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NOTE CHANGES MADE BY THE COURT

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10 Attorneys for Plaintiff
11 FEDERAL TRADE COMMISSION

12 UNITED STATES DISTRICT COURT
13 CENTRAL DISTRICT OF CALIFORNIA

14 FEDERAL TRADE COMMISSION,

15 Plaintiff,

16 v.

17 APPLIED MARKETING
18 SCIENCES, a Nevada limited liability
19 company,

20 STANDARD REGISTRATION
21 CORPORATION, a Nevada
22 corporation, also d/b/a Consolidated
23 Research Authority and CRA,

24 WORLDWIDE INFORMATION
25 SYSTEMS, INCORPORATED, a
26 Nevada corporation, also d/b/a
27 Specific Monitoring Service, SMS,
28 Specific Reporting Service, SRS,
Universal Information Services, UIS,

LODGED
CLERK, U.S. DISTRICT COURT
SEP 16 2013
CENTRAL DISTRICT OF CALIFORNIA
BY [Signature] DEPUTY

FILED
CLERK, U.S. DISTRICT COURT
SEP 16 2013
CENTRAL DISTRICT OF CALIFORNIA
BY [Signature] DEPUTY

Case No. CV13-06794 -CAS
(CW)

~~[Proposed]~~

Ex Parte Temporary Restraining
Order with an Asset Freeze,
Appointment of a Receiver, and
Other Equitable Relief, and Order to
Show Cause Why a Preliminary
Injunction Should Not Issue

(Lodged Under Seal)

1 **Compendium Sampler Services, and**
2 **CSS, and**

3 **LIAM O. MORAN, individually and**
4 **as an owner, officer, or director of**
5 **Applied Marketing Sciences, LLC,**
6 **Standard Registration Corporation,**
7 **and Worldwide Information Systems,**
8 **Incorporated,**

9 Defendants.

10 Plaintiff Federal Trade Commission (“FTC”) has filed a complaint seeking a
11 permanent injunction and other equitable relief, pursuant to Section 13(b) of the
12 Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b) , and a motion for
13 temporary restraining order (“TRO” or “Order”) pursuant to Rule 65(b) of the
14 Federal Rules of Civil Procedure, Fed. R. Civ. P. 65.

15 **FINDINGS OF FACT**

16 This Court, having considered the complaint, the TRO motion, and all
17 attached declarations, exhibits, and memorandum of law filed in support, finds
18 that:
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20 that:
21 1. This Court has jurisdiction over the subject matter of this case, there is
22 good cause to believe it will have jurisdiction over all the parties hereto, and venue
23 in this district is proper;
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25 2. There is good cause to believe that Defendants Applied Marketing
26 Sciences, a Nevada limited liability company, Standard Registration Corp., a
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1 Nevada corporation, also d/b/a Consolidated Research Authority and CRA,
2 Worldwide Information Systems, Inc., a Nevada corporation, also d/b/a Specific
3 Monitoring Service, SMS, Specific Reporting Service, SRS, Universal Information
4 Services, UIS, Compendium Sampler Services, and CSS, and Liam O. Moran,
5 have engaged and are likely to continue to engage in acts or practices that violate
6 Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and that the FTC is therefore likely
7 to prevail on the merits of this action;
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10 3. There is good cause to believe that consumers will suffer immediate
11 and continuing harm from Defendants' ongoing violations of Section 5(a) of the
12 FTC Act unless Defendants are restrained and enjoined by Order of this Court;
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15 4. There is good cause to believe that immediate and irreparable damage
16 to the Court's ability to grant effective final relief for consumers in the form of
17 monetary restitution and/or disgorgement of ill-gotten gains will occur from the
18 transfer, dissipation, or concealment by Defendants of their assets or business
19 records unless Defendants are immediately restrained and enjoined by Order of this
20 Court; and that in accordance with Fed. R. Civ. P. 65(b) and Local Rule 7-19.2, the
21 interest of justice requires that the FTC's Motion be heard *ex parte* without prior
22 notice to Defendants. Therefore, there is good cause for relieving the FTC of the
23 duty to provide Defendants with prior notice of the FTC's Motion;
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1 2. **“Assisting others”** includes, but is not limited to: (a) performing
2 customer service functions, including, but not limited to, receiving or responding
3 to consumer complaints; (b) formulating or providing, or arranging for the
4 formulation or provision of, any prize promotion letter, sales script or other
5 marketing material; (c) providing names of, or assisting in the generation of,
6 potential customers; (d) performing or providing marketing or billing services of
7 any kind; (e) acting as an officer or director of a business entity; (f) hosting
8 websites; or (g) processing payments.
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11 3. **“Corporate Defendants”** or **“Receivership Defendants”** means
12 Applied Marketing Sciences, a Nevada limited liability company; Standard
13 Registration Corp., a Nevada corporation, also d/b/a Consolidated Research
14 Authority and CRA; Worldwide Information Systems, Inc., a Nevada corporation,
15 also d/b/a Specific Monitoring Service, SMS, Specific Reporting Service, SRS,
16 Universal Information Services, UIS, Compendium Sampler Services, and CSS;
17 and their successors and assigns, as well as any subsidiaries, and any fictitious
18 business entities or business names created or used by these entities.
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23 4. **“Defendants”** means all of the Individual Defendants and the
24 Corporate Defendants, individually, collectively, or in any combination.
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26 5. **“Document”** or **“Documents”** means any materials listed in Federal
27 Rule of Civil Procedure 34(a), and includes writings, drawings, graphs, charts,
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1 photographs, audio and video recordings, computer records, and other data
2 compilations from the information can be obtained and translated, if necessary,
3 through detection devices into reasonably usable form. A draft or non-identical
4 copy is a separate document within the meaning of the term.

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

11 7. **“Individual Defendant”** means Liam O. Moran, and by whatever
12 other name he may be known.

14 8. **“Person”** means a natural person, an organization or other legal
15 entity, including a corporation, partnership, sole proprietorship, limited liability
16 company, association, cooperative, or any other group or combination acting as an
17 entity.
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20 **I. PROHIBITED BUSINESS ACTIVITIES**

21 **IT IS THEREFORE ORDERED** that Defendants and their officers,
22 agents, servants, employees, and attorneys, and all other persons in active concert
23 or participation with any of them who receive actual notice of this Order by
24 personal service or otherwise, whether acting directly or through any corporation,
25 subsidiary, division, or other device, in connection with the advertising, marketing,
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1 promotion, offering for sale, or sale of sweepstakes information, are hereby
2 temporarily restrained and enjoined from:

3 A. Misrepresenting, or assisting others in misrepresenting, directly or
4 indirectly, expressly or by implication, any material fact, including, but not limited
5 to, that consumers who pay Defendants a fee will receive a substantial cash prize;
6 and
7

8 B. Failing to disclose, clearly and prominently:

9 1. That such sweepstakes information is being distributed for the
10 purpose of soliciting a purchase, if such is the case, along with a complete
11 description of the goods and services being sold; and
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13 2. That the consumer to whom the promotion is provided has not
14 won a monetary or any other type of prize, if such is the case.
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17 **II. ASSET FREEZE**

18 **IT IS FURTHER ORDERED** that Defendants, and their officers, agents,
19 servants, employees, attorneys, and all other persons in active concert or
20 participation with any of them, who receive actual notice of this Order by personal
21 service or otherwise, whether acting directly or through any trust, corporation,
22 subsidiary, division, or other device, except as provided herein, as stipulated by the
23 parties, or as directed by further order of the Court, are hereby temporarily
24 restrained and enjoined from:
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1 A. Transferring, liquidating, converting, encumbering, pledging, loaning,
2 selling, concealing, dissipating, disbursing, assigning, spending, withdrawing,
3 granting a lien or security interest or other interest in, or otherwise disposing of any
4 funds, real or personal property, accounts, contracts, shares of stock, lists of
5 consumer names, or other assets, or any interest therein, wherever located,
6 including outside the territorial United States, that are:
7

8 1. Owned, controlled, or held by, in whole or in part, for the
9 benefit of, or subject to access by, or belonging to, any Defendant;
10

11 2. In the actual or constructive possession of any Defendant; or
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13 3. In the actual or constructive possession of, or owned,
14 controlled, or held by, or subject to access by, or belonging to, any other
15 corporation, partnership, trust, or any other entity directly or indirectly owned,
16 managed, or controlled by, or under common control with, any Defendant,
17 including, but not limited to, any assets held by or for any Defendant in any
18 account at any bank or savings and loan institution, or with any credit card
19 processing agent, automated clearing house processor, network transaction
20 processor, bank debit processing agent, customer service agent, commercial mail
21 receiving agency, or mail holding or forwarding company, or any credit union,
22 retirement fund custodian, money market or mutual fund, storage company,
23 trustee, or with any broker-dealer, escrow agent, title company, commodity trading
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1 company, precious metal dealer, or other financial institution or depository of any
2 kind, either within or outside the territorial United States;

3 B. Opening or causing to be opened any safe deposit boxes, commercial
4 mail boxes, or storage facilities titled in the name of any Defendant, or subject to
5 access by any Defendant or under any Defendant's control, without providing the
6 Commission prior notice and an opportunity to inspect the contents in order to
7 determine that they contain no assets covered by this Section;
8

9 C. Cashing any checks or depositing or processing any payments from
10 customers or clients of Defendants;
11

12 D. Incurring charges or cash advances on any credit card issued in the
13 name, singly or jointly, of any Defendant; or
14

15 E. Incurring liens or encumbrances on real property, personal property,
16 or other assets in the name, singly or jointly, of any Defendant or of any
17 corporation, partnership, or other entity directly or indirectly owned, managed, or
18 controlled by any Defendant.
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20 Notwithstanding the asset freeze provisions of Section II.A-E above, and
21 subject to prior written agreement with the Commission, Individual Defendant
22 may, upon compliance with Section VI (Financial Statements) infra, pay from his
23 individual personal funds reasonable, usual, ordinary, and necessary living
24 expenses.
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1 The funds, property, and assets affected by this Section shall include both
2 existing assets and assets acquired after the effective date of this Order.

3 **III. DUTIES OF THIRD PARTIES HOLDING DEFENDANTS' ASSETS**

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5 **IT IS FURTHER ORDERED** that any financial institution, business entity,
6 or person maintaining or having custody or control of any account or other asset of
7 any Defendant, or any corporation, partnership, or other entity directly or indirectly
8 owned, managed, or controlled by, or under common control with any Defendant,
9 which is served with a copy of this Order, or otherwise has actual or constructive
10 knowledge of this Order, shall:
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12
13 A. Hold and retain within its control and prohibit the withdrawal,
14 removal, assignment, transfer, pledge, hypothecation, encumbrance, disbursement,
15 dissipation, conversion, sale, liquidation, or other disposal of any of the assets,
16 funds, documents, or other property held by, or under its control:
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18
19 1. On behalf of, or for the benefit of, any Defendant or any other
20 party subject to Section II above;

21
22 2. In any account maintained in the name of, or for the benefit of,
23 or subject to withdrawal by, any Defendant or other party subject to Section II
24 above; and

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26 3. That are subject to access or use by, or under the signatory
27 power of, any Defendant or other party subject to Section II above;
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1 B. Deny Defendants access to any safe deposit boxes or storage facilities
2 that are either:

3 1. Titled in the name, individually or jointly, of any Defendant, or
4 other party subject to Section II above; or

5 2. Subject to access by any Defendant or other party subject to
6 Section II above;
7

