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MAR 19 2012
 CENTRAL DISTRICT OF CALIFORNIA
 BY  DEPUTY

8 UNITED STATES DISTRICT COURT
 9 CENTRAL DISTRICT OF CALIFORNIA

10 **Federal Trade Commission,**

11 Plaintiff,

12 v.

13 **Sameer Lakhany,**
 14 an individual;

15 **The Credit Shop, LLC,**
 16 a limited liability company;

17 **Fidelity Legal Services LLC,**
 18 a limited liability company;

19 **Titanium Realty, Inc.,**
 20 a corporation;

21 **Precision Law Center, Inc.,**
 22 a corporation;

23 **Precision Law Center LLC,**
 24 a limited liability company;


25 Defendants.

Case No. SACV12-0337-CJC(JPRx)

~~PROPOSED~~
**PRELIMINARY INJUNCTION
 ORDER WITH ASSET FREEZE AND
 OTHER EQUITABLE RELIEF AS
 TO DEFENDANTS SAMEER
 LAKHANY, THE CREDIT SHOP,
 LLC, FIDELITY LEGAL SERVICES
 LLC, AND TITANIUM REALTY,
 INC.**

~~UNDER SEAL~~

Judge: Hon. Cormac J. Carney
 Courtroom 9B

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 CENTRAL DISTRICT OF CALIFORNIA
 BY 

26 Plaintiff Federal Trade Commission ("FTC"), commenced this civil action on
 27 March 5, 2012, pursuant to Sections 13(b) and 19 of the Federal Trade Commission
 28 Act ("FTC Act"), 15 U.S.C. §§ 53(b) and 57b, 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

ORIGINAL

BY FAX

1 Responsibility and Disclosure Act of 2009, Public Law 111-24, Section 511, 123
2 Stat. 1734, 1763-64 (May 22, 2009) (“Credit Card Act”), and amended by the Dodd-
3 Frank Wall Street Reform and Consumer Protection Act, Public Law 111-203,
4 Section 1097, 124 Stat. 1376, 2102-03 (July 21, 2010) (“Dodd-Frank Act”), by filing
5 a Complaint for preliminary and permanent injunctive relief, rescission or
6 reformation of contracts, restitution, the refund of monies paid, disgorgement of ill-
7 gotten monies, and other equitable relief for Defendants’ acts or practices in
8 violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the Mortgage
9 Assistance Relief Services Rule, 16 C.F.R. Part 322 (“MARS Rule”) (effective
10 December 29, 2010, except for Section 322.5, which became effective on January
11 31, 2011), recodified as Mortgage Assistance Relief Services (Regulation O), 12
12 C.F.R. Part 1015 (“Regulation O”) (effective December 30, 2011), in connection
13 with the marketing and sale of Mortgage Assistance Relief Services (“MARS”), and
14 applying for a temporary restraining order pursuant to Rule 65(b) of the Federal
15 Rules of Civil Procedure.

16 On March 5, 2012, the FTC filed a motion for an *ex parte* temporary
17 restraining with asset freeze and other equitable relief and the Court ordered the FTC
18 to appear before it, on March 7, 2012, in an *ex parte* hearing. On March 7, 2012, the
19 FTC appeared before the Court, *ex parte*, and the Court entered a TRO, which
20 included an asset freeze as to the Corporate Defendants, appointment of a Temporary
21 Receiver, and other equitable relief (“First TRO”). As part of the First TRO, the
22 Court ordered the Defendants to appear before the Court on March 21, 2012, to show
23 cause, if any, why this Court should not enter a preliminary injunction, pending final
24 ruling on the Complaint, against the Defendants.

25 On March 14, 2012, the FTC filed a motion seeking to amend the First TRO
26 by: (1) extending the asset freeze as to Defendant Lakhany; (2) requiring him to
27 provide financial statements in the form accompanying the FTC’s proposed Order;

28

1 and (3) requiring all Defendants to provide an accounting of certain transfers of
2 assets.

3 The FTC and Defendants Sameer (a/k/a "Sammy") Lakhany, The Credit Shop,
4 LLC, Fidelity Legal Services LLC, and Titanium Realty, Inc., have stipulated and
5 agreed to entry of this Preliminary Injunction Order With Asset Freeze and Other
6 Equitable Relief as to Defendants Sameer Lakhany, The Credit Shop, LLC, Fidelity
7 Legal Services LLC, and Titanium Realty, Inc. This Court, having considered the
8 Complaint, exhibits, memoranda, declarations, and other submissions of the parties,
9 and now being advised in the premises, hereby enters this Order:

10 **FINDINGS OF FACT**

11 1. This Court has jurisdiction over the subject matter of this case and over
12 the Stipulating Defendants (as defined herein), and venue in this district is proper;

13 2. Stipulating Defendants waive all right to seek judicial review or
14 otherwise to challenge or contest the validity of their Stipulation hereto or to this
15 Preliminary Injunction Order With Asset Freeze and Other Equitable Relief as to
16 Defendants Sameer Lakhany, The Credit Shop, LLC, Fidelity Legal Services LLC,
17 and Titanium Realty, Inc.;

18 3. The entry of this Preliminary Injunction Order With Asset Freeze and
19 Other Equitable Relief as to Defendants Sameer Lakhany, The Credit Shop, LLC,
20 Fidelity Legal Services LLC, and Titanium Realty, Inc. is in the public interest;

21 4. This Order does not affect any of the terms and conditions of the TRO
22 entered March 7, 2012 as to remaining Defendants Precision Law Center LLC and
23 Precision Law Center, Inc.;

24 5. Good cause exists for appointing a permanent receiver over the
25 Receivership Defendants (as defined herein); continuing the asset freeze imposed
26 pursuant to the temporary restraining order ("TRO") in this case; permitting the FTC
27 access to Defendants' business premises at the discretion of the Permanent Receiver;
28 and the other equitable relief ordered herein; and

1 6. No security is required of any agency of the United States for issuance
2 of a restraining order. Fed. R. Civ. P. 65.

3 **ORDER**

4 **DEFINITIONS**

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

6 A. "Assets" means any legal or equitable interest in, right to, or claim to, any real,
7 personal, or intellectual property of any Defendants, or held for the benefit of
8 any Defendants, wherever located, whether in the United States or abroad,
9 including, but not limited to, chattel, goods, instruments, equipment, fixtures,
10 general intangibles, effects, leaseholds, contracts, mail or other deliveries,
11 shares of stock, commodities, futures, inventory, checks, notes, accounts,
12 credits, receivables (as those terms are defined in the Uniform Commercial
13 Code), cash, and trusts, including but not limited to any trust held for the
14 benefit of any Defendant, any of the Individual Defendant's minor children, or
15 any of the Individual Defendant's spouses, and shall include both existing
16 assets and assets acquired after the date of entry of this Order.

