

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

LANIER LAW LLC, a Florida limited liability company, also d/b/a **REDSTONE LAW GROUP** and as **LAW OFFICES OF MICHAEL W. LANIER**;

FORTRESS LAW GROUP LLC,
a Florida limited liability company;

SURETY LAW GROUP LLP,
a District of Columbia limited liability partnership;

LIBERTY & TRUST LAW GROUP OF FLORIDA LLC, a Florida limited liability company;

and

MICHAEL W. LANIER, individually and as an owner, officer, manager, and/or representative of the above-mentioned entities;

Defendants.

Civil Case No. 3:14-cv-786-J-34PDB

FILED UNDER SEAL

***EX PARTE* TEMPORARY RESTRAINING ORDER WITH AN ASSET
FREEZE AND OTHER EQUITABLE RELIEF, AND SCHEDULING A
PRELIMINARY INJUNCTION HEARING**

Plaintiff, the Federal Trade Commission (“FTC”), filed its Complaint seeking a permanent injunction and other equitable relief, pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b). The Complaint alleges the Defendants violated Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), the Mortgage Assistance Relief Services Rule (“MARS Rule”), 16 C.F.R. Part 322, recodified as Mortgage Assistance Relief Services (Regulation O), 12 C.F.R. Part 1015 (“Regulation O”), and the Telemarketing Sales Rule (“TSR”), 16 C.F.R. Part 310, in connection with the marketing and sale of mortgage assistance relief services. The FTC has applied *ex parte* for a temporary restraining order (“TRO” or “Order”) and order to show cause why a preliminary injunction should not issue pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b)(second proviso) and Rule 65(b) of the Federal Rules of Civil Procedure. See Plaintiff Federal Trade Commission’s Ex Parte Motion for a Temporary Restraining Order with Ancillary Equitable Relief and a Preliminary Injunction and Memorandum in Support of the Ex Parte Motion (TRO Motion).

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, Lanier Law LLC, also doing business as Redstone Law Group, Fortress Law Group LLC, Surety Law Group LLP, Liberty

& Trust Law Group of Florida LLC, and Michael W. Lanier, have engaged and are likely to continue to engage in acts or practices that violate Section 5(a) of the FTC Act, the MARS Rule, and the TSR, and that the FTC is therefore likely to prevail on the merits of this action;¹

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 of the MARS Rule, 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/or 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. There is a good cause to believe that this temporary restraining order with an asset freeze, immediate access to business premises, and other equitable relief is in the

¹ Consistent with temporary restraining order practice, this finding is based solely on the FTC's pleadings and declarations and is made for the purpose of resolving the TRO Motion. This conclusion does not foreclose the argument at the preliminary injunction hearing that the FTC cannot establish a likelihood of success on the merits.

public interest, and on the current record no private interest of the Defendants has been shown to outweigh the public interest.²

6. No security is required at this time.

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. “**Defendants**” means the Individual Defendant and the Corporate Defendants, individually, collectively, or in any combination, and each of them by whatever names each might be known.
 1. “**Corporate Defendants**” means Lanier Law LLC, also doing business as Redstone Law Group and the Law Offices of Michael W. Lanier, Fortress Law Group LLC, Surety Law Group LLP, and Liberty & Trust Law Group of Florida LLC, and their successors and assigns.
 2. “**Individual Defendant**” means Michael W. Lanier.

² Although the FTC requested the appointment of a receiver with broad receivership powers, the Court will deny that request at this time without prejudice to reconsideration at a subsequent hearing.

C. **“Document”** and **“Electronically Stored Information”** are synonymous in meaning and equal in scope to the usage of the term in Federal Rule of Civil Procedure 34(a), and includes, but are not limited to:

1. The original or true copy of any written, typed, printed, electronically stored, transcribed, taped, recorded, filmed, punched, or graphic matter or other data compilations of any kind, including, but not limited to, letters, email or other correspondence, messages, memoranda, interoffice communications, notes, reports, summaries, manuals, magnetic tapes or discs, tabulations, books, records, checks, invoices, work papers, journals, ledgers, statements, returns, reports, schedules, or files; and
2. Any electronically stored information stored on any computers (including, but not limited to, any server, workstation, or desktop, laptop, notebook or tablet), mobile communications device (including, but not limited to, Blackberrys, iPhones, and Smart Phones of any type or brand), flash drives, personal digital assistants, or any other electronic storage media, whether assigned to individuals or in pools of computers available for shared use, or personally owned but used for work-related purposes; back-up discs and tapes, archive disks and tapes, and other forms of offline storage, whether stored onsite with the computer used to generate them, stored offsite in another company facility, or stored, hosted, or otherwise maintained offside by a third-party; and computers and related offline storage used by Defendants or Defendants’

participating associates, which may include people who are not employees of the company or who do not work on company premises.

- D. **“Established Business Relationship”** means a relationship between a Seller and a person based on: (a) the person’s purchase, rental, or lease of the Seller’s goods or services or a financial transaction between the Seller and person, within the eighteen months immediately preceding the date of the Telemarketing call; or (b) the person’s inquiry or application regarding a product or service offered by the Seller, within the three months immediately preceding the date of a Telemarketing call.
- E. **“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.
- F. **“Mortgage assistance relief product or service”** means any product, service, plan, or program, offered or provided to the consumer in exchange for consideration, that is represented, expressly or by implication, to assist or attempt to assist the consumer with any of the following:
1. stopping, preventing, or postponing any mortgage or deed of trust foreclosure sale of the consumer’s dwelling, any repossession of the consumer’s dwelling, or otherwise saving the consumer’s dwelling from foreclosure or repossession;

2. negotiating, obtaining, or arranging a modification of any term of a dwelling loan, including a reduction in the amount of interest, principal balance, monthly payments, or fees;
3. obtaining any forbearance or modification in the timing of payments from any dwelling loan holder or servicer on any dwelling loan;
4. negotiating, obtaining, or arranging any extension of the period of time within which the consumer may (i) cure his or her default on a dwelling loan, (ii) reinstate his or her dwelling loan, (iii) redeem a dwelling; or (iv) exercise any right to reinstate a dwelling loan or redeem a dwelling;
5. obtaining any waiver of an acceleration clause or balloon payment contained in any promissory note or contract secured by any dwelling; or
6. negotiating, obtaining, or arranging (i) a short sale of a dwelling, (ii) a deed-in-lieu of foreclosure, (iii) or any other disposition of a dwelling other than a sale to a third party that is not the dwelling loan holder.

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

- G. **“National Do Not Call Registry”** means the “do-not-call” registry of telephone numbers maintained by the Commission pursuant to 16 C.F.R. § 310.4(b)(1)(iii)(B).
- H. **“Outbound Telephone Call”** means a telephone call initiated by a Telemarketer to induce the purchase of goods or services or to solicit a charitable contribution.

- I. “**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.
- J. “**Seller**” means any person who, in connection with a Telemarketing transaction, provides, offers to provide, or arranges for others to provide goods or services to the customer in exchange for consideration.
- K. “**Telemarketer**” means any person who, in connection with Telemarketing, initiates or receives telephone calls to or from a customer or donor.
- L. “**Telemarketing**” means a plan, program, or campaign which is conducted to induce the purchase of goods or services or charitable contribution, by use of one or more telephones and which involves more than one interstate telephone call.
- M. 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

Plaintiff Federal Trade Commission’s Ex Parte Motion for a Temporary Restraining Order with Ancillary Equitable Relief and a Preliminary Injunction and Memorandum in Support of the Ex Parte Motion is **GRANTED, in part, and DENIED, in part** as follows.

PROHIBITED REPRESENTATIONS

I. IT IS THEREFORE ORDERED that Defendants and their 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 indirectly, are hereby temporarily restrained and

enjoined from falsely representing, or assisting others who are falsely representing, expressly or by implication, any of the following:

1. That any Defendant or any other person typically will obtain mortgage loan modifications for consumers that will make consumers' payments substantially more affordable, or will help consumers avoid foreclosure; and
2. That any Defendant or any other person, as a result of various loan audits, including a forensic loan audit, typically will obtain mortgage loan modifications for consumers that will make the consumers' payments substantially more affordable, or will help consumers avoid foreclosure.

PROHIBITED AGAINST COLLECTING ADVANCE FEES

II. IT IS FURTHER ORDERED THAT Defendants and their 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 indirectly, in connection with the telemarketing, advertising, marketing, promotion, offering for sale or sale of any mortgage assistance relief product or service, are temporarily restrained and enjoined from asking for or receiving payment before the consumer has executed a written agreement between the consumer and the creditor, loan holder, or servicer of secured or unsecured debt that incorporates the offer obtained by Defendants on the consumer's behalf.

**FAILURE TO DISCLOSE INFORMATION REQUIRED BY MARS RULE
(REGULATION O)**

III. IT IS FURTHER ORDERED THAT Defendants and their 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, in connection with the telemarketing, advertising, marketing, promotion, offering for sale or sale of any mortgage assistance relief product or service, are temporarily restrained and enjoined from:

- A. Failing to make the following disclosure in all general and consumer-specific commercial communications: “[Name of Company] is not associated with the government, and our service is not approved by the government or your lender,” as required by 16 C.F.R. § 322.4(a)(1) and 322.4(b)(2), recodified at 12 C.F.R. § 1015.4(a)(1) and 1015.4(b)(2);
- B. Failing to make the following disclosure in all general and consumer-specific commercial communications: “Even if you accept this offer and use our service, your lender may not agree to change your loan,” as required by 16 C.F.R. § 322.4(a)(1) and 322.4(b)(3), recodified at 12 C.F.R. § 1015.4(a)(2) and 1015.4(b)(3);
- C. Failing to make the following disclosure in all general and consumer-specific commercial communications:

You may stop doing business with us at any time. You may accept or reject the offer of mortgage assistance we obtain from your lender [or

servicer]. If you reject the offer, you do not have to pay us. If you accept the offer, you will have to pay us [insert amount or method of calculating the amount] for our services.

as required by 16 C.F.R. § 322.4(b)(1), recodified at 12 C.F.R. § 1015.4(b)(1).

For the purposes of this Section, the amount “you will have to pay” shall consist of the total amount the consumer must pay to purchase, receive, and use all the mortgage assistance relief products or services that are subject to the sales offer, including but not limited to, all fees and charges;

- D. Failing, in all general commercial communications, consumer-specific commercial communications, and other communications in cases where any Defendant or any Defendant’s officers, agents, servants, employees, or attorneys has represented, expressly or by implication, in connection with the advertising, marketing, promotion, offering for sale, or performance of any mortgage assistance relief product or service, that the consumer should temporarily or permanently discontinue payments, in whole or in part, on a dwelling loan, to place clearly and prominently, and in close proximity to any such representation the following disclosure: “If you stop paying your mortgage, you could lose your home and damage your credit rating,” as required by 16 C.F.R. §322.4(c), recodified at 12 C.F.R. § 1015.4(c).

PROHIBITION AGAINST UNLAWFUL TELEMARKETING PRACTICES

IV. IT IS FURTHER ORDERED THAT Defendants and their 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 indirectly, in connection with Telemarketing, are temporarily restrained and enjoined from engaging in, causing others to engage in, or assisting others engaging in, any of the following practices:

- A. Initiating any Outbound Telephone Call to any person at a telephone number on the National Do Not Call Registry, unless Defendants prove that:
 - 1. Defendants have obtained the express agreement, in writing, of such person to place calls to that person. Such written agreement shall clearly evidence such person's authorization that calls made by or on behalf of Defendants may be placed to that person, and shall include the telephone number to which the calls may be placed and the signature of that person; or
 - 2. Defendants have an Established Business Relationship with such person, and that person has not previously stated that he or she does not wish to receive Outbound Telephone Calls made by or on behalf of Defendants;
- B. Initiating any Outbound Telephone Call to a person when that person has previously stated that he or she does not wish to receive an Outbound Telephone Call made by or on behalf of Defendants;
- C. Initiating any Outbound Telephone Call to a telephone number within a given area code when the annual fee for access to the telephone numbers within that

area code that are on the National Do Not Call Registry has not been paid by or on behalf of Defendants, unless the telephone call is:

1. a solicitation to induce charitable contributions;
2. to a business;
3. to persons who have given the Seller their express agreement, in writing and signed, to receive calls from Defendants; or
4. to persons who have an Established Business Relationship with Defendants.

PRESERVATION OF RECORDS AND TANGIBLE THINGS

V. IT IS FURTHER ORDERED THAT Defendants and their 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 indirectly, in connection with the telemarketing, advertising, marketing, promotion, offering for sale or sale of any mortgage assistance relief product or service, are temporarily restrained and enjoined from destroying, erasing, mutilating, concealing, altering, transferring, or otherwise disposing of or rendering inaccessible, in any manner, directly or indirectly, any documents or records that relate to the business practices of or business or personal finances of any Defendant or a person directly or indirectly under the control of a Defendant.

PROHIBITION ON RELEASE OF CONSUMER INFORMATION

VI. IT IS FURTHER ORDERED THAT, except as required by a law enforcement agency, law, regulation or court order, Defendants and their 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 indirectly, in connection with the telemarketing, advertising, marketing, promotion, offering for sale or sale of any mortgage assistance relief product or service, are temporarily restrained and enjoined from disclosing, using, or benefitting from consumer information, including name, address, telephone number, email address, social security number, other identifying information, or any data that enables access to a consumer's account (including a credit card, bank, or other financial account), of any person which any Defendant obtained prior to entry of this Order.

ASSET FREEZE

VII. IT IS FURTHER ORDERED that Defendants and their officers, agents, servants, employees, attorneys, and all other persons or entities in active concert or participation with any of them who receive actual notice of this Order by service or otherwise, 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), and 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 other 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. Notwithstanding the foregoing, while this Temporary Restraining Order remains in effect, Defendants may request permission from the FTC to distribute specific identifiable funds necessary to the completion of a client transaction, so long as such transaction is unrelated to any Mortgage

assistance relief product or service. No disbursement or distribution of funds shall be made absent written authorization from the FTC or the Court.

- H. Notwithstanding anything in this Order to the contrary, Defendant Michael W. Lanier may spend up to \$1,500 for necessary living expenses in the interim period between the time of service of this Order on him and the preliminary injunction hearing, provided that Defendant produces an accounting of these expenditures to the Court at the preliminary injunction hearing.

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, directly or indirectly, 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 accounts, assets, funds, or other property that are owned by, held in the name of, for the benefit of, or otherwise controlled by, directly or indirectly, 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; and
- C. Provide counsel for Plaintiff within three (3) business days after being served with a copy of this Order, a sworn 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;
 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.

FINANCIAL STATEMENTS AND ACCOUNTING

IX. IT IS FURTHER ORDERED that unless this Temporary Restraining Order has been dissolved, within fourteen (14) days of service of this Order, each Defendant 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, "Form Re: Financial Statement for Individual Defendant."
- B. For the Corporate Defendants, 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, "Form Re: Financial Statement for Business Entity 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, 2011. 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.

IDENTIFICATION OF FOREIGN ASSETS

XI. IT IS FURTHER ORDERED that, unless this Temporary Restraining Order has been dissolved, within fourteen (14) days following the service of this Order, each Defendant shall:

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.

FTC IMMEDIATE ACCESS TO BUSINESS PREMISES AND RECORDS

XII. IT IS FURTHER ORDERED that:

A. Defendants and their 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 indirectly, shall:

1. Immediately identify to FTC's counsel, its representatives or agents:
 - a. All of Corporate Defendants' premises, whether residential or non-residential, including all locations from which Corporate

Defendants conduct business, maintain sales operations, or maintain customer service operations;

- b. All locations of documents or electronically stored information related to Corporate Defendants, including but not limited to the name and location of any electronic data hosts; and
- c. All locations where assets belonging to any Corporate Defendant are stored or maintained;

2. Allow the FTC, its representatives or agents, immediate access to:

- a. All of the Defendants' business premises, including but not limited to, those located at (i) 4720 Salisbury Road, Jacksonville, FL, 32216, (ii) 4237 Salisbury Road, Suite 111, Suite 100 and Suite 108, Jacksonville, FL 32216, (iii) 6821 Southpoint Drive N, Suite 125, Jacksonville, FL, 32216, (iv) 1629 K Street NW, Suite 300, Washington DC, (v) 1425 K Street, Suite 350, Washington, DC, 20005, (vi) 2101 L Street NW, Suite 800, Washington DC, 20037, and (vii) such other business locations that are wholly or partially owned, rented, leased, or under the temporary or permanent control of any Defendant;
- b. Any other non-residence premises where the Defendants conduct business, collections operations, or customer service operations;

- c. Any non-residence premises where documents related to the Defendants' businesses are stored or maintained;
 - d. Any non-residence premises where assets belonging to any Defendant are stored or maintained; and
 - e. Any documents located at any of the locations described in this Section; and
3. Provide the FTC, its representatives and agents, with any necessary means of access to, copying of, and forensic imaging of documents or electronically stored information, including, without limitation, the locations of Corporate Defendants' business premises, keys and combinations to business premises locks, computer access codes of all computers used to conduct Corporate Defendants' business, access to (including but not limited to execution of any documents necessary for access to and forensic imaging of) any data stored, hosted or otherwise maintained by an electronic data host, and storage area access information.
- B. The FTC is authorized to employ the assistance of law enforcement officers to help effect service, to implement peacefully the provisions of this Order, and to keep the peace. The FTC, its representatives, and agents are authorized to enter the premises and facilities described in this Section to inspect, inventory, image, and copy documents or electronically stored information relevant to any matter contained in this Order. Counsel for the FTC, its representatives

and agents may exclude Defendants and their agents and employees from the business premises and facilities during the immediate access. No Defendant, agent, employee or other person shall interfere with the FTC's inspection, copying, and imaging of the Defendants' premises or documents.

- C. The FTC, its representatives and agents 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 thirty-six hours of removal.
- D. If Defendants locate any property, records, documents, or computer files relating to the Corporate Defendants' finances or business practices in the residence of the Individual Defendant or otherwise in the custody or control of the Individual Defendant, then such Defendant shall produce them to the FTC within twenty-four (24) hours of service of this Order.
- E. The FTC, its representatives and agents may also photograph or videotape the inside and outside of all premises to which they are permitted access by this Order, and all documents and other items found on such premises.

COOPERATION WITH FTC

XIII. IT IS FURTHER ORDERED that Defendants and their 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 indirectly, **shall fully cooperate** with and assist the FTC, its representatives and agents. Defendants' cooperation and assistance shall include, but not be limited to:

- A. Providing any username or password and executing any documents required to access any computer or electronic files in any medium, including but not limited to electronically stored information stored, hosted or otherwise maintained by an electronic data host;
- B. Advising all persons who owe money to the Corporate Defendants that such payments should be made to or deposited into only the specific account identified by the FTC after execution of this Order;
- C. Refraining from advising any person who owes money to the Corporate Defendants to pay the debt to anyone other than that specified by the FTC. In the event that Defendants receive any outstanding payments, they must immediately deposit the monies into the account specified by the FTC.

SERVICE OF THIS ORDER

XIV. IT IS FURTHER ORDERED that copies of this Order may be served by facsimile transmission, personal or overnight delivery, first class mail, electronic mail, or personally, by agents and employees of the FTC or any state or federal law enforcement agency, or by private process server, on: (1) Defendants; (2) any Financial Institution or Person that holds, controls, or maintains custody of any Documents or Assets of any Defendant; or (3) any other Financial Institution or Person that may be subject to any provision of this Order. Service upon any branch or office of any Financial Institution or entity shall effect service upon the entire Financial Institution or entity.

DISTRIBUTION OF ORDER BY DEFENDANTS

XV. 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 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

XVI. IT IS FURTHER ORDERED that, for the purposes of this Order, all correspondence and service of pleadings on Plaintiff shall be sent either via electronic transmission or via Federal Express to: Harold E. Kirtz, Federal Trade Commission, 225 Peachtree Street NE, Atlanta, Georgia, 30303. Email: hkirtz@ftc.gov; Telephone: (404) 656-1357; Facsimile: (404) 656-1379.

PRELIMINARY INJUNCTION HEARING

XVII. IT IS FURTHER ORDERED, pursuant to Federal Rule of Civil Procedure 65(b), that Defendants shall appear on the 15th day of July, 2014, at 2:00 p.m. at the United States Courthouse, Courtroom 10B, Jacksonville, Florida, for a hearing to determine whether this Temporary Restraining Order should be dissolved or converted to a preliminary injunction, pending final resolution of this action.³ The hearing is expected to be conducted in

³ All persons entering the Courthouse must present photo identification to Court Security Officers. Although

accordance with Local Rule 4.06, United States District Court, Middle District of Florida (Local Rule(s)), and Rule 65, Federal Rules of Civil Procedure. The case does not appear to involve the exceptional situation wherein the Court would allow the parties to submit evidence at the hearing. See Local Rule 4.06(b). Thus, the hearing will be limited to the written submissions and arguments of counsel.

In issuing this Temporary Restraining Order, the Court understands that Defendants have not yet been given an opportunity to be heard and emphasizes that it is not making a final decision on any request for preliminary injunctive relief. However, the Court is persuaded that issuing the Temporary Restraining Order until a full hearing can be held on the FTC's request for preliminary injunctive relief is the lawful and proper action.

SERVICE OF PLEADINGS

XVIII. 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 4:00 p.m. on Monday, July 14, 2014.

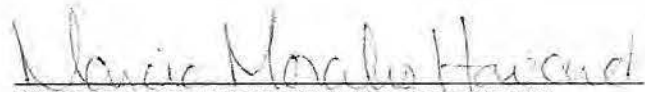
DURATION OF ORDER

XIX. IT IS FURTHER ORDERED that, unless earlier dissolved by Order of the Court, the Temporary Restraining Order granted herein shall expire on the 23rd day of July, 2014, at 11 o'clock a.m.

cell phones, laptop computers, and similar electronic devices generally are not permitted in the building, attorneys may bring those items with them upon presentation to Court Security Officers of a Florida Bar card (presentation of the Duval County Courthouse lawyer identification card will suffice) or Order of special admission pro hac vice. However, all cell phones must be turned off while in the courtroom.

XX. In all other respects the TRO Motion is **DENIED**.

IT IS SO ORDERED, this 9th day of July, 2014, at 11 o'clock a.m.


UNITED STATES DISTRICT JUDGE
MIDDLE DISTRICT OF FLORIDA