

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
FT. LAUDERDALE DIVISION**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

FIRST UNIVERSAL LENDING, LLC, a limited liability company,

SEAN ZAUSNER, individually and as owner, officer, or manager of First Universal Lending, LLC,

DAVID ZAUSNER, individually and as owner, officer, or manager of First Universal Lending, LLC, and

DAVID J. FEINGOLD, individually and as officer or manager of First Universal Lending, LLC,

Defendants.

Case No. 9:09-civ-82322-Zloch

PRELIMINARY INJUNCTION

Plaintiff Federal Trade Commission (“Commission” or “FTC”), pursuant to Sections 13(b) and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, and the Telemarketing and Consumer Fraud and Abuse Prevention Act (“Telemarketing Act”), 15 U.S.C. §§ 6101-6108, filed a Complaint for Injunctive and Other Equitable Relief and moved for a preliminary injunction pursuant to Rule 65(b) of the Federal Rules of Civil Procedure.

Whereas, the Court has considered the complaint, declarations, exhibits, witnesses, arguments, and memorandum filed in support of plaintiff's application, and it is hereby ORDERED, ADJUDGED AND DECREED as follows:

FINDINGS

1. The Court has jurisdiction over the subject matter of this case and jurisdiction over all parties.
2. Venue in the United States District Court, Southern District of Florida, Ft. Lauderdale Division is proper under 28 U.S.C. § 1391(b) and (c) and 15 U.S.C. § 53(b).
3. There is good cause to believe that Defendants have engaged, and are likely to continue to engage, in acts or practices that violate Sections 5 of the FTC Act, 15 U.S.C. § 45, and the Telemarketing Sales Rule ("TSR"), 16 C.F.R. Part 310 and that the FTC is, therefore, likely to prevail on the merits of this action.
4. There is good cause to believe that consumers will suffer continuing harm unless Defendants are immediately restrained by an order of this Court. The FTC's memorandum in support of its motion for a Preliminary Injunction and the accompanying declarations and exhibits demonstrate that it is likely that Defendants have engaged in illegal activity in connection with the marketing and sale of mortgage loan modification and debt negotiation services.
5. There is good cause to believe that immediate and irreparable damage to the Court's ability to grant effective final relief for consumers will occur from the sale, transfer, or other disposition or concealment by Defendants of their assets or corporate records unless Defendants are immediately restrained and enjoined by order of this Court. Thus, there is

good cause for the continuation of the asset freeze and the appointment of a receiver over the corporate Defendant.

6. No security is required of any agency of the United States for issuance of a preliminary injunction, Fed. R. Civ. P. 65(c).

7. Balancing the equities and considering the FTC's likelihood of success on the merits, the entry of this preliminary injunction is in the public interest.

DEFINITIONS

For the purposes of this Preliminary Injunction, the following definitions apply:

1. **"Assets"** means any legal or equitable interest in, right to, or claim to, any and all real and personal property of Defendants, or held for the benefit of Defendants, including but not limited to chattel, goods, real estate, instruments, equipment, fixtures, general intangibles, list of consumer names, effects, leaseholds, inventory, checks, notes, accounts, credits, receivables, shares of stock, contracts, and all cash and currency, or other assets, or any interest therein, wherever located.

2. **"Corporate Defendant"** means First Universal Lending, LLC, subsidiaries, affiliates, fictitious business entities or business names, and its successors and assigns, including but not limited to First Universal Holdings, LLC.

3. **"Debt Negotiation Service"** means

- a. the business or practice of acting, or offering or attempting to act, as an intermediary between a debtor and his creditors for the purpose of settling, negotiating, or in any way altering the terms of payment of any debt or a debtor; or

b. the business or practice of receiving, in return for consideration, or the scheduled receipt, of a debtor's monies, or evidences thereof, for the purpose of distribution among certain specific creditors in payment, or partial payment, of the debtor's obligations.

4. "**Defendants**" means the Individual Defendants and Corporate Defendant, individually or collectively.

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

6. "**Financial Institution**" means any bank, savings and loan institution, credit union, or any financial depository of any kind, including, but not limited to, any brokerage house, trustee, broker-dealer, escrow agent, title company, commodity trading company, or precious metal dealer.

7. "**Individual Defendants**" means Sean Zausner, David Zausner, and David J. Feingold.

8. "**Mortgage loan modification service**" means any service, product, or program that is represented, expressly or by implication, to assist a homeowner in any manner to: (A) obtain or arrange a modification of any term of a home loan, deed of trust, or mortgage; (B) obtain or arrange a refinancing, recapitalization, or reinstatement of a home loan, deed of trust, or mortgage; (C) obtain or arrange a pre-foreclosure sale, short sale, or deed-in-lieu of foreclosure; (D) stop, prevent, or postpone any home mortgage or deed of trust foreclosure sale; (E) obtain any forbearance from any beneficiary or mortgagee; (F) obtain a loan or advance of funds that is

connected to the consumer's home ownership; (G) avoid or ameliorate the impairment of the owner's credit standing, credit rating or credit profile; (H) examine, audit or evaluate any term of a home loan, deed of trust or mortgage; or (I) save the consumer's residence from foreclosure.

9. **"Plaintiff"** means the Federal Trade Commission ("Commission" or "FTC").

10. **"Receivership Defendant"** means First Universal Lending, LLC, and its successors and assigns, including First Universal Holdings, LLC.

11. **"Telemarketing"** means any plan, program or campaign (whether or not covered by the TSR, 16 C.F.R. Part 310) that is conducted to induce the purchase of goods or services by means of the use of one or more telephones.

12. **"Receiver"** means Jane Moskowitz, Esq. and also includes any deputy receivers, agents, or counsel as may be named by the Receiver.

ORDER

I. PROHIBITED BUSINESS ACTIVITIES

IT IS THEREFORE ORDERED that Defendants and their successors, assigns, officers, agents, servants, employees, and attorneys, and those persons or entities in active concert or participation with any of them who receive actual notice of this Order by personal service, facsimile transmission, email, or otherwise, whether acting directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, marketing, promotion, offering for sale or sale of any mortgage loan modification service or debt negotiation service are hereby preliminarily restrained and enjoined from misrepresenting, or from assisting others who are misrepresenting, either orally or in writing, expressly or by implication:

A. That any Defendant or any other person will:

1. obtain or arrange for consumers' mortgage loan modifications or debt negotiations that will make consumers' mortgage or debt payments substantially more affordable;
2. guarantee a loan or debt modification or obtain a loan or debt modification with a high likelihood of success;
3. obtain or arrange a modification of any term of a home loan, deed of trust, mortgage, or other debt;
4. stop, prevent, or postpone any home mortgage foreclosure sale or save any consumer's residence from foreclosure;

B. The terms that any beneficiary, mortgagee, or other home-loan holder will or is likely to offer or accept to cure any delinquency or default on, or to reinstate or modify, any mortgage, deed of trust, or other home loan;

C. The amount of time it will take or is likely to take to obtain or arrange a modification of any term of a consumer's home loan, deed of trust, mortgage, or other debt, including any recapitalization or reinstatement agreement;

D. The degree of success that any Defendant or any other person has had in performing mortgage loan modification services or debt negotiation services;

E. The nature of Defendants' or any other person's relationship with any mortgage loan holder or servicer, or other lender;

F. That any Defendant has received a request or application for loan modification from a consumer;

G. That any Defendant has the ability to approve a request or application for loan modification;

H. That any Defendant is a loan modification department or modification department or works for such a department; or

I. Any other material fact.

II. PROHIBITED VIOLATIONS OF THE TELEMARKETING SALES RULE

IT IS FURTHER ORDERED that, in connection with the advertising, marketing, promotion, offering for sale or sale of any goods or services including any mortgage loan modification service or debt negotiation service, Defendants, and each of their successors, assigns, members, officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any entity, corporation, subsidiary, division, affiliate or other device, are hereby temporarily restrained and enjoined from violating, or assisting others in violating, any provision of the TSR, 16 C.F.R. Part 310 (as presently promulgated or as it may hereinafter be amended) including, but not limited to misrepresenting, directly or by implication, a material aspect of the performance, efficacy, nature or central characteristic of such services, including but not limited to that Defendants will obtain mortgage loan modifications for consumers in all or virtually all instances that will make their mortgage payments substantially more affordable in violation of Section 310.3(a)(2)(iii) of the TSR, 16 C.F.R. § 310.3(a)(2)(iii).