17 B. "Corporate Defendants" means The Credit Shop, LLC, Fidelity Legal Services
18 LLC, Titanium Realty, Inc., Precision Law Center, Inc., and Precision Law
19 Center LLC, and their successors, assigns, affiliates, or subsidiaries, and each
20 of them by whatever names each might be known.

21 C. "Defendants" means the Individual Defendant and all of the Corporate
22 Defendants, individually, collectively, or in any combination, and each of
23 them by whatever names each might be known.

24 D. "Document" and "Electronically Stored Information" are synonymous in
25 meaning and equal in scope to the usage of the terms in Rule 34(a) of the
26 Federal Rules of Civil Procedure and include but are not limited to:

27 1. The original or a true copy of any written, typed, printed, electronically
28 stored, transcribed, taped, recorded, filmed, punched, or graphic matter

1 or other data compilations of any kind, including, but not limited to,
2 letters, email or other correspondence, messages, memoranda,
3 interoffice communications, notes, reports, summaries, manuals,
4 magnetic tapes or discs, tabulations, books, records, checks, invoices,
5 work papers, journals, ledgers, statements, returns, reports, schedules, or
6 files; and

- 7 2. Any electronically stored information stored on any Blackberrys, flash
8 drives, personal digital assistants (“PDAs”), desktop personal computer
9 and workstations, laptops, notebooks, and other portable computers, or
10 other electronic storage media, whether assigned to individuals or in
11 pools of computers available for shared use, or personally owned but
12 used for work-related purposes; backup disks and tapes, archive disks
13 and tapes, and other forms of offline storage, whether stored onsite with
14 the computer used to generate them, stored offsite in another company
15 facility, or stored, hosted, or otherwise maintained offsite by a third-
16 party; and computers and related offline storage used by Defendants or
17 Defendants’ participating associates, which may include persons who
18 are not employees of the company or who do not work on company
19 premises.

20 E. “Electronic Data Host” means any person or entity in the business of storing,
21 hosting, or otherwise maintaining electronically stored information.

22 F. “Financial institution” means any bank, savings and loan institution, credit
23 union, or any financial depository of any kind, including, but not limited to,
24 any brokerage house, trustee, broker-dealer, escrow agent, title company,
25 commodity trading company, or precious metal dealer.

26 G. “Individual Defendant” or “Defendant Lakhany” means Sameer Lakhany,
27 a/k/a Sammy Lakhany, and any other names by which he might be known.
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1 H. "Material fact" means any fact that is likely to affect a person's choice of, or
2 conduct regarding, goods or services.

3 I. "Mortgage assistance relief product or service" means any product, service,
4 plan, or program, offered or provided to the consumer in exchange for
5 consideration, that is represented, expressly or by implication, to assist or
6 attempt to assist the consumer with any of the following:

- 7 1. stopping, preventing, or postponing any mortgage or deed of trust
8 foreclosure sale for the consumer's dwelling, any repossession of
9 the consumer's dwelling, or otherwise saving the consumer's
10 dwelling from foreclosure or repossession;
- 11 2. negotiating, obtaining, or arranging a modification of any term of
12 a dwelling loan, including a reduction in the amount of interest,
13 principal balance, monthly payments, or fees;
- 14 3. obtaining any forbearance or modification in the timing of
15 payments from any dwelling loan holder or servicer on any
16 dwelling loan;
- 17 4. negotiating, obtaining, or arranging any extension of the period of
18 time within which the consumer may (i) cure his or her default on
19 a dwelling loan, (ii) reinstate his or her dwelling loan, (iii) redeem
20 a dwelling, or (iv) exercise any right to reinstate a dwelling loan
21 or redeem a dwelling;
- 22 5. obtaining any waiver of an acceleration clause or balloon
23 payment contained in any promissory note or contract secured by
24 any dwelling; or
- 25 6. negotiating, obtaining, or arranging (i) a short sale of a dwelling,
26 (ii) a deed-in-lieu of foreclosure, (iii) or any other disposition of a
27 dwelling loan other than a sale to a third party that is not the
28 dwelling loan holder.

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

4 J. "Person" means any individual, group, unincorporated association, limited or
5 general partnership, corporation, or other business entity.

6 K. "Stipulating Defendants" means the Individual Defendant, The Credit Shop,
7 LLC, Fidelity Legal Services LLC, and Titanium Realty, Inc.; and their
8 successors, assigns, affiliates, or subsidiaries, and each of them by whatever
9 names each might be known.

10 L. "Receivership Defendants" means The Credit Shop, LLC, Fidelity Legal
11 Services LLC, Precision Law Center, Inc., Precision Law Center LLC, and
12 Titanium Realty, Inc.; and their successors, assigns, affiliates, or subsidiaries,
13 and each of them by whatever names each might be known, provided that the
14 Permanent Receiver has reason to believe they are owned or controlled in
15 whole or in part by any of the Defendants.

16 M. The words "and" and "or" shall be understood to have both conjunctive and
17 disjunctive meanings as necessary to make the applicable phrase or sentence
18 inclusive rather than exclusive.

19 **I.**

20 **PROHIBITED REPRESENTATIONS**

21 **IT IS THEREFORE ORDERED** that Stipulating Defendants and their
22 successors, assigns, officers, agents, servants, employees, and attorneys, and those
23 persons or entities in active concert or participation with any of them who receive
24 actual notice of this Order by personal service, facsimile transmission, email, or
25 otherwise, whether acting directly or through any corporation, subsidiary, division,
26 or other device, in connection with the advertising, marketing, promotion, offering
27 for sale or sale of any mortgage assistance relief product or service, are hereby
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1 restrained and enjoined from falsely representing, or from assisting others who are
2 falsely representing, expressly or by implication, any of the following:

3 A. that any Defendant or any other person:

- 4 1. generally will obtain for consumers mortgage loan modifications
5 that will make consumers' payments substantially more
6 affordable, or will help consumers avoid foreclosure;
- 7 2. as a result of a loan audit, generally will obtain for consumers
8 mortgage loan modifications that will make consumers' payments
9 substantially more affordable or help consumers avoid
10 foreclosure;
- 11 3. are accredited non-profit organizations with superior techniques
12 and qualifications for obtaining mortgage loan modifications that
13 will make consumers' payments substantially more affordable;
- 14 4. generally will give refunds to consumers if the defendant fails to
15 obtain a mortgage loan modification;
- 16 5. generally will obtain favorable mortgage concessions from
17 consumers' lenders or stop foreclosure if consumers join mass
18 joinder lawsuits initiated by the defendant or person;

19 B. The degree of success that any Defendant or any other person has had in
20 performing any mortgage assistance relief service;

21 C. The nature of any Defendant's or any other person's relationship with
22 any mortgage loan holder or servicer, or other secured or unsecured lender;

23 D. The amount of time it will take or is likely to take to obtain or arrange a
24 renegotiation, settlement, modification, or other alteration of the terms of any
25 secured or unsecured debt, including but not limited to the modification of any term
26 of a consumer's home loan, deed of trust, or mortgage, including any recapitalization
27 or reinstatement agreement;

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1 E. That any Defendant or any other person is affiliated with, endorsed or
2 approved by the government;

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

6 G. The cost of any Defendants' service including that there will be no
7 charge for all or a portion of such service.

8 **II.**

9 **DISCLOSURES REQUIRED BY AND REPRESENTATIONS PROHIBITED**
10 **BY MARS RULE (REGULATION O)**

11 **IT IS FURTHER ORDERED** that Stipulating Defendants and their
12 successors, assigns, officers, agents, servants, employees, and attorneys, and those
13 persons or entities in active concert or participation with any of them who receive
14 actual notice of this Order by personal service or otherwise, whether acting directly
15 or through any corporation, subsidiary, division, or other device, in connection with
16 the telemarketing, advertising, marketing, promotion, offering for sale or sale of any
17 good or service, are hereby restrained and enjoined from engaging in, or assisting
18 others in engaging in, the following conduct:

19 A. representing, expressly or by implication, in connection with the
20 advertising, marketing, promotion, offering for sale, sale or performance of any
21 mortgage assistance relief service, that a consumer cannot or should not contact or
22 communicate with his or her lender or servicer, in violation of 12 C.F.R. § 1015.3(a)
23 (Dec. 30, 2011),

24 B. failing to make the following disclosure in all general and consumer-
25 specific commercial communications: "[Name of Company] is not associated with
26 the government, and our service is not approved by the government or your lender,"
27 in violation of 12 C.F.R. § 1015.4(a)(1) & 1015.4(b)(2) (Dec. 30, 2011),

28 C. failing to make the following disclosure in all general and consumer-

1 specific commercial communications: “Even if you accept this offer and use our
2 service, your lender may not agree to change your loan,” in violation of 12 C.F.R.
3 § 1015.4(a)(2) & 1015.4(b)(3) (Dec. 30, 2011),

4 D. failing to make the following disclosure in all consumer-specific
5 commercial communications: “You may stop doing business with us at any time.
6 You may accept or reject the offer of mortgage assistance we obtain from your
7 lender [or servicer]. If you reject the offer, you do not have to pay us. If you accept
8 the offer, you will have to pay us [insert amount or method for calculating the
9 amount] for our services.” For the purposes of this paragraph, the amount “you will
10 have to pay” shall consist of the total amount the consumer must pay to purchase,
11 receive, and use all of the mortgage assistance relief services that are the subject of
12 the sales offer, including but not limited to, all fees and charges, in violation of 12
13 C.F.R. § 1015.4(b)(1) (Dec. 30, 2011),

14 E. failing, in all general commercial communications, consumer-specific
15 commercial communications, and other communications in cases where any
16 defendant or person has represented, expressly or by implication, in connection with
17 the advertising, marketing, promotion, offering for sale, sale, or performance of any
18 mortgage assistance relief service, that the consumer should temporarily or
19 permanently discontinue payments, in whole or in part, on a dwelling loan, to place
20 clearly and prominently, and in close proximity to any such representation the
21 following disclosure: “If you stop paying your mortgage, you could lose your home
22 and damage your credit rating,” in violation of 12 C.F.R. § 1015.4(c) (Dec. 30,
23 2011).

24 **III.**

25 **PROHIBITION ON COLLECTION OF ADVANCE FEES**

26 **IT IS FURTHER ORDERED** that Stipulating Defendants and their
27 successors, assigns, officers, agents, servants, employees, and attorneys, and those
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1 persons or entities in active concert or participation with any of them who receive
2 actual notice of this Order by personal service or otherwise, whether acting directly
3 or through any corporation, subsidiary, division, or other device, in connection with
4 the telemarketing, advertising, marketing, promotion, offering for sale or sale of any
5 good or service, are hereby restrained and enjoined from asking for or receiving
6 payment before consumers have executed a written agreement between the consumer
7 and the loan holder or servicer that incorporates the offer obtained by Defendants.

8 **IV.**

9 **PRESERVATION OF RECORDS AND TANGIBLE THINGS**

10 **IT IS FURTHER ORDERED** that Stipulating Defendants and their successors,
11 assigns, officers, agents, servants, employees, and attorneys, and those persons or
12 entities in active concert or participation with any of them who receive actual notice
13 of this Order by personal service, facsimile transmission, email, or otherwise,
14 whether acting directly or through any corporation, subsidiary, division, or other
15 device, are hereby enjoined from destroying, erasing, mutilating, concealing,
16 altering, transferring, or otherwise disposing of, in any manner, directly or indirectly,
17 any documents or records that relate to the business practices, or business or personal
18 finances, of Defendants, or an entity directly or indirectly under the control of
19 Defendants.

20 **V.**

21 **DISABLEMENT OF WEB SITES**

22 **IT IS FURTHER ORDERED** that, to the extent not already done pursuant to the
23 TRO issued in this case, (1) any person hosting any Internet website for, or on behalf
24 of, any Defendant, and (2) Stipulating Defendants and their successors, assigns,
25 officers, agents, servants, employees, and attorneys, and those persons or entities in
26 active concert or participation with any of them who receive actual notice of this
27 Order by personal service or otherwise, whether acting directly or through any
28 corporation, subsidiary, division, or other device, shall:

- 1 A. Do whatever is necessary to ensure that any Internet website used by
2 Defendants for the advertising, marketing, promotion, offering for sale, sale,
3 or provision of any mortgage assistance relief service, and containing
4 statements or representations prohibited by Section I of this Order cannot be
5 accessed by the public;
- 6 B. Prevent the destruction or erasure of any Internet website used by Defendants
7 for the advertising, marketing, promotion, offering for sale, sale, or provision
8 of any mortgage assistance relief service, including but not limited to
9 FreeFedLoanMod.org, HouseHoldRelief.org and MyHomeSupport.org, by
10 preserving such website in the format in which they are maintained currently;
11 and
- 12 C. Notify in writing counsel for the FTC of any other Internet website operated or
13 controlled by any Defendant not listed in Subsections A or B above.

