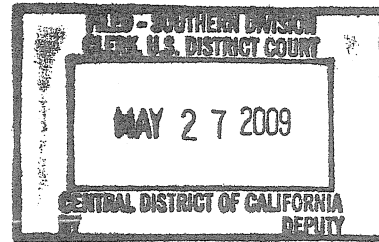


NOTE CHANGES MADE BY COURT



UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

Federal Trade Commission,

SA-CV-99-1266 AHS (EEx)

Plaintiff,

~~(Proposed)~~

v.

~~Ex Parte~~ Temporary Restraining  
Order With Asset Freeze,  
Appointment of a Temporary  
Receiver and Other Equitable Relief;

Data Medical Capital, Inc., et al.,

Setting OSC re: Preliminary Injunction  
for June 8, 2009 at 10:00 a.m.; and  
Setting Briefing Schedule

Defendants.

Plaintiff Federal Trade Commission ("FTC" or the "Commission"), has filed an *Ex Parte* Application for a Temporary Restraining Order and Preliminary Injunction, Pending Decision on Its *Ex Parte* Application for an Order to Show Cause Why Contempt Defendants Should Not be Held in Contempt ("Application for Temporary Restraining Order"), alleging that Bryan D'Antonio, and The Rodis Law Group, Inc., America's Law Group, and The Financial Group, Inc. dba Tax Relief ASAP, acting in concert with him (collectively "Contempt Defendants"), have violated numerous provisions of the Stipulated Final Judgment and Order for Permanent Injunction that this Court entered on July 13, 2001 ("Final Order").

1 This Court has considered Plaintiff's Application for Temporary  
2 Restraining Order, and the declarations, exhibits, and memorandum of law  
3 submitted *ex parte* in support thereof, and finds as follows:

4 1. This Court has jurisdiction over this matter for all purposes, as  
5 specifically reserved in Section XV ("Continued Jurisdiction") of the Final  
6 Order.

7 2. There is good cause to believe that Contempt Defendants have actual  
8 notice of the Final Order and the ability to comply with that Order.

9 3. There also is good cause to believe that Contempt Defendants have  
10 violated, and continue to violate, the Final Order. There is good cause to believe  
11 Contempt Defendants have violated the core provisions of the Final Order in the  
12 course of telemarketing foreclosure prevention and mortgage loan modification  
13 services ("foreclosure and loan modification services") to consumers throughout  
14 the United States by:

- 15 a. Telemarketing, or assisting others engaged in telemarketing,  
16 in violation of Section I.B. of the Final Order;
- 17 b. Misrepresenting that, if consumers purchase Contempt  
18 Defendants' foreclosure and loan modification services,  
19 Contempt Defendants will (1) stop foreclosures so that  
20 consumers will not lose their homes and (2) negotiate and re-  
21 write mortgage contracts with lower interest rates, lower  
22 monthly payments, and reduced principal balances, in  
23 violation of Section II of the Final Order; and
- 24 c. Misrepresenting that Contempt Defendants employ multiple  
25 attorneys with foreclosure prevention and loan modification  
26 expertise, who will conduct "forensic audits" of consumers'  
27 loan files and use the audits as leverage to negotiate and re-  
28 write consumers' mortgage contracts with substantially more

1 favorable terms, in violation of Section II of the Final Order.

2 4. The FTC has not provided notice to Contempt Defendants of its  
3 Application for Temporary Restraining Order due to the likelihood that advance  
4 notice of this action will lead to the concealment or dissipation of assets and the  
5 concealment or destruction of property or evidence. The FTC's request for *ex*  
6 *parte* relief is premised principally on Contempt Defendants' history and ongoing  
7 pattern of deceptive, contumacious conduct in violation of this Court's Final  
8 Order. Based on the foregoing, there is good cause to issue this order on an *ex*  
9 *parte* basis.

10 5. The Court has considered the FTC's likelihood of ultimate success  
11 and weighed the equities, and finds that a temporary restraining order providing  
12 for an asset freeze, the appointment of a temporary receiver, the preservation of  
13 business records, financial disclosures, expedited discovery, and other equitable  
14 relief is in the public interest.

15 6. Fed. R. Civ. P. 65(c) does not require security of the United States or  
16 an officer or agency thereof.

## 17 ORDER

### 18 I.

#### 19 DEFINITIONS

20 For the purposes of this Temporary Restraining Order, the following  
21 definitions apply:

22 1. "Contempt Defendants" means Bryan D'Antonio, The Rodis Law  
23 Group, Inc., America's Law Group, and The Financial Group, Inc. dba Tax Relief  
24 ASAP, and each of them, individually and jointly; and their successors and  
25 assigns.

26 2. "Assets" means any legal or equitable interest in, right to, or claim  
27 to, any and all real and personal property of Contempt Defendants, or held for the  
28 benefit of Contempt Defendants, including but not limited to chattel, goods,

1 instruments, equipment, fixtures, general intangibles, effects, leaseholds,  
2 inventory, checks, notes, accounts, credits, receivables, shares of stock, contracts,  
3 and all cash and currency, or other assets, or any interest therein, wherever  
4 located.

5 3. “Document” is synonymous in meaning and equal in scope to the  
6 terms “document” and “electronically stored information,” as described and used  
7 in Federal Rule of Civil Procedure 34(a)(1)(A).

8 4. “Receiver” or “Temporary Receiver” shall mean the Temporary  
9 Receiver appointed in Section VII of this Order. The term “Temporary Receiver”  
10 also includes any deputy receivers or agents as may be named by the Temporary  
11 Receiver.

12 5. “Receivership Defendants” shall mean The Rodis Law Group, Inc.,  
13 America’s Law Group, The Financial Group, Inc. dba Tax Relief ASAP, and any  
14 successors, assigns, affiliates, and dba’s of the aforementioned entities.

## 15 II.

### 16 ASSET FREEZE

17 IT IS ORDERED that Contempt Defendants are hereby temporarily  
18 restrained and enjoined from directly or indirectly:

19 1. Transferring, liquidating, converting, encumbering, pledging,  
20 loaning, selling, concealing, dissipating, disbursing, assigning, spending,  
21 withdrawing, granting a lien or security interest or other interest in, or otherwise  
22 disposing of any funds, real or personal property, accounts, contracts, consumer  
23 lists, or any other assets, or any interest therein, wherever located, including  
24 outside the United States, that are (1) owned or controlled, directly or indirectly,  
25 by any Contempt Defendant(s), in whole or in part, or held, in whole or in part  
26 for the benefit of any Contempt Defendant(s); (2) in the actual or constructive  
27 possession of any Contempt Defendant(s); or (3) owned, controlled by, or in the  
28 actual or constructive possession of any corporation, partnership, or other entity

1 directly or indirectly owned, managed, or controlled by, or under common  
2 control with any Contempt Defendant(s), including but not limited to, any assets  
3 held by, for, or under the name of any Contempt Defendant(s) at any bank,  
4 savings and loan institution, or bank of any Contempt Defendant(s), or with any  
5 broker-dealer, escrow agent, title company, commodity trading company,  
6 precious metal dealer, or other financial institution or depository of any kind;

7 2. Opening or causing to be opened any safe deposit boxes titled in the  
8 name of any Contempt Defendant(s), or subject to access by any Contempt  
9 Defendant(s);

10 3. Incurring charges or cash advances on any credit card, debit card, or  
11 checking card issued in the name, singly or jointly, of any Contempt  
12 Defendant(s);

13 4. Obtaining a personal or secured loan;

14 5. Incurring liens or encumbrances on real property, personal property  
15 or other assets in the name, singly or jointly of any Contempt Defendant(s); and

16 6. Cashing any checks from consumers, clients, or customers of any  
17 Contempt Defendant(s).

18 The assets affected by this Section shall include (a) all assets of Contempt  
19 Defendants as of the time this Order is entered; and (b) those assets obtained after  
20 entry of this Order that are derived from any conduct that violates the Final  
21 Order. This Section does not prohibit transfers to the Temporary Receiver, as  
22 specifically required in Section X (Delivery of Receivership Property), nor does  
23 it prohibit the repatriation of foreign assets, as specifically required in Section V  
24 of this Order.

25 Provided, however, that this Section shall not be construed to prohibit  
26 Contempt Defendants The Rodis Law Group, Inc. or America's Law Group from  
27 disbursing funds that are held in trust fund accounts or client funds accounts  
28 established pursuant to Rule 4-100 of the California Rules of Professional

1 Conduct and that are held for the benefit of legal services clients (“Rule 4-100  
2 accounts”), so long as:

- 3 a. Such funds were not received as payment for foreclosure and  
4 loan modification services;
- 5 b. Such funds are not disbursed for any purpose related to  
6 foreclosure and loan modification services;
- 7 c. Contempt Defendants The Rodis Law Group, Inc. and  
8 America’s Law Group provide to the Commission within five  
9 (5) days of the date of service of this Order a sworn statement  
10 indicating as to each Rule 4-100 account each maintains (1)  
11 whether the account contains funds received as payment for  
12 foreclosure and loan modification services, and (2) a copy of  
13 the written journal that is required by Rule 4-100 to be kept  
14 for each such bank account that sets forth the name of such  
15 account; the date, amount, and client affected by each debit  
16 and credit; and the current balance in such account; and
- 17 d. Contempt Defendants The Rodis Law Group, Inc. and  
18 America’s Law Group make and retain detailed records  
19 explaining the reason for each such disbursement and noting  
20 the date and amount of the disbursement and the name,  
21 address, and telephone number of the payee.

### 22 III.

#### 23 FINANCIAL REPORTS AND ACCOUNTING

24 IT IS FURTHER ORDERED that each Contempt Defendant shall:

- 25 1. Prepare and serve on counsel for Plaintiff and the Receiver, within  
26 three (3) business days after service of this Order, completed financial statements  
27 fully disclosing the Contempt Defendant’s finances and those of all corporations,  
28 partnerships, trusts or other entities that the Contempt Defendant owns, controls,

1 or is associated with in any capacity, jointly or individually, on the forms  
2 attached to this Order as Attachments A and B, accurate as of the date of service  
3 of this Order upon Contempt Defendants;

4 2. Prepare and serve on counsel for Plaintiff and the Receiver, within  
5 three (3) business days after service of this Order, copies of signed and completed  
6 federal and state income tax forms, including all schedules and attachments for  
7 the three most recent filing years;

8 3. Provide access to records and documents held by financial  
9 institutions outside the territory of the United States, by signing the Consent to  
10 Release of Financial Records attached to this Order as Attachment C,  
11 immediately upon service of this Order upon them, or within such time as  
12 permitted by the Receiver or counsel for Plaintiff in writing; and

13 4. Provide copies of such other financial statements as the Receiver or  
14 Plaintiff may request in order to monitor Contempt Defendants' compliance with  
15 the provisions of this Order.

#### 16 IV.

#### 17 **RETENTION OF ASSETS AND RECORDS BY FINANCIAL** 18 **INSTITUTIONS AND OTHER THIRD PARTIES**

19 IT IS FURTHER ORDERED that any financial or brokerage institution or  
20 depository, escrow agent, title company, commodity trading company, trust,  
21 entity, or person that holds, controls, or maintains custody of any account or asset  
22 owned or controlled by any Contempt Defendant(s), or has held, controlled, or  
23 maintained any account or asset of, or on behalf of, any Contempt Defendant(s)  
24 at any time since the entry of this Court's Final Order on July 13, 2001, upon  
25 service with a copy of this Order, shall:

26 1. Hold and retain within its control and prohibit Contempt Defendants  
27 from withdrawing, removing, assigning, transferring, pledging, encumbering,  
28 disbursing, dissipating, converting, selling, gifting, or otherwise disposing of any

1 of the assets, funds, or other property held by or on behalf of any Contempt  
2 Defendant(s) in any account maintained in the name of or for the benefit of any  
3 Contempt Defendant(s), in whole or in part, except:

- 4 a. as directed by further order of the Court; or
- 5 b. as directed in writing by the Receiver (regarding assets held in  
6 the name or for the benefit of Receivership Defendants).

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

10 3. Provide counsel for Plaintiff and the Receiver, within three (3)  
11 business days after being served with a copy of this Order, a certified statement  
12 setting forth:

- 13 a. the identification number of each such account or asset titled  
14 (1) in the name, individually or jointly, of any Contempt  
15 Defendant(s); (2) held on behalf of, or for the benefit of, any  
16 Contempt Defendant(s); (3) owned or controlled by any  
17 Contempt Defendant(s); or (4) otherwise subject to access by  
18 any Contempt Defendant(s), directly or indirectly;
- 19 b. the balance of each such account, or a description of the  
20 nature and value of such asset as of the close of business on  
21 the day on which this Order is served, and, if the account or  
22 other asset has been closed or removed, the date closed or  
23 removed, the total funds removed in order to close the  
24 account, and the name of the person or entity to whom such  
25 account or other asset was remitted;
- 26 c. the identification of any safe deposit box that is either titled in  
27 the name of any Contempt Defendant(s), or is otherwise  
28 subject to access by any Contempt Defendant(s); and



1 d. if an account, safe deposit box, or other asset has been closed  
2 or removed, the date closed or removed, the balance on such  
3 date, and the manner in which such account or asset was  
4 closed or removed.

5 4. Provide counsel for Plaintiff and the Receiver, within three (3)  
6 business days after being served with a request, copies of all documents  
7 pertaining to such account or asset, including but not limited to originals or  
8 copies of account applications, account statements, signature cards, checks,  
9 drafts, deposit tickets, transfers to and from the accounts, all other debit and  
10 credit instruments or slips, currency transaction reports, 1099 forms, and safe  
11 deposit box logs; provided that such institution or custodian may charge a  
12 reasonable fee.

13 5. Cooperate with all reasonable requests of the Receiver relating to  
14 this Order's implementation.

15 V.

16 **FOREIGN ASSET REPATRIATION**

17 IT IS FURTHER ORDERED that, within three (3) business days following  
18 the service of this Order, each Contempt Defendant shall:

19 1. Transfer to the territory of the United States all funds and assets in  
20 foreign countries identified in the accounting ordered in Section III.3. of this  
21 Order; and

22 2. Hold and retain all repatriated funds and assets, and prevent any  
23 disposition, transfer, or dissipation whatsoever of any such assets or funds, except  
24 as required by this Order.