III. PROHIBITION ON COLLECTION OF ADVANCE FEES

IT IS FURTHER ORDERED that Defendants and their successors, assigns, officers, agents, servants, employees, attorneys, and those persons or entities in active concert or participation with any of them who receive actual notice of this Order by personal service, facsimile transmission, email, or otherwise, whether acting directly or through any corporation, subsidiary, division, or other device, in connection with the advertising, marketing, promotion, offering for sale or sale of any mortgage loan modification service or debt negotiation service, are hereby preliminarily restrained and enjoined from requesting or receiving payment of any fee or consideration in advance of performing each and every mortgage loan modification service or debt negotiation service.

IV. DISABLEMENT OF WEB SITES

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

A. Immediately do whatever is necessary to ensure that any Internet website used by Defendants for the advertising, marketing, promotion, offering for sale, sale, or provision of any mortgage loan modification service, and containing statements or representations prohibited by Sections I and II of this Order, including, but not limited to, www.firstuniversallending.com, cannot be accessed by the public;

B. Prevent the destruction or erasure of any Internet website used by Defendants for the advertising, marketing, promotion, offering for sale, sale, or provision of any mortgage loan

modification, including but not limited to, www.firstuniversallending.com, by preserving such website in the format in which they are maintained currently; and

C. Immediately notify in writing counsel for the FTC of any other Internet website operated or controlled by any Defendant.

V. DUTIES OF HOSTS OF DEFENDANTS' COMPUTER EQUIPMENT

IT IS FURTHER ORDERED that pending determination of Plaintiff's request for a Permanent Injunction, any person who owns or controls any business premises or other location on which any computer equipment owned or leased by any of the Defendants is located shall:

A. Disconnect any such computer equipment from the Internet and from any other means of remote access by Defendants or any other person, and take no step to reconnect the computer equipment except as authorized by further order of this Court;

B. Deny Defendants and any other person access to the computer equipment except as authorized by further order of this Court;

C. Prevent the removal of the computer equipment from its present location except as authorized by further order of this Court; and

D. Provide counsel for the FTC, within five (5) business days of receipt of a copy of this Order, with a sworn statement disclosing the location of the computer equipment, and describing, to the extent known, the make(s) and model(s) of the computer equipment, as well as the operating system(s) in use, and the number, size, and capacity of any mass storage arrays or devices, in order that the FTC may arrange for imaging the contents of any such mass storage arrays or devices.

VI. FINANCIAL DISCLOSURES

IT IS FURTHER ORDERED that Defendants shall serve upon counsel for Plaintiffs, within five (5) days of service of this Order:

A. A completed financial statement, accurate as of the date of entry of this Order, for each individual Defendant in the form provided as Attachment A to the TRO, and for each corporate Defendant, in the form provided as Attachment B to the TRO. The financial statements shall include all Assets held outside the territory of the United States, shall be accurate as of the date of entry of this Order, and shall be verified under oath. Defendants shall attach to these completed financial statements copies of all local, state, provincial, and federal income and property tax returns, along with other attachments and schedules as called for by the instructions to the financial statements; and

B. The name, address and telephone number of each accountant, financial planner, investment advisor, stock broker or other individual, corporation, or partnership whom they have used for financial, business or tax advice or services, since January 1, 2008.

VII. ASSET FREEZE

IT IS FURTHER ORDERED that Defendants and their successors, assigns, members, officers, agents, servants, employees, and attorneys, and those persons or entities in active concert or participation with them who receive actual notice of this Order by personal service, facsimile transmission, email, or otherwise, whether acting directly or through any corporation, subsidiary, division, or other device, are restrained and enjoined from:

A. Transferring, converting, encumbering, selling, concealing, dissipating, disbursing, assigning, spending, withdrawing, perfecting a security interest in, or otherwise

disposing of any funds, real or personal property, accounts, contracts, shares of stock, lists of consumer names, or other assets, wherever located, including outside the United States, that are:

1. owned or controlled by, or held for the benefit of, directly or indirectly, any of the Defendants, in whole or in part;
2. in the actual or constructive possession of any of the Defendants;
3. held by an agent of any of the Defendants as a retainer for the agent's provision of services to Defendants; or
4. owned or controlled by, or in the actual or constructive possession of or otherwise held for the benefit of, any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by any of the Defendants, including, but not limited to, any assets held by, for, or subject to access by, any of the Defendants at any bank or savings and loan institution, or with any broker-dealer, escrow agent, title company, commodity trading company, precious metal dealer, or other financial institution or depository of any kind;

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

C. Obtaining a personal or secured loan encumbering the assets of any of the Defendants, or subject to access by any of the Defendants;

D. Incurring liens or other encumbrances on real property, personal property, or other assets in the name, singly or jointly, of any of the Defendants or of any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by any of the Defendants;

E. Incurring charges or cash advances on any credit card or prepaid debit, credit or other bank card, issued in the name, singly or jointly, of any of the Defendants or any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by any of the Defendants. and

F. Failing to disclose to Plaintiff, immediately upon service of this Order, information that fully identifies each asset of the Defendants, and each entity holding such asset, including, without limitation, the entity's name, address, and telephone number, the number of the account, and the name under which the account is held.

IT IS FURTHER ORDERED that the assets affected by this Paragraph shall not include assets acquired after the effective date of this Order except if such assets are derived from activity prohibited by this Order.

Provided, however, that this Paragraph shall not be construed to prohibit Defendant David J. Feingold from disbursing funds that are held in trust fund accounts or client funds accounts and that are held for the benefit of legal services clients, so long as:

1. Such funds were not received as payment for mortgage loan modification services;
2. Such funds are not disbursed for any purpose related to mortgage loan modification services;
3. Defendant David J. Feingold provides to Plaintiff within five (5) days of the date of service of this Order a sworn statement indicating as to each trust account he maintains (1) whether the account contains funds received as payment for mortgage loan modification services, and (2) a copy of any

written journal kept for each such account that sets forth the name of such account; the date, amount, and client affected by each debit and credit; and the current balance in such account; and

4. Defendant David J. Feingold makes and retains detailed records for each such trust account explaining the reason for any disbursement and noting the date and amount of the disbursement and the name, address, and telephone number of the payee.

VIII. DUTIES OF ASSET HOLDERS

IT IS FURTHER ORDERED that any financial or brokerage institution, business entity, or person served with a copy of this Order that holds, controls, or maintains custody of any account or asset of any of the Defendants, or has held, controlled, or maintained custody of any such account or asset at any time **since January 1, 2008**, shall:

- A. Hold and retain within its control and prohibit the withdrawal, removal, assignment, transfer, pledge, encumbrance, disbursement, dissipation, conversion, sale, or other disposal of any such asset except by further order of this Court;
- B. Deny Defendants access to any safe deposit box that is:
 1. titled in the name of any of the Defendants, either individually, jointly, or doing business as First Universal Lending or First Universal Holdings; or
 2. otherwise subject to access by any of the Defendants;
- C. Provide the FTC counsel, and the Receiver with respect to assets held on behalf of the Receivership Defendant, within three (3) business days of receiving a copy of this Order, a sworn statement setting forth:

1. the identification number of each account or asset titled in the name of any of the Defendants, individually, jointly, or doing business as First Universal Lending, LLC or First Universal Holdings, LLC or held on behalf of, or for the benefit of, any of the Defendants;
2. the balance of each account, or a description of the nature and value of each asset as of the close of business on the day on which this Order is served, and, if the account or other asset has been closed or removed, the date closed or removed, the total funds removed in order to close the account, and the name of the person or entity to whom the account or other asset was remitted; and
3. the identification of any safe deposit box that is either titled in the name, individually or jointly, of any of the Defendants, individually, jointly, or doing business as, First Universal Lending, LLC or First Universal Holdings, LLC or is otherwise subject to access by any of the Defendants;

and

D. Upon the request of the FTC, or by the Permanent Receiver with respect to assets held on behalf of the Receivership Defendant, promptly provide FTC counsel with copies of all records or other documentation pertaining to the account or asset, including, but not limited to, originals or copies of account applications, account statements, signature cards, checks, drafts, deposit tickets, transfers to and from the accounts, all other debit and credit instruments or slips, currency transaction reports, 1099 forms, and safe deposit box logs. Any financial institution,

account custodian, or other aforementioned entity may arrange for the FTC to obtain copies of any records which the FTC seeks.

IX. APPOINTMENT OF PERMANENT RECEIVER

IT IS FURTHER ORDERED that Jane Moskowitz, Esq. shall be appointed as Permanent Receiver (“Receiver”) for First Universal Lending, LLC, and any of its affiliates and subsidiaries including First Universal Holdings, LLC, (“Receivership Defendant”) with the full power of an equity receiver. The Receiver is directed and authorized to accomplish the following:

A. Assume full control of the Receivership Defendant by removing, as the Receiver deems necessary or advisable, any director, officer, independent contractor, employee, or agent of the Receivership Defendant, including any Defendant, from control of, management of, or participation in, the affairs of the Receivership Defendant. The Receiver shall, however, not interfere with or be privy to the defense of this action;

B. Take custody, control, and possession of all Assets and Documents of, or in the possession, custody or under the control of, the Receivership Defendant wherever situated and including, but not limited to, the business premises of the Receivership Defendant. The Receiver shall have full power to divert mail and to sue for, collect, receive, take possession, hold and manage all Assets and Documents of the Receivership Defendant and other persons or entities whose interests are now held by or under the direction, possession, custody, or control of the Receivership Defendant. *Provided, however*, that the Receiver shall not attempt to collect any amount from a consumer if the Receiver believes the consumer was a victim of the unfair or deceptive acts or practices alleged in the Complaint in this matter, without prior Court approval;

C. Use any means necessary to take possession of and to secure each and all business premises of the Receivership Defendant. Such steps may include, but are not limited to, any of the following, as the Receiver deems necessary or advisable: (1) serving this Order; (2) completing a written inventory of all receivership Assets; (3) obtaining pertinent information from all employees and other agents of the Receivership Defendant, including, but not limited to, the name, home address, Social Security number, job description, passwords or access codes, method of compensation, and all accrued and unpaid commissions and compensation of each such employee or agent; (4) photographing and videotaping any or all portions of the location; (5) securing the location by changing the locks and disconnecting any computer modems, servers, network access, or other means of access to the computer or other records maintained at that location; and (6) requiring any persons present on the premises at the time this Order is served to leave the premises, to provide the Receiver with proof of identification, or to demonstrate to the satisfaction of the Receiver that such persons are not removing from the premises Documents or Assets of the Receivership Defendant.

D. Conserve, hold, and manage all Assets of the Receivership Defendant and perform all acts necessary or advisable to preserve the value of those Assets in order to prevent any irreparable loss, damage, or injury to consumers or creditors of the Receivership Defendant, including, but not limited to, obtaining an accounting of the assets and preventing unauthorized transfer, withdrawal, or misapplication of Assets, and including the authority to liquidate or close out any open securities or commodities futures positions of the Receivership Defendant;

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

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

G. Manage and administer the business of the Receivership Defendant until further order of this Court by performing all incidental acts that the Receiver deems to be advisable or necessary;

H. Make payments and disbursements from the receivership estate that are necessary or advisable for carrying out the directions of, or exercising the authority granted by, this Order. The Receiver shall apply to the Court for prior approval of any payment of any debt or obligation incurred by the Receivership Defendant prior to the date of entry of this Order, except payments that the Receiver deems necessary or advisable to secure assets of the Receivership Defendant, such as rental payments;

I. Determine and implement the manner in which the Receivership Defendant will comply with, and prevent violations of, this Order and all other applicable laws;

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

K. Defend, compromise, adjust, or otherwise dispose of any or all actions or proceedings instituted in the past or in the future against the Receiver in her role as Receiver, or against the Receivership Defendant, as the Receiver deems necessary and advisable to

preserve the Assets of the Receivership Defendant, or as the Receiver deems necessary and advisable to carry out the Receiver's mandate under this Order;

L. Continue to conduct the business of the Receivership Defendant in such manner, and to such extent under the Court's authority, as the Receiver may in good faith deem to be necessary or appropriate to operate the businesses profitably and lawfully, if at all; provided that the continuation and conduct of the business shall be conditioned upon the Receiver's good faith determination that the business can be lawfully operated at a profit using the Assets of the receivership estate;