8 C. Within five (5) days of the date of service of this Order, provide
9 Plaintiff a sworn statement setting forth:
10

11 1. The identification number of each account or asset titled in the
12 name, individually or jointly, of any Defendant, or held on behalf of, or for the
13 benefit of, any Defendant or other party subject to Section II above, including all
14 trust accounts managed on behalf of any Defendant or subject to any Defendant's
15 control;
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17 2. The balance of each such account, or a description of the nature
18 and value of such asset;
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20 3. The identification and location of any safe deposit box,
21 commercial mail box, or storage facility that is either titled in the name,
22 individually or jointly, of any Defendant, or is otherwise subject to access or
23 control by any Defendant or other party subject to Section II above, whether in
24 whole or in part; and
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1 4. If the account, safe deposit box, storage facility, or other asset
2 has been closed or removed, the date closed or removed and the balance on said
3 date;

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5 D. Within five (5) days of a request from any Plaintiff, provide Plaintiff
6 copies of all records or other documentation pertaining to each such account or
7 asset, including, but not limited to, originals or copies of account applications,
8 account statements, corporate resolutions, signature cards, checks, drafts, deposit
9 tickets, transfers to and from the accounts, all other debit and credit instruments or
10 slips, currency transaction reports, 1099 forms, and safe deposit box logs; and
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13 E. This Section shall apply to existing accounts and assets, assets
14 deposited or accounts opened after the effective date of this Order, and any
15 accounts or assets maintained, held or controlled three years prior to the effective
16 date of this Order. This Section shall not prohibit transfers in accordance with any
17 provision of this Order, any further order of the Court, or by written agreement of
18 the parties.
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22 **IV. MAINTAIN RECORDS AND REPORT NEW BUSINESS ACTIVITY**

23 **IT IS FURTHER ORDERED** that Defendants, and their officers, agents,
24 servants, employees, attorneys, and all other persons in active concert or
25 participation with any of them, who receive actual notice of this Order by personal
26 service or otherwise, whether acting directly or through any trust, corporation,
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1 subsidiary, division, or other device, are hereby temporarily restrained and
2 enjoined from:

3 A. Failing to create and maintain books, records, accounts, bank
4 statements, current accountants' reports, general ledgers, general journals, cash
5 receipt ledgers, cash disbursement ledgers and source documents, documents
6 indicating title to real or personal property, and any other data which, in reasonable
7 detail, accurately, fairly and completely reflect the incomes, disbursements,
8 transactions, dispositions, and uses of the Defendants' assets;
9

10 B. Destroying, erasing, mutilating, concealing, altering, transferring, or
11 otherwise disposing of, in any manner, directly or indirectly, any documents,
12 including electronically-stored materials, that relate in any way to the business
13 practices or business or personal finances of Defendants; to the business practices
14 or finances of entities directly or indirectly under the control of Defendants; or to
15 the business practices or finances of entities directly or indirectly under common
16 control with any other Defendant; and
17

18 C. Creating, operating, or exercising any control over any new business
19 entity, whether newly formed or previously inactive, including any partnership,
20 limited partnership, joint venture, sole proprietorship, or corporation, without first
21 providing Plaintiff with a written statement disclosing: (1) the name of the business
22 entity; (2) the address, telephone number, email address, and website address of the
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1 business entity; (3) the names of the business entity's officers, directors, principals,
2 managers, and employees; and (4) a detailed description of the business entity's
3 intended activities.

4
5 **V. PROHIBITION ON DISCLOSING CUSTOMER INFORMATION**

6 **IT IS FURTHER ORDERED** that Defendants, and their officers, agents,
7 servants, employees, attorneys, and all other persons in active concert or
8 participation with any of them, who receive actual notice of this Order by personal
9 service or otherwise, whether acting directly or through any trust, corporation,
10 subsidiary, division, or other device, are hereby temporarily restrained and
11 enjoined from:
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13
14 A. Selling, renting, leasing, transferring, or otherwise disclosing the
15 name, address, birth date, telephone number, email address, Social Security
16 number, Social Insurance number, credit card number, bank account number, or
17 other financial or identifying personal information of any person from whom or
18 about whom any Defendant obtained such information in connection with activities
19 alleged in Plaintiff's Complaint; and
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23 B. Benefiting from or using the name, address, birth date, telephone
24 number, email address, Social Security number, Social Insurance number, credit
25 card number, bank account number, or other financial or identifying personal
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1 information of any person from whom or about whom any Defendant obtained
2 such information in connection with activities alleged in Plaintiff's Complaint.

3 *Provided, however,* that Defendants may disclose such financial or
4 identifying personal information to a law enforcement agency or as required by
5 any law, regulation, or court order.
6

7 **VI. FINANCIAL STATEMENTS**

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9 **IT IS FURTHER ORDERED** that each Defendant shall serve upon
10 counsel for Plaintiff, no later than five (5) business days after service of this Order,
11 a completed financial statement accurate as of the date of entry of this Order, on
12 the forms served on Defendants with this Order for Individual Defendants and for
13 Corporate Defendants, as the case may be, signed under penalty of perjury.
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16 The financial statements shall include assets held outside the territory of the
17 United States, shall be accurate as of the date of the entry of this Order, and shall
18 be verified under oath. Defendants shall attach to these completed financial
19 statements copies of all local, state, provincial, and federal income and property tax
20 returns, with attachments and schedules, as called for by the instructions to the
21 financial statements.
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VII. TEMPORARY RECEIVER

A. APPOINTMENT OF TEMPORARY RECEIVER

IT IS FURTHER ORDERED that Robb Evans and Robb Evans & Associates LLC is

appointed Temporary Equity Receiver ("Receiver") for Receivership Defendants and any of their affiliates, subsidiaries, divisions, or sales or customer service operations, wherever located, with the full power of an equity receiver. The Receiver shall be the agent of this Court, and solely the agent of this Court, in acting as Receiver under this Order. The Receiver shall be accountable directly to this Court. The Receiver shall comply with all Local Rules of this Court governing receivers.