14 **VI.**

15 **SUSPENSION OF INTERNET DOMAIN NAME REGISTRATIONS**

16 **IT IS FURTHER ORDERED** that, to the extent not already done pursuant to the
17 TRO issued in this case, any domain name registrar shall suspend the registration of
18 any Internet website used by Defendants for the advertising, marketing, promotion,
19 offering for sale, sale, or provision of any mortgage assistance relief service, and
20 containing statements or representations prohibited by Section I of this Order,
21 including, but not limited to FreeFedLoanMod.org, HouseHoldRelief.org and
22 MyHomeSupport.org, and provide notice to counsel for the FTC of any other
23 Internet domain names registered by Defendants or their officers, agents, servants,
24 employees, and attorneys, and those persons in active concert or participation with
25 Defendants who receive actual notice of this Order by personal service or otherwise.

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VII.

ASSET FREEZE

IT IS FURTHER ORDERED that Stipulating Defendants and their officers, agents, servants, employees, and attorneys, and all persons or entities directly or indirectly under the control of any of them, including any financial institution, and all other persons or entities in active concert or participation with any of them who receive actual notice of this Order by personal service, facsimile, email, or otherwise, each are hereby restrained and enjoined from directly or indirectly:

- A. Selling, liquidating, assigning, transferring, converting, loaning, hypothecating, disbursing, gifting, conveying, 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, that are:
 - 1. in the actual or constructive possession of any Defendant;
 - 2. owned or controlled by, or held, in whole or in part for the benefit of, or subject to access by, or belonging to, any Defendant; or
 - 3. in the actual or constructive possession of, or owned or controlled by, or subject to access by, or belong to, any corporation, partnership, trust or other entity directly or indirectly owned, managed or under the control of any Defendant;
- B. Opening, or causing to be opened, any safe deposit boxes titled in the name of any Defendant, or subject to access by any Defendant;
- C. Incurring charges on any credit card, stored value card, debit card or charge card issued in the name, singly or jointly, of any Defendant or any other entity directly or indirectly owned, managed or controlled by any Defendant;
- D. Obtaining a personal or secured loan; or
- E. Cashing any checks from consumers, clients, or customers of any Defendant.

1 F. *Provided, however,* that Defendant Lakhany shall be permitted reasonable use
2 of one (1) vehicle currently in his possession. He shall be liable for any
3 diminution in value of the vehicle during the pendency of this Order beyond
4 normal wear and tear. The vehicle identification number (“VIN”) of such
5 vehicle shall be provided to counsel for the FTC within 24 hours of entry of
6 this Order.

7 **IT IS FURTHER ORDERED** that the funds, property, and assets affected by
8 this Paragraph shall include: (a) all assets of each Defendant as of the time this Order
9 is entered, and (b) those assets obtained or received after entry of this Order that are
10 derived from the actions alleged in Plaintiff’s Complaint. This Section does not
11 prohibit transfers to the Permanent Receiver, as specifically required in Section XV
12 (Delivery of Receivership Property), nor does it prohibit the Repatriation of Foreign
13 Assets as specifically required in Section X of this Order.

14 **VIII.**

15 **FINANCIAL STATEMENTS AND ACCOUNTING**

16 **IT IS FURTHER ORDERED** that, each Stipulating Defendant, within three
17 (3) business days of service of this Order, shall prepare and deliver to counsel for the
18 FTC:

- 19 A. For the Individual Defendant, a completed financial statement accurate as of
20 the date of service of this Order upon such Defendant on the form of
21 Attachment A to this Order captioned “Financial Statement of Individual
22 Defendant.”
- 23 B. A completed financial statement for each Corporate Defendant accurate as of
24 the date of service of this Order upon the Stipulating Defendant (unless
25 otherwise agreed upon with FTC counsel) in the form of Attachment B to this
26 Order captioned “Financial Statement of Corporate Defendant.”
- 27 C. For each Defendant, a completed statement, verified under oath, of all
28 payments, transfers or assignments of funds, assets, or property worth more

1 than \$2,500 in funds or other assets since January 1, 2010 by loan, gift, sale or
2 other transfer. For each person to whom a transfer has been made, state the
3 total amount transferred during that period. Such statement shall include: (a)
4 the transferee's name, address and relationship; (b) the property transferred;
5 (c) the aggregate value; and (d) the transfer date; and (e) the type of transfer.

6 D. Stipulating Defendants shall state, for all Defendants, their: (1) total gross
7 sales revenues for 2009, 2010, and 2011 to date; (2) their total gross expenses
8 for 2009, 2010, and 2011 to date; (3) their gross operating expenditures on a
9 monthly basis per category for 2009, 2010, and 2011 to date, including but not
10 limited to payroll, advertising, marketing, utilities, and property leases; and (4)
11 their gross capital expenditures for 2009, 2010, and 2011 to date.

12 E. Stipulating Defendants shall provide, for all Corporate Defendants, a list of all
13 officers and directors of the company and all other individuals or entities with
14 authority to direct the operations of any Corporate Defendant or withdraw
15 money from the account of any Corporate Defendant.

16 **IX.**

17 **CONSUMER CREDIT REPORTS**

18 **IT IS FURTHER ORDERED** that pursuant to Section 604(1) of the Fair
19 Credit Reporting Act, 15 U.S.C. § 1681b(1), any consumer reporting agency may
20 furnish to the FTC a consumer report concerning any Stipulating Defendant.

21 **X.**

22 **REPATRIATION OF FOREIGN ASSETS**

23 **IT IS FURTHER ORDERED** that, within five (5) business days following
24 the service of this Order, each Stipulating Defendant shall:

25 A. Provide the Permanent Receiver and counsel for the FTC with a full
26 accounting of all assets, accounts, funds, and documents outside of the territory of
27 the United States that are held either: (1) by Defendants; (2) for their benefit; (3) in
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1 trust by or for them, individually or jointly; or (4) under their direct or indirect
2 control, individually or jointly;

3 B. Transfer to the territory of the United States all assets, accounts, funds,
4 and documents in foreign countries held either: (1) by them; (2) for their benefit; (3)
5 in trust by or for them, individually or jointly; or (4) under their direct or indirect
6 control, individually or jointly; and

7 C. Provide the FTC access to all records of accounts or assets of the
8 Corporate Defendants and Individual Defendants held by financial institutions
9 located outside the territorial United States by signing the Consent to Release of
10 Financial Records lodged with the FTC's TRO Application as Attachment C.