25 VI.

26 **NON-INTERFERENCE WITH REPATRIATION**

27 IT IS FURTHER ORDERED that Contempt Defendants, and those persons  
28 in active concert or participation with them who receive actual notice of this

1 Order by personal service or otherwise, are hereby temporarily restrained and  
2 enjoined from taking any action, directly or indirectly, which may result in the  
3 encumbrance or dissipation of foreign assets, or in the hindrance of the  
4 repatriation required by Section V of this Order, including but not limited to:

5 1. Sending any statement, letter, fax, e-mail or wire transmission,  
6 telephoning or engaging in any other act, directly or indirectly, that results in a  
7 determination by a foreign trustee or other entity that a “duress” event has  
8 occurred under the terms of a foreign trust agreement, until such time that all  
9 assets have been fully repatriated pursuant to Section V of this Order; and

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

14 **VII.**

15 **APPOINTMENT OF TEMPORARY RECEIVER**

16 IT IS FURTHER ORDERED that Robb Evans and Associates LLC is  
17 appointed Temporary Receiver for Receivership Defendants, and any affiliates or  
18 subsidiaries thereof controlled by any Receivership Defendant(s), with the full  
19 power of an equity Receiver. The Receiver shall be the agent of this Court and  
20 solely the agent of this Court in acting as Receiver under this Order. The  
21 Receiver shall be accountable directly to this Court. The Receiver shall comply  
22 with all local rules and laws governing federal equity receivers.

23 **VIII.**

24 **COOPERATION WITH THE RECEIVER**

25 IT IS FURTHER ORDERED that Contempt Defendants shall fully  
26 cooperate with and assist the Receiver. Contempt Defendants’ cooperation and  
27 assistance shall include, but not be limited to, providing any information to the  
28 Receiver that the Receiver deems necessary to exercise the authority and

1 discharge the responsibilities of the Receiver under this Order; providing any  
2 login and password required to access any computer or electronic files or  
3 information in any medium; and advising all persons who owe money to the  
4 Receivership Defendants that all debts should be paid directly to the Receiver.  
5 Contempt Defendants are hereby restrained and enjoined from directly or  
6 indirectly:

- 7 1. Transacting any of the business of the Receivership Defendants;
- 8 2. Excusing debts owed to the Receivership Defendants;
- 9 3. Destroying, secreting, defacing, transferring, or otherwise altering or  
10 disposing of any documents of the Receivership Defendants;
- 11 4. Transferring, receiving, altering, selling, encumbering, pledging,  
12 assigning, liquidating, or otherwise disposing of any assets owned, controlled, or  
13 in the possession or custody of, or in which an interest is held or claimed by, the  
14 Receivership Defendants, or the Receiver;
- 15 5. Failing to notify the Receiver of any asset, including accounts, of  
16 any of the Receivership Defendants held in any name other than the name of one  
17 or more Receivership Defendants, or by any person or entity other than  
18 Receivership Defendants, or failing to provide any assistance or information  
19 requested by the Receiver in connection with obtaining possession, custody, or  
20 control of such assets; or
- 21 6. Doing any act or thing whatsoever to interfere with the Receiver's  
22 taking and keeping custody, control, possession, or managing of the assets or  
23 documents subject to this receivership; or to harass or interfere with the Receiver  
24 in any way; or to interfere in any manner with the exclusive jurisdiction of this  
25 Court over the assets or documents of the Receivership Defendants; or to refuse  
26 to cooperate with the Receiver or the Receiver's duly authorized agents in the  
27 exercise of their duties or authority under any Order of this Court.

28 This Section does not prohibit transfers to the Receiver, as specifically

1 required in Section X (Delivery of Receivership Property), nor does it prohibit  
2 the Repatriation of Foreign Assets, as specifically required in Section V of this  
3 Order.

4 IX.

5 DUTIES AND AUTHORITY OF RECEIVER

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

8 1. Assume full control of the Receivership Defendants by removing, as  
9 the Receiver deems necessary or advisable, any director, officer, independent  
10 contractor, employee, attorney, or agent of the Receivership Defendants,  
11 including any Contempt Defendant(s), from control of, management of, or  
12 participation in, the affairs of the Receivership Defendants.

13 2. Take exclusive custody, control and possession of all assets and  
14 documents of, or in the possession, custody, or under the control of, the  
15 Receivership Defendants, wherever situated. The Receiver shall have full power  
16 to divert mail and to sue for, collect, receive, take in possession, hold, and  
17 manage all assets and documents of the Receivership Defendants and other  
18 persons or entities whose interests are now held by or under the direction,  
19 possession, custody, or control of the Receivership Defendants.

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

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

10 4. 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 5. Enter into contracts and purchase insurance as advisable or  
16 necessary.

17 6. Prevent the inequitable distribution of assets and to determine,  
18 adjust, and protect the interests of consumers and creditors who have transacted  
19 business with one or more Receivership Defendants.

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

24 8. Choose, engage, and employ attorneys, accountants, appraisers,  
25 investigators, and other independent contractors and technical specialists, as the  
26 Receiver deems advisable or necessary in the performance of duties and  
27 responsibilities.

28 9. Make payments and disbursements from the receivership estate that

1 are necessary or advisable for carrying out the directions of, or exercising the  
2 authority granted by, this Order. The Receiver shall apply to the Court for prior  
3 approval of any payment of any debt or obligation incurred by the Receivership  
4 Defendants prior to the date of entry of this Order, except payments that the  
5 Receiver deems necessary or advisable to secure assets of the Receivership  
6 Defendants, such as rental payments.

7 10. Collect any money due or owing to the Receivership Defendants.

8 11. Institute, compromise, adjust, appear in, intervene in, or become  
9 party to such actions or proceedings in state, federal or foreign courts that the  
10 Receiver deems necessary and advisable to preserve or recover the assets of the  
11 Receivership Defendants or to carry out the Receiver's mandate under this Order.

12 12. Defend, compromise, adjust, or otherwise dispose of any or all  
13 actions or proceedings instituted against the Receivership Defendants or the  
14 Receiver, that the Receiver deems necessary and advisable to preserve the assets  
15 of the Receivership Defendants or to carry out the Receiver's mandate under this  
16 Order.

17 13. Continue and conduct the businesses of the Receivership Defendants  
18 in such manner, to such extent, and for such duration as the Receiver may in good  
19 faith deem to be necessary or appropriate to operate the businesses profitably,  
20 using the assets of the receivership estate, and lawfully, if at all.

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

25 15. Open one or more bank accounts as designated depositories for  
26 funds of the Receivership Defendants. The Receiver shall deposit all funds of the  
27 Receivership Defendants in such a designated account and shall make all  
28 payments and disbursements from the receivership estate from such an account.



1 monies in any bank deposited to the credit of the Receivership Defendants,  
2 wherever situated; and

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

5 Provided, however, that this Section shall not be construed to contradict  
6 any of the requirements set forth in Section II of this order regarding Rule 4-100  
7 accounts.

8 **XI.**

9 **RECEIVER'S REPORTS**

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



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**XII.**

**RECEIVER'S BOND**

IT IS FURTHER ORDERED that the Receiver shall file with the Clerk of this Court a bond in the sum of \$ 7,500 with sureties to be approved by the Court, conditioned that the Receiver will well and truly perform the duties of the office and abide by and perform all acts the Court directs.

**XIII.**

**COMPENSATION OF THE RECEIVER**

IT IS FURTHER ORDERED that the Receiver, and all persons or entities retained or hired by the Receiver as authorized under this Order, shall be entitled to reasonable compensation for the performance of duties undertaken pursuant to this Order and for the cost of actual out-of-pocket expenses incurred by them from the assets now held by or in the possession or control of, or which may be received by, the Receivership Defendants. The Receiver shall file with the Court and serve on the parties a request for the payment of reasonable compensation at the time of the filing of any report required by Section XI. The Receiver shall not increase the fees or rates used as the bases for such fee applications without prior approval of the Court.

**XIV.**

**RECEIVER ACCESS TO**

**BUSINESS PREMISES AND RECORDS**

IT IS FURTHER ORDERED that the Receiver, and its respective representatives, agents, contractors, or assistants, are permitted, and the Contempt Defendants shall allow, immediate access to any business premises and storage facilities of the Receivership Defendants. Such locations include, but are not limited to, the offices and facilities of the Receivership Defendants at or in the vicinity of 1100 Town and Country Road, Orange, California 92868.

The Receiver is authorized to employ the assistance of law enforcement

1 officers, including but not limited to the United States Marshals Service, to effect  
2 service, to implement peacefully the provisions of this Order, and keep the peace.  
3 The Receiver may exclude Contempt Defendants and their agents and employees  
4 from the business premises and facilities.

5 Contempt Defendants and all agents or employees of Contempt Defendants  
6 shall provide the Receiver with any necessary means of access to documents,  
7 including, without limitation, the locations of Receivership Defendants' business  
8 premises, keys and combinations to business premises locks, computer access  
9 codes of all computers used to conduct Receivership Defendants' business, and  
10 storage area access information.

11 The Receiver is authorized to copy any documents related to Contempt  
12 Defendants' business practices, including by forensic imaging of electronically  
13 stored information. The Receiver is authorized to remove any documents related  
14 to Contempt Defendants' business practices from the premises in order that they  
15 may be inspected, inventoried, and copied. The materials so removed shall be  
16 returned within five (5) business days of completing said inventory and copying.

