

1 BENJAMIN THEISMAN, *pro hac vice*  
btheisman@ftc.gov  
2 GREGORY J. MADDEN, *pro hac vice*  
gmadden@ftc.gov  
3 Federal Trade Commission  
600 Pennsylvania Ave., NW, CC-9528  
4 Washington, DC 20580  
(202) 326-2223; -2426; -3197 (facsimile)

5 THOMAS SYTA, Cal. Bar No. 116286  
tsyta@ftc.gov  
6 FEDERAL TRADE COMMISSION  
10877 Wilshire Blvd., Suite 700  
7 Los Angeles, CA 90024  
8 (310) 824-4343; (310) 824-4380 (facsimile)

9 Attorneys for Plaintiff  
FEDERAL TRADE COMMISSION

10  
11 **UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

12 **FEDERAL TRADE COMMISSION,**

13  
14 Plaintiff,

15 v.

16 DAMIAN KUTZNER, individually and as  
an officer of BROOKSTONE LAW P.C.  
17 (California), BROOKSTONE LAW P.C.  
(Nevada), ADVANTIS LAW P.C., and  
18 ADVANTIS LAW GROUP P.C.; VITO  
TORCHIA, JR., individually and as an  
19 officer of BROOKSTONE LAW P.C.  
(California) and BROOKSTONE LAW  
20 P.C. (Nevada); JONATHAN  
TARKOWSKI, individually and as an  
21 officer of BROOKSTONE LAW P.C.  
(California) and BROOKSTONE LAW  
22 P.C. (Nevada); R. GEOFFREY  
BRODERICK, individually and as an  
23 officer of ADVANTIS LAW P.C. and  
ADVANTIS LAW GROUP P.C.;  
24 CHARLES T. MARSHALL, individually  
and as an officer of ADVANTIS LAW  
25 P.C. and ADVANTIS LAW GROUP P.C.;  
BROOKSTONE LAW P.C., d/b/a  
26 BROOKSTONE LAW GROUP, a  
California professional corporation;  
27 BROOKSTONE LAW P.C., d/b/a  
BROOKSTONE LAW GROUP, a Nevada

Case No. CV16-00999-BRO (AFMx)

**EX PARTE TEMPORARY  
RESTRAINING ORDER  
WITH ASSET FREEZE,  
APPOINTMENT OF  
TEMPORARY RECEIVER,  
LIMITED EXPEDITED  
DISCOVERY, AND OTHER  
EQUITABLE RELIEF, AND  
ORDER TO SHOW CAUSE  
WHY PRELIMINARY  
INJUNCTION SHOULD NOT  
ISSUE**

**[LODGED UNDER SEAL]**

1 professional corporation; ADVANTIS  
2 LAW P.C., a California professional  
3 corporation; and ADVANTIS LAW  
4 GROUP P.C., a California professional  
5 corporation,

6 Defendants.

7 Plaintiff, the Federal Trade Commission (“FTC”), pursuant to Section 13(b)  
8 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), and the  
9 2009 Omnibus Appropriations Act, Public Law 111-8, Section 626, 123 Stat. 524,  
10 678 (Mar. 11, 2009) (“Omnibus Act”), as clarified by the Credit Card  
11 Accountability Responsibility and Disclosure Act of 2009, Public Law 111-24,  
12 Section 511, 123 Stat. 1734, 1763-64 (Mar. 22, 2009) (“Credit Card Act”), and  
13 amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act,  
14 Public Law 111-203, Section 1097, 124 Stat. 1376, 2102-03 (July 21, 2010)  
15 (“Dodd-Frank Act”), 12 U.S.C. § 5538, has filed a complaint to obtain temporary,  
16 preliminary, and permanent injunctive relief, rescission or reformation of contracts,  
17 restitution, the refund of monies paid, disgorgement of ill-gotten monies, and other  
18 equitable relief for Defendants’ acts or practices in violation of Section 5(a) of the  
19 FTC Act, 15 U.S.C. § 45(a), and the Mortgage Assistance Relief Services Rule  
20 (“MARS Rule”), 16 C.F.R. Part 322, recodified as Mortgage Assistance Relief  
21 Services, 12 C.F.R. Part 1015 (“Regulation O”), and has applied for a temporary  
22 restraining order pursuant to Rule 65(b) of the Federal Rules of Civil Procedure.

23 **FINDINGS OF FACT**

24 This Court, having considered the FTC’s Complaint, *ex parte* application,  
25 declarations, exhibits, and memoranda filed in support of the FTC’s application,  
26 and the evidence presented, finds the facts in its Order dated June 1, 2016 (Dkt.  
27 No. 22.):  
28

1 **DEFINITIONS**

2 For the purposes of this Temporary Restraining Order, the following  
3 definitions apply:

4 A. **“Asset”** or **“Assets”** means any legal or equitable interest in, right to,  
5 or claim to, any and all real and personal property of Defendants, or held for the  
6 benefit of Defendants, wherever located, whether in the United States or abroad,  
7 including but not limited to chattel, goods, instruments, equipment, fixtures,  
8 general intangibles, effects, leaseholds, contracts, mail or other deliveries,  
9 inventory, checks, notes, accounts, credits, receivables (as those terms are defined  
10 in the Uniform Commercial Code), shares of stock, futures, all cash or currency,  
11 and trusts, and shall include both existing Assets and Assets acquired after the date  
12 this order is signed, or any interest therein.

13 B. **“Asset Freeze Accounts”** includes accounts that are held by or for the  
14 benefit of, or controlled by, directly or indirectly, any Corporate Defendant,  
15 Individual Defendant, Broad Base Inc., Federal Management Systems Inc., Black  
16 Gold Leasing Inc., Doheny Development Corporation, HTM LLC, Liberty  
17 Management Group Inc., Scripts Development Inc., Serious Pimp Inc., UHG Inc.,  
18 United Holdings and Acquisitions Inc., Vizcayan Corporation, and ZEC  
19 Management Corp. Asset Freeze Accounts also includes the following accounts,  
20 identified by the account holder, the Financial Institution, and last four digits of the  
21 account number:

- 22 1. Advantis Law, Bank of America, No. unknown;
- 23 2. Advantis Law, California Republic Bank, No. unknown;
- 24 3. Black Gold Leasing Inc., JPMorgan Chase, 7178;
- 25 4. Broad Base Inc., JPMorgan Chase, 3379;
- 26 5. Broad Base Inc., JPMorgan Chase, 3819;
- 27 6. Brookstone Law P.C., JPMorgan Chase, 9552;