11 **IT IS FURTHER ORDERED** that all repatriated assets, accounts, funds, and
12 documents are subject to Section VII of this Order.

13 **XI.**

14 **NONINTERFERENCE WITH REPATRIATION**

15 **IT IS FURTHER ORDERED** that Stipulating Defendants are hereby
16 restrained and enjoined from taking any action, directly or indirectly, that may result
17 in the encumbrance or dissipation of foreign assets, or in the hindrance of the
18 repatriation required by the preceding Section X of this Order, including, but not
19 limited to:

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

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

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XII.

APPOINTMENT OF PERMANENT RECEIVER

IT IS FURTHER ORDERED that Thomas W. McNamara is appointed Permanent Receiver for the business activities of Receivership Defendants (as defined in Definition L herein) with the full power of an equity receiver. The Permanent Receiver shall be the agent of this Court and solely the agent of this Court in acting as Permanent Receiver under this Order. The Permanent Receiver shall be accountable directly to this Court. The Permanent Receiver shall comply with all laws and Local Rules of this Court governing receivers, including but not limited to Local Rules 66-1 through 66-5.1 and Local Rule 66-8.

XIII.

DUTIES AND AUTHORITY OF PERMANENT RECEIVER

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

- A. Assume full control of the Receivership Defendants by removing, as the Permanent Receiver deems necessary or advisable, any director, officer, independent contractor, employee, or agent of any of the Receivership Defendants, including any named Defendant, from control of, management of, or participation in, the affairs of the Receivership Defendants;
- B. Take exclusive custody, control, and possession of all assets, documents, and electronically stored information of, or in the possession, custody, or under the control of, the Receivership Defendants, wherever situated. The Permanent Receiver shall have full power to divert mail and to sue for, collect, receive, take into possession, hold, and manage all assets and documents of the Receivership Defendants and other persons or entities whose interests are now held by or under the direction, possession, custody, or control of the Receivership Defendants. *Provided, however,* that the Permanent Receiver shall not attempt to collect or receive any amount from a consumer if the

1 Permanent Receiver believes the consumer was a victim of the unlawful
2 conduct alleged in the complaint in this matter;

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

- 6 1. serving and filing this Order;
- 7 2. completing a written inventory of all Receivership assets;
- 8 3. obtaining pertinent information from all employees and other agents of
9 the Receivership Defendants, including, but not limited to, the name,
10 home address, social security number, job description, method of
11 compensation, and all accrued and unpaid commissions and
12 compensation of each such employee or agent, and all computer
13 hardware and software passwords;
- 14 4. videotaping and/or photographing all portions of the location;
- 15 5. securing the location by changing the locks and disconnecting any
16 computer modems or other means of access to the computer or other
17 records maintained at that location; and
- 18 6. requiring any persons present on the premises at the time this Order is
19 served to leave the premises, to provide the Permanent Receiver with
20 proof of identification, or to demonstrate to the satisfaction of the
21 Permanent Receiver that such persons are not removing from the
22 premises documents or assets of the Receivership Defendants;

23 D. Conserve, hold, and manage all Receivership assets, and perform all acts
24 necessary or advisable to preserve the value of those assets, in order to prevent
25 any irreparable loss, damage, or injury to consumers or to creditors of the
26 Receivership Defendants, including, but not limited to, obtaining an
27 accounting of the assets and preventing transfer, withdrawal, or misapplication
28 of assets;

1 E. Liquidate any and all securities or commodities owned by or for the benefit of
2 the Receivership Defendants as the Permanent Receiver deems to be advisable
3 or necessary;

4 F. Enter into contracts and purchase insurance as the Permanent Receiver deems
5 to be advisable or necessary;

6 G. Prevent the inequitable distribution of assets and determine, adjust, and protect
7 the interests of consumers and creditors who have transacted business with the
8 Receivership Defendants;

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

13 I. Choose, engage, and employ, without prior approval of the Court, attorneys,
14 accountants, appraisers, and other independent contractors and technical
15 specialists, as the Permanent Receiver deems advisable or necessary in the
16 performance of duties and responsibilities under the authority granted by this
17 Order. The Permanent Receiver may engage the services of the law firm of
18 which the Permanent Receiver is a member;

19 J. Make payments and disbursements from the Receivership estate that are
20 necessary or advisable for carrying out the directions of, or exercising the
21 authority granted by, this Order. The Permanent Receiver shall apply to the
22 Court for prior approval of any payment of any debt or obligation incurred by
23 the Receivership Defendants prior to the date of entry of this Order, except
24 payments that the Permanent Receiver deems necessary or advisable to secure
25 assets of the Receivership Defendants, such as rental payments;

26 K. Determine and implement measures to ensure that the Receivership
27 Defendants comply with, and prevent violations of, this Order and all other
28

1 applicable laws, including, but not limited to, revising sales materials and
2 implementing monitoring procedures;

3 L. Institute, compromise, adjust, appear in, intervene in, or become party to such
4 actions or proceedings in state, federal, or foreign courts that the Permanent
5 Receiver deems necessary and advisable to preserve or recover the assets of
6 the Receivership Defendants, or that the Permanent Receiver deems necessary
7 and advisable to carry out the Permanent Receiver's mandate under this Order;

8 M. Defend, compromise, adjust, or otherwise dispose of any or all actions or
9 proceedings instituted in the past or in the future against the Permanent
10 Receiver in his role as Permanent Receiver, or against the Receivership
11 Defendants, that the Permanent Receiver deems necessary and advisable to
12 preserve the assets of the Receivership Defendants or that the Permanent
13 Receiver deems necessary and advisable to carry out the Permanent Receiver's
14 mandate under this Order;

15 N. Continue and conduct the business of the Receivership Defendants in such
16 manner, to such extent, and for such duration as the Permanent Receiver may
17 in good faith deem to be necessary or appropriate to operate the business
18 profitably and lawfully, if at all; *provided, however*, that the continuation and
19 conduct of the business shall be conditioned upon the Permanent Receiver's
20 good faith determination that the businesses can be lawfully operated at a
21 profit using the assets of the receivership estate;

22 O. Take depositions and issue subpoenas to obtain documents and records
23 pertaining to the receivership estate and compliance with this Order.
24 Subpoenas may be served by agents or attorneys of the Permanent Receiver
25 and by agents of any process server retained by the Permanent Receiver;

26 P. Open one or more bank accounts in the Central or Southern District of
27 California as designated depositories for funds of the Receivership
28 Defendants. The Permanent Receiver shall deposit all funds of the

1 Receivership Defendants in such a designated account and shall make all
2 payments and disbursements from the receivership estate from such
3 account(s);

4 Q. Maintain accurate records of all receipts and expenditures that he makes as
5 Permanent Receiver; and

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

8 **IT IS FURTHER ORDERED** that the Permanent Receiver will be
9 responsible for maintaining the chain of custody of all of Defendants' records in his
10 possession, pursuant to procedures to be established in writing with the approval of
11 the FTC.

12 **XIV.**

13 **COOPERATION WITH PERMANENT RECEIVER**

14 **IT IS FURTHER ORDERED** that:

15 A. To the extent not already done pursuant to the TRO issued in this case,
16 Stipulating Defendants, and their officers, agents, directors, servants,
17 employees, salespersons, independent contractors, attorneys, corporations,
18 subsidiaries, affiliates, successors, and assigns, all other persons or entities in
19 active concert or participation with them, who receive actual notice of this
20 Order by personal service or otherwise, whether acting directly or through any
21 trust, corporation, subsidiary, division, or other device, or any of them, shall
22 fully cooperate with and assist the Permanent Receiver. Such cooperation and
23 assistance shall include, but not be limited to:

24 1. Providing any information, not subject to attorney-client privilege, to
25 the Permanent Receiver that the Permanent Receiver deems necessary to
26 exercising the authority and discharging the responsibilities of the
27 Permanent Receiver under this Order, including but not limited to,
28 allowing the Permanent Receiver to inspect documents and assets, and

1 to partition office space. To the extent any item is withheld based on a
2 claim of attorney-client privilege, the withholding party shall identify
3 the nature of the item and the specific grounds for the claim of privilege.

4 2. Providing any username or password and executing any documents
5 required to access any computer or electronic files in any medium,
6 including but not limited to electronically stored information stored,
7 hosted or otherwise maintained by an electronic data host; and

8 3. Advising all persons who owe money to the Receivership Defendants
9 that all debts should be paid directly to the Permanent Receiver.

10 B. Stipulating Defendants and their officers, directors, agents, servants,
11 employees, attorneys, successors, assigns, and all other persons or entities
12 directly or indirectly, in whole or in part, under their control, and all other
13 persons in active concert or participation with any of them who receive actual
14 notice of this Order by personal service or otherwise, are hereby restrained and
15 enjoined from directly or indirectly:

- 16 1. Transacting any of the business of the Receivership Defendants;
17 2. Destroying, secreting, erasing, mutilating, defacing, concealing,
18 altering, transferring or otherwise disposing of, in any manner, directly
19 or indirectly, any documents, electronically stored information, or
20 equipment of the Receivership Defendants, including but not limited to
21 contracts, agreements, consumer files, consumer lists, consumer
22 addresses and telephone numbers, correspondence, advertisements,
23 brochures, sales material, sales presentations, documents evidencing or
24 referring to Defendants' services, training materials, scripts, data,
25 computer tapes, disks, or other computerized records, books, written or
26 printed records, handwritten notes, telephone logs, "verification" or
27 "compliance" tapes or other audio or video tape recordings, receipt
28 books, invoices, postal receipts, ledgers, personal and business canceled

1 checks and check registers, bank statements, appointment books, copies
2 of federal, state or local business or personal income or property tax
3 returns, photographs, mobile devices, electronic storage media,
4 accessories, and any other documents, records or equipment of any kind
5 that relate to the business practices or business or personal finances of
6 the Receivership Defendants or any other entity directly or indirectly
7 under the control of the Receivership Defendants;

- 8 3. Transferring, receiving, altering, selling, encumbering, pledging,
9 assigning, liquidating, or otherwise disposing of any assets owned,
10 controlled, or in the possession or custody of, or in which an interest is
11 held or claimed by, the Receivership Defendants, or the Permanent
12 Receiver;
- 13 4. Excusing debts owed to the Receivership Defendants;
- 14 5. Doing any act or refraining from any act whatsoever to interfere with
15 the Permanent Receiver's taking custody, control, possession, or
16 managing of the assets or documents subject to this Receivership; or to
17 harass or to interfere with the Permanent Receiver in any way; or to
18 interfere in any manner with the exclusive jurisdiction of this Court over
19 the assets or documents of the Receivership Defendants; or to refuse to
20 cooperate with the Permanent Receiver or the Permanent Receiver's
21 duly authorized agents in the exercise of their duties or authority under
22 any Order of this Court;
- 23 6. Filing, or causing to be filed, any petition on behalf of the Receivership
24 Defendants for relief under the United States Bankruptcy Code, 11
25 U.S.C. § 101 *et seq.*, without prior permission from this Court;
- 26 7. Failing to notify the Permanent Receiver of any asset, including
27 accounts, of a Receivership Defendant held in any name other than the
28 name of the Receivership Defendant, or by any person or entity other

1 than the Receivership Defendant, or failing to provide any assistance or
2 information requested by the Permanent Receiver in connection with
3 obtaining possession, custody, or control of such assets; and

- 4 8. Failing to create and maintain books, records, and accounts which, in
5 reasonable detail, accurately, fairly, and completely reflect the incomes,
6 assets, disbursements, transactions and use of monies by the Defendants
7 or any other entity directly or indirectly under the control of the
8 Defendants.

9 **XV.**

10 **DELIVERY OF RECEIVERSHIP PROPERTY**

11 **IT IS FURTHER ORDERED** that, to the extent not already done pursuant
12 to the TRO issued in this case, immediately upon service of this Order upon them or
13 upon their otherwise obtaining actual knowledge of this Order, or within a period
14 permitted by the Permanent Receiver, Stipulating Defendants and any other person
15 or entity, including but not limited to financial institutions and electronic data hosts,
16 shall transfer or deliver access to, possession, custody, and control of the following
17 to the Permanent Receiver:

- 18 A. All assets of the Receivership Defendants;
19 B. All documents and electronically stored information of the Receivership
20 Defendants, including, but not limited to, books and records of accounts, all
21 financial and accounting records, balance sheets, income statements, bank
22 records (including monthly statements, canceled checks, records of wire
23 transfers, records of ACH transactions, and check registers), client or customer
24 lists, title documents and other papers;
25 C. All assets belonging to members of the public now held by the Receivership
26 Defendants;
27 D. All keys, computer and other passwords, user names, entry codes,
28 combinations to locks required to open or gain or secure access to any assets

1 or documents of the Receivership Defendants, wherever located, including,
2 but not limited to, access to their business premises, means of communication,
3 accounts, computer systems, or other property; and

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

6 **IT IS FURTHER ORDERED** that, in the event any person or entity fails to
7 deliver or transfer immediately any asset or otherwise fails to comply with any
8 provision of this Section XV, the Permanent Receiver may file *ex parte* with the
9 Court an Affidavit of Non-Compliance regarding the failure. Upon filing of the
10 affidavit, the Court may authorize, without additional process or demand, Writs of
11 Possession or Sequestration or other equitable writs requested by the Receiver. The
12 writs shall authorize and direct the United States Marshal or any sheriff or deputy
13 sheriff of any county to seize the asset, document, or other thing and to deliver it to
14 the Permanent Receiver.

15 **XVI.**

16 **COMPENSATION FOR RECEIVER**

17 **IT IS FURTHER ORDERED** that the Permanent Receiver and all personnel
18 hired by the Permanent Receiver as herein authorized, including counsel to the
19 Permanent Receiver and accountants, are entitled to reasonable compensation for the
20 performance of duties pursuant to this Order, and for the cost of actual out-of-pocket
21 expenses incurred by them, from the assets now held by or in the possession or
22 control of, or which may be received by, the Receivership Defendants. The
23 Permanent Receiver shall file with the Court and serve on the parties periodic
24 requests for the payment of such reasonable compensation, with the first such request
25 filed no later than May 7, 2012. The Permanent Receiver shall not increase the
26 hourly rates used as the bases for such fee applications without prior approval of the
27 Court.

28 **XVII.**

RECEIVER'S REPORTS

1
2 **IT IS FURTHER ORDERED** that, no more than thirty (30) days after the
3 date of this Order, the Permanent Receiver shall report to this Court regarding: (1)
4 the steps taken by the Permanent Receiver to implement the terms of this Order; (2)
5 the value of all liquidated and unliquidated assets of the Receivership Defendants;
6 (3) the sum of all liabilities of the Receivership Defendants; (4) the steps the
7 Permanent Receiver intends to take in the future to: (a) prevent any diminution in
8 the value of assets of the Receivership Defendants, (b) pursue receivership assets
9 from third parties, and (c) adjust the liabilities of the Receivership Defendants, if
10 appropriate; (5) the Permanent Receiver's assessment of whether the business can be
11 operated in compliance with this Order; and (6) any other matters which the
12 Permanent Receiver believes should be brought to the Court's attention. *Provided,*
13 *however,* if any of the required information would hinder the Permanent Receiver's
14 ability to pursue receivership assets, the portions of the Permanent Receiver's report
15 containing such information may be filed under seal and not served on the parties.

16 **XVIII.**

17 **PROHIBITION ON RELEASE OF CONSUMER INFORMATION**

18 **IT IS FURTHER ORDERED** that, except as required by a law enforcement
19 agency, law, regulation or court order, Stipulating Defendants, and their officers,
20 agents, servants, employees, and attorneys, and all other persons in active concert or
21 participation with any of them who receive actual notice of this Order by personal
22 service or otherwise, are restrained and enjoined from disclosing, using, or
23 benefitting from consumer information, including the name, address, telephone
24 number, email address, social security number, other identifying information, or any
25 data that enables access to a consumer's account (including a credit card, bank
26 account, or other financial account), of any person which any Defendant obtained
27 prior to entry of this Order in connection with any mortgage assistance relief product
28 or service.

XIX.

NOTIFICATION OF BUSINESS ACTIVITIES

IT IS FURTHER ORDERED that:

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

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

XX.

STAY OF ACTIONS

IT IS FURTHER ORDERED that:

A. Except by leave of this Court, during pendency of the Receivership ordered herein, Stipulating Defendants and all other persons and entities be and hereby are stayed from taking any action to establish or enforce any claim, right, or interest for, against, on behalf of, in, or in the name of, the Receivership Defendants, any of their subsidiaries, affiliates, partnerships, assets, documents, or the Permanent Receiver or the Permanent Receiver's duly authorized agents acting in their capacities as such, including, but not limited to, the following actions:

- 1 1. Commencing, prosecuting, continuing, entering, or enforcing any suit or
2 proceeding, except that such actions may be filed to toll any applicable
3 statute of limitations;
- 4 2. Accelerating the due date of any obligation or claimed obligation; filing
5 or enforcing any lien; taking or attempting to take possession, custody,
6 or control of any asset; attempting to foreclose, forfeit, alter, or
7 terminate any interest in any asset, whether such acts are part of a
8 judicial proceeding, are acts of self-help, or otherwise;
- 9 3. Executing, issuing, serving, or causing the execution, issuance or
10 service of, any legal process, including, but not limited to, attachments,
11 garnishments, subpoenas, writs of replevin, writs of execution, or any
12 other form of process whether specified in this Order or not; or
- 13 4. Doing any act or thing whatsoever to interfere with the Permanent
14 Receiver taking custody, control, possession, or management of the
15 assets or documents subject to this Receivership, or to harass or
16 interfere with the Permanent Receiver in any way, or to interfere in any
17 manner with the exclusive jurisdiction of this Court over the assets or
18 documents of the Receivership Defendants;

19 B. This Section XX does not stay:

- 20 1. The commencement or continuation of a criminal action or proceeding;
- 21 2. The commencement or continuation of an action or proceeding by the
22 State Bar of California to enforce its police or regulatory power;
- 23 3. The commencement or continuation of an action or proceeding by a
24 governmental unit to enforce such governmental unit's police or
25 regulatory power;
- 26 4. The enforcement of a judgment, other than a money judgment, obtained
27 in an action or proceeding by a governmental unit to enforce such
28 governmental unit's police or regulatory power; or

1 5. The issuance to a Receivership Defendant of a notice of tax deficiency;
2 and

3 C. Except as otherwise provided in this Order, all persons and entities in need of
4 documentation from the Permanent Receiver shall in all instances first attempt
5 to secure such information by submitting a formal written request to the
6 Receiver, and, if such request has not been responded to within thirty (30)
7 days of receipt by the Permanent Receiver, any such person or entity may
8 thereafter seek an Order of this Court with regard to the relief requested.

9 **XXI.**

10 **MONITORING**

11 **IT IS FURTHER ORDERED** that agents or representatives of the FTC may
12 contact Stipulating Defendants directly or anonymously for the purpose of
13 monitoring compliance with this Order, and may tape record any oral
14 communications that occur in the course of such contacts.

