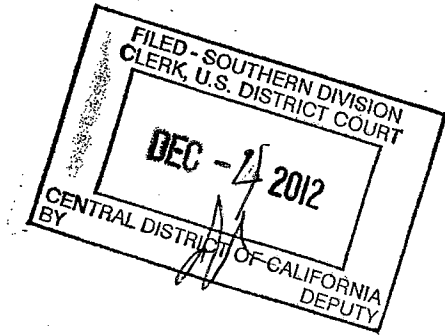


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16 Consumer Financial Protection Bureau

17  
18 **UNITED STATES DISTRICT COURT**  
19 **CENTRAL DISTRICT OF CALIFORNIA**  
20 **SACV12-02088 AG (ANx)**

21 Consumer Financial Protection Bureau,

Case No. \_\_\_\_\_

22 Plaintiff,

23 BY v.

24 Najia Jalan (a/k/a Sarah Johnson, Sarah  
25 or Sara St. John, Sarah Kim, Najia  
26 Jalah, Sarah John, Sarah Love, or Najia  
27 Ebrahimi, and d/b/a National Legal  
28 Help Center, NationalLegalHelp.com,  
National Legal Assistance, Legal  
Modification Firm CP, First Class Doc  
Prep, Williams Law Center JW,  
Williams Litigation Center / Cash

21 ~~PROPOSED~~ EX PARTE  
22 TEMPORARY RESTRAINING  
23 ORDER WITH ASSET FREEZE,  
24 APPOINTMENT OF TEMPORARY  
25 RECEIVER, EXPEDITED  
26 DISCOVERY, AND OTHER  
27 EQUITABLE RELIEF AND ORDER  
28 TO SHOW CAUSE WHY  
PRELIMINARY INJUNCTION  
SHOULD NOT ISSUE

LODGED

FILED  
2012 DEC 4  
CLERK U.S. DISTRICT COURT  
CENTRAL DISTRICT OF CALIF.  
SANTA ANA

1 Entertainment and Najia Jalan), an  
2 individual;

(FILED UNDER SEAL)

3 National Legal Help Center, Inc. (f/k/a  
4 iModify Law, Inc., and d/b/a National  
5 Legal Help Center,  
6 NationalLegalHelp.com, National Legal  
7 Help Center EP, National Consumers  
8 Bank & Trust, First Class Doc Prep /  
9 NCHC, and National Legal Help Center  
10 HB), a corporation;

11 and

12 Richard K. Nelsen (a/k/a Richard or  
13 Rick Nelson, and d/b/a/ National Legal  
14 Help Center, NationalLegalHelp.com,  
15 National Legal Assistance, First Class  
16 Doc Prep, National Consumers Help  
17 Center, and Williams Litigation Center /  
18 Cash Entertainment), an individual;

19 Defendants.

20 Plaintiff, the Consumer Financial Protection Bureau ("CFPB" or "Bureau"),  
21 pursuant to: (1) Sections 1031(a), 1036(a), 1054, and 1055 of the Consumer Financial  
22 Protection Act of 2010 ("CFPA"), 12 U.S.C. §§ 5531(a), 5536(a), 5564, and 5565; and  
23 (2) Section 626 of the Omnibus Appropriations Act, 2009, as amended by Section 1097  
24 of the CFPA, 12 U.S.C. § 5538, and the Mortgage Assistance Relief Services Rule, 16  
25 C.F.R. Part 322, recodified as 12 C.F.R. Part 1015 ("Regulation O"), has filed a  
26 Complaint for preliminary and permanent injunctive relief, rescission or reformation of  
27 contracts, the refund of monies paid, restitution, disgorgement of ill-gotten monies, and  
28 other equitable relief, as well as civil money penalties, for Defendants' acts or practices  
in violation of the CFPA and Regulation O in connection with the marketing and sale of

1 their mortgage assistance relief services, and it has applied for a temporary restraining  
2 order pursuant to Rule 65(b) of the Federal Rules of Civil Procedure.

### 3 4 FINDINGS OF FACT

5 This Court, having considered the Bureau's Complaint, *ex parte* application,  
6 declarations, exhibits, and memoranda filed in support of the Bureau's application, and  
7 the evidence presented by all parties, finds that:

8 1. This Court has jurisdiction over the subject matter of this case, there is good  
9 cause to believe it will have jurisdiction over all the parties hereto, and venue in this  
10 district is proper;

11 1. There is good cause to believe that Defendants (a) Najia Jalan (a/k/a Sarah  
12 Johnson, Sarah or Sara St. John, Sarah Kim, Najia Jalah, Sarah John, Sarah Love, or  
13 Najia Ebrahimi, and d/b/a National Legal Help Center, NationalLegalHelp.com, National  
14 Legal Assistance, Legal Modification Firm CP, First Class Doc Prep, Williams Law  
15 Center JW, Williams Litigation Center / Cash Entertainment, and Najia Jalan), an  
16 individual; (b) National Legal Help Center, Inc. (f/k/a iModify Law, Inc., and d/b/a  
17 National Legal Help Center, NationalLegalHelp.com, National Legal Help Center EP,  
18 National Consumers Bank & Trust, First Class Doc Prep / NCHC, and National Legal  
19 Help Center HB; (c) Richard K. Nelsen (a/k/a Richard or Rick Nelson, and d/b/a/  
20 National Legal Help Center, NationalLegalHelp.com, National Legal Assistance, First  
21 Class Doc Prep, National Consumers Help Center, and Williams Litigation Center / Cash  
22 Entertainment), an individual, have engaged and are likely to continue to engage in acts  
23 or practices that violate section 1036 of the CFPA, 12 U.S.C. § 5536, and Regulation O,  
24 12 C.F.R. Part 1015, and that the Bureau is therefore likely to prevail on the merits of this  
25 action;

1           2.     There is good cause to believe that immediate and irreparable harm will  
2 result from Defendants' ongoing violations of the CFPB and Regulation O unless  
3 Defendants are restrained and enjoined by Order of this Court;

4           3.     There is good cause to believe that immediate and irreparable damage to the  
5 Court's ability to grant effective final relief for consumers in the form of monetary  
6 restitution and disgorgement or compensation for unjust enrichment will occur from the  
7 transfer, dissipation, or concealment by Defendants of their assets or business records  
8 unless Defendants continue to be restrained and enjoined by Order of this Court; and that  
9 in accordance with Fed. R. Civ. P. 65(b), the interest of justice requires that the Bureau's  
10 application be heard *ex parte* without prior notice to Defendants. Therefore, there is good  
11 cause for relieving the Bureau of the duty to provide Defendants with prior notice of the  
12 Bureau's application;

13           4.     Good cause exists for appointing a temporary receiver over National Legal  
14 Help Center, Inc.; permitting the Bureau immediate access to Defendants' business  
15 premises; and permitting the Bureau to take expedited discovery;

16           5.     Weighing the equities and considering the Bureau's likelihood of ultimate  
17 success on the merits and the likelihood of irreparable harm in the absence of preliminary  
18 relief, the balance of hardships favors the Bureau, and a temporary restraining order with  
19 an asset freeze, expedited discovery as to the existence and location of assets and  
20 documents, and other equitable relief is in the public interest; and

21           6.     No security is required of any agency of the United States for issuance of a  
22 restraining order. Fed. R. Civ. P. 65.

### 23                               ORDER

### 24                               DEFINITIONS

25           7.     For the Purposes of this Order, the following definitions shall apply:

- 26               a. "Assets" means any legal or equitable interest in, right to or claim to any  
27               real, personal, or intellectual property owned or controlled by, or held, in  
28

1 whole or in part for the benefit of, or subject to access by any Defendant,  
2 wherever located, whether in the United States or abroad, including, but not  
3 limited to, chattel, goods, instruments, equipment, fixtures, general  
4 intangibles, effects, leaseholds, contracts, mail or other deliveries, shares of  
5 stock, commodities, futures, inventory, checks, notes, accounts, credits,  
6 receivables (as those terms are defined in the Uniform Commercial Code),  
7 funds, cash, and trusts, including but not limited to any trust held for the  
8 benefit of any Defendant, any of the Individual Defendants' minor children,  
9 or any of the Individual Defendants' spouses, and shall include both existing  
10 assets and assets acquired after the date of entry of this Order;

11 b. "Corporate Defendant" means National Legal Help Center, Inc. (f/k/a  
12 iModify Law, Inc., and d/b/a National Legal Help Center,  
13 NationalLegalHelp.com, National Legal Help Center EP, National  
14 Consumers Bank & Trust, First Class Doc Prep / NCHC, and National Legal  
15 Help Center HB);

16 c. "Defendants" means the Individual Defendants and the Corporate  
17 Defendant, individually, collectively, or in any combination, and each of  
18 them by whatever names each might be known.

19 d. "Document" and "Electronically Stored Information" are synonymous in  
20 meaning and equal in scope to the usage of the terms in Rule 34(a) of the  
21 Federal Rules of Civil Procedure and include but are not limited to:

22 i. The original or a true copy of any written, typed, printed,  
23 electronically stored, transcribed, taped, recorded, filmed, punched, or  
24 graphic matter or other data compilations of any kind, including, but  
25 not limited to, letters, email or other correspondence, messages,  
26 memoranda, paper, interoffice communications, notes, reports,  
27 summaries, manuals, magnetic tapes or discs, tabulations, books,  
28

records, checks, invoices, work papers, journals, ledgers, statements, returns, reports, schedules, files, charts, logs, electronic files, stored in any medium; and

ii. Any electronically created or stored information, including but not limited to electronic mail, instant messaging, videoconferencing, SMS, MMS, or other text messaging, and other electronic correspondence (whether active, archived, unsent, or in a deleted items folder), word processing files, spreadsheets, databases, unorganized data, document metadata, presentation files, and sound recordings, whether stored on any cell phones, smartphones, flash drives, personal digital assistants ("PDAs"), cards, desktop personal computer and workstations, laptops, notebooks and other portable computers, or other electronic storage media, backup disks and tapes, archive disks and tapes, and other forms of offline storage, whether assigned to individuals or in pools of computers available for shared use, or personally owned but used for work-related purposes, whether stored on-site with the computer used to generate them, stored offsite in another company facility, or stored, hosted, or otherwise maintained off-site by a third party; and computers and related offline storage used by Defendants or Defendants' participating associates, which may include persons who are not employees of the company or who do not work on company premises.

e. "Electronic Data Host" means any person or entity that stores, hosts, or otherwise maintains electronically stored information.

f. "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.

- g. "Individual Defendants" means Najia Jalan and Richard K. Nelsen, individually, collectively, or in any combination, and each of them by any other names by which they might be known.
- h. "Material fact" means any fact that is likely to affect a person's choice of, or conduct regarding, goods or services.
- i. "Mortgage assistance relief product or service" means any product, service, plan, or program, offered or provided to the consumer in exchange for consideration, that is represented, expressly or by implication, to assist or attempt to assist the consumer with any of the following:
- i. stopping, preventing, or postponing any mortgage or deed of trust foreclosure sale for the consumer's dwelling, any repossession of the consumer's dwelling, or otherwise saving the consumer's dwelling from foreclosure or repossession;
  - ii. negotiating, obtaining, or arranging a modification of any term of dwelling loan, including a reduction in the amount of interest, principal balance, monthly payments, or fees;
  - iii. obtaining any forbearance or modification in the timing of payments from any dwelling loan holder or servicer on any dwelling loan;
  - iv. negotiating, obtaining, or arranging any extension of the period of time within which the consumer may (i) cure his or her default on a dwelling loan, (ii) reinstate his or her dwelling loan, (iii) redeem a dwelling, or (iv) exercise any right to reinstate a dwelling loan or redeem a dwelling;

- 1 v. obtaining any waiver of an acceleration clause or balloon payment  
2 contained in any promissory note or contract secured by any dwelling;  
3 or  
4 vi. negotiating, obtaining, or arranging (i) a short sale of a dwelling, (ii) a  
5 deed in lieu of foreclosure, (iii) or any other disposition of a dwelling  
6 loan other than a sale to a third party that is not the dwelling loan  
7 holder.

8 The foregoing shall include any manner of claimed assistance, including, but  
9 not limited to, auditing or examining a consumer's mortgage or home loan  
10 application.

- 11 j. "Person" means an individual, partnership, company, corporation,  
12 association (incorporated or unincorporated), trust, estate, cooperative  
13 organization, or other entity.  
14 k. "Receivership Defendants" means National Legal Help Center, Inc., (f/k/a  
15 iModify Law, Inc., and d/b/a National Legal Help Center,  
16 NationalLegalHelp.com, National Legal Help Center EP, National  
17 Consumers Bank & Trust, First Class Doc Prep / NCHC, and National Legal  
18 Help Center HB), and their successors, assigns, affiliates, or subsidiaries,  
19 and each of them by whatever names each might be known, provided that  
20 the Temporary Receiver has reason to believe they are owned or controlled  
21 in whole or in part by any of the Defendants.  
22 l. The words "and" and "or" shall be understood to have both conjunctive and  
23 disjunctive meanings as necessary to make the applicable phrase or sentence  
24 inclusive rather than exclusive.

25 **I.**

26 **PROHIBITED REPRESENTATIONS**



1        **IT IS THEREFORE ORDERED** that Defendants and their successors, assigns,  
2 officers, agents, servants, employees, and attorneys, and those persons in active concert  
3 or participation with any of them ~~who~~ receive actual notice of this Order by personal  
4 service, facsimile transmission, email, or otherwise, whether acting directly or through  
5 any corporation, subsidiary, division, or other device, in connection with the advertising,  
6 marketing, promotion, offering for sale, sale, or performance of any mortgage assistance  
7 relief product or service, are hereby temporarily restrained and enjoined from falsely  
8 representing, or from assisting others who are falsely representing, expressly or by  
9 implication, any of the following:

10        A.     That any Defendant or any other person:

- 11            1.     will or likely will obtain for consumers mortgage loan modifications  
12                    that substantially reduce consumers' mortgage payments or interest rates or  
13                    help consumers avoid foreclosure;
- 14            2.     as a result of a forensic loan audit, will or likely will obtain mortgage  
15                    loan modifications for consumers that substantially reduce consumers'  
16                    mortgage payments or interest rates;
- 17            3.     is the United States government or is affiliated with, endorsed or  
18                    approved by, or otherwise associated with the United States government;  
19                    and
- 20            4.     is an attorney or will render legal services or provide legal  
21                    representation.

22        B.     The degree of success that any Defendant or any other person has had in  
23                    performing any mortgage assistance relief service;

24        C.     The nature of any Defendant's or any other person's relationship with any  
25                    mortgage loan holder or servicer, or other secured or unsecured lender;

26        D.     The amount of time it will take or is likely to take to obtain or arrange a  
27                    renegotiation, settlement, modification, or other alteration of the terms of any  
28

1 secured or unsecured debt, including but not limited to the modifications of any  
2 term of a consumer's home loan, deed of trust, or mortgage, including any  
3 recapitalization or reinstatement agreement; or

4 E. The cost of any Defendants' service including that there will be no charge  
5 for all or a portion of such service.

6 **II.**

7 **DISCLOSURES REQUIRED BY AND REPRESENTATIONS PROHIBITED BY**  
8 **REGULATION O**

9 **IT IS FURTHER ORDERED** that Defendants and their successors, assigns,  
10 officers, agents, servants, employees, independent contractors, and attorneys, and those  
11 persons in active concert or participation with any of them who receive actual notice of  
12 this Order by personal service, facsimile transmission, email, or otherwise, whether  
13 acting directly or through any corporation, subsidiary, division, or other device, in  
14 connection with the advertising, marketing, promotion, offering for sale, sale, or  
15 performance of any good or service, are hereby temporarily restrained and enjoined from  
16 engaging in, or assisting others in engaging in, the following conduct:

17 A. Representing, expressly or by implication, that a consumer cannot or should  
18 not contact or communicate with his or her lender or servicer, in violation of 12  
19 C.F.R. § 1015.3(a) (2011);

20 B. Failing to make the following disclosure clearly and prominently in all  
21 general and consumer-specific commercial communications: "[Name of Company]  
22 is not associated with the government, and our service is not approved by the  
23 government or your lender," in violation of 12 C.F.R. §§ 1015.4(a)(1),  
24 1015.4(b)(2);

25 C. Failing to make the following disclosure clearly and prominently in all  
26 general and consumer-specific commercial communications: "Even if you accept  
27  
28

1 this offer and use our service, your lender may not agree to change your loan," in  
2 violation of 12 C.F.R. §§ 1015.4(a)(2), 1015.4(b)(3);

3 D. Failing to make the following disclosure clearly and prominently in all  
4 consumer-specific commercial communications: "You may stop doing business  
5 with us at any time. You may accept or reject the offer of mortgage assistance we  
6 obtain from your lender [or servicer]. If you reject the offer, you do not have to  
7 pay us. If you accept the offer, you will have to pay us [insert amount or method  
8 for calculating the amount] for our services." For the purposes of this section, the  
9 amount "you will have to pay" shall consist of the total amount the consumer  
10 must pay to purchase, receive, and use all of the mortgage assistance relief services  
11 that are the subject of the sales offer, including but not limited to, all fees and  
12 charges, in violation of 12 C.F.R. § 1015.4(b)(1);

13 E. Failing, in all general commercial communications, consumer-specific  
14 commercial communications, and other communications in cases where any  
15 Defendant or person has represented, expressly or by implication, in connection  
16 with the advertising, marketing, promotion, offering for sale, sale, or performance  
17 of any mortgage assistance relief service, that the consumer should temporarily or  
18 permanently discontinue payments, in whole or in part, on a dwelling loan, to place  
19 clearly and prominently, and in close proximity to any such representation the  
20 following disclosure: "If you stop paying your mortgage, you could lose your  
21 home and damage your credit rating," in violation of 12 C.F.R. § 1015.4(c); and

22 F. Any other conduct in violation of 12 C.F.R. § 1015 *et seq.*

23 **III.**

24 **PROHIBITION ON COLLECTION OF ADVANCE FEES**

25 **IT IS FURTHER ORDERED** that Defendants and their officers, agents,  
26 servants, employees, independent contractors, and attorneys, and those persons in active  
27 concert or participation with any of them who receive actual notice of this Order by  
28

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1 personal service, facsimile transmission, email, or otherwise, whether acting directly or  
2 through any corporation, subsidiary, division, or other device, in connection with the  
3 advertising, marketing, promotion, offering for sale, sale, or performance of any  
4 mortgage assistance relief service, are hereby temporarily restrained and enjoined from  
5 asking for or receiving payment before consumers have executed a written agreement  
6 between the consumer and the loan holder or servicer that incorporates the offer obtained  
7 by Defendants.

8 **IV.**

9 **PRESERVATION OF RECORDS AND TANGIBLE THINGS**

10 **IT IS FURTHER ORDERED** that Defendants and their successors, assigns,  
11 officers, agents, servants, employees, independent contractors, and attorneys, and those  
12 persons in active concert or participation with any of them who receive actual notice of  
13 this Order by personal service, facsimile transmission, email, or otherwise, whether  
14 acting directly or through any entity, corporation, subsidiary, division, affiliate, or other  
15 device, are hereby temporarily enjoined from destroying, erasing, mutilating, concealing,  
16 altering, transferring, or otherwise disposing of, in any manner, directly or indirectly, any  
17 Documents or records that relate to the business practices, or business or personal  
18 finances of any Defendant, or other entity directly or indirectly under the control of any  
19 Defendant.

20 **V.**

21 **DISABLEMENT OF WEBSITES**

22 **IT IS FURTHER ORDERED** that, immediately upon service of the Order upon  
23 them and pending determination of the Bureau's request for a preliminary injunction, (1)  
24 any person hosting any Internet website for, or on behalf of, any Defendant, and (2)  
25 Defendants and their successors, assigns, officers, agents, servants, employees,  
26 independent contractors, and attorneys, and those persons in active concert or  
27 participation with any of them who receive actual notice of this Order by personal  
28

1 service, facsimile transmission, email, or otherwise, whether acting directly or through  
2 any corporation, subsidiary, division, or other device, shall:

3 A. Immediately do whatever is necessary to ensure that any Internet website  
4 used by Defendants for the advertising, marketing, promotion, offering for sale,  
5 sale, or performance of any mortgage assistance relief service, including but not  
6 limited to 995-hope.com, fhamortgagehelp.com, fhamortgagehelp.org,  
7 fightmortgagefraud.us, green-light.tv, helpwithmylender.com,  
8 homeloanassistance.org, hud-guidelines.com, law-page.org, lending-tree.tv, loan-  
9 safe.org, loan-workout.org,  
10 misrepresentationofinvolvementbytheofficeofthecomptroller.com,  
11 misrepresentationofinvolvementbytheofficeofthecomptroller.me,  
12 misrepresentationofinvolvementbytheofficeofthecomptroller.net,  
13 misrepresentationofinvolvementbytheofficeofthecomptroller.org,  
14 nationalbankfraud.com, nationalbanklaws.com,  
15 nationalconsumersassistancecenter.com, nationallawcenter.net,  
16 nationallawcenter.us, nationallegalhelpcenteristhisascamorfraud.biz,  
17 nationallegalhelpcenteristhisascamorfraud.com,  
18 nationallegalhelpcenteristhisascamