

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 12-62441-CIV-ZLOCH

FEDERAL TRADE COMMISSION,

Plaintiff,

vs.

SEALED ORDER

SOUTHEAST TRUST, LLC, et al.,

Defendants.

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

Plaintiff Federal Trade Commission ("FTC"), has filed a Complaint (DE 1) seeking a permanent injunction and other equitable relief, pursuant to Sections 13(b) and 19 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b) and 57b, the Telemarketing and Consumer Fraud and Abuse Prevention Act ("Telemarketing Act"), 15 U.S.C. § 6101 *et seq.*, and an Ex Parte Motion For Temporary Restraining Order With An Asset Freeze, And Other Equitable Relief, And Order To Show Cause Why A Preliminary Injunction Should Not Be Entered (DE 4) ("TRO" or "Order") pursuant to Rule 65(b) of the Federal Rules of Civil Procedure.

**FINDINGS OF FACT**

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

1. This Court has jurisdiction over the subject matter of this

case, there is good cause to believe it will have jurisdiction over all the parties hereto, and venue in this district is proper;

2. There is good cause to believe that Defendants Southeast Trust, LLC (f/k/a The Debt School, LLC, d/b/a Financial Freedom Credit Counseling), a Florida limited liability company, and Paul A. Wexler, have engaged and are likely to continue to engage in acts or practices that violate Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the FTC's Telemarketing Sales Rule ("TSR"), 16 C.F.R. Part 310, and that the FTC is therefore likely to prevail on the merits of this action;
3. There is good cause to believe that consumers will suffer immediate and continuing harm from Defendants' ongoing violations of Section 5(a) of the FTC Act and the TSR unless Defendants are restrained and enjoined by Order of this Court;
4. There is good cause to believe that immediate and irreparable damage to the Court's ability to grant effective final relief for consumers in the form of monetary restitution and disgorgement of ill-gotten gains will occur from the transfer, dissipation, or concealment by Defendants of their assets or business records unless Defendants are immediately restrained and enjoined by Order of this Court; and that, in accordance with Fed. R. Civ. P. 65(b), the interest of justice requires

that the FTC's Motion be heard *ex parte* without prior notice to Defendants. Therefore, there is good cause for relieving the FTC of the duty to provide Defendants with prior notice of the FTC's Motion;

5. Good cause exists for permitting the FTC immediate access to Defendants' business premises, and permitting the FTC to take expedited discovery to preserve and locate assets and documents and ensure compliance with this Order;
6. Weighing the equities and considering the FTC's likelihood of ultimate success, a temporary restraining order with an asset freeze, expedited discovery as to the existence and location of assets and documents, and other equitable relief is in the public interest; and
7. No security is required of any agency of the United States for issuance of a TRO, Fed. R. Civ. P. 65(c);

#### DEFINITIONS

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

- B. "Assisting others" includes, but is not limited to:
1. performing customer service functions, including, but not limited to, receiving or responding to consumer complaints;
  2. formulating or providing, or arranging for the formulation or provision of, any advertising or marketing material, including, but not limited to, any telephone sales script, direct mail solicitation, or the design, text, or use of images of any Internet website, email, or other electronic communication;
  3. formulating or providing, or arranging for the formulation or provision of, any marketing support material or service, including but not limited to, web or Internet Protocol addresses or domain name registration for any Internet websites, affiliate marketing services, or media placement services;
  4. providing names of, or assisting in the generation of, potential customers;
  5. performing marketing, billing, or payment services of any kind; and
  6. acting or serving as an owner, officer, director, manager, or principal of any entity.
- C. "Competent and reliable evidence" means tests, analyses, research, studies, or other evidence based on the expertise of

professionals in the relevant area, that has been conducted and evaluated in an objective manner by persons qualified to do so, using procedures generally accepted in the profession to yield accurate and reliable results.

- D. "Consumer" means any person.
- E. "Corporate Defendant" means Southeast Trust, LLC (formerly known as The Debt School, LLC and also doing business as Financial Freedom Credit Counseling), a Florida limited liability company, and its successors, assigns, affiliates, or subsidiaries, and each of them by whatever names each might be known.
- F. "Customer" means any person who has paid, or may be required to pay, for products, services, plans, or programs offered for sale or sold by any other person.
- G. "Debt Relief product or service" means any product, service, plan, or program represented, expressly or by implication, to renegotiate, settle, or in any way alter the terms of payment or other terms of the debt or obligation, between a person and one or more unsecured creditors or debt collectors, including, but not limited to, a reduction in the balance, interest rate, or fees owed by a person to an unsecured creditor or debt collector.
- H. "Defendants" means the Individual Defendant and the Corporate Defendant, individually, collectively, or in any combination,

and each of them by whatever names each might be known.

- I. "Document" is synonymous in meaning and equal in scope to the usage of the term in Federal Rule of Civil Procedure 34(a), and includes writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, and other data compilations from which the information can be obtained and translated, if necessary, through detection devices into reasonably usable form. A draft or non-identical copy is a separate document within the meaning of the term.
- J. "Financial Institution" means any bank, savings and loan institution, credit union, or any financial depository of any kind, including, but not limited to, any brokerage house, trustee, broker-dealer, escrow agent, title company, commodity trading company, or precious metal dealer.
- K. "Financial related product or service" means any product, service, plan, or program represented, expressly or by implication, to:
  - A. provide any consumer, arrange for any consumer to receive, or assist any consumer in receiving, credit, debit, or stored value cards;
  - B. improve, or arrange to improve, any consumer's credit record, credit history, or credit rating;
  - C. provide advice or assistance to any consumer with regard to any activity or service the purpose of which is to

improve a consumer's credit record, credit history, or credit rating;

- D. provide any consumer, arrange for any consumer to receive, or assist any consumer in receiving, a loan or other extension of credit;
- E. provide any consumer, arrange for any consumer to receive, or assist any consumer in receiving any service represented, expressly or by implication, to renegotiate, settle, or in any way alter the terms of payment or other terms of any debt or obligation (other than a debt or obligation secured by a mortgage on a consumer's dwelling) between a consumer and one or more secured creditors, servicers, or debt collectors.
- L. "Individual Defendant" means Paul Adam Wexler.
- M. "National Do Not Call Registry" means the National Do Not Call registry, which is the "do-not-call" registry maintained by the Federal Trade Commission pursuant to 16 C.F.R. § 310.4(b)(1)(iii)(B).
- N. "Person" means a natural person, an organization or other legal entity, including a corporation, partnership, sole proprietorship, limited liability company, association, cooperative, or any other group or combination acting as an entity.
- O. "Telemarketing" means a plan, program, or campaign (whether or

not covered by the Telemarketing Sales Rule, 16 C.F.R. Part 310), which is conducted to induce the purchase of goods or services or a charitable contribution by use of one or more telephones.

- P. The terms "and" and "or" shall be construed conjunctively or disjunctively as necessary to make the applicable phrase or sentence inclusive rather than exclusive.

#### ORDER

##### PROHIBITED REPRESENTATIONS

- I. IT IS THEREFORE ORDERED that in connection with the advertising, marketing, promotion, offering for sale, or sale of any debt relief product or service, Defendants and their successors, assigns, officers, agents, servants, employees, and attorneys, and those persons or entities in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any corporation, subsidiary, division, or other device, are hereby temporarily restrained and enjoined from:

- A. Misrepresenting, or assisting others who are misrepresenting, expressly or by implication, any of the following:

1. That any Defendant or any other person will not debit consumers' bank accounts, charge consumers'



credit or debit cards, or otherwise withdraw money from consumers until after consumers perform any action;

2. That consumers who use any debt relief product or service will have the interest rate on any of consumers' unsecured debt reduced by any amount;
3. That any Defendant or any other person is a not-for-profit organization;
4. That any Defendant or any other person is a not-for-profit organization that provides debt relief products or services to consumers;
5. That any Defendant or any other person themselves performs any debt relief product or service;
6. That any Defendant or any other person will perform any debt relief product or service;
7. That consumers who use any debt relief product or service will have their debts reduced by any amount or eliminated;
8. The amount of money or the percentage of the debt amount that a consumer may save by using any debt relief product or service;
9. The degree of success that any Defendant or any other person has had in performing any debt relief product or service;

10. The nature of any Defendant's or any other person's relationship with any debt holder or servicer, or other secured or unsecured lender;
  11. The amount of time it will take or is likely to take to obtain or arrange a renegotiation, settlement, modification, or other alteration of the terms of any debt; or
  12. Any other fact material to a consumer's decision whether to purchase any debt relief product or service; and
- B. Representing, or assisting others who are representing, expressly or by implication, the benefits, performance, or efficacy of any debt relief product or service, unless at the time such representation is made, Defendants possess and rely upon competent and reliable evidence that substantiates that the representation is true.

#### RESTRICTIONS ON TELEMARKETING

II. IT IS FURTHER ORDERED that, in connection with the telemarketing of any product or service, Defendants and their successors, assigns, officers, agents, servants, employees, and attorneys, and those persons or entities in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any corporation, subsidiary, division, or

other device, are hereby temporarily restrained and enjoined from:

A. misrepresenting, directly or by implication:

1. That any Defendant or any other person will not debit consumers' bank accounts, charge consumers' credit or debit cards, or otherwise withdraw money from consumers until after consumers perform any action;
2. The amount of money or the percentage of the debt amount that a consumer may save, or the amount by which the interest rate on any of consumers' unsecured debt will be reduced, by using any product or service, including but not limited to any debt relief product or service; and
3. That any Defendant or any other person is a not-for-profit organization, or that any Defendant or any other person is a not-for-profit organization that provides debt relief products or services to consumers;

B. causing billing information to be submitted for payment, directly or indirectly, without the express informed consent of the customer;

C. requesting or receiving payment of fees or consideration for debt relief services:

1. before (A) they have renegotiated, settled, reduced, or otherwise altered the terms of at least one debt pursuant to a settlement agreement, debt management plan, or other such valid contractual agreement executed by the customer; and (B) the customer has made at least one payment pursuant to that agreement; and/or
  2. when, to the extent that debts enrolled in a service are renegotiated, settled, reduced, or otherwise altered individually, the fee or consideration either (A) does not bear the same proportional relationship to the total fee for renegotiating, settling, reducing, or altering the terms of the entire debt balance as the individual debt amount bears to the entire debt amount, or (B) is not a percentage of the amount saved as a result of the renegotiation, settlement, reduction, or alteration and that percentage does not change from one individual debt to another;
- D. initiating, or causing others to initiate, an outbound telephone call to a person's telephone number on the National Do Not Call Registry;
- E. initiating, or causing others to initiate, an outbound telephone call to a person who previously has stated that

he or she does not wish to receive such a call made by or on behalf of the seller whose goods or services are being offered;

F. making, or causing others to make, outbound telephone calls that deliver prerecorded messages to induce the purchase of goods or services when the persons to whom these telephoned calls were made had not signed an express agreement, in writing, authorizing the seller to place prerecorded calls to such persons; and

H. making, or causing others to make, outbound telephone calls that deliver a prerecorded message in which the telemarketer or message fails to disclose truthfully, promptly, and in a clear and conspicuous manner to the person receiving the call:

1. The identity of the seller;

2. That the purpose of the call is to sell goods or services; and

3. The nature of the goods or services.

#### PROHIBITION ON UNAUTHORIZED WITHDRAWALS

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

directly or through any corporation, subsidiary, division, or other device, are hereby temporarily restrained and enjoined from causing consumers' bank accounts to be debited or credit or debit cards charged without having obtained consumers' express informed consent.

**RESTRICTION ON COLLECTION OF ADVANCE FEES**

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

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

V. IT IS FURTHER ORDERED that, immediately upon service of the Order upon them, (1) any person hosting any Internet website for, or on behalf of, any Defendant, and (2) Defendants and

their successors, assigns, officers, agents, servants, employees, and attorneys, and those persons or entities in active concert or participation with any of them who receive actual notice of this Order by personal service, facsimile transmission, email, or otherwise, whether acting directly or through any corporation, subsidiary, division, or other device, shall:

- A. Immediately do whatever is necessary to ensure that any Internet website used by Defendants for the advertising, marketing, promotion, offering for sale, sale, or provision of any debt relief product or service, including, but not limited to southeasttrust.com and thedebtschool.com, cannot be accessed by the public;
- B. Prevent the destruction or erasure of any Internet website used by Defendant for the advertising, marketing, promotion, offering for sale, sale, or provision of any debt relief product or service, including but not limited to southeasttrust.com and thedebtschool.com, by preserving such website in the format in which it is maintained currently; and
- C. Immediately notify in writing counsel for the FTC of any other Internet website operated or controlled by any Defendant not listed in Section VA. or V.B above.

**SUSPENSION OF INTERNET DOMAIN NAME REGISTRATIONS**

VI. IT IS FURTHER ORDERED that any domain name registrar shall suspend the registration of any Internet website used by Defendants for the advertising, marketing, promotion, offering for sale, sale, or provision of any debt relief product or service, including, but not limited to southeasttrust.com and thedebtschool.com, and provide immediate notice to counsel for the FTC of any other Internet domain names registered by Defendant or his officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with Defendant who receive actual notice of this Order by personal service or otherwise.

**ASSET FREEZE**

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

A. Transferring, liquidating, converting, encumbering, pledging, loaning, selling, concealing, dissipating, disbursing, assigning, spending, withdrawing, granting a lien or security interest or other interest in, or otherwise disposing of any funds, real or personal property, accounts, contracts, consumer lists, or any other assets, or any interest therein, wherever located, including outside the United States, that are (1) owned or controlled, directly or indirectly, by any



Defendant(s), in whole or in part, or held, in whole or in part for the benefit of any Defendant(s); (2) in the actual or constructive possession of any Defendant(s); or (3) owned, controlled by, or in the actual or constructive possession of any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by, or under common control with any Defendant(s), including but not limited to, any assets held by, for, or under the name of any Defendant(s) at any bank, savings and loan institution, or bank of any Defendant(s), or with any broker-dealer, escrow agent, title company, commodity trading company, precious metal dealer, or other financial institution or depository of any kind;

- B. Opening or causing to be opened any safe deposit boxes titled in the name of any Defendant(s), or subject to access by any Defendant(s);
- C. Incurring charges or cash advances on any credit card, debit card, or checking card issued in the name, singly or jointly, of any Defendant(s);
- D. Obtaining a personal or secured loan;
- E. Incurring liens or encumbrances on real property, personal property or other assets in the name, singly or jointly, of any Defendant(s); and

- F. Cashing any checks from consumers, clients, or customers of any Defendant(s).
- G. The funds, property, and assets affected by this Section shall include: (a) all assets of each Defendant as of the time this Order is entered, and (b) those assets obtained after entry of this Order that are obtained from any debt relief activities that predate the entry of this Order.

RETENTION OF ASSETS AND RECORDS BY FINANCIAL INSTITUTIONS AND  
OTHER THIRD PARTIES

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

- A. Hold and retain within its control and prohibit Defendants from withdrawing, removing, assigning, transferring, pledging, encumbering, disbursing, dissipating, converting, selling, gifting, or otherwise disposing of any of the assets, funds, or other property held by or on behalf of any Defendant(s) in any account maintained in the name of or for the benefit of any

Defendant(s), in whole or in part, except as directed by further order of the Court;

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

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

1. the identification number of each such account or asset titled (1) in the name, individually or jointly, of any Defendant(s); (2) held on behalf of, or for the benefit of, any Defendant(s); (3) owned or controlled by any Defendant(s); or (4) otherwise subject to access by any Defendant(s), directly or indirectly;
2. the balance of each such account, or a description of the nature and value of such asset as of the close of business on the day on which this Order is served, and, if the account or other asset has been closed or removed, the date closed or removed, the total funds removed in order to close the account, and the name of the person or entity to whom such account or other asset was remitted;

3. the identification of any safe deposit box that is either titled in the name of any Defendant(s), or is otherwise subject to access by any Defendant(s); and
  4. if an account, safe deposit box, or other asset has been closed or removed, the date closed or removed, the balance on such date, and the manner in which such account or asset was closed or removed.
- D. Provide counsel for Plaintiff, within three (3) business days after being served with a request, copies of all documents pertaining to such account or asset, including but not limited to originals or copies of account applications, account statements, signature cards, checks, drafts, deposit tickets, transfers to and from the accounts, all other debit and credit instruments or slips, currency transaction reports, 1099 forms, and safe deposit box logs; provided that such institution or custodian may charge a reasonable fee.

#### FINANCIAL REPORTS AND ACCOUNTING

- IX. IT IS FURTHER ORDERED that each Defendant, within three (3) business days of service of this Order, shall prepare and deliver to counsel for the FTC:
- A. For the Individual Defendant, a completed financial statement accurate as of the date of service of this

Order upon such Defendant (unless otherwise agreed upon with FTC counsel) on the form of Attachment A to this Order captioned "Financial Statement of Individual Defendant."

B. For the Corporate Defendant, a completed financial statement accurate as of the date of service of this Order upon such Defendant (unless otherwise agreed upon with FTC counsel) in the form of Attachment B to this Order captioned "Financial Statement of Corporate Defendant."

C. For each Defendant, a completed statement, verified under oath, of all payments, transfers or assignments of funds, assets, or property worth \$1,000 or more since January 1, 2008. Such statement shall include: (a) the amount transferred or assigned; (b) the name of each transferee or assignee; (c) the date of the transfer or assignment; and (d) the type and amount of consideration paid the Defendant. Each statement shall specify the name and address of each financial institution and brokerage firm at which the Defendant has accounts or safe deposit boxes. Said statements shall include assets held in foreign as well as domestic accounts.

#### CONSUMER CREDIT REPORTS

X. IT IS FURTHER ORDERED that Plaintiff may obtain credit reports

concerning any Defendants pursuant to Section 604(a)(1) of the Fair Credit Reporting Act, 15 U.S.C. § 1681b(a)(1), and that, upon written request, any credit reporting agency from which such reports are requested shall provide them to Plaintiff.

#### REPATRIATION OF FOREIGN ASSETS

- XI. IT IS FURTHER ORDERED that, within five (5) business days following the service of this Order, each Defendant shall:
- A. Provide counsel for the FTC with a full accounting of all assets, accounts, funds, and documents outside of the territory of the United States that are held either: (1) by them; (2) for their benefit; (3) in trust by or for them, individually or jointly; or (4) under their direct or indirect control, individually or jointly;
  - B. Transfer to the territory of the United States all assets, accounts, funds, and documents in foreign countries held either: (1) by them; (2) for their benefit; (3) in trust by or for them, individually or jointly; or (4) under their direct or indirect control, individually or jointly;
  - C. Hold and retain all repatriated assets, accounts, funds, and documents, and prevent any transfer, disposition, or dissipation whatsoever of any such assets, accounts, funds, or documents; and

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

NON-INTERFERENCE WITH REPATRIATION

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

A. Sending any statement, letter, fax, e-mail or wire transmission, telephoning or engaging in any other act, directly or indirectly, that results in a determination by a foreign trustee or other entity that a "duress" event has occurred under the terms of a foreign trust

agreement, until such time that all assets have been fully repatriated pursuant to Section XI of this Order; and

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

**FTC ACCESS TO BUSINESS PREMISES AND RECORDS**

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

- A. Plaintiff and Plaintiff's representatives, agents, contractors, or assistants, are permitted and the Defendants shall allow immediate access to any business premises and storage facilities of Defendants. Such locations include, but are not limited to, the offices and facilities of the Defendants at or in the vicinity of 4700 Hiatus Road, Suite 256, Sunrise, Florida or any other location where Defendants conduct business, sales operations, fulfillment or processing, or customer service operations. Defendants shall allow Plaintiff into the premises and facilities described in this Section and shall allow Plaintiff and its representatives, agents, contractors, or assistants to



inspect, inventory, and copy documents relevant to any matter contained in this Order.

- B. Counsel for Plaintiff may exclude Defendants and their agents and employees from the business premises and facilities during the immediate access, but in no event shall such exclusion exceed 48 hours.
- C. Defendants and all agents or employees of Defendants shall provide counsel for Plaintiff with any necessary means of access to documents, including, without limitation, the locations of Defendants' business premises, keys and combinations to business premises locks, computer access codes of all computers used to conduct Defendants' business, and storage area access information.
- D. In order to prevent the destruction of computer data, Plaintiff and Plaintiff's representatives, agents, contractors, or assistants, are permitted and the Defendants shall allow Plaintiff and Plaintiff's representatives, agents, contractors, or assistants to power down (turn off) any computer in the normal course for the operating system used on such computer and/or take all necessary steps to prevent remote access of any such computer. Any such computer powered down (turned off) or removed from remote access shall not be powered

up (turned on) or have remote access restored except by Plaintiff and Plaintiff's representatives, agents, contractors, or assistants after they have inspected and copied the contents of such computer. Plaintiff shall ensure that all such computers are powered up (turned back on) and any remote access restored within 48 hours.

E. Counsel for Plaintiff shall have the right to remove any documents related to Defendants' business practices from the premises in order that they may be inspected, inventoried, and copied. The materials so removed shall be returned within five (5) business days of completing said inventory and copying.

F. If any property, records, documents, or computer files relating to the Defendants' finances or business practices are located in the residence of any Defendant or are otherwise in the custody or control of any Defendant, then such Defendant shall produce them to counsel for Plaintiff within twenty-four (24) hours of service of this Order. In order to prevent the destruction of computer data, upon service of this Order upon Defendants, any such computers shall be powered down (turned off) in the normal course for the operating systems used on such computers and shall not be powered up or used again until produced for copying and

inspection, along with any codes needed for access.

- G. In the event any of Defendants' documents have been removed from Defendants' premises by, and are in the possession of another law enforcement or investigative agency, the FTC may have immediate access to such documents for purposes of inspection, indexing, and copying, subject to the agency consenting to access by the FTC.
- H. The FTC's access to the Defendants' documents pursuant to this Section shall not provide grounds for any Defendant to object to any subsequent request for documents served by the FTC.
- I. Plaintiff is authorized to employ the assistance of law enforcement officers, including, but not limited to, the United States Postal Inspection Service, Internal Revenue Service, and Federal Bureau of Investigation, to effect service, to implement peacefully the provisions of this Order, and keep the peace.

#### PRESERVATION OF RECORDS

XIV. IT IS FURTHER ORDERED that Defendants, and each of their successors, assigns, members, officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting

directly or through any entity, corporation, subsidiary, division, affiliate or other device, are hereby temporarily restrained and enjoined from destroying, erasing, mutilating, concealing, altering, transferring, or otherwise disposing of, in any manner, directly or indirectly, any documents that relate to the business practices or finances of any Defendant, including, but not limited to, any contracts, accounting data, correspondence, advertisements, computer tapes, disks or other computerized records, books, written or printed records, handwritten notes, recordings, telephone logs, telephone scripts, receipt books, ledgers, personal and business canceled checks and check registers, bank statements, appointment books, copies of federal, state, or local business or personal income or property tax returns.

**PROHIBITION ON RELEASE OF CONSUMER INFORMATION**

XV. IT IS FURTHER ORDERED that Defendants, and each of their successors, assigns, members, officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any entity, corporation, subsidiary, division, affiliate or other device, are temporarily restrained and enjoined from disclosing, using, or benefitting from customer information, including the name, address,

telephone number, email address, social security number, other identifying information, or any data that enables access to a customer's account (including a credit card, bank account, or other financial account), of any person which any Defendant obtained prior to entry of this Order in connection with any debt relief service.

LIMITED EXPEDITED DISCOVERY

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

A. The FTC may, upon three (3) calendar days notice, take the deposition of any person or entity, whether or not a party, in any judicial district, for the purpose of discovering: (1) the assets of Defendants; (2) location of documents; and (3) compliance with this Order. Depositions may be conducted telephonically or in person. Deposition transcripts that have not been signed by the witness may be used at the preliminary injunction hearing in this matter. Provided that, notwithstanding Federal Rule of Civil Procedure 30(a)(2), this Section shall not

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

- B. The FTC may serve interrogatories for the purpose of discovering: (1) the assets of Defendants; (2) location of documents; and (3) compliance with this Order. Defendants shall respond within five (5) calendar days after the FTC serves such interrogatories. Provided that, notwithstanding Federal Rule of Civil Procedure 33(a)(1), this Subsection shall not preclude any future interrogatories by the FTC.
- C. The FTC may, upon five (5) calendar days notice, including through the use of a Rule 45 Subpoena, demand the production of documents from any person or entity, whether or not a Defendant, relating to: (1) the assets of Defendants; (2) location of documents; and (3) compliance with this Order. Provided that two (2) calendar days notice shall be deemed sufficient for the production of any such documents that are maintained or stored only as electronic data.
- D. The FTC is granted leave to subpoena documents immediately from any financial institution, account

custodian, or other entity or person that holds, controls, or maintains custody of any account or asset of any Defendant(s), or has held, controlled or maintained custody of any account or asset of any Defendant(s) concerning the nature, location, status, and extent of Defendants' assets, and compliance with this Order, and such financial institution, account custodian or other entity shall respond to such subpoena within five (5) business days after service.

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

#### MONITORING

- XVII. IT IS FURTHER ORDERED that employees, agents, or representatives of the FTC may contact Defendants or Defendants' employees, agents, or representatives directly and anonymously for the purpose of monitoring compliance with this Order, and may tape record any oral communications that occur in the course of such contacts.

#### SERVICE OF THIS ORDER

- XVIII. IT IS FURTHER ORDERED that copies of this Order may be served by facsimile transmission, personal or overnight delivery, or U.S. Express Mail, by agents and employees of the FTC or any state or federal law enforcement agency

or by private process server, on Defendants or any other persons or entities that may be subject to any provision of this Order.

#### DISTRIBUTION OF ORDER BY DEFENDANTS

XIX. IT IS FURTHER ORDERED that within three (3) calendar days after service of this Order, Defendants shall provide a copy of this Order to each of their agents, employees, directors, officers, subsidiaries, affiliates, attorneys, independent contractors, representatives, franchisees, and all persons in active concert or participation with Defendants. Within three (3) calendars after service of this Order, Defendants shall provide a copy of this Order to any person to whom Defendants have sold leads or otherwise referred consumers for the provision of any debt relief service. Within five (5) calendar days following this Order, Defendants shall provide the FTC with an affidavit identifying the names, titles, addresses, and telephone numbers of the persons that Defendants have served with a copy of this Order in compliance with this provision.

#### CORRESPONDENCE WITH PLAINTIFF

XX. IT IS FURTHER ORDERED that, for the purposes of this Order, because mail addressed to the FTC is subject to delay due to heightened security screening, all correspondence and service of pleadings on Plaintiff shall be sent either via electronic



transmission or via Federal Express to: Gregory A. Ashe, Federal Trade Commission, 600 Pennsylvania Avenue, NW, Room NJ-3158, Washington, DC 20580. Email: gashe@ftc.gov; Telephone: (202) 326-3719; Facsimile: (202) 326-3768.

ORDER TO SHOW CAUSE AND PRELIMINARY INJUNCTION HEARING

XXI. IT IS FURTHER ORDERED, pursuant to Federal Rule of Civil Procedure 65(b), a hearing is set before this Court at the United States Courthouse located at 299 East Broward Boulevard, Fort Lauderdale, Florida 33301, Courtroom A, on Wednesday, December 19, 2012, at 9:30 a.m., to show cause, if any there be, why this Court should not enter a preliminary injunction, pending final ruling on the complaint, against Defendants, enjoining them from further violations of the FTC Act and the Telemarketing Sale Rule, and imposing such additional relief as may be appropriate.

SERVICE OF PLEADINGS, EVIDENCE, WITNESS LISTS

XXII. IT IS FURTHER ORDERED that Defendants shall file any answering affidavits, pleadings, or legal memoranda with the Court and serve the same on counsel for the FTC no later than five (5) business days prior to the preliminary injunction hearing in this matter. The FTC may file responsive or supplemental pleadings, materials, affidavits, or memoranda with the Court and serve the same on counsel for Defendants no later than one (1)

business day prior to the preliminary injunction hearing in this matter. *Provided that* service shall be performed by personal or overnight delivery, facsimile, or email, and documents shall be delivered so that they shall be received by the other parties no later than 4 p.m. (EST) on the appropriate dates listed in this Subparagraph.

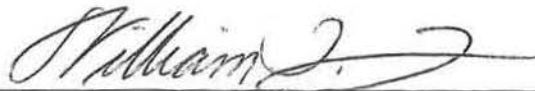
**DURATION OF ORDER**

XXIII. IT IS FURTHER ORDERED that the Temporary Restraining Order granted herein shall expire shall expire fourteen (14) days from the date of entry noted below, unless within such time, the Order is extended for an additional period pursuant to Federal Rule of Civil Procedure 65(b)(2).

**JURISDICTION**

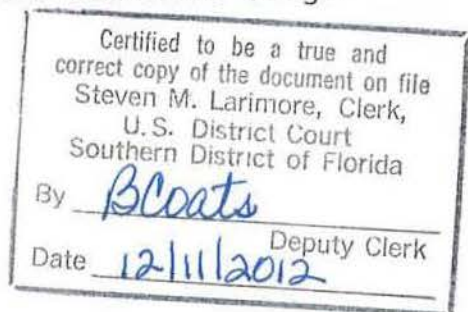
XXIV. IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for all purposes.

DONE AND ORDERED in Chambers at Fort Lauderdale, Broward County, Florida, this 11<sup>th</sup> day of December, 2012, at 11:34 a.m.



WILLIAM J. ZLOCH  
United States District Judge

Copies furnished:  
All Counsel of Record



# **ATTACHMENT A**

FEDERAL TRADE COMMISSION

FINANCIAL STATEMENT OF INDIVIDUAL DEFENDANT

---

**Definitions and Instructions:**

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

**Penalty for False Information:**

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

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

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

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

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

## BACKGROUND INFORMATION

### Item 1. Information About You

|  |                            |                                    |
|--|----------------------------|------------------------------------|
| Full Name  | Social Security No.        |                                    |
| Current Address of Primary Residence   | Driver's License No.       | State Issued                       |
|  | Phone Numbers<br>Home: ( ) | Date of Birth: / /<br>(mm/dd/yyyy) |
|  | Fax: ( )                   | Place of Birth                     |
| <input type="checkbox"/> Rent <input type="checkbox"/> Own      From (Date): / /<br>(mm/dd/yyyy) | E-Mail Address             |                                    |
| Internet Home Page   |                            |                                    |

### Previous Addresses for past five years (if required, use additional pages at end of form)

|         |  |                            |
|---------|--|----------------------------|
| Address | From: / /<br>(mm/dd/yyyy)                                  | Until: / /<br>(mm/dd/yyyy) |
|         | <input type="checkbox"/> Rent <input type="checkbox"/> Own |                            |
| Address | From: / /  | Until: / /                 |
|         | <input type="checkbox"/> Rent <input type="checkbox"/> Own |                            |
| Address | From: / /  | Until: / /                 |
|         | <input type="checkbox"/> Rent <input type="checkbox"/> Own |                            |

Identify any other name(s) and/or social security number(s) you have used, and the time period(s) during which they were used:

### Item 2. Information About Your Spouse or Live-In Companion

|                                   |  |                                      |
|-----------------------------------|--|--------------------------------------|
| Spouse/Companion's Name           | Social Security No.  | Date of Birth<br>/ /<br>(mm/dd/yyyy) |
| Address (if different from yours) | Phone Number<br>( )  | Place of Birth                       |
|                                   | <input type="checkbox"/> Rent <input type="checkbox"/> Own | From (Date): / /<br>(mm/dd/yyyy)     |

Identify any other name(s) and/or social security number(s) you have used, and the time period(s) during which they were used:

|                             |   |
|-----------------------------|---|
| Employer's Name and Address | Job Title   |
|                             | Years in Present Job      Annual Gross Salary/Wages<br>\$ |

### Item 3. Information About Your Previous Spouse

|                  |                                      |
|------------------|--------------------------------------|
| Name and Address | Social Security No.                  |
|                  | Date of Birth<br>/ /<br>(mm/dd/yyyy) |

### Item 4. Contact Information (name and address of closest living relative other than your spouse)

|                  |                     |
|------------------|---------------------|
| Name and Address | Phone Number<br>( ) |
|------------------|---------------------|

Initials: \_\_\_\_\_

**Item 5. Information About Dependents** (whether or not they reside with you)

|                  |                     |                                      |
|------------------|---------------------|--------------------------------------|
| Name and Address | Social Security No. | Date of Birth<br>/ /<br>(mm/dd/yyyy) |
|                  | Relationship        |                                      |
| Name and Address | Social Security No. | Date of Birth<br>/ /<br>(mm/dd/yyyy) |
|                  | Relationship        |                                      |
| Name and Address | Social Security No. | Date of Birth<br>/ /<br>(mm/dd/yyyy) |
|                  | Relationship        |                                      |
| Name and Address | Social Security No. | Date of Birth<br>/ /<br>(mm/dd/yyyy) |
|                  | Relationship        |                                      |

**Item 6. Employment Information/Employment Income**  
 Provide the following information for this year-to-date and for each of the previous five full years, for each business entity of which you were a director, officer, member, partner, employee (including self-employment), agent, owner, shareholder, contractor, participant or consultant at any time during that period. "Income" includes, but is not limited to, any salary, commissions, distributions, draws, consulting fees, loans, loan payments, dividends, royalties, and 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 and Address   | Dates Employed           |                        | Income Received: This year to date |        |
|  | From (Month/Year)<br>/ / | To (Month/Year)<br>/ / | Year                               | Income |
| Ownership Interest? <input type="checkbox"/> Yes <input type="checkbox"/> No |                          |                        | 20                                 | \$     |
| Positions Held   | From (Month/Year)<br>/ / | To (Month/Year)<br>/ / |                                    | \$     |
|  | / /                      | / /                    |                                    | \$     |
|  | / /                      | / /                    |                                    | \$     |
|  | / /                      | / /                    |                                    | \$     |
| Company Name and Address   | Dates Employed           |                        | Income Received: This year to date |        |
|  | From (Month/Year)<br>/ / | To (Month/Year)<br>/ / | Year                               | Income |
| Ownership Interest? <input type="checkbox"/> Yes <input type="checkbox"/> No |                          |                        | 20                                 | \$     |
| Positions Held   | From (Month/Year)<br>/ / | To (Month/Year)<br>/ / |                                    | \$     |
|  | / /                      | / /                    |                                    | \$     |
|  | / /                      | / /                    |                                    | \$     |
|  | / /                      | / /                    |                                    | \$     |
| Company Name and Address   | Dates Employed           |                        | Income Received: This year to date |        |
|  | From (Month/Year)<br>/ / | To (Month/Year)<br>/ / | Year                               | Income |
| Ownership Interest? <input type="checkbox"/> Yes <input type="checkbox"/> No |                          |                        | 20                                 | \$     |
| Positions Held   | From (Month/Year)<br>/ / | To (Month/Year)<br>/ / |                                    | \$     |
|  | / /                      | / /                    |                                    | \$     |
|  | / /                      | / /                    |                                    | \$     |
|  | / /                      | / /                    |                                    | \$     |

Initials: \_\_\_\_\_

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

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

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

**Item 8. Safe Deposit Boxes**

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

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

Initials: \_\_\_\_\_

## FINANCIAL INFORMATION

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

### ASSETS

#### Item 9. Cash, Bank, and Money Market Accounts

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

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

#### Item 10. Publicly Traded Securities

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

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

Initials: \_\_\_\_\_



**Item 11. Non-Public Business and Financial Interests**

List all non-public business and financial interests, including but not limited to any interest in a non-public corporation, subchapter-S corporation, limited liability corporation ("LLC"), general or limited partnership, joint venture, sole proprietorship, international business corporation or personal investment corporation, and oil or mineral lease.

| Entity's Name & Address | Type of Business or Financial Interest (e.g., LLC, partnership) | Owner (e.g., self, spouse) | Ownership % | If Officer, Director, Member or Partner, Exact Title |
|-------------------------|---|----------------------------|-------------|--|
|                         |   |                            |             |  |
|                         |   |                            |             |  |
|                         |   |                            |             |  |

**Item 12. Amounts Owed to You, Your Spouse, or Your Dependents**

|                         |  |                            |  |
|-------------------------|--|----------------------------|--|
| Debtor's Name & Address | Date Obligation Incurred (Month/Year)<br>/ | Original Amount Owed<br>\$ | Nature of Obligation (if the result of a final court judgment or settlement, provide court name and docket number) |
|                         | Current Amount Owed<br>\$                  | Payment Schedule<br>\$     |  |
| Debtor's Telephone      | Debtor's Relationship to You               |                            |  |
|                         |  |                            |  |
| Debtor's Name & Address | Date Obligation Incurred (Month/Year)<br>/ | Original Amount Owed<br>\$ | Nature of Obligation (if the result of a final court judgment or settlement, provide court name and docket number) |
|                         | Current Amount Owed<br>\$                  | Payment Schedule<br>\$     |  |
| Debtor's Telephone      | Debtor's Relationship to You               |                            |  |
|                         |  |                            |  |

**Item 13. Life Insurance Policies**

List all life insurance policies (including endowment policies) with any cash surrender value.

|  |             |                            |                       |
|--|-------------|----------------------------|-----------------------|
| Insurance Company's Name, Address, & Telephone No. | Beneficiary | Policy No.                 | Face Value<br>\$      |
|  | Insured     | Loans Against Policy<br>\$ | Surrender Value<br>\$ |
| Insurance Company's Name, Address, & Telephone No. | Beneficiary | Policy No.                 | Face Value<br>\$      |
|  | Insured     | Loans Against Policy<br>\$ | Surrender Value<br>\$ |

**Item 14. Deferred Income Arrangements**

List all deferred income arrangements, including but not limited to, deferred annuities, pensions plans, profit-sharing plans, 401(k) plans, IRAs, Keoghs, other retirement accounts, and college savings plans (e.g., 529 Plans).

|  |   |              |  |
|--|---|--------------|--|
| Trustee or Administrator's Name, Address & Telephone No. | Name on Account                         |              | Account No.                                      |
|  | Date Established<br>/ /<br>(mm/dd/yyyy) | Type of Plan | Surrender Value before Taxes and Penalties<br>\$ |
| Trustee or Administrator's Name, Address & Telephone No. | Name on Account                         |              | Account No.                                      |
|  | Date Established<br>/ /                 | Type of Plan | Surrender Value before Taxes and Penalties<br>\$ |

Initials: \_\_\_\_\_

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

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

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

Initials: \_\_\_\_\_

**Item 18. Real Property**  
List all real property interests (including any land contract)

|                                      |                      |                       |  |  |
|--------------------------------------|----------------------|-----------------------|--|--|
| Property's Location                  |                      | Type of Property      | Name(s) on Title or Contract and Ownership Percentages |  |
| Acquisition Date (mm/dd/yyyy)<br>/ / | Purchase Price<br>\$ | Current Value<br>\$   | Basis of Valuation                                     |  |
| Lender's Name and Address            |                      | Loan or Account No.   | Current Balance On First Mortgage or Contract<br>\$    |  |
|                                      |                      |                       | Monthly Payment<br>\$                                  |  |
| Other Mortgage Loan(s) (describe)    |                      | Monthly Payment<br>\$ | <input type="checkbox"/> Rental Unit                   |  |
|                                      |                      | Current Balance<br>\$ | Monthly Rent Received<br>\$                            |  |

|                                      |                      |                       |  |  |
|--------------------------------------|----------------------|-----------------------|--|--|
| Property's Location                  |                      | Type of Property      | Name(s) on Title or Contract and Ownership Percentages |  |
| Acquisition Date (mm/dd/yyyy)<br>/ / | Purchase Price<br>\$ | Current Value<br>\$   | Basis of Valuation                                     |  |
| Lender's Name and Address            |                      | Loan or Account No.   | Current Balance On First Mortgage or Contract<br>\$    |  |
|                                      |                      |                       | Monthly Payment<br>\$                                  |  |
| Other Mortgage Loan(s) (describe)    |                      | Monthly Payment<br>\$ | <input type="checkbox"/> Rental Unit                   |  |
|                                      |                      | Current Balance<br>\$ | Monthly Rent Received<br>\$                            |  |

**LIABILITIES**

**Item 19. Credit Cards**  
List each credit card account held by you, your spouse, or your dependents, and any other credit cards that you, your spouse, or your dependents use, whether issued by a United States or foreign financial institution.

| Name of Credit Card (e.g., Visa, MasterCard, Department Store) | Account No. | Name(s) on Account | Current Balance |
|--|-------------|--------------------|-----------------|
|  |             |                    | \$              |
|  |             |                    | \$              |
|  |             |                    | \$              |
|  |             |                    | \$              |
|  |             |                    | \$              |

**Item 20. Taxes Payable**  
List all taxes, such as income taxes or real estate taxes, owed by you, your spouse, or your dependents.

| Type of Tax | Amount Owed | Year Incurred |
|-------------|-------------|---------------|
|             | \$          |               |
|             | \$          |               |
|             | \$          |               |

Initials: \_\_\_\_\_

**Item 21. Other Amounts Owed by You, Your Spouse, or Your Dependents**  
 List all other amounts, not listed elsewhere in this financial statement, owed by you, your spouse, or your dependents.

|  |                            |  |                  |
|--|----------------------------|--|------------------|
| Lender/Creditor's Name, Address, and Telephone No. |                            | Nature of Debt (if the result of a court judgment or settlement, provide court name and docket number) |                  |
|  |                            | Lender/Creditor's Relationship to You  |                  |
| Date Liability Was Incurred<br>/ /<br>(mm/dd/yyyy) | Original Amount Owed<br>\$ | Current Amount Owed<br>\$  | Payment Schedule |
| Lender/Creditor's Name, Address, and Telephone No. |                            | Nature of Debt (if the result of a court judgment or settlement, provide court name and docket number) |                  |
|  |                            | Lender/Creditor's Relationship to You  |                  |
| Date Liability Was Incurred<br>/ /<br>(mm/dd/yyyy) | Original Amount Owed<br>\$ | Current Amount Owed<br>\$  | Payment Schedule |

**OTHER FINANCIAL INFORMATION**

**Item 22. Trusts and Escrows**  
 List all funds and other assets that are being held in trust or escrow by any person or entity for you, your spouse, or your dependents. Include any legal retainers being held on your behalf by legal counsel. Also list all funds or other assets that are being held in trust or escrow by you, your spouse, or your dependents, for any person or entity.

| Trustee or Escrow Agent's Name & Address | Date Established<br>(mm/dd/yyyy) | Grantor | Beneficiaries | Present Market Value of Assets* |
|--|----------------------------------|---------|---------------|---------------------------------|
|  | / /                              |         |               | \$                              |
|  | / /                              |         |               | \$                              |
|  | / /                              |         |               | \$                              |

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

**Item 23. Transfers of Assets**  
 List each person or entity to whom you have transferred, in the aggregate, more than \$5,000 in funds or other assets during the previous five years by loan, gift, sale, or other transfer (exclude ordinary and necessary living and business expenses paid to unrelated third parties). For each such person or entity, state the total amount transferred during that period.

| Transferee's Name, Address, & Relationship | Property Transferred | Aggregate Value* | Transfer Date<br>(mm/dd/yyyy) | Type of Transfer<br>(e.g., Loan, Gift) |
|--|----------------------|------------------|-------------------------------|--|
|  |                      | \$               | / /                           |  |
|  |                      | \$               | / /                           |  |
|  |                      | \$               | / /                           |  |

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

Initials: \_\_\_\_\_

**Item 24. Document Requests**

Provide copies of the following documents with your completed Financial Statement.

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

**SUMMARY FINANCIAL SCHEDULES****Item 25. Combined Balance Sheet for You, Your Spouse, and Your Dependents**

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

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

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

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

Initials: \_\_\_\_\_

| <b>Item 27. Combined Current Monthly Income and Expenses for You, Your Spouse, and Your Dependents (cont.)</b> |    |                                       |    |
|--|----|---------------------------------------|----|
| Distributions from Trusts and Estates<br>Source:   | \$ | Medical Expenses, Including Insurance | \$ |
| Distributions from Deferred Income Arrangements<br>Source:   | \$ | Other Insurance Premiums              | \$ |
| Social Security Payments   | \$ | Other Transportation Expenses         | \$ |
| Alimony/Child Support Received   | \$ | <b>Other Expenses (Itemize)</b>       |    |
| Gambling Income  | \$ |                                       | \$ |
| <b>Other Income (Itemize)</b>  |    |                                       | \$ |
|  | \$ |                                       | \$ |
|  | \$ |                                       | \$ |
|  | \$ |                                       | \$ |
| <b>Total Income</b>  | \$ | <b>Total Expenses</b>                 | \$ |

### ATTACHMENTS

**Item 28. Documents Attached to this Financial Statement**

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

| Item No. Document Relates To | Description of Document |
|------------------------------|-------------------------|
|                              |                         |
|                              |                         |
|                              |                         |
|                              |                         |
|                              |                         |
|                              |                         |
|                              |                         |
|                              |                         |
|                              |                         |

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

Executed on:

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

\_\_\_\_\_  
Signature

# **ATTACHMENT B**

## FEDERAL TRADE COMMISSION

### FINANCIAL STATEMENT OF CORPORATE DEFENDANT

---

#### Instructions:

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

#### Penalty for False Information:

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

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

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

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

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

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**BACKGROUND INFORMATION**

**Item 1.      General Information**

Corporation's Full Name \_\_\_\_\_

Primary Business Address \_\_\_\_\_ From (Date) \_\_\_\_\_

Telephone No. \_\_\_\_\_ Fax No. \_\_\_\_\_

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

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

Address \_\_\_\_\_ From/Until \_\_\_\_\_

Address \_\_\_\_\_ From/Until \_\_\_\_\_

Address \_\_\_\_\_ From/Until \_\_\_\_\_

All predecessor companies for past five years:

Name & Address \_\_\_\_\_ From/Until \_\_\_\_\_

Name & Address \_\_\_\_\_ From/Until \_\_\_\_\_

Name & Address \_\_\_\_\_ From/Until \_\_\_\_\_

**Item 2.      Legal Information**

Federal Taxpayer ID No. \_\_\_\_\_ State & Date of Incorporation \_\_\_\_\_

State Tax ID No. \_\_\_\_\_ State \_\_\_\_\_ Profit or Not For Profit \_\_\_\_\_

Corporation's Present Status: Active \_\_\_\_\_ Inactive \_\_\_\_\_ Dissolved \_\_\_\_\_

If Dissolved: Date dissolved \_\_\_\_\_ By Whom \_\_\_\_\_

Reasons \_\_\_\_\_

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

**Item 3.      Registered Agent**

Name of Registered Agent \_\_\_\_\_

Address \_\_\_\_\_ Telephone No. \_\_\_\_\_

**Item 4. Principal Stockholders**

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

| <u>Name &amp; Address</u> | <u>% Owned</u> |
|---------------------------|----------------|
| _____                     | _____          |
| _____                     | _____          |
| _____                     | _____          |
| _____                     | _____          |

**Item 5. Board Members**

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

| <u>Name &amp; Address</u> | <u>% Owned</u> | <u>Term (From/Until)</u> |
|---------------------------|----------------|--------------------------|
| _____                     | _____          | _____                    |
| _____                     | _____          | _____                    |
| _____                     | _____          | _____                    |
| _____                     | _____          | _____                    |
| _____                     | _____          | _____                    |

**Item 6. Officers**

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

| <u>Name &amp; Address</u> | <u>% Owned</u> |
|---------------------------|----------------|
| _____                     | _____          |
| _____                     | _____          |
| _____                     | _____          |
| _____                     | _____          |
| _____                     | _____          |

**Item 7. Businesses Related to the Corporation**

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

| <u>Name &amp; Address</u> | <u>Business Activities</u> | <u>% Owned</u> |
|---------------------------|----------------------------|----------------|
| _____                     | _____                      | _____          |
| _____                     | _____                      | _____          |
| _____                     | _____                      | _____          |

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

**Item 8. Businesses Related to Individuals**

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

| <u>Individual's Name</u> | <u>Business Name &amp; Address</u> | <u>Business Activities</u> | <u>% Owned</u> |
|--------------------------|------------------------------------|----------------------------|----------------|
| _____                    | _____                              | _____                      | _____          |
| _____                    | _____                              | _____                      | _____          |
| _____                    | _____                              | _____                      | _____          |

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

**Item 9. Related Individuals**

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

| <u>Name and Address</u> | <u>Relationship</u> | <u>Business Activities</u> |
|-------------------------|---------------------|----------------------------|
| _____                   | _____               | _____                      |
| _____                   | _____               | _____                      |
| _____                   | _____               | _____                      |

**Item 10. Outside Accountants**

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

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

**Item 11. Corporation's Recordkeeping**

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

| <u>Name, Address, &amp; Telephone Number</u> | <u>Position(s) Held</u> |
|--|-------------------------|
|  |                         |
|  |                         |
|  |                         |
|  |                         |

**Item 12. Attorneys**

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

| <u>Name</u> | <u>Firm Name</u> | <u>Address</u> |
|-------------|------------------|----------------|
|             |                  |                |
|             |                  |                |
|             |                  |                |
|             |                  |                |
|             |                  |                |

**Item 13. Pending Lawsuits Filed by the Corporation**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Item 14. Current Lawsuits Filed Against the Corporation**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Item 15. Bankruptcy Information**

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

Commencement Date \_\_\_\_\_ Termination Date \_\_\_\_\_ Docket No. \_\_\_\_\_

If State Court: Court & County \_\_\_\_\_ If Federal Court: District \_\_\_\_\_

Disposition \_\_\_\_\_

**Item 16. Safe Deposit Boxes**

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

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

**FINANCIAL INFORMATION**

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

**Item 17. Tax Returns**

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

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

**Item 18. Financial Statements**

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

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

**Item 19. Financial Summary**

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

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

**Item 20. Cash, Bank, and Money Market Accounts**

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

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

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



**Item 21. Government Obligations and Publicly Traded Securities**

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

Issuer \_\_\_\_\_ Type of Security/Obligation \_\_\_\_\_

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

Issuer \_\_\_\_\_ Type of Security/Obligation \_\_\_\_\_

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

**Item 22. Real Estate**

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

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

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

Current Value \$ \_\_\_\_\_ Loan or Account No. \_\_\_\_\_

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

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

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

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

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

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

Current Value \$ \_\_\_\_\_ Loan or Account No. \_\_\_\_\_

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

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

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

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

**Item 23. Other Assets**

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

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

**Item 24. Trusts and Escrows**

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

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

**Item 25. Monetary Judgments and Settlements Owed To the Corporation**

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

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

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

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

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

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

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

**Item 26. Monetary Judgments and Settlements Owed By the Corporation**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Item 27. Government Orders and Settlements**

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

Name of Agency \_\_\_\_\_ Contact Person \_\_\_\_\_

Address \_\_\_\_\_ Telephone No. \_\_\_\_\_

Agreement Date \_\_\_\_\_ Nature of Agreement \_\_\_\_\_

**Item 28. Credit Cards**

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

Name of Credit Card or Store

Names of Authorized Users and Positions Held

|       |       |
|-------|-------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

**Item 29. Compensation of Employees**

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

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

**Item 30. Compensation of Board Members and Officers**

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

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

**Item 31. Transfers of Assets Including Cash and Property**

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

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



# **ATTACHMENT C**

**CONSENT TO RELEASE FINANCIAL RECORDS**

I, \_\_\_\_\_, of \_\_\_\_\_

\_\_\_\_\_ (City, State), do hereby direct any bank, saving and loan association, credit union, depository institution, finance company, commercial lending company, credit card processor, credit card processing entity, automated clearing house, network transaction processor, bank debit processing entity, brokerage house, escrow agent, money market or mutual fund, title company, commodity trading company, trustee, or person that holds, controls, or maintains custody of assets, wherever located, that are owned or controlled by me or at which there is an account of any kind upon which I am authorized to draw, and its officers, employees, and agents, to disclose all information and deliver copies of all documents of every nature in its possession or control which relate to the said accounts to any attorney of the Federal Trade Commission, and to give evidence relevant thereto, in the matter of the Federal Trade Commission v. Southeast Trust, LLC, *et al.*, now pending in the United States District Court of the Southern District of Florida, 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 of America which restrict or prohibit disclosure of bank or other financial information without the consent of the holder of the account, and shall be construed as consent with respect hereto, and the same shall apply to any of the accounts for which I may be a relevant principal.

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

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

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