NATIONWIDE, INC., ALSO D/B/A EMA AND EXPENSE MANAGEMENT AMERICA; NEW LIFE FINANCIAL SOLUTIONS, INC., ALSO D/B/A NEW LIFE FINANCIAL, AND NEW LIFE FINANCIAL SERVICES; IUC INC., ALSO D/B/A 1<sup>ST</sup> UNITED CONSULTANTS, AND FIRST UNITED CONSULTANTS; 7246421 CANADA INC.; 7246293 CANADA INC.; AND 7242701 CANADA INC.:

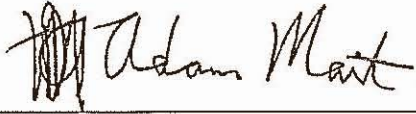
  
\_\_\_\_\_  
David Seltzer  
Seltzer Law, PA  
1200 Brickell Avenue, Suite 1440  
Miami, Florida 33131  
Tel: 305.444.1565  
Fax: 305.444.1665

  
\_\_\_\_\_  
Sara E. Dill  
Law Offices of Sara Elizabeth Dill  
1200 Brickell Avenue, Suite 1440  
Miami, Florida 33131  
Tel: 305.577.9466  
Fax: 312.376.3791

  
\_\_\_\_\_  
Menachem M. Mayberg  
1200 Brickell Avenue, Suite 1440  
Miami, Florida 33131  
Tel: 305.695.8750  
Fax: 305.379.4548

  
\_\_\_\_\_  
Daniel Michaels, *Individually and on behalf of*  
E.M.A. NATIONWIDE, INC., ALSO D/B/A EMA  
AND EXPENSE MANAGEMENT AMERICA; NEW  
LIFE FINANCIAL SOLUTIONS, INC., ALSO D/B/A  
NEW LIFE FINANCIAL, AND NEW LIFE  
FINANCIAL SERVICES; IUC INC., ALSO D/B/A 1<sup>ST</sup>  
UNITED CONSULTANTS, AND FIRST UNITED  
CONSULTANTS; 7246421 CANADA INC.;  
7246293 CANADA INC.; AND 7242701 CANADA  
INC.

FOR DEFENDANTS JAMES BENHAIM, A/K/A JIMMY BENHAIM, INDIVIDUALLY AND AS AN OFFICER OR DIRECTOR 7242697 CANADA INC.:



---

Adam Mait  
Mait Law  
1200 Brickell Avenue, Suite 1440  
Miami, Florida 33131  
Tel: 305.333.6967  
Fax: 855.624.8529



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James Benhaim, a/k/a Jimmy Benhaim,  
*Individually and on behalf of 7242697 CANADA INC.*

FOR PLAINTIFF FEDERAL TRADE COMMISSION:



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Christopher D. Panek (OH Bar 0080016)  
Sara C. DePaul (OH Bar 0077829)  
Dana C. Barragate (OH Bar 0065748)  
Federal Trade Commission  
1111 Superior Avenue, Suite 200  
Cleveland, Ohio 44114  
Phone: (216) 263-3406  
Fax: (216) 263-3426



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.*

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

**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>	\$ _____			
<u>Receivables</u>	\$ _____			

**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>
		\$ _____		
		\$ _____		
		\$ _____		
		\$ _____		
		\$ _____		

**Item 32. Documents Attached to the Financial Statement**

List all documents that are being submitted with the financial statement.

<u>Item No. Document Relates To</u>	<u>Description of Document</u>

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

Executed on:

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Corporate Position