- 1 7. Brookstone Law P.C., JPMorgan Chase, 8561;
- 2 8. Brookstone Law P.C., JPMorgan Chase, 7928;
- 3 9. Brookstone Law P.C., JPMorgan Chase, 8769;
- 4 10. Brookstone Law P.C., JPMorgan Chase, 8819;
- 5 11. Brookstone Law P.C., JPMorgan Chase, 6317;
- 6 12. Brookstone Law P.C., JPMorgan Chase, 9052;
- 7 13. Brookstone Law P.C., Bank of America, 0081;
- 8 14. Brookstone Law P.C., Bank of America, 0097;
- 9 15. Brookstone Law P.C., Bank of America, 0098;
- 10 16. Brookstone Law P.C., Bank of America, 0099;
- 11 17. Brookstone Law P.C., Bank of America, 2747;
- 12 18. Brookstone Law P.C., Bank of America, 2748;
- 13 19. Brookstone Law P.C., Bank of America, 2909;
- 14 20. Brookstone Law P.C., Bank of America, 3466;
- 15 21. Brookstone Law P.C., Bank of America, 8722;
- 16 22. Brookstone Law P.C., Bank of America, 8735;
- 17 23. Brookstone Law P.C., Bank of America, 7366;
- 18 24. Brookstone Law P.C., CitiBank, No. unknown;
- 19 25. Charles T. Marshall, JPMorgan Chase, 4691;
- 20 26. Charles T. Marshall, JPMorgan Chase, 4708;
- 21 27. Charles T. Marshall, JPMorgan Chase, 6085;
- 22 28. Charles T. Marshall, JPMorgan Chase, 7957;
- 23 29. Charles T. Marshall, JPMorgan Chase, 8120;
- 24 30. Charles T. Marshall, JPMorgan Chase, 2107;
- 25 31. Charles T. Marshall, Bank of America, 1763;
- 26 32. Damian Kutzner, JPMorgan Chase, 9111;
- 27 33. Doheny Development Corp., JPMorgan Chase, 5983;
- 28

- 1 34. Federal Management Systems Inc., JPMorgan Chase, 2850;
- 2 35. Geoffrey Broderick, JPMorgan Chase, 9253;
- 3 36. Geoffrey Broderick, JPMorgan Chase, 3571;
- 4 37. Geoffrey Broderick, JPMorgan Chase, 4891;
- 5 38. Geoffrey Broderick, JPMorgan Chase, 9914;
- 6 39. Geoffrey Broderick, JPMorgan Chase, 6319;
- 7 40. Geoffrey Broderick, JPMorgan Chase, 9209;
- 8 41. Vito Torchia, JPMorgan Chase, 8371;
- 9 42. Vito Torchia, JPMorgan Chase, 3853;
- 10 43. Vito Torchia, JPMorgan Chase, 7060;
- 11 44. Vito Torchia, JPMorgan Chase, 8993;
- 12 45. Vito Torchia, JPMorgan Chase, 5587;
- 13 46. Vito Torchia, JPMorgan Chase, 7490;
- 14 47. Vito Torchia, JPMorgan Chase, 9320; and
- 15 48. Vizcayan Corporation, JPMorgan Chase, 7307.

16 C. **“Assisting others”** includes but is not limited to: (1) performing  
17 customer service functions, including, but not limited to, receiving or responding  
18 to consumer complaints; (2) formulating or providing, or arranging for the  
19 formulation or provision of, any advertising or marketing material, including but  
20 not limited to, any telephone sales script, direct mail solicitation, or the design,  
21 text, or use of images of any Internet website, email, or other electronic  
22 communications; (3) formulating or providing, or arranging for the formulation or  
23 provision of, any marketing support material or service, including but not limited  
24 to, web or Internet Protocol addresses or domain name registration for any Internet  
25 websites, affiliate marketing services, or media placement services; (4) providing  
26 names of, or assisting in the generation of, potential customers; (5) performing or  
27 providing marketing, billing, or payment services of any kind; (6) acting or serving  
28

1 as an owner, officer, director, manager, or principal of any entity; (7) providing  
2 telemarketing services; or (8) consulting with regard to any of the above.

3 D. **“Corporate Defendants”** means, collectively, Advantis Law P.C.,  
4 Advantis Law Group P.C., Brookstone Law P.C. (California), Brookstone Law  
5 P.C. (Nevada), and their successors, assigns, affiliates, or subsidiaries, and each of  
6 them by whatever names each might be known.

7 E. **“Defendants”** means all Individual Defendants, Corporate  
8 Defendants, and their successors, assigns, affiliates, subsidiaries, or agents,  
9 individually, collectively, or in any combination, and each of them by whatever  
10 names each might be known.

11 F. **“Document”** is synonymous in meaning and equal in scope to the  
12 terms “Document” and “electronically stored information,” as described and used  
13 in the Federal Rules of Civil Procedure. This includes, but is not limited to,  
14 electronic mail, instant messaging, videoconferencing, and other electronic  
15 correspondence (whether active, archived, or in a deleted items folder), word  
16 processing files, spreadsheets, databases, and video and sound recordings, whether  
17 stored on: cards; magnetic or electronic tapes; disks; computer hard drives,  
18 network shares or servers, or other drives; cloud-based platforms; cell phones,  
19 PDAs, computer tablets, or other mobile devices; or other storage media.

20 G. **“Electronic Data Host”** means any person or entity in the business of  
21 storing, hosting, or otherwise maintaining electronically stored information. This  
22 includes, but is not limited to, any entity hosting a website or server, and any entity  
23 providing “cloud based” electronic storage.

24 H. **“Financial Institution”** means any bank, savings and loan institution,  
25 credit union, payment processor, trust, or any financial depository of any kind,  
26 including but not limited to, any brokerage house, trustee, broker-dealer, escrow  
27 agent, title company, commodity trading company, or precious metal dealer.

28

1 I. **“Individual Defendants”** means, collectively, Damian Kutzner, Vito  
2 Torchia, Jonathan Tarkowski, Geoffrey Broderick, Charles Marshall, and any other  
3 names they may have used, be known by or have been known by.

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

8 1. stopping, preventing, or postponing any mortgage or deed of  
9 trust foreclosure sale for the consumer’s dwelling, any repossession of the  
10 consumer’s dwelling, or otherwise saving the consumer’s dwelling from  
11 foreclosure or repossession;

12 2. negotiating, obtaining, or arranging a modification of any term  
13 of a dwelling loan, including a reduction in the amount of interest, principal  
14 balance, monthly payments, or fees;

15 3. obtaining any forbearance or modification in the timing of  
16 payments from any dwelling loan holder or servicer on any dwelling loan;

17 4. negotiating, obtaining, or arranging any extension of the period  
18 of time within which the consumer may (i) cure his or her default on a dwelling  
19 loan, (ii) reinstate his or her dwelling loan, (iii) redeem a dwelling, or (iv) exercise  
20 any right to reinstate a dwelling loan or redeem a dwelling;

21 5. obtaining any waiver of an acceleration clause or balloon  
22 payment contained in any promissory note or contract secured by any dwelling; or

23 6. negotiating, obtaining, or arranging (i) a short sale of a  
24 dwelling, (ii) a deed-in-lieu of foreclosure, (iii) or any other disposition of a  
25 dwelling loan other than a sale to a third party that is not the dwelling loan holder.

26 The foregoing shall include any manner of claimed assistance, including, but  
27 not limited to, auditing or examining a consumer’s mortgage or home loan  
28



1 application and offering to provide or providing legal services, or offering to sell a  
2 consumer a plan or subscription to a service that provides such assistance.

3 K. **“Person”** means any individual, group, unincorporated association,  
4 limited or general partnership, corporation or other business entity.

5 L. **“Plaintiff”** means the Federal Trade Commission (“Commission” or  
6 “FTC”).

7 M. **“Receivership Entities”** means Corporate Defendants and any  
8 entities that are part of Defendants’ common enterprise, including but not limited  
9 to Broad Base Inc. and Federal Management Systems Inc. “Receivership Entities”  
10 includes businesses that lack formal legal structure (such as businesses operating  
11 under fictitious business names), but that otherwise satisfy the definition of  
12 “Receivership Entity.”

13 N. **“Temporary Receiver”** means the Temporary Receiver appointed in  
14 this Order. The term “Temporary Receiver” also includes any deputy receivers or  
15 agents as may be named by the Temporary Receiver.

16 **I. PROHIBITED REPRESENTATIONS**

17 **IT IS THEREFORE ORDERED** that Defendants, Defendants’ officers,  
18 agents, servants, employees, and attorneys, and all other persons in active concert  
19 or participation with any of them, who receive actual notice of this Order, whether  
20 acting directly or indirectly, in connection with the advertising, marketing,  
21 promotion, offering for sale, sale, or performance of any service or product, are  
22 temporarily restrained and enjoined from misrepresenting or assisting others in  
23 misrepresenting, expressly or by implication:

24 A. Defendants are likely to obtain relief for consumers, including “at  
25 least \$75,000” or consumers’ homes free and clear;

26 B. Defendants will seek to void consumers’ mortgages;



1 C. Defendants have a team of experienced lawyers and personnel to  
2 litigate mass joinder cases alleging lender fraud and related claims; and

3 D. Defendants will file lawsuits on particular consumers' behalf.

4 **II. PRESERVATION OF RECORDS AND TANGIBLE THINGS**

5 **IT IS FURTHER ORDERED** that Defendants, Defendants' officers,  
6 agents, servants, employees, and attorneys, and all other persons in active concert  
7 or participation with any of them, who receive actual notice of this Order, whether  
8 acting directly or indirectly, in connection with the advertising, marketing,  
9 promotion, offering for sale, sale, or provision of any product or service, are  
10 hereby temporarily restrained and enjoined from destroying, erasing, mutilating,  
11 concealing, altering, transferring, or otherwise disposing of, in any manner,  
12 directly or indirectly, any Documents or records that relate to the business  
13 practices, or business and personal finances, of Defendants, or an entity directly or  
14 indirectly under the control of Defendants.

15 **III. DISABLEMENT OF WEBSITES AND PRESERVATION OF**  
16 **ELECTRONICALLY STORED INFORMATION**

17 **IT IS FURTHER ORDERED** that, immediately upon service of the Order  
18 upon them and pending determination of the FTC's request for a preliminary  
19 injunction, (1) any Electronic Data Host and (2) Defendants, Defendants' officers,  
20 agents, servants, employees, and attorneys, and all other persons in active concert  
21 or participation with any of them, who receive actual notice of this Order, whether  
22 acting directly or indirectly, shall:

23 A. Immediately take all necessary steps to ensure that any Internet  
24 website used by Defendants for the advertising, marketing, promotion, offering for  
25 sale, sale, or provision of services or products relating to consumers' mortgages or  
26 containing statements or representations prohibited by Section I of this Order  
27 cannot be accessed by the public; and  
28

1           B.     Prevent the alteration, destruction or erasure of any (1) Internet  
2 website used by Defendants for the advertising, marketing, promotion, offering for  
3 sale, sale, or provision of services or products relating to consumers' mortgages by  
4 preserving such websites in the format in which they are maintained currently and  
5 (2) any electronically stored information stored on behalf of Corporate Defendants,  
6 or entities in active concert or participation with any of them.

7           **IV.    SUSPENSION OF INTERNET DOMAIN NAME REGISTRATIONS**

8           **IT IS FURTHER ORDERED** that, pending determination of the FTC's  
9 request for a preliminary injunction, any domain name registrar shall suspend the  
10 registration of any Internet website used by Defendants for the advertising,  
11 marketing, promotion, offering for sale, sale, or provision of services or products  
12 relating to consumers' mortgages or containing statements or representations  
13 prohibited by Section I of this Order and provide immediate notice to counsel for  
14 the FTC of any other Internet domain names registered by Defendants,  
15 Defendants' officers, agents, servants, employees, and attorneys, and all other  
16 persons in active concert or participation with any of them who receive actual  
17 notice of this Order by personal service or otherwise.

18           **V.    PROHIBITION ON USE OF CUSTOMER INFORMATION**

19           **IT IS FURTHER ORDERED** that Defendants, and Defendants' officers,  
20 agents, directors, servants, employees, salespersons, and attorneys, as well as all  
21 other persons or entities in active concert or participation with them, who receive  
22 actual notice of this Order by personal service or otherwise, whether acting directly  
23 or through any trust, corporation, subsidiary, division, or other device, are hereby  
24 temporarily restrained and enjoined from using, benefitting from, selling, renting,  
25 leasing, transferring, or otherwise disclosing the name, address, telephone number,  
26 email address, Social Security number, credit card number, debit card number,  
27 bank account number, any financial account number, or any data that enables  
28

1 access to any customer's account, or other identifying information of any person  
2 which any Defendant obtained prior to when this Order is signed in connection  
3 with the marketing or sale of any good or service, including those who were  
4 contacted or are on a list to be contacted by any of the Defendants; provided that  
5 Defendants may disclose such identifying information to the Temporary Receiver,  
6 a law enforcement agency, or as required by any law, regulation, or court order.

7 **VI. ASSET FREEZE**

8 **IT IS FURTHER ORDERED** that Defendants, and their officers, agents,  
9 servants, employees, and attorneys, and all other persons or entities directly or  
10 indirectly under the control of any of them, and all other persons or entities in  
11 active concert or participation with any of them who receive actual notice of this  
12 Order are hereby temporarily restrained and enjoined from directly or indirectly:

13 A. Transferring, liquidating, converting, encumbering, pledging, loaning,  
14 selling, concealing, dissipating, disbursing, assigning, spending, withdrawing,  
15 granting a lien or security interest or other interest in, or otherwise disposing of any  
16 Assets, or any interest therein, wherever located, including outside the United  
17 States, that are:

- 18 1. Asset Freeze Accounts;
- 19 2. owned or controlled, directly or indirectly, by any Defendant, in  
20 whole or in part, or held, in whole or in part, for the benefit of any Defendant;
- 21 3. in the actual or constructive possession of any Defendant;
- 22 4. owned, controlled by, or in the actual or constructive possession  
23 of any corporation, partnership, or other entity directly or indirectly owned,  
24 managed, or controlled by, or under common control with any Defendant,  
25 including any entity acting under a fictitious name owned by or controlled by any  
26 Defendant, and any Assets held by, for, or under the name of any Defendant at any  
27 bank or savings and loan institution, or with any broker-dealer, escrow agent, title  
28

1 company, commodity trading company, payment processing company, precious  
2 metal dealer, or other Financial Institution or depository of any kind;

3 B. Opening or causing to be opened any safe deposit boxes titled in the  
4 name of any Defendant, or subject to access by any Defendant;

5 C. Incurring charges or cash advances on any credit card, debit card, or  
6 checking card issued in the name, singly or jointly, of any Defendant;

7 D. Obtaining a personal or secured loan;

8 E. Incurring liens or encumbrances on real property, personal property or  
9 other Assets in the name, singly or jointly, of any Defendant; and

10 F. Cashing any checks or depositing any money orders or cash received  
11 from consumers, clients, or customers of any Defendant.

12 **IT IS FURTHER ORDERED** that the Assets affected by this Section shall  
13 include: (1) all Assets of Defendants as of the time this Order is signed; and (2) for  
14 Assets obtained after the time this Order is signed, those Assets of Defendants that  
15 are derived, directly or indirectly, from the Defendants' activities as described in  
16 the Commission's Complaint, including the activities of any Receivership Entity.  
17 This Section does not prohibit transfers to the Temporary Receiver, as specifically  
18 required in the Section titled "Transfer of Funds to the Temporary Receiver by  
19 Financial Institutions and Other Third Parties," nor does it prohibit the repatriation  
20 of foreign Assets, as specifically required in the Section titled "Repatriation of  
21 Foreign Assets" of this Order.

22 **VII. RETENTION OF ASSETS AND DOCUMENTS BY THIRD PARTIES**

23 **IT IS FURTHER ORDERED** that, pending determination of the FTC's  
24 request for a preliminary injunction, any Financial Institution, business entity,  
25 Electronic Data Host, or person served with a copy of this Order that holds,  
26 controls, or maintains custody of any account, Document, or Asset of, on behalf of,  
27 in the name of, for the benefit of, subject to withdrawal by, subject to access or use  
28

1 by, or under the signatory power of any Defendant, or other party subject to the  
2 Asset Freeze above, or has held, controlled, or maintained any such account,  
3 Document, or Asset, shall:

4 A. Hold, preserve, and retain within such entity's or person's control, and  
5 prohibit the withdrawal, removal, alteration, assignment, transfer, pledge,  
6 hypothecation, encumbrance, disbursement, dissipation, conversion, sale,  
7 liquidation, or other disposal of such account, Document, or Asset held by or under  
8 such entity's or person's control, except as directed by further order of the Court;

9 B. Provide the Temporary Receiver immediate access to electronically  
10 stored information stored, hosted, or otherwise maintained on behalf of any  
11 Defendants for forensic imaging;

12 C. Deny access to any safe deposit boxes that are either titled in the name  
13 of, individually or jointly, or subject to access by, any Defendant or other party  
14 subject to the Asset Freeze above; and

15 D. Provide to counsel for the FTC, within one (1) business day, a sworn  
16 statement setting forth:

17 1. the identification of each account or Asset titled in the name,  
18 individually or jointly, or held on behalf of or for the benefit of, subject to  
19 withdrawal by, subject to access or use by, or under the signatory power of any  
20 Defendant or other party subject to the Asset Freeze above;

21 2. the balance of each such account, or a description of the nature  
22 and value of such Asset, as of the close of business on the day on which this Order  
23 is served, the day before the Order is served, and the average daily balance for the  
24 six months before the Order is served;

25 3. the identification of any safe deposit box that is either titled in  
26 the name of, individually or jointly, or is otherwise subject to access or control by,  
27 any Defendant or other party subject to the Asset Freeze above; and  
28

1           4.     if the account, safe deposit box, or other Asset has been closed  
2 or removed, the date closed or removed, the balance on said date, and the name or  
3 the person or entity to whom such account or other Asset was remitted;

4           E.     Provide counsel for the FTC, within three (3) business days after  
5 being served with a request, copies of all Documents pertaining to such account or  
6 Asset, including but not limited to: account statements, account applications,  
7 signature cards, underwriting files, checks, deposit tickets, transfers to and from  
8 the accounts, wire transfers, all other debit and credit instruments or slips, 1099  
9 forms, and safe deposit box logs; and

10          F.     Cooperate with all reasonable requests of the FTC relating to this  
11 Order's implementation.

12           **IT IS FURTHER ORDERED** that this Section shall apply to both existing  
13 Documents, records, and Assets and to Documents, records, and Assets acquired  
14 after the date this Order is signed. This Section does not prohibit transfers to the  
15 Temporary Receiver, as specifically required in the Section titled "Transfer of  
16 Funds to the Temporary Receiver by Financial Institutions and Other Third  
17 Parties," nor does it prohibit the repatriation of foreign Assets, as specifically  
18 required in the Section titled "Repatriation of Foreign Assets" of this Order.

19           **VIII. FINANCIAL STATEMENTS AND ACCOUNTING**

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

23           A.     For Individual Defendants, a completed financial statement, accurate  
24 as of the date of service of this Order upon such Defendant, in the form of  
25 Attachment A to this Order captioned "Financial Statement of Individual  
26 Defendant."  
27  
28





1 attached to this Order as Attachment C and by signing any other Documents  
2 required by any person, including any Financial Institution, or other person holding  
3 any such Asset.

4 **XI. NON-INTERFERENCE WITH REPATRIATION**

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

14 A. Sending any statement, letter, fax, email or wire transmission, or  
15 telephoning or engaging in any other act, directly or indirectly, that results in a  
16 determination by a foreign trustee or other entity that a “duress” event has occurred  
17 under the terms of a foreign trust agreement until such time that all Assets have  
18 been fully repatriated pursuant to the “Repatriation of Assets” Section of this  
19 Order; or

20 B. Notifying any trustee, protector, or other agent of any foreign trust or  
21 other related entities of either the existence of this Order, or of the fact that  
22 repatriation is required pursuant to a court order, until such time that all Assets  
23 have been fully repatriated pursuant to “Repatriation of Assets” Section of this  
24 Order.

25 **XII. RECORDKEEPING AND BUSINESS OPERATIONS**

26 **IT IS FURTHER ORDERED** that Defendants are hereby temporarily  
27 restrained and enjoined from:  
28

1           A.     Failing to maintain Documents that, in reasonable detail, accurately,  
2 fairly, and completely reflect their incomes, disbursements, transactions, and use of  
3 money;

4           B.     Creating, operating, or exercising any control over any business  
5 entity, including any partnership, limited partnership, joint venture, sole  
6 proprietorship, limited liability company or corporation, without first providing the  
7 Commission with a written statement disclosing: (1) the name of the business  
8 entity; (2) the address and telephone number of the business entity; (3) the names  
9 of the business entity's officers, directors, principals, managers, and employees;  
10 and (4) a detailed description of the business entity's intended activities; and

11           C.     Affiliating with, becoming employed by, or performing any work for  
12 any business that is not a named Defendant in this action without first providing  
13 the Commission with a written statement disclosing: (1) the name of the business;  
14 (2) the address and telephone number of the business; and (3) a detailed description  
15 of the nature of the business or employment and the nature of the Defendant's  
16 duties and responsibilities in connection with that business or employment.

17                   **XIII. APPOINTMENT OF TEMPORARY RECEIVER**

18           **IT IS FURTHER ORDERED** that Thomas W. McNamara of San Diego,  
19 California is appointed Temporary Receiver for the Receivership Entities, with the  
20 full power of an equity Receiver. The Temporary Receiver shall be the agent of  
21 this Court and solely the agent of this Court in acting as Temporary Receiver under  
22 this Order. The Temporary Receiver shall be accountable directly to this Court.  
23 The Temporary Receiver shall comply with all local rules and laws governing  
24 federal equity receivers.

25                   **XIV. COOPERATION WITH THE TEMPORARY RECEIVER**

26           **IT IS FURTHER ORDERED** that Defendants shall fully cooperate with  
27 and assist the Temporary Receiver. Defendants' cooperation and assistance shall  
28

1 include, but not be limited to, providing any information to the Temporary  
2 Receiver that the Temporary Receiver deems necessary to exercise the authority  
3 and discharge the responsibilities of the Temporary Receiver under this Order;  
4 providing any login, password, or biometric identifier required to access any  
5 computer or electronic files or information in or on any medium; and advising all  
6 persons who owe money to the Receivership Entities that all debts should be paid  
7 directly to the Temporary Receiver. Defendants are hereby restrained and enjoined  
8 from directly or indirectly:

9 A. Transacting any of the business of the Receivership Entities;

10 B. Excusing debts owed to the Receivership Entities;

11 C. Destroying, secreting, defacing, transferring, or otherwise altering or  
12 disposing of any Documents of the Receivership Entities;

13 D. Transferring, receiving, altering, selling, encumbering, pledging,  
14 assigning, liquidating, or otherwise disposing of any Assets owned, controlled, or  
15 in the possession or custody of, or in which an interest is held or claimed by, the  
16 Receivership Entities, or the Temporary Receiver;

17 E. Failing to provide any assistance or information requested by the  
18 Temporary Receiver in connection with obtaining possession, custody, or control  
19 of any Assets within the receivership estate that the Receiver or the FTC has  
20 identified; or

21 F. Doing any act or thing whatsoever to interfere with the Temporary  
22 Receiver's taking and keeping custody, control, possession, or managing of the  
23 Assets or Documents subject to this receivership; or to harass or interfere with the  
24 Temporary Receiver in any way; or to interfere in any manner with the exclusive  
25 jurisdiction of this Court over the Assets or Documents of the Receivership  
26 Entities; or to refuse to cooperate with the Temporary Receiver or the Temporary  
27  
28

1 Receiver's duly authorized agents in the exercise of their duties or authority under  
2 any Order of this Court.

3 **XV. DUTIES AND AUTHORITY OF TEMPORARY RECEIVER**

4 **IT IS FURTHER ORDERED** that the Temporary Receiver is directed and  
5 authorized to accomplish the following:

6 A. Assume full control of the Receivership Entities by removing, as the  
7 Temporary Receiver deems necessary or advisable, any director, officer,  
8 independent contractor, employee, attorney, or agent of any Receivership Entity  
9 from control of, management of, or participation in, the affairs of the Receivership  
10 Entities;

11 B. Take exclusive custody, control, and possession of all Assets and  
12 Documents of, or in the possession, custody, or under the control of, any  
13 Receivership Entity, wherever situated. The Temporary Receiver shall have full  
14 power to divert mail and to sue for, collect, receive, take possession of, hold, and  
15 manage all Assets and Documents of the Receivership Entities and other persons  
16 or entities whose interests are now held by or under the direction, possession,  
17 custody, or control of the Receivership Entities;

18 C. Take all steps necessary to secure the business premises of the  
19 Receivership Entities, which may include, but are not limited to, taking the  
20 following steps as the Temporary Receiver deems necessary or advisable:  
21 (1) serving and filing this Order; (2) completing a written inventory of all  
22 receivership Assets; (3) obtaining pertinent information from all employees and  
23 other agents of the Receivership Entities, including, but not limited to, the name,  
24 home address, Social Security number, job description, method of compensation,  
25 and all accrued and unpaid commissions and compensation of each such employee  
26 or agent; (4) video-recording and/or photographing all portions of the location at  
27 which any Receivership Entity conducts business or has Assets; (5) changing the  
28

1 locks and disconnecting any computer networks or other means of access to  
2 electronically stored information or other Documents maintained at that location;  
3 or (6) requiring any persons present on the premises at the time this Order is served  
4 to leave the premises, to provide the Temporary Receivers with proof of  
5 identification, and/or to demonstrate to the satisfaction of the Temporary Receiver  
6 that such persons are not removing from the premises Documents or Assets of the  
7 Receivership Entities. Such authority shall include, but not be limited to, the  
8 authority to order any owner, director, officer, employee, or agent of the  
9 Receivership Entities to leave the business premises;

10 D. Conserve, hold, and manage all receivership Assets, and perform all  
11 acts necessary or advisable to preserve the value of those Assets, in order to  
12 prevent any irreparable loss, damage, or injury to consumers, including, but not  
13 limited to, obtaining an accounting of the Assets and preventing the transfer,  
14 withdrawal, or misapplication of Assets;

15 E. Enter into contracts and purchase insurance as advisable or necessary;

16 F. Prevent the inequitable distribution of Assets and determine, adjust,  
17 and protect the interests of consumers and creditors who have transacted business  
18 with the Receivership Entities;

19 G. Manage and administer the business of the Receivership Entities until  
20 further order of this Court by performing all incidental acts that the Temporary  
21 Receiver deems to be advisable or necessary, which includes retaining, hiring, or  
22 dismissing any employees, independent contractors, or agents;

23 H. Continue and conduct the businesses of the Defendants in such  
24 manner, to such extent, and for such duration as the Temporary Receiver may in  
25 good faith deem to be necessary or appropriate to operate the businesses profitably,  
26 using the Assets of the receivership estate, and lawfully, if at all;

1 I. Choose, engage, and employ attorneys, accountants, appraisers,  
2 investigators, and other independent contractors and technical specialists, as the  
3 Temporary Receiver deems advisable or necessary in the performance of their  
4 duties and responsibilities, including but not limited to the law firm in which the  
5 Receiver is a partner;

6 J. Make payments and disbursements from the receivership estate that  
7 are necessary or advisable for carrying out the directions of, or exercising the  
8 authority granted by, this Order. The Temporary Receiver shall apply to the Court  
9 for prior approval of any payment of any debt or obligation incurred by the  
10 Receivership Entities prior to the date this Order is signed, except payments that  
11 the Temporary Receiver deems necessary or advisable to secure Assets of the  
12 Receivership Entities, such as rental payments;

13 K. Collect any money due or owing to the Receivership Entities;

14 L. Institute, compromise, adjust, appear in, intervene in, or become party  
15 to such actions or proceedings in state, federal or foreign courts that the Temporary  
16 Receiver deems necessary and advisable to preserve or recover the Assets of the  
17 Receivership Entities, or to carry out the Temporary Receiver's mandate under this  
18 Order;

19 M. Defend, compromise, adjust, or otherwise dispose of any or all actions  
20 or proceedings instituted against the Receivership Entities or the Temporary  
21 Receiver that the Temporary Receiver deems necessary and advisable to preserve  
22 the Assets of the Receivership Entities, or to carry out the Temporary Receiver's  
23 mandate under this Order;

24 N. Take depositions and issue subpoenas to obtain Documents and  
25 records pertaining to the receivership and compliance with this Order. Subpoenas  
26 may be served by electronic mail, by agents or attorneys of the Temporary  
27 Receiver and by agents of any process server retained by the Temporary Receiver;  
28

1 O. Open one or more bank accounts as designated depositories for funds  
2 of the Receivership Entities. The Temporary Receiver shall deposit all funds of  
3 the Receivership Entities in such a designated account and shall make all payments  
4 and disbursements from the receivership estate from such an account;

5 P. Maintain accurate records of all receipts and expenditures made by the  
6 Temporary Receiver;

7 Q. Cooperate with reasonable requests for information or assistance from  
8 any state or federal law enforcement agency;

9 R. Permit, within the Temporary Receiver's discretion, copies of client  
10 files to be given to a lawyer working for a Receivership Entity if the files relate to  
11 a matter other than one within the scope of the allegations in the Complaint;

12 S. File, within the Temporary Receiver's discretion, notices in any  
13 ongoing litigation being conducted by a lawyer working for or with the  
14 Receivership Entity, informing that court and the parties, that the Receivership  
15 Entities have been placed in a receivership, that the Receivership Entities are  
16 withdrawing from the case, and further seek leave of that court for a stay of all  
17 proceedings for at least ninety (90) days to permit any client of the Receivership  
18 Entities to obtain replacement counsel, *provided, however*, that the Temporary  
19 Receiver will not be required to litigate, or hire attorneys to litigate, any such  
20 pending cases; and

21 T. Identify all attorney-client files held by a Receivership Entity; take  
22 reasonable steps to contact current clients to inform them of the receivership; take  
23 reasonable steps to advise current clients that the Temporary Receiver will not be  
24 providing any attorney services and that the clients may seek replacement counsel;  
25 and return any client files to the clients upon request; *provided, however*, that the  
26 Temporary Receiver maintain a copy of all such client files; *and provided further*,



1 the Temporary Receiver is authorized to work with representatives of the  
2 California State Bar to perform these actions.

3 **XVI. TRANSFER OF FUNDS TO THE TEMPORARY RECEIVER BY**  
4 **FINANCIAL INSTITUTIONS AND OTHER THIRD PARTIES**

5 **IT IS FURTHER ORDERED** that, upon service of a copy of this Order,  
6 any Financial Institution shall cooperate with all reasonable requests of counsel for  
7 the FTC and the Temporary Receiver relating to implementation of this Order,  
8 including transferring funds at the Temporary Receiver's direction and producing  
9 records related to the Assets and sales of the Receivership Entities.

10 **XVII. TEMPORARY RECEIVER'S REPORTS**

11 **IT IS FURTHER ORDERED** that the Temporary Receiver shall report to  
12 this Court at least one day before the date set for the hearing regarding the  
13 Preliminary Injunction, regarding: (1) the steps taken by the Temporary Receiver  
14 to implement the terms of this Order; (2) the value of all liquidated and  
15 unliquidated Assets of the Receivership Entities; (3) the sum of all liabilities of the  
16 Receivership Entities; (4) the steps the Temporary Receiver intends to take in the  
17 future to: (a) prevent any diminution in the value of Assets of the Receivership  
18 Entities; (b) pursue receivership Assets from third parties; and (c) adjust the  
19 liabilities of the Receivership Entities, if appropriate; and (5) any other matters  
20 which the Temporary Receiver believes should be brought to the Court's attention.  
21 Provided, however, if any of the required information would hinder the Temporary  
22 Receiver's ability to pursue receivership Assets, the portions of the Temporary  
23 Receiver's report containing such information may be filed under seal and not  
24 served on the parties.

25 **XVIII. COMPENSATION OF THE TEMPORARY RECEIVER**

26 **IT IS FURTHER ORDERED** that the Temporary Receiver, and all persons  
27 or entities retained or hired by the Temporary Receiver as authorized under this  
28 Order, shall be entitled to reasonable compensation for the performance of duties

1 undertaken pursuant to this Order and for the cost of actual out-of-pocket expenses  
2 incurred by them from the Assets now held by or in the possession or control of, or  
3 which may be received by, the Receivership Entities. The Temporary Receiver  
4 shall file with the Court and serve on the parties a request for the payment of  
5 reasonable compensation at the time of the filing of any report required by the  
6 “Temporary Receiver’s Reports” Section of this Order. The Temporary Receiver  
7 shall not increase the fees or rates used as the bases for such fee applications  
8 without prior approval of the Court.