B. RECEIVERSHIP DUTIES

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

1. Assume full control of the Receivership Defendants by removing, as the Receiver deems necessary or advisable, any director, officer, employee, independent contractor, or agent of the Receivership Defendants, including any Individual Defendant, from control of, management of, or participation in, the affairs of the Receivership Defendants;

2. Take exclusive custody, control, and possession of all assets and documents of, or in the possession, custody, or under the control of, the

1 Receivership Defendants, wherever situated. The Receiver shall have full power to
2 divert mail and to sue for, collect, receive, take in possession, hold, and manage all
3 assets and documents of the Receivership Defendants and other persons or entities
4 whose interests are now held by or under the direction, possession, custody, or
5 control of the Receivership Defendants. Provided, however, that the Receiver shall
6 not attempt to collect any amount from a consumer or to allow the Receivership
7 Defendants to continue to debit or otherwise charge a consumer's account, if the
8 Receiver believes the consumer was a victim of the unfair or deceptive acts or
9 practices alleged in the Complaint in this matter;

13 3. Use any means necessary to take possession of and to secure all
14 areas of the business premises of the Receivership Defendants. Such steps may
15 include, but are not limited to, the following as the Receiver deems necessary or
16 advisable: (a) serving this Order; (b) completing a written inventory of all
17 receivership assets; (c) obtaining pertinent information from all employees and
18 other agents of the Receivership Defendants, including, but not limited to, the
19 name, home address, Social Security number, job description, method of
20 compensation, and all accrued and unpaid commissions and compensation of each
21 such employee or agent; (d) videotaping all portions of the locations; (e) securing
22 the locations by changing the locks and disconnecting any computer modems or
23 other means of access to the computer or other records maintained at the locations;

1 (f) requiring any persons present on the premises at the time this Order is served to
2 leave the premises, to provide the Receiver with proof of identification, or to
3 demonstrate to the satisfaction of the Receiver that such persons are not removing
4 from the premises documents or assets of the Receivership Defendants; and/or (g)
5 employ the assistance of law enforcement officers as the Receiver deems necessary
6 to implement the provisions of this Order;
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9 4. Conserve, hold, and manage all receivership assets, and
10 perform all acts necessary or advisable to preserve the value of those assets, in
11 order to prevent any irreparable loss, damage, or injury to consumers or to
12 creditors of the Receivership Defendants, including, but not limited to, obtaining
13 an accounting of the assets and preventing transfer, withdrawal, or misapplication
14 of assets, and including the authority to liquidate or close out any open securities or
15 commodity futures positions of the Receivership Defendants;
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18 5. Enter into contracts and purchase insurance as advisable or
19 necessary;
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21 6. Prevent the inequitable distribution of assets and determine,
22 adjust, and protect the interests of consumers and creditors who have transacted
23 business with the Receivership Defendants;
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25 7. Manage and administer the business of the Receivership
26 Defendants until further order of this Court by performing all incidental acts that
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1 the Receiver deems to be advisable or necessary, which includes retaining, hiring,
2 or dismissing any employees, independent contractors, or agents;

3 8. Choose, engage, and employ attorneys, accountants, appraisers,
4 and other independent contractors and technical specialists, as the Receiver deems
5 advisable or necessary in the performance of duties and responsibilities under the
6 authority granted by this Order;
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8 9. Make payments and disbursements from the receivership estate
9 that are necessary or advisable for carrying out the directions of, or exercising the
10 authority granted by, this Order. The Receiver shall apply to the Court for prior
11 approval of any payment of any debt or obligation incurred by the Receivership
12 Defendants prior to the date of entry of this Order, except payments that the
13 Receiver deems necessary or advisable to secure assets of the Receivership
14 Defendants, such as rental payments;
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16 10. Determine and implement the manner in which the
17 Receivership Defendants will comply with, and prevent violations of, this Order
18 and all other applicable laws;
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20 11. Institute, compromise, adjust, appear in, intervene in, or
21 become party to such actions or proceedings in state, federal or foreign courts that
22 the Receiver deems necessary and advisable to preserve or recover the assets of the
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1 Receivership Defendants or that the Receiver deems necessary and advisable to
2 carry out the Receiver's mandate under this Order;

3 12. Defend, compromise, adjust, or otherwise dispose of any or all
4 actions or proceedings instituted in the past or in the future against the Receiver in
5 his or her role as Receiver, or against the Receivership Defendants that the
6 Receiver deems necessary and advisable to preserve the assets of the Receivership
7 Defendants or that the Receiver deems necessary and advisable to carry out the
8 Receiver's mandate under this Order;

9 13. Continue and conduct the business of the Receivership
10 Defendants in such manner, to such extent, and for such duration as the Receiver
11 may in good faith deem to be necessary or appropriate to operate the business
12 profitably and lawfully, if at all; provided, however, that the continuation and
13 conduct of the business shall be conditioned upon the Receiver's good faith
14 determination that the business can be lawfully operated at a profit using the assets
15 of the receivership estate;

16 14. Issue subpoenas to obtain documents and records pertaining to
17 the receivership, and conduct discovery in this action on behalf of the receivership
18 estate;

19 15. Open one or more bank accounts as designated depositories for
20 funds of the Receivership Defendants. The Receiver shall deposit all funds of the
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1 Receivership Defendants in such a designated account and shall make all payments
2 and disbursements from the receivership estate from such an account;

3 16. Maintain accurate records of all receipts and expenditures that
4 he or she makes as Receiver;

5 17. Cooperate with reasonable requests for information or
6 assistance from any state or federal law enforcement agency; and
7

8 18. File reports with the Court on a timely and reasonable basis.
9

10 **C. COOPERATION WITH THE RECEIVER**

11 **IT IS FURTHER ORDERED** that:

12 1. Defendants and their officers, agents, servants, employees, and
13 attorneys, and all other persons in active concert or participation with any of them,
14 who receive actual notice of this Order by personal service or otherwise, whether
15 acting directly or through any trust, corporation, subsidiary, division, or other
16 device, shall fully cooperate with and assist the Receiver. This cooperation and
17 assistance shall include, but not be limited to:
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19 a. Providing any information to the Receiver that the
20 Receiver deems necessary to exercising the authority and discharging the
21 responsibilities of the Receiver under this Order;
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23 b. Providing any password required to access any computer,
24 electronic file, or telephonic data in any medium; or
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1 c. Advising all persons who owe money to the Receivership
2 Defendants that all debts should be paid directly to the Receiver.

3 2. Defendants and their officers, agents, servants, employees, and
4 attorneys, and all other persons in active concert or participation with any of them,
5 who receive actual notice of this Order by personal service or otherwise, whether
6 acting directly or through any trust, corporation, subsidiary, division, or other
7 device, are hereby restrained and enjoined from directly or indirectly:
8

9 a. Transacting any of the business of the Receivership
10 Defendants;
11

12 b. Destroying, secreting, defacing, transferring, or otherwise
13 altering or disposing of any documents of the Receivership Defendants, including,
14 but not limited to, books, records, accounts, writings, drawings, graphs, charts,
15 photographs, audio and video recordings, computer records, and other data
16 compilations, electronically-stored records, or any other records of any kind or
17 nature;
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19 c. Transferring, receiving, altering, selling, encumbering,
20 pledging, assigning, liquidating, or otherwise disposing of any assets owned,
21 controlled, or in the possession or custody of, or in which an interest is held or
22 claimed by, the Receivership Defendants, or the Receiver;
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24 d. Excusing debts owed to the Receivership Defendants;
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1 e. Failing to notify the Receiver of any asset, including
2 accounts, of the Receivership Defendants held in any name other than the name of
3 the Receivership Defendants, or by any person or entity other than the
4 Receivership Defendants, or failing to provide any assistance or information
5 requested by the Receiver in connection with obtaining possession, custody, or
6 control of such assets;
7

8 f. Doing any act or refraining from any act whatsoever to
9 interfere with the Receiver's taking custody, control, possession, or managing of
10 the assets or documents subject to this receivership; or to harass or interfere with
11 the Receiver in any way; or to interfere in any manner with the exclusive
12 jurisdiction of this Court over the assets or documents of the Receivership
13 Defendants; or to refuse to cooperate with the Receiver or the Receiver's duly
14 authorized agents in the exercise of their duties or authority under any Order of this
15 Court; or
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20 g. Filing, or causing to be filed, any petition on behalf of the
21 Receivership Defendants for relief under the United States Bankruptcy Code, 11
22 U.S.C. § 101 et seq., without prior permission from this Court.
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24 **D. DELIVERY OF RECEIVERSHIP PROPERTY**

25 **IT IS FURTHER ORDERED** that:
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1 1. Immediately upon service of this Order upon them, or within
2 such period as may be permitted by the Receiver, Defendants or any other person
3 or entity shall transfer or deliver possession, custody, and control of the following
4 to the Receiver:
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6 a. All assets of the Receivership Defendants, including
7 assets subject to repatriation pursuant to Section IX, infra;
8

9 b. All documents of the Receivership Defendants,
10 including, but not limited to, books and records of accounts, all financial and
11 accounting records, balance sheets, income statements, bank records (including
12 monthly statements, canceled checks, records of wire transfers, and check
13 registers), client lists, title documents and other papers;
14

15 c. All assets belonging to members of the public now held
16 by the Receivership Defendants; and
17

18 d. All keys, codes, and passwords necessary to gain or to
19 secure access to any assets or documents of the Receivership Defendants,
20 including, but not limited to, access to their business premises, means of
21 communication, accounts, computer systems, mail boxes, or other property. This
22 includes providing the necessary means to gain access to at least the following
23 commercial mail boxes:
24
25

26 (i) P.O. Box 98845, Las Vegas, Nevada 89193;
27
28

1 (ii) P.O. Box 60187 RPO Fraser, Vancouver, British
2 Columbia, Canada V5W 4B5;

3 (iii) P.O. Box 98849, Las Vegas, Nevada 89193;

4 (iv) 3875-A Telegraph Road, PMB 408, Ventura,
5 California 93003; and
6

7 (v) 2674 East Main Street, Suite E-450, Ventura,
8 California 93003-2829.
9

10 2. In the event any person or entity fails to deliver or transfer any
11 receivership asset or document or otherwise fails to comply with any provision of
12 this Section, the Receiver may file *ex parte* an Affidavit of Non-Compliance
13 regarding the failure. Upon filing of the affidavit, the Court may authorize,
14 without additional process or demand, Writs of Possession or Sequestration or
15 other equitable writs requested by the Receiver. The writs shall authorize and
16 direct the United States Marshal or any sheriff or deputy sheriff of any county, or
17 any other federal or state law enforcement officer, to seize the asset, document, or
18 other thing and to deliver it to the Receiver.
19
20
21
22

23 **E. TRANSFER OF FUNDS TO THE RECEIVER**

24 **IT IS FURTHER ORDERED** that, upon service of a copy of this Order, all
25 financial institutions, finance companies, commercial lending companies, credit
26 card processing agents or agents providing electronic funds transfer services or
27
28

1 automated clearing house processing, brokerage houses, escrow agents, money
2 market or mutual funds, title companies, commodity futures merchants,
3 commodity trading companies, precious metal dealers, trustees, or other financial
4 institutions or depositories of any kind, shall cooperate with all reasonable requests
5 of the Receiver relating to implementation of this Order, including transferring
6 funds at his or her direction and producing records related to the assets of the
7
8 Receivership Defendants.