M. Issue subpoenas to obtain Documents and records pertaining to the receivership, and conduct discovery in this action on behalf of the receivership estate;

N. Open one or more bank accounts as designated depositories for funds of the Receivership Defendant. The Receiver shall deposit all funds of the Receivership Defendant in such a designated account and shall make all payments and disbursements from the receivership estate from such an account. The Receiver shall serve copies of monthly account statements on all parties;

O. Maintain accurate records of all receipts and expenditures made as Receiver;

P. Cooperate with reasonable requests for information or assistance from any state or federal law enforcement agency, including Plaintiffs; and

Q. File reports with the Court on a timely basis.

X. COOPERATION WITH THE RECEIVER

IT IS FURTHER ORDERED that

A. Defendants, and their officers, agents, directors, servants, employees, salespersons, independent contractors, attorneys, members, partners, corporations, subsidiaries, affiliates, successors and assigns, and all other persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division or other device, or any of them, and all other persons or entities served with a copy of this Order, shall fully cooperate with and assist the Receiver. This cooperation and assistance shall include, but not be limited to:

1. Providing information to the Receiver that the Receiver deems necessary in order to exercise the authority and discharge the responsibilities of the Receiver under this Order; and
2. Providing any password required to access any computer, electronic file, or telephonic data in any medium; and advising all persons who owe money to the Receivership Defendant that all debts should be paid directly to the Receiver.

B. Defendants and their officers, agents, directors, servants, employees, salespersons, independent contractors, attorneys, members, partners, corporations, subsidiaries, affiliates, successors and assigns, and all other persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division or other device, or any of them, and all other persons or entities served with a copy of this Order, are hereby restrained and enjoined from directly or indirectly:

1. Transacting any of the business of the Receivership Defendant;
2. Destroying, secreting, defacing, mutilating, concealing, altering, transferring, or otherwise disposing of any Document of the Receivership Defendant, including but not limited to books, records, tapes, discs, accounting data, checks (fronts and backs), correspondence, forms, advertisements, website designs and texts, telemarketing scripts or outlines, brochures, manuals, banking records, customer lists, customer files, customer payment histories, invoices, telephone records, ledgers, payroll records, or other Documents of any kind, including electronically stored information;
3. Transferring, receiving, altering, selling, encumbering, pledging, assigning, liquidating, or otherwise disposing of any Asset owned, controlled, or in the possession or custody of, or in which an interest is held or claimed by, the Receivership Defendant, or the Receiver;
4. Excusing debts owed to the Receivership Defendant;
5. Failing to notify the Receiver of any Asset, including accounts, of the Receivership Defendant held in any name other than the name of the Receivership Defendant, or by any person or entity other than the Receivership Defendant, or failing to provide any assistance or information requested by the Receiver in connection with obtaining possession, custody, or control of such Assets;

6. Doing any act or refraining from any act whatsoever to interfere with the Receiver managing, or taking custody, control, or possession of, the Assets or Documents subject to this receivership; or to harass or interfere with the Receiver in any way; or to interfere in any manner with the exclusive jurisdiction of this Court over the Assets or Documents of the Receivership Defendant; or to refuse to cooperate with the Receiver or the Receiver's duly authorized agents in the exercise of their duties or authority under any order of this Court; or
7. Filing, or causing to be filed, any petition on behalf of the Receivership Defendants for relief under the United States Bankruptcy Code, 11 U.S.C. § 101 *et. seq.*, without prior permission from this Court.

XI. COMPENSATION OF RECEIVER

IT IS FURTHER ORDERED that the Receiver is entitled to reasonable compensation for the performance of all duties pursuant to this Order, and for the cost of actual out-of-pocket expenses incurred, solely from the Assets now held by, or in the possession or control of, or which may be received by the Receivership Defendant. The Receiver shall file with the Court, and serve on the parties, periodic requests for the payment of such compensation, with the first such request due prior to sixty days after the date of this Order. The Receiver shall not increase the Receiver's fee billed to the receivership estate without prior approval of the Court.

XII. DELIVERY OF RECEIVERSHIP PROPERTY

IT IS FURTHER ORDERED that, immediately upon service of this Order upon them, or within such time as may be permitted by the Receiver, Defendant, or any other person or entity

served with a copy of this Order, shall transfer or deliver possession, custody and control of the following to the Receiver:

A. All Assets of the Receivership Defendant (including, but not limited to, desktop and laptop computers and network servers);

B. All Documents of the Receivership Defendant, wherever located, including, but not limited to, all financial and accounting records, balance sheets, income statements, bank records (including monthly statements, canceled checks, records of wire transfers, and check registers), customer lists, title documents, contracts, accounting data, written or electronic correspondence, advertisements, computer tapes, disks, or other computerized records, books, written or printed records, handwritten notes, telephone logs, telephone scripts, membership records and lists, refund records, receipts, ledgers, personal and business canceled checks and check registers, appointment books, copies of federal, state, or local business, personal income, or property tax returns, and other Documents or records of any kind that relate to the Receivership Defendant's business practices;

C. All funds and other Assets belonging to members of the public now held by the Receivership Defendant; and

D. All keys, codes, and passwords, entry codes, combinations to locks, and information or devices required to open or gain access to any Asset or Document, including, but not limited to, access to their business premises, means of communication, accounts, computer systems, or other property.

XIII. NON-COMPLIANCE WITH TRANSFERS OR DELIVERY

IT IS FURTHER ORDERED that, in the event any person or entity fails to transfer or deliver any Asset or otherwise fails to comply with any provision of this Order requiring the delivery of Assets, Documents or other things, the Receiver may file *ex parte* an affidavit of non-compliance regarding the failure. Upon filing of the affidavit, the Court may authorize, without additional process or demand, writs of possession or sequestration or other equitable writs requested by the Receiver. The writs shall authorize and direct the United States Marshal or any sheriff or deputy sheriff of any county, or any other federal or state law enforcement officer, to seize the Asset, Document, or other thing and to deliver it to the Receiver.

XIV. REPATRIATION OF FOREIGN ASSETS AND DOCUMENTS

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

A. Immediately and continually take steps as are necessary to transfer to the territory of the United States of America all documents and assets that are located outside of territory and are held by or for Defendants or are under Defendants' direct or indirect control, jointly, severally, or individually;

B. Unless already completed pursuant to the Temporary Restraining Order entered by this Court, within three (3) business days following entry of this Order, provide Plaintiff, and the Receiver with respect to assets held on behalf of the Receivership Defendant, with a full accounting of all documents and assets that are located outside of the territory of the United

States of America and are held by or for Defendants or are under Defendants' direct or indirect control, jointly, severally, or individually; and

C. Hold and retain all transferred documents and assets and prevent any transfer, disposition, or dissipation whatsoever of any assets or funds.

XV. INTERFERENCE WITH REPATRIATION

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

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

B. Notifying any trustee, protector, or other agent of any of the Defendants of the existence of this Order, or of the fact that repatriation is required pursuant to a Court Order, until such time as all assets have been fully repatriated pursuant to Paragraph XIV of this Order.

XVI. PRESERVATION OF RECORDS AND TANGIBLE THINGS

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

A. destroying, erasing, mutilating, concealing, altering, transferring, or otherwise disposing of, in any manner, directly or indirectly, any documents or records that relate to the business practices, or business or personal finances, of Defendants, or other entity directly or indirectly under the control of Defendants;

B. failing to create and maintain books, records, and accounts which, in reasonable detail, accurately, fairly, and completely reflect the incomes, assets, disbursements, transactions and use of monies by any Defendant or other entity directly or indirectly under the control of any Defendants.

XVII. CONSUMER REPORTS

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

XVIII. MONITORING COMPLIANCE WITH THIS ORDER

IT IS FURTHER ORDERED that, for purposes of monitoring compliance with Sections I and II of this Order, the FTC is authorized to use all lawful means, including, but not limited to, posing as consumers and suppliers to Defendants, their employees, or any other entity

managed or controlled in whole or in part by any Defendant, without the necessity of identification or prior notice.