15 **XXII.**

16 **CORRESPONDENCE WITH PLAINTIFF**

17 **IT IS FURTHER ORDERED** that, for the purposes of this Order, because mail
18 addressed to the FTC is subject to delay due to heightened security screening, all
19 correspondence and service of pleadings on Plaintiff shall be sent either via
20 electronic submission or via Federal Express to:

21
22 Mark L. Glassman
23 Federal Trade Commission
24 601 New Jersey Ave., N.W., Mail Drop NJ-3158
25 Washington, DC 20580
26 Mglassman@ftc.gov

27 with a copy to:

28 John D. Jacobs
29 Federal Trade Commission
30 10877 Wilshire Blvd., Ste. 700
31 Los Angeles, CA 90024
32 Jjacobs@ftc.gov

XXIII.

SERVICE OF THIS ORDER

IT IS FURTHER ORDERED that copies of this Order may be served by facsimile transmission, email, personal or overnight delivery, or U.S. Mail, by agents and employees of the FTC or any state or federal law enforcement agency or by private process server, upon any financial institution or other entity or person that may have possession, custody, or control of any documents or assets of any Defendant, or that may otherwise be subject to any provision of this Order. Service upon any branch or office of any financial institution shall effect service upon the entire financial institution.

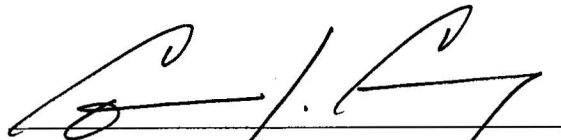
XXIV.

RETENTION OF JURISDICTION

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

IT IS SO ORDERED, this 19th day of March, 2012, at 9:00 a.m., Pacific Time.

Dated: 3/19/12


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 & 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 & 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 & 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 & 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, & 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</u> (Itemize)	
Deferred Income Arrangements (Item 19)	\$ _____	_____	\$ _____
Personal Property (Item 20)	\$ _____	_____	\$ _____
Motor Vehicles (Item 21)	\$ _____	_____	\$ _____
Real Property (Item 22)	\$ _____	_____	\$ _____
<u>Other Assets</u> (Itemize)		_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
Total Assets	\$ <u>_____</u>	Total Liabilities	\$ <u>_____</u>

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>		_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____
Total Income	\$ _____	Total Expenses	\$ _____

ATTACHMENT B

FEDERAL TRADE COMMISSION

FINANCIAL STATEMENT OF CORPORATE DEFENDANT

Instructions:

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

Penalty for False Information:

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

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

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

BACKGROUND INFORMATION

Item 1. General Information

Corporation's Full Name _____

Primary Business Address _____ From (Date) _____

Telephone No. _____ Fax No. _____

E-Mail Address _____ Internet Home Page _____

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

Address _____ From/Until _____

Address _____ From/Until _____

Address _____ From/Until _____

All predecessor companies for past five years:

Name & Address _____ From/Until _____

Name & Address _____ From/Until _____

Name & Address _____ From/Until _____

Item 2. Legal Information

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

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

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

If Dissolved: Date dissolved _____ By Whom _____

Reasons _____

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

Item 3. Registered Agent

Name of Registered Agent _____

Address _____ Telephone No. _____

Item 4. Principal Stockholders

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

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

Item 5. Board Members

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

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

Item 6. Officers

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

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

Item 7. Businesses Related to the Corporation

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

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

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

Item 8. Businesses Related to Individuals

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

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

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

Item 9. Related Individuals

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

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

Item 10. Outside Accountants

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

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

Item 11. Corporation's Recordkeeping

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

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

Item 12. Attorneys

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

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

Item 13. Pending Lawsuits Filed by the Corporation

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

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____
_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____
_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____
_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____
_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____
_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____
_____ Status _____

Item 14. Current Lawsuits Filed Against the Corporation

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

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Item 15. Bankruptcy Information

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

Commencement Date _____ Termination Date _____ Docket No. _____

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

Disposition _____

Item 16. Safe Deposit Boxes

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

<u>Owner's Name</u>	<u>Name & 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 & Loss Statement</u>	<u>Cash Flow Statement</u>	<u>Changes in Owner's Equity</u>	<u>Audited?</u>

Item 19. Financial Summary

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

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

Item 20. Cash, Bank, and Money Market Accounts

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

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

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

Item 21. Government Obligations and Publicly Traded Securities

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

Issuer _____ Type of Security/Obligation _____

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

Issuer _____ Type of Security/Obligation _____

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

Item 22. Real Estate

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

Type of Property _____ Property's Location _____

Name(s) on Title and Ownership Percentages _____

Current Value \$ _____ Loan or Account No. _____

Lender's Name and Address _____

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

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

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

Type of Property _____ Property's Location _____

Name(s) on Title and Ownership Percentages _____

Current Value \$ _____ Loan or Account No. _____

Lender's Name and Address _____

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

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

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

Item 23. Other Assets

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

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

Item 24. Trusts and Escrows

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

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

Item 25. Monetary Judgments and Settlements Owed To the Corporation

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

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

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

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

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

Item 26. Monetary Judgments and Settlements Owed By the Corporation

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

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

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

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

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

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

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

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

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

Item 27. Government Orders and Settlements

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

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

Item 28. Credit Cards

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

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

Item 29. Compensation of Employees

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

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

Item 30. Compensation of Board Members and Officers

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

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

Item 31. Transfers of Assets Including Cash and Property

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

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

ATTACHMENT C

_____)
Federal Trade Commission,)
))
Plaintiff,)
))
v.)
))
Sameer Lakhany,)
an individual;)
))
The Credit Shop, LLC,)
a limited liability company;)
))
Fidelity Legal Services LLC,)
a limited liability company;)
))
Titanium Realty, Inc.;)
a corporation,)
))
Precision Law Center, Inc.,)
a corporation; and)
))
Precision Law Center LLC,)
a limited liability company;)
))
Defendants.)
_____)

Case No. _____

ATTACHMENT C

Form of Consent to Release of Financial Records

I, _____, of the State of _____ in the
United States of America, do hereby direct any bank or trust company at which I
have a bank account of any kind or at which a corporation or other entity has a
bank account of any kind upon which I am authorized to draw, and its officers,

employees, and agents, to disclose all information and deliver copies of all documents of every nature in your possession or control which relate to the said bank accounts to any attorney of the Federal Trade Commission, and to give evidence relevant thereto, in the matter of the *Federal Trade Commission v. Lakhany, et al.*, pending in the United States District Court for 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 United States that restrict or prohibit the disclosure of bank information without the consent of the holder of the account, and shall be construed as consent with respect thereto, and the same shall apply to any of the bank accounts for which I may be a relevant principal.

Dated: _____, 2012

Signature: _____

Printed full name: _____