10 **F. STAY OF ACTIONS**

12 **IT IS FURTHER ORDERED** that:

13 1. Except by leave of this Court, during pendency of the
14 receivership ordered herein, Defendants and all other persons and entities be and
15 hereby are stayed from taking any action to establish or enforce any claim, right, or
16 interest for, against, on behalf of, in, or in the name of, the Receivership
17 Defendants, any of its subsidiaries, affiliates, partnerships, assets, documents, or
18 the Receiver or the Receiver's duly authorized agents acting in their capacities as
19 such, including, but not limited to, the following actions:

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

1 b. Accelerating the due date of any obligation or claimed
2 obligation; filing, perfecting or enforcing any lien; taking or attempting to take
3 possession, custody, or control of any asset; attempting to foreclose, forfeit, alter,
4 or terminate any interest in any asset, whether such acts are part of a judicial
5 proceeding, are acts of self-help, or otherwise, or setoff of any debt owing to the
6 Receivership Defendants that arose before the date of this Order against any claim
7 against the Receivership Defendants;
8

9 c. Executing, issuing, serving, or causing the execution,
10 issuance or service of, any legal process, including, but not limited to, attachments,
11 garnishments, subpoenas, writs of replevin, writs of execution, or any other form
12 of process whether specified in this Order or not; or
13
14

15 d. Doing any act or thing whatsoever to interfere with the
16 Receiver taking custody, control, possession, or management of the assets or
17 documents subject to this receivership, or to harass or interfere with the Receiver
18 in any way, or to interfere in any manner with the exclusive jurisdiction of this
19 Court over the assets or documents of the Receivership Defendants.
20
21

22 2. This Order does not stay:
23

24 a. The commencement or continuation of a criminal action
25 or proceeding;
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1 b. The commencement or continuation of an action or
2 proceeding by a governmental unit to enforce such governmental unit's police or
3 regulatory power; or

4
5 c. The enforcement of a judgment, other than a money
6 judgment, obtained in an action or proceeding by a governmental unit to enforce
7 such governmental unit's police or regulatory power.
8

9 3. Except as otherwise provided in this Order, all persons and
10 entities in need of documentation from the Receiver shall in all instances first
11 attempt to secure such information by submitting a formal written request to the
12 Receiver, and, if such request has not been responded to within thirty (30) days of
13 receipt by the Receiver, any such person or entity may thereafter seek an Order of
14 this Court with regard to the relief requested.
15
16

17 **G. COMPENSATION OF RECEIVER**

18 **IT IS FURTHER ORDERED** that the Receiver and all personnel hired by
19 the Receiver as herein authorized, including counsel to the Receiver and
20 accountants, are entitled to reasonable compensation for the performance of duties
21 pursuant to this Order and for the cost of actual out-of-pocket expenses incurred by
22 them, from the assets now held by, or in the possession or control of, or which may
23 be received by the Receivership Defendants. The Receiver shall file with the
24 Court and serve on the parties periodic requests for the payment of such reasonable
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1 compensation, with the first such request filed no more than sixty (60) days after
2 the date of this Order. The Receiver shall not increase the hourly rates used as the
3 bases for such fee applications without prior approval of the Court.
4

5 **H. RECEIVER'S BOND**

6 ~~IT IS FURTHER ORDERED~~ that the Receiver shall file with the Clerk of
7 this Court a bond in the sum of \$ _____ with sureties to be approved by the
8 Court, conditioned that the Receiver will well and truly perform the duties of the
9 office and abide by and perform all acts the Court directs.
10
11

12 **VIII. ACCESS TO BUSINESS PREMISES**

13 **IT IS FURTHER ORDERED** that Defendants, and their officers, agents,
14 servants, employees, and attorneys, and all other persons in active concert or
15 participation with any of them, who receive actual notice of this Order by personal
16 service or otherwise, whether acting directly or through any trust, corporation,
17 subsidiary, division, or other device, and the Receiver, shall allow Plaintiff's
18 representatives, agents, and assistants, as well as the Receivership Defendants'
19 representatives, and the Individual Defendants themselves, reasonable access to all
20 of Receivership Defendants' business premises, or any other premises where the
21 Receivership Defendants conduct business or customer service operations. Such
22 locations include, but are not limited to, 3319 Telegraph Road, Suite 109, Ventura,
23
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1 California 93113, and 1500 East Tropicana Avenue, Suite 126, Las Vegas, Nevada
2 89119.

3 The purpose of this access shall be to inspect and copy any and all books,
4 records, documents, accounts, and other property owned by, or in the possession
5 of, the Receivership Defendants or their agents. The Receiver shall have the
6 discretion to determine the time, manner, and reasonable conditions of such access.
7 Plaintiff may remove materials from the Receivership Defendants' business
8 premises to inspect, inventory, and copy such materials. Plaintiff shall return
9 materials so removed within five (5) business days of completing said inventory
10 and copying. Plaintiff's access to Defendants' documents pursuant to this Section
11 shall not provide grounds for any Defendant to object to any subsequent request for
12 documents served by Plaintiff.
13
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17 **IX. REPATRIATION OF ASSETS AND DOCUMENTS**

18 **IT IS FURTHER ORDERED** that Defendants shall:

19 A. Within three (3) business days following service of this Order, take
20 such steps as are necessary to repatriate to the territory of the United States of
21 America all documents and assets that are located outside such territory and are
22 held by or for Defendants or are under Defendants' direct or indirect control,
23 jointly, severally, or individually;
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1 B. Within three (3) business days following service of this Order,
2 provide Plaintiff with a full accounting of all documents and assets that are located
3 outside of the territory of the United States of America or that have been
4 transferred to the territory of the United States of America pursuant to Subsection
5 A above and are held by or for any Defendant or are under any Defendant's direct
6 or indirect control, jointly, severally, or individually, including the addresses and
7 names of any foreign or domestic financial institution or other entity holding the
8 documents and assets, along with the account numbers and balances;
9
10

11 C. Hold and retain all such documents and assets and prevent any
12 transfer, disposition, or dissipation whatsoever of any such documents or assets;
13
14 and
15

16 D. Within three (3) business days following service of this Order,
17 provide Plaintiff access to Defendants' records and documents held by financial
18 institutions or other entities outside the territory of the United States of America,
19 by signing and delivering to Plaintiff's counsel the Consent to Release of Financial
20 Records attached to this Order as Attachment A.
21
22

23 **X. INTERFERENCE WITH REPATRIATION**

24 **IT IS FURTHER ORDERED** that Defendants are hereby temporarily
25 restrained and enjoined from taking any action, directly or indirectly, which may
26 result in the encumbrance or dissipation of foreign assets, or in the hindrance of the
27
28

1 repatriation required by the preceding Section IX of this Order, including, but not
2 limited to:

3 A. Sending any statement, letter, facsimile, email or wire transmission, or
4 telephoning or engaging in any other act, directly or indirectly, that results in a
5 determination by a foreign trustee or other entity that a “duress” event has occurred
6 under the terms of a foreign trust agreement, until such time that assets have been
7 fully repatriated pursuant to the preceding Section of this Order; and
8

9 B. Notifying any trustee, protector or other agent of any foreign trust or
10 other related entities of either the existence of this Order, or of the fact that
11 repatriation is required pursuant to a Court Order, until such time as assets have
12 been fully repatriated pursuant to the preceding Section of this Order.
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16 **XI. EXPEDITED DISCOVERY**

17 **IT IS FURTHER ORDERED** that pursuant to Federal Rules of Civil
18 Procedure 30(a), 31(a), 34, and 45, and notwithstanding the provisions of Federal
19 Rules of Civil Procedure 26(d) and (f), 30(a)(2)(A), and 31(a)(2)(A), the parties are
20 granted leave, at any time after entry of this Order to:
21
22

23 A. Take the deposition of any person, whether or not a party, for the
24 purpose of discovering the nature, location, status, and extent of the assets of
25 Defendants, and Defendants’ affiliates and subsidiaries; the nature and location of
26 documents reflecting the business transactions of Defendants, and Defendants’
27
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1 affiliates and subsidiaries; the location of any premises where Defendants, directly
2 or through any third party, conduct business operations; the Defendants'
3 whereabouts; and/or the applicability of any evidentiary privileges to this action;
4
5 and

6 B. Demand the production of documents from any person, whether or not
7 a party, relating to the nature, status, and extent of the assets of Defendants, and
8 Defendants' affiliates and subsidiaries; the nature and location of documents
9 reflecting the business transactions of Defendants, and Defendants' affiliates and
10 subsidiaries; the location of any premises where Defendants, directly or through
11 any third party, conduct business operations; the Defendants' whereabouts; and/or
12 the applicability of any evidentiary privileges to this action.
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16 Three (3) days notice shall be deemed sufficient for any such deposition,
17 five (5) days notice shall be deemed sufficient for the production of any such
18 documents, and twenty-four (24) hours notice shall be deemed sufficient for the
19 production of any such documents that are maintained or stored only as electronic
20 data. The provisions of this Section shall apply both to parties to this case and to
21 non-parties. The limitations and conditions set forth in Federal Rules of Civil
22 Procedure 30(a)(2)(A)(ii) and 31(a)(2)(A)(ii) regarding subsequent depositions of
23 an individual shall not apply to depositions taken pursuant to this Section. Any
24 such depositions taken pursuant to this Section shall not be counted toward any
25
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1 limit on the number of depositions under the Federal Rules of Civil Procedure,
2 including those set forth in Federal Rules of Civil Procedure 30(a)(2)(A) and
3 31(a)(2)(A). Service of discovery upon a party, taken pursuant to this Section,
4 shall be sufficient if made through the means described in Section XV of this
5 Order.
6

7
8 **XII. DISTRIBUTION OF ORDER BY THE PARTIES**

9 **IT IS FURTHER ORDERED** that Defendants shall immediately provide a
10 copy of this Order to each of their corporations, subsidiaries, affiliates, divisions,
11 directors, officers, agents, partners, successors, assigns, employees, attorneys,
12 agents, representatives, sales entities, sales persons, telemarketers, independent
13 contractors, and any other persons in active concert or participation with them.
14

15
16 Within five (5) calendar days following service of this Order, each Defendant shall
17 file with this Court and serve on Plaintiff, an affidavit identifying the names, titles,
18 addresses, and telephone numbers of the persons that Defendants have served with
19 a copy of this Order in compliance with this provision.
20

21
22 **Plaintiff shall serve this order on Defendants forthwith. Plaintiff shall**
23 **notify the Court that the service has been effectuated.**

24 **XIII. EXPIRATION DATE OF TEMPORARY RESTRAINING ORDER**

25
26 **IT IS FURTHER ORDERED** that the Temporary Restraining Order
27 granted herein shall expire on **September 23, 2013, at 5:00 p.m.** (Pacific Time),
28

1 unless within such time the Order, for good cause shown, is extended, or unless, as
2 to any Defendant, the Defendant consents that it should be extended for a longer
3 period of time.
4

5 **XIV. ORDER TO SHOW CAUSE**

6 **IT IS FURTHER ORDERED** that each Defendant shall appear before this
7 Court on the 23rd day of September, 2013, at 10:00 a .m. at the United States
8 Courthouse, United States District Court for the Central District of California, Los
9 Angeles, to show cause, if any, why this Court should not enter a preliminary
10 injunction, pending final ruling on the Complaint, against said Defendants
11 enjoining them from further violations of Section 5(a) of the FTC Act, 15 U.S.C. §
12 45(a); continuing the freeze of their assets; making the temporary Receiver's
13 appointment permanent; and imposing such additional relief as may be appropriate.
14
15
16

17 **XV. SERVICE OF PLEADINGS, MEMORANDA, AND EVIDENCE**

18
19 **IT IS FURTHER ORDERED** that Defendants shall file with the Court and
20 serve on Plaintiff's counsel any answering affidavits, pleadings, motions, expert
21 reports or declarations, and/or legal memoranda no later than Thursday, September
22 19, 2013, at 9:00 a.m.
23

24 Plaintiff may file responsive or supplemental pleadings, materials, affidavits,
25 or memoranda with the Court and serve the same on counsel for Defendants no
26 later than Friday, September 20, 2013, at 12:00 p.m., provided that service shall be
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1 performed by personal or overnight delivery, by electronic filing, by electronic
2 mail, or by facsimile.
3
4

5 **XVI. MOTION FOR LIVE TESTIMONY; WITNESS IDENTIFICATION**

6 **IT IS FURTHER ORDERED** that the question of whether this Court
7
8 should enter a preliminary injunction pursuant to Rule 65 of the Federal Rules of
9 Civil Procedure enjoining the Defendants during the pendency of this action shall
10 be resolved on the pleadings, declarations, exhibits, and memoranda filed by, and
11 oral argument of, the parties. Live testimony shall be heard only on further order
12 of this Court or on motion filed with the Court and served on counsel for the other
13 parties at least four (4) business days prior to the preliminary injunction hearing in
14 this matter. Such motion shall set forth the name, address, and telephone number
15 of each proposed witness, a detailed summary or affidavit revealing the substance
16 of each proposed witness's expected testimony, and an explanation of why the
17 taking of live testimony would be helpful to this Court. Any papers opposing a
18 timely motion to present live testimony or to present live testimony in response to
19 another party's timely motion to present live testimony shall be filed with this
20 Court and served on the other parties at least two (2) business days prior to the
21 preliminary injunction hearing in this matter, provided that service shall be
22 performed by personal or overnight delivery, by electronic filing, by electronic
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1 mail, or by facsimile, and documents shall be delivered so that they shall be
2 received by the other parties no later than 4:00 p.m. (Pacific Time) on the
3 appropriate dates provided in this Section.
4

5 *Provided further, however, that an evidentiary hearing on Plaintiff's request*
6 *for a preliminary injunction is not necessary unless Defendants demonstrate that*
7 *they have, and intend to introduce, evidence that raises a genuine and material*
8 *factual issue.*
9

10 **XVII. SERVICE OF THIS ORDER**

11
12 **IT IS FURTHER ORDERED** that copies of this Order may be distributed
13 by United States First Class Mail, overnight delivery, facsimile, electronic mail, or
14 personally, by agents or employees of Plaintiff, by agents or employees of the
15 Receiver, by any law enforcement agency, or by private process server, upon any
16 person, financial institution, or other entity that may have possession or control of
17 any property, property right, document, or asset of any Defendant, or that may be
18 subject to any provision of this Order. Service upon any branch or office of any
19 financial institution or entity shall effect service upon the entire financial
20 institution or entity.
21
22
23

24 **XVIII. CONSUMER REPORTING AGENCIES**

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26
27
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1 **IT IS FURTHER ORDERED** that, pursuant to Section 604 of the Fair
2 Credit Reporting Act, 15 U.S.C. § 1681b, any consumer reporting agency may
3 furnish a consumer or credit report concerning any Defendant to Plaintiff.
4

5 **XIX. JURISDICTION**

6 **IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of
7 this matter for all purposes.
8

9
10 **IT IS SO ORDERED**, this 16 day of Sept,
11
12 2013, at 1 o'clock ~~am~~/p.m.

13
14 Christina A. Sample
15 UNITED STATES DISTRICT JUDGE
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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

**APPLIED MARKETING
SCIENCES, a Nevada limited liability
company,**

**STANDARD REGISTRATION
CORPORATION, a Nevada
corporation, also d/b/a Consolidated
Research Authority and CRA,**

**WORLDWIDE INFORMATION
SYSTEMS, INCORPORATED, a
Nevada corporation, also d/b/a
Specific Monitoring Service, SMS,
Specific Reporting Service, SRS,
Universal Information Services, UIS,
Compendium Sampler Services, and
CSS, and**

**LIAM O. MORAN, individually and
as an owner, officer, or director of
Applied Marketing Sciences, LLC,
Standard Registration Corporation,
and Worldwide Information Systems,
Incorporated,**

Defendants.

Case No.

**CONSENT TO RELEASE OF
FINANCIAL INFORMATION**

I, _____, of _____ (city

or province and country), do hereby direct any person, bank, savings and loan
association, credit union, depository institution, finance company, commercial

1 lending company, payment processor, payment processing entity, common carrier,
2 customs broker, commercial mail receiving agency, mail holding and/or
3 forwarding company, brokerage house, escrow agent, money market or mutual
4 fund, title company, commodity trading company, or trustee, that holds, controls or
5 maintains custody of assets, wherever located, that are owned or controlled by me,
6 or any of the above Defendants, in whole or in part, or at which I, or any of the
7 above Defendants, have an account of any kind upon which I am authorized to
8 draw, and its officers, employees and agents, to disclose all information and deliver
9 copies of all documents of every nature in its possession or control which relate to
10 the said accounts to any attorney for Plaintiffs, and to give evidence relevant
11 thereto, in the above captioned matter, *FTC v. Applied Marketing Sciences, et al.*,
12 now pending in the United States District Court for the Central District of
13 California, and this shall be irrevocable authority for so doing. This direction is
14 intended to apply to the laws of countries other than the United States of America
15 which restrict or prohibit the disclosure of bank or other financial information
16 without the consent of the holder of the account, and shall be construed as consent
17 with respect thereto, and the same shall apply to any of the accounts for which I
18 may be the relevant principal.
19

20 Dated: _____, 2013

21
22 _____
[Signature]

23
24 _____
[Print Name]