17 If any property, records, documents, or computer files relating to the  
18 Receivership Defendants' finances or business practices are located in the  
19 residence of any Contempt Defendant or are otherwise in the custody or control  
20 of any Contempt Defendant, then such Contempt Defendant shall produce them  
21 to the Receiver within twenty-four (24) hours of service of this Order. In order to  
22 prevent the destruction of computer data, upon service of this Order, any such  
23 computers shall be powered down (turned off) in the normal course for the  
24 operating systems used on such computers and shall not be powered up or used  
25 again until produced for copying and inspection, along with any codes needed for  
26 access.

27 Counsel for Plaintiff, and their respective representatives, agents,  
28 contractors, or assistants, are authorized to review any documents or information

1 that the Receiver has determined do not contain attorney-client communications  
2 pertaining to professional legal services unrelated to Receivership Defendants'  
3 foreclosure and loan modification business; such review may take place at any  
4 location, including at any business premises and storage facilities of the  
5 Receivership Defendants. The Receiver may segregate or redact any portions of  
6 files or documents that reflect privileged information, to the extent that they  
7 reflect the substance of any attorney-client communication pertaining to  
8 professional legal services unrelated to Receivership Defendants' foreclosure and  
9 loan modification business. Nothing in this provision shall prohibit the Receiver  
10 from providing Plaintiff, at any time, with copies of any documents or  
11 information related to foreclosure and loan modification services.

12 **XV.**

13 **CONTEMPT DEFENDANTS' ACCESS TO PREMISES AND RECORDS**

14 IT IS FURTHER ORDERED that the Receiver shall allow the Contempt  
15 Defendants and their representatives reasonable access to the premises of the  
16 Receivership Defendants. The purpose of this access shall be to inspect,  
17 inventory, and copy any and all documents and other property owned by or in the  
18 possession of the Receivership Defendants, provided that those documents and  
19 property are not removed from the premises. The Receiver shall have the  
20 discretion to determine the time, manner, and reasonable conditions of such  
21 access.

22 **XVI.**

23 **PRESERVATION OF RECORDS**

24 IT IS FURTHER ORDERED that Contempt Defendants and their officers,  
25 agents, directors, servants, employees, salespersons, and attorneys, and those  
26 persons in active concert or participation with them who receive actual notice of  
27 this Order by personal service or otherwise, whether acting directly or through  
28 any trust, corporation, subsidiary, division, or other device, or any of them, are

1 hereby temporarily restrained and enjoined from destroying, erasing, mutilating,  
2 concealing, altering, transferring, or otherwise disposing of, in any manner,  
3 directly or indirectly, any documents that relate to the business practices or  
4 finances of any Contempt Defendant, including, but not limited to, any contracts,  
5 accounting data, correspondence, advertisements, computer tapes, disks or other  
6 computerized records, books, written or printed records, handwritten notes,  
7 recordings, telephone logs, telephone scripts, receipt books, ledgers, personal and  
8 business canceled checks and check registers, bank statements, appointment  
9 books, copies of federal, state, or local business or personal income or property  
10 tax returns.

11 **XVII.**

12 **PROHIBITION ON RELEASE OF CUSTOMER INFORMATION**  
13 **OR CUSTOMER LISTS**

14 **IT IS FURTHER ORDERED** that Contempt Defendants, and officers,  
15 agents, directors, servants, employees, salespersons, and attorneys of Contempt  
16 Defendants, as well as all other persons or entities in active concert or  
17 participation with them, who receive actual notice of this Order by personal  
18 service or otherwise, whether acting directly or through any trust, corporation,  
19 subsidiary, division, or other device, or any of them, are hereby temporarily  
20 restrained and enjoined from selling, renting, leasing, transferring, or otherwise  
21 disclosing the name, address, telephone number, credit card number, bank  
22 account number, e-mail address, or other identifying information of any person  
23 who paid money to any of the Contempt Defendants for the purchase of any good  
24 or service or who were contacted or are on a list to be contacted by any of the  
25 Contempt Defendants; provided that Contempt Defendants may disclose such  
26 identifying information to a law enforcement agency or as required by any law,  
27 regulation, or court order.  
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**XVIII.**

**CREDIT REPORTS**

IT IS FURTHER ORDERED that Plaintiff may obtain credit reports concerning any of the Contempt 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.

**XIX.**

**EXPEDITED DISCOVERY**

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

1. The FTC may, upon three (3) calendar days notice, take the deposition of any person or entity, whether or not a party, in any judicial district, for the purpose of discovering: (1) the assets of Contempt Defendants; and (2) compliance with the Final Order and this Order. Depositions may be conducted telephonically or in person. Deposition transcripts that have not been signed by the witness may be used at the preliminary injunction hearing in this matter. Provided that, notwithstanding Fed. R. Civ. P. 30(a)(2), this Section shall not preclude any future depositions by the FTC. Provided further, that any deposition taken pursuant to this Section shall be in addition to, and not subject to, the presumptive limits on depositions set forth in Fed. R. Civ. P. 30(a)(2)(A).
2. The FTC may serve interrogatories for the purpose of discovering: (1) the assets of Contempt Defendants; and (2) compliance with the Final Order and this Order. Contempt Defendants shall respond within five (5) calendar days after the FTC serves such interrogatories. Provided that, notwithstanding Fed. R.

1 Civ. P. 33(a)(1), this Subsection shall not preclude any future interrogatories by  
2 the FTC.

3 3. The FTC may serve requests for admission, which shall be  
4 responded to within five (5) calendar days after the FTC serves such requests on  
5 Contempt Defendants. Provided that, notwithstanding Fed. R. Civ. P. 36, this  
6 Subsection shall not: (a) preclude the FTC's ability to seek further admissions at  
7 a later time; or (b) otherwise alter the requirements set forth in Fed. R. Civ. P. 36.

8 4. The FTC may, upon five (5) calendar days notice, including through  
9 the use of a Rule 45 Subpoena, demand the production of documents from any  
10 person or entity, whether or not a Contempt Defendant, relating to: (1) the assets  
11 of Contempt Defendants; and (2) compliance with the Final Order and this Order.  
12 Provided that two (2) calendar days notice shall be deemed sufficient for the  
13 production of any such documents that are maintained or stored only as electronic  
14 data.

15 5. The FTC is granted leave to subpoena documents immediately from  
16 any financial institution, account custodian, or other entity or person that holds,  
17 controls, or maintains custody of any account or asset of any Contempt  
18 Defendant(s), or has held, controlled or maintained custody of any account or  
19 asset of any Contempt Defendant(s) concerning the nature, location, status, and  
20 extent of Contempt Defendants' assets, and compliance with the Final Order and  
21 this Order, and such financial institution, account custodian or other entity shall  
22 respond to such subpoena within five (5) business days after service.

23 For purposes of discovery upon a Contempt Defendant pursuant to this  
24 Section, service shall be sufficient if made by facsimile or by overnight courier.  
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1 XX.

2 BANKRUPTCY PETITIONS

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

7 XXI.

8 STAY OF ACTIONS

9 IT IS FURTHER ORDERED that:

10 1. Except by leave of this Court, during the pendency of the  
11 Receivership ordered herein, Receivership Defendants and all customers,  
12 principals, investors, creditors, stockholders, lessors, and other persons seeking to  
13 establish or enforce any claim, right, or interest against or on behalf of  
14 Receivership Defendants, and all others acting for or on behalf of such persons,  
15 including attorneys, trustees, agents, sheriffs, constables, marshals, and other  
16 officers and their deputies, and their respective attorneys, servants, agents, and  
17 employees be and are hereby stayed from:

- 18 a. Commencing, prosecuting, continuing, entering, or enforcing  
19 any suit or proceeding, except that such actions may be filed  
20 to toll any applicable statute of limitations;
- 21 b. Accelerating the due date of any obligation or claimed  
22 obligation; filing or enforcing any lien; taking or attempting to  
23 take possession, custody, or control of any asset; attempting to  
24 foreclose, forfeit, alter, or terminate any interest in any asset,  
25 whether such acts are part of a judicial proceeding, are acts of  
26 self-help, or otherwise;
- 27 c. Executing, issuing, serving, or causing the execution, issuance  
28 or service of, any legal process, including, but not limited to,

1 attachments, garnishments, subpoenas, writs of replevin, writs  
2 of execution, or any other form of process whether specified  
3 in this Order or not; or

- 4 d. Doing any act or thing whatsoever to interfere with the  
5 Receiver's taking custody, control, possession, or  
6 management of the assets or documents subject to this  
7 receivership; or to harass or interfere with the Receiver in any  
8 way; or to interfere in any manner with the exclusive  
9 jurisdiction of this Court over the assets or documents of the  
10 Receivership Defendants.

11 2. This Section does not stay:

- 12 a. The commencement or continuation of a criminal action or  
13 proceeding;
- 14 b. The commencement or continuation of an action or  
15 proceeding by a governmental unit to enforce such  
16 governmental unit's police or regulatory power;
- 17 c. The enforcement of a judgment, other than a money judgment,  
18 obtained in an action or proceeding by a governmental unit to  
19 enforce such governmental unit's police or regulatory power;
- 20 d. The commencement of any action by the Secretary of the  
21 United States Department of Housing and Urban  
22 Development to foreclose a mortgage or deed of trust in any  
23 case in which the mortgage or deed of trust held by the  
24 Secretary is insured or was formerly insured under the  
25 National Housing Act and covers property, or combinations of  
26 property, consisting of five (5) or more living units; or
- 27 e. The issuance to a Receivership Defendant of a notice of tax  
28 deficiency.





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**XXV.**

**DURATION OF ORDER**

IT IS FURTHER ORDERED that the Temporary Restraining Order granted herein shall expire on the 8<sup>th</sup> day of June, 2009, at 4 o'clock ~~a.m.~~/p.m., unless within such time, the Order, for good cause shown, is extended for an additional period not to exceed ten (10) calendar days, or unless it is further extended pursuant to Federal Rule of Civil Procedure 65.