XIX. NOTICE TO EMPLOYEES AND AGENTS

IT IS FURTHER ORDERED that within three (3) calendar days following this Order, Defendants shall provide a copy of this Order to each of their employees, directors, officers, subsidiaries, affiliates, attorneys, independent contractors, representatives, franchisees, all persons in active concert or participation with Defendants, and any person who has solicited customers for Defendants' mortgage loan modification or debt negotiation service or provide any aspect of that service. Within five (5) calendar days following this Order, Defendants shall provide the FTC with an affidavit identifying the names, titles, addresses, and telephone numbers of the persons and entities that Defendants have served with a copy of this Order in compliance with this provision.

XX. PROHIBITION ON DISCLOSING CUSTOMER INFORMATION

IT IS FURTHER ORDERED that Defendants, and their officers, agents, directors, servants, employees, salespersons, independent contractors, attorneys, members, partners, corporations, subsidiaries, affiliates, successors and assigns, and all other persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division or other device, or any of them, are hereby restrained and enjoined from:

A. disclosing, using, or benefitting from customer information, including the name, address, telephone number, email address, social security number, other identifying information, or any data that enables access to a customer's account (including a credit card, bank account, or

other financial account), of any person which any Defendant obtained prior to entry of this Order in connection with mortgage loan modification or debt negotiation services; and

B. failing to dispose of such customer information in all forms in their possession, custody, or control within thirty (30) days after entry of this Order. Disposal shall be by means that protect against unauthorized access to the customer information, such as by burning, pulverizing, or shredding any papers, and by erasing or destroying any electronic media, to ensure that the customer information cannot practicably be read or reconstructed.

Provided, however, that customer information need not be disposed of, and may be disclosed, to the extent requested by a government agency or required by a law, regulation, or court order a law enforcement agency or as required by any law, regulation, or court order.

XXI. STAY OF ACTIONS

IT IS FURTHER ORDERED that except by leave of this Court, during the pendency of the receivership ordered herein, the Defendants and other persons and entities are hereby stayed from taking any action to establish or enforce any claim, right or interest for, against, on behalf of, in, or in the name of, the Receivership Defendant, or any of its subsidiaries, affiliates, partnerships, Assets, Documents, or the Receiver or the Receiver's duly authorized agents acting in their capacities as such, including, but not limited to, the following actions:

A. Commencing, prosecuting, continuing or enforcing any suit or proceeding, except that such actions may be filed to toll any applicable statute of limitations;

B. Accelerating the due date of any obligation or claimed obligation, filing, perfecting, or enforcing any lien; taking or attempting to take possession, custody or control of any Asset; attempting to foreclose, forfeit, alter, or terminate any interest in any Asset, whether

such acts are part of a judicial proceeding, are acts of self-help, or otherwise, or setoff of any debt owing to the Receivership Defendants that arose before the date of this Order against any claim against the Receivership Defendants;

C. Doing any act or thing whatsoever to interfere with the Receiver taking custody, control, possession or management of the Assets or Documents subject to this receivership, or to harass or interfere with the Receiver in any way, or to interfere in any manner with the exclusive jurisdiction of this Court over the Assets and Documents of the Receivership Defendants.

Provided, however, nothing in this Paragraph shall prohibit any federal or state law enforcement or regulatory authority from commencing or prosecuting an action against the Receivership Defendants.

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

XXII. SERVICE OF THIS ORDER

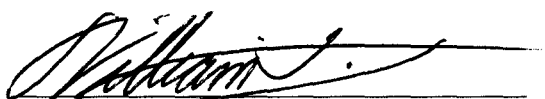
IT IS FURTHER ORDERED that copies of this Order may be distributed by U.S. first class mail, overnight delivery, facsimile, electronic mail, or personally by agent or employees of Plaintiffs, by agents or employees of the Receiver, by any law enforcement agency, or by private process server, upon any person, financial institution, or other entity that may have possession or control of any property, property right, Asset or Document of any Defendant, or that may be

subject to any provision of this Order. Service upon any branch or office of any financial institution or entity shall effect service upon the entire financial institution or entity.

XXIII. RETENTION OF JURISDICTION

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

IT IS SO ORDERED, this 18th day of DECEMBER, 2009.



William J. Zloch
United States District Judge