9 **XIX. TEMPORARY RECEIVER’S ACCESS TO BUSINESS PREMISES**  
10 **AND RECORDS**

11 **IT IS FURTHER ORDERED** that:

12 A. The Temporary Receiver, and his representatives, agents, and  
13 assistants, shall have immediate access to all business premises and storage  
14 facilities, owned, controlled, or used by any Receivership Entity, including but not  
15 limited to the offices and facilities at 6 Hutton Centre Drive, Suite 1000, Santa  
16 Ana, CA 92707, and any offsite commercial mail boxes or virtual offices used by  
17 any Receivership Entity. The Temporary Receiver is authorized to employ the  
18 assistance of law enforcement as he deems necessary to effect service and  
19 peacefully implement this Order. The Temporary Receiver may exclude  
20 Receivership Entities and their employees from part or all of the business premises  
21 during the immediate access. The purpose of the immediate access shall be to  
22 effect service and to inspect and copy the business and financial records of the  
23 Receivership Entities, including forensic imaging of electronically stored  
24 information. Such business records include, but are not limited to, correspondence,  
25 contracts, emails, and financial data;

26 B. The Temporary Receiver and its representatives, agents, and  
27 assistants, shall have the right to remove materials from the above-listed premises  
28 for inspection and copying;

1 C. Receivership Entities and all employees or agents of Receivership  
2 Entities shall provide the Temporary Receiver with any necessary means of access  
3 to Documents and records, including, without limitation, the locations of the  
4 Receivership Entities' business premises, keys and combinations to locks,  
5 computer access codes, and storage area access information;

6 D. If any Individual Defendant possesses a smartphone or tablet on  
7 receivership premises, they will turn over the device to the Receiver for imaging.  
8 Within two business days, the Temporary Receiver will return the device; and

9 E. If any Documents, computers, smartphones, tablets, or electronic data  
10 storage devices containing information related to the business practices or finances  
11 of the Receivership Entities are at a location other than those listed herein,  
12 including but not limited to, the personal residence(s) of the Defendants, then,  
13 immediately upon notice of this Order, Defendants shall produce to the Temporary  
14 Receiver all such Documents, computers, smartphones, tablets, or electronic data  
15 storage devices. To prevent the destruction of electronic data, upon service of this  
16 Order upon any Receivership Entity, any computers, smartphones, tablets, or  
17 electronic data storage devices containing such information shall be powered down  
18 (turned off) in the normal course for the operating systems used on such devices  
19 and shall not be used until produced for copying and inspection, along with any  
20 codes needed for access. For any smartphone or tablet that contains information  
21 related to the business practices or finances of the Receivership Entities that is in  
22 the personal possession of an Individual Defendant, the Temporary Receiver shall  
23 image that device and return it to the Individual Defendant within two business  
24 days.

25 **XX. PARTIES' ACCESS TO BUSINESS PREMISES AND RECORDS**

26 **IT IS FURTHER ORDERED** that the Temporary Receiver shall allow the  
27 FTC, the Defendants, and their representatives reasonable access to the premises of  
28

1 the Receivership Entities. The purpose of this access shall be to inspect, inventory,  
2 and copy any Documents and other property owned by, or in the possession of, the  
3 Receivership Entities, provided that those Documents and property are not  
4 removed from the premises without the permission of the Temporary Receiver.  
5 The Temporary Receiver shall have the discretion to determine the time, manner,  
6 and reasonable conditions of such access. The Temporary Receiver will segregate  
7 all materials subject to an attorney-client privilege held by a Receivership Entity's  
8 clients and shall not make these materials available to either the FTC or  
9 Defendants without the clients' consent. The FTC's access to any Documents  
10 pursuant to this provision shall not provide grounds for any Defendant to object to  
11 any subsequent request for Documents served by the FTC.

12 **XXI. LIMITED EXPEDITED DISCOVERY**

13 **IT IS FURTHER ORDERED** that the Temporary Receiver and the FTC  
14 are granted leave to conduct certain expedited discovery and that in lieu of the time  
15 periods, notice provisions, and other requirements of the applicable Local Rules for  
16 this District and Rules 26, 30, 34, and 45 of the Federal Rules of Civil Procedure,  
17 the Temporary Receiver and the FTC are granted leave to:

18 A. Depose, on three (3) days' notice, any party or non-party for the  
19 purpose of discovering: (1) the nature, location, status, and extent of Assets of  
20 Defendants or their affiliates or subsidiaries; (2) the nature and location of  
21 Documents and business records of Defendants or their affiliates or subsidiaries;  
22 and (3) compliance with this Order. Any such depositions shall not be counted  
23 toward any deposition limit set forth in the Federal Rules of Civil Procedure or this  
24 Court's Local rules and shall not preclude the FTC from subsequently deposing the  
25 same person during discovery on the merits in this case. Depositions may be taken  
26 by telephone, video conference, or other remote means. Any deposition taken  
27  
28

1 pursuant to this Section that has not been reviewed and signed by the deponent  
2 may be used by any party for purposes of any preliminary injunction hearing;

3 B. Serve upon parties interrogatories or requests for production of  
4 Documents or inspection that require a response, production or inspection within  
5 four (4) days of service, and may serve subpoenas upon non-parties that direct  
6 production or inspection within seven (7) days of service, for the purpose of  
7 discovering: (1) the nature, location, status, and extent of Assets of Defendants or  
8 their affiliates or subsidiaries; (2) the nature and location of Documents and  
9 business records of Defendants or their affiliates or subsidiaries; and (3)  
10 compliance with this Order; provided, however, that forty-eight (48) hours' notice  
11 shall be deemed sufficient for the production of any such Documents that are  
12 maintained or stored as electronic data. Any such interrogatories or requests for  
13 production or inspection shall not count toward any limit on discovery set forth in  
14 the Federal Rules of Civil Procedure or this Court's Local Rules;

15 C. For purposes of this Section, serve deposition notices and other  
16 discovery requests upon the parties to this action personally or by facsimile, email,  
17 certified or registered mail, or private courier (including a process server) with a  
18 receipt from the courier showing delivery; and

19 D. Pursuant to Fed. R. Civ. P. 45, subpoena Documents immediately  
20 from any Financial Institution, business entity, Electronic Data Host, or person  
21 served with a copy of this Order that holds, controls, or maintains custody of any  
22 account, Document, or Asset of, on behalf of, in the name of, for the benefit of,  
23 subject to withdrawal by, subject to access or use by, or under the signatory power  
24 of any Defendant or other party subject to the Asset Freeze above, or has held,  
25 controlled, or maintained any such account, Document, or Asset. The recipient  
26 shall respond to such subpoena within three (3) business days after service. The  
27 FTC may effect service by electronic mail.  
28

**XXII. BANKRUPTCY PETITIONS**

1           **IT IS FURTHER ORDERED** that, in light of the appointment of the  
2 Temporary Receiver, the Receivership Entities are hereby prohibited from filing  
3 petitions for relief under the United States Bankruptcy Code, 11 U.S.C. § 101 *et*  
4 *seq.*, without prior permission from this Court.

5  
6           **XXIII. PRE-EXISTING ORDERS**

7           **IT IS FURTHER ORDERED** that nothing herein modifies any existing  
8 Order in any way, including the Orders governing Damian Kutzner. *See FTC v.*  
9 *GM Funding, Inc.*, SACV02-1026 DOC (C.D. Cal.), Stipulated Judgment and  
10 Order for Permanent Injunction as to Defendants GM Funding, Inc., Robert D.  
11 Kutzner, Global Mortgage Funding, Inc., and Damian R. Kutzner (May 5, 2003);  
12 *U.S. v. Global Mortgage Funding, Inc.*, SACV07-1275 DOC (C.D. Cal.),  
13 Stipulated Judgment and Order for Permanent Injunction (July 17, 2009). The  
14 FTC may take discovery and pursue any other measure any existing Order permits.

15           **XXIV. STAY OF ACTIONS**

16           **IT IS FURTHER ORDERED** that:

17           A. Except by leave of this Court, during the pendency of the Temporary  
18 Receivership ordered herein, the Receivership Entities and all customers,  
19 principals, investors, creditors, stockholders, lessors, and other persons seeking to  
20 establish or enforce any claim, right, or interest against or on behalf of the  
21 Receivership Entity, and all others acting for or on behalf of such persons,  
22 including attorneys, trustees, agents, sheriffs, constables, marshals, and other  
23 officers and their deputies, and their respective attorneys, servants, agents, and  
24 employees be and are hereby stayed from:

25           1. Commencing, prosecuting, entering, or enforcing any suit or  
26 proceeding, except that such actions may be filed to toll any applicable statute of  
27 limitations;

1           2.     Accelerating the due date of any obligation or claimed  
2 obligation; filing or enforcing any lien; taking or attempting to take possession,  
3 custody, or control of any Asset; attempting to foreclose, forfeit, alter, or terminate  
4 any interest in any Asset, whether such acts are part of a judicial proceeding, are  
5 acts of self-help, or otherwise;

6           3.     Executing, issuing, serving, or causing the execution, issuance  
7 or service of, any legal process, including, but not limited to, attachments,  
8 garnishments, subpoenas, writs of replevin, writs of execution, or any other form  
9 of process, whether specified in this Order or not; or

10          4.     Doing any act or thing whatsoever to interfere with the  
11 Temporary Receiver's taking custody, control, possession, or management of  
12 Assets or Documents subject to this receivership; or to harass or interfere with the  
13 Temporary Receiver in any way; or to interfere in any manner with the exclusive  
14 jurisdiction of this Court over the Assets or Documents of the Receivership  
15 Entities.

16         B.     This Section does not stay:

17           1.     The commencement or continuation of a criminal action or  
18 proceeding;

19           2.     The commencement or continuation of an action or proceeding  
20 by a governmental unit to enforce such governmental unit's police or regulatory  
21 power;

22           3.     The enforcement of a judgment, other than a money judgment,  
23 obtained in an action or proceeding by a governmental unit to enforce such  
24 governmental unit's police or regulatory power, including but not limited to any  
25 actions (including discovery) taken by the FTC in enforcing the Orders in the  
26 related matters, *FTC v. GM Funding, Inc.*, SACV02-1026 DOC (C.D. Cal.), *U.S. v.*  
27 *Global Mortgage Funding, Inc.*, SACV07-1275 DOC (C.D. Cal.); or  
28



1           4.     The issuance to the Receivership Entities of a notice of tax  
2 deficiency.

3  
4                   **XXV. ACKNOWLEDGMENT OF RECEIPT OF ORDER BY**  
5                                   **DEFENDANTS**

6           **IT IS FURTHER ORDERED** that each Defendant, within three (3)  
7 business days of receipt of this Order, must submit to counsel for the FTC a  
8 truthful sworn statement acknowledging receipt of this Order.

9                   **XXVI. CORRESPONDENCE WITH PLAINTIFF**

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

14                   Benjamin Theisman  
15                   Gregory Madden  
16                   Federal Trade Commission  
17                   600 Pennsylvania Ave., NW, Mail Drop CC-9528  
18                   Washington, DC 20580  
19                   Telephone: (202) 326-2223, -2426  
20                   btheisman@ftc.gov, gmadden@ftc.gov

21                   **XXVII. SERVICE OF THIS ORDER**

22           **IT IS FURTHER ORDERED** that copies of this Order may be served by  
23 facsimile, email, hand-delivery, personal or overnight delivery, or U.S. Mail, by  
24 agents and employees of the FTC or any state or federal law enforcement agency  
25 or by private process server, upon any Financial Institution or other entity or  
26 person that may have possession, custody, or control of any Documents or Assets  
27 of any Defendant, or that may otherwise be subject to any provision of this Order.  
28 Service upon any branch or office of any Financial Institution shall effect service  
upon the entire Financial Institution.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**XXVIII. PRELIMINARY INJUNCTION HEARING**

**IT IS FURTHER ORDERED**, pursuant to Fed. R. Civ. P. 65(b), that each of the Defendants shall appear before this Court on the 15th day of June, 2016, at 8:00 AM, Pacific Daylight Time, at the United States District Courthouse, Courtroom 14, Los Angeles, California, to show cause, if there is any, why this Court should not enter a preliminary injunction enjoining the violations of law alleged in the FTC’s Complaint, continuing the freeze of their Assets, and imposing such additional relief as may be appropriate.

**IT IS FURTHER ORDERED** that the Defendants shall file with the Court and serve on the FTC’s counsel any answering pleadings, affidavits, motions, expert reports, declarations, witness lists with detailed summaries of expected witness testimony, and/or legal memoranda, no later than seven days prior to the hearing. The FTC may file responsive or supplemental pleadings, materials, affidavits, witness lists with detailed summaries of expected witness testimony, and/or memoranda with the Court and serve them on Defendants’ counsel no later than one day prior to that hearing. Such affidavits, pleadings, motions, expert reports, declarations, witness lists with detailed summaries of expected witness testimony, legal memoranda and/or oppositions must be served by electronic mail (or Federal Express, if electronic mail is impractical), and must be received by the other party no later than the deadlines set forth in this Section.

**XXIX. DURATION OF ORDER**

**IT IS FURTHER ORDERED** that the Temporary Restraining Order granted herein shall expire on the 15th day of June, 2016, at 4:00 PM, Pacific Daylight Time, unless within such time the Order, for good cause shown, is

1 extended for an additional period not to exceed fourteen (14) calendar days, or  
2 unless it is further extended pursuant to Federal Rule of Civil Procedure 65.

3 **XXX. RETENTION OF JURISDICTION**

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

7 The Court sets this matter for hearing on June 15, 2016 at 8:00 am, in  
8 Courtroom 14.

9  
10 **IT IS SO ORDERED**, this 1st day of June, 2016, at 4:00 PM, Pacific  
11 Daylight Time.

12  
13 **IT IS HEREBY ORDERED**

14 Dated: June 1, 2016



---

HONORABLE BEVERLY REID O'CONNELL  
UNITED STATES DISTRICT COURT JUDGE