**XXVI.**

**CORRESPONDENCE**

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

Gregory J. Madden  
Kristin M. Williams  
Federal Trade Commission  
601 New Jersey Ave., NW, Rm. 2122  
Washington, DC 20008  
Fax: (202) 326-2558  
E-mail: gmadden@ftc.gov; kwilliams2@ftc.gov

**XXVII.**

**ORDER TO SHOW CAUSE**

**REGARDING PRELIMINARY INJUNCTION**

IT IS FURTHER ORDERED that each of the Contempt Defendants shall appear before this Court on the 8th day of June, 2009, at 10:00 a.m., at the Ronald Reagan Federal Building and U.S. Courthouse for the United States District Court, Central District of California, 411 West Fourth Street, Court Room 10A, Santa Ana, California, 92701-4516, to show cause, if any, why this Court should not enter a Preliminary Injunction, pending a final ruling on Plaintiff's Application for a civil contempt order against Contempt Defendants.

*Any Opposition papers shall be filed and served no later than June 3, 2009. Any reply papers shall be filed and served no later than noon on June 5, 2009.*

1 **XXVIII.**

2 **RETENTION OF JURISDICTION**

3 IT IS FURTHER ORDERED that the Court shall continue to retain jurisdiction  
4 of this matter for all purposes.

5 **XXIX.**

6 **SERVICE ON CONTEMPT DEFENDANTS**

7 IT IS FURTHER ORDERED that plaintiff shall serve no later than three (3) court  
8 days from the date of this order, the following documents on all contempt defendants:

9 (1) Federal Trade Commission's Ex-Parte Application for a Temporary  
10 Restraining Order and a Preliminary Injunction, Pending Decision on Its Ex-Parte  
11 Application for an Order to Show Cause Why Contempt Defendants Should Not Be  
12 Held in Contempt;

13 (2) Federal Trade Commission's Memorandum in Support of Its Ex-Parte  
14 Application for a Temporary Restraining Order and a Preliminary Injunction, Pending  
15 Decision on Its Ex-Parte Application for an Order to Show Cause Why Contempt  
16 Defendants Should Not be Held in Contempt;

17 (3) Plaintiff Federal Trade Commission's Recommendation for a Receiver;

18 (4) Temporary Restraining Order with Asset Freeze, Appointment of a  
19 Temporary Receiver and Other Equitable Relief; Setting OSC Re: Preliminary  
20 Injunction for June 8, 2009, at 10:00 a.m.; and Setting Briefing Schedule;

21 (5) [Proposed] Preliminary Injunction Order;

22 (6) Federal Trade Commission's Memorandum in Support of Its Ex-Parte  
23 Application for an Order to Show Cause Why Defendants Should Not Be Held in  
24 Contempt and proposed orders thereon;

25 (7) Exhibits to Memoranda in Support of Federal Trade Commission's Ex-Parte  
26 Applications for a Temporary Restraining Order and a Preliminary Injunction and for  
27 An Order to Show Cause Why Defendants Should Not Be Held in Contempt, volumes I-  
28 III;

1 (8) Certification and Declaration of Federal Trade Commission's Counsel  
2 Gregory J. Madden in Support of Plaintiff's Ex-Parte Applications;

3 (9) Plaintiff's Ex-Parte Application for Leave To File Memoranda of Law in  
4 Excess of Page Limits, Memorandum in Support;

5 (10) Order Granting Plaintiff Leave To File Memorandum of Law in Excess of  
6 Page Limits;

7 (11) Plaintiff's Ex-Parte Application for Order Waiving Requirements that  
8 Notice of Manual Filing Be Filed and Advance Notice of Plaintiff's Ex-Parte  
9 Application for TRO, etc., and Other Ex-Parte Applications Be Provided to Contempt  
10 Defendants, Memorandum in Support;

11 (12) Order waiving Requirement That Notice of Manual Filing and Advance  
12 Notice of Plaintiff's Ex-Parte Application for TRO, etc, and Other Ex-Parte  
13 Applications Be Provided to Contempt Defendants;

14 (13) Ex-Parte Application To Modify Stipulated Final Order, Memorandum in  
15 Support;

16 (14) [Proposed] Supplemental Final Order To Modify Stipulated Final  
17 Judgment;

18 (15) Ex-Parte Application for Order Temporarily Sealing File and Docket,  
19 Memorandum in Support;

20 (16) Order Sealing Docket until June 1, 2009.

21 Proof of service of the aforementioned documents on the Contempt Defendants  
22 shall be filed with the Court no later than June 4, 2009.

23  
24 IT IS SO ORDERED, this 27th day of May, 2009, at 4:00 p.m.

25  
26 By:   
27 Judge of the United States District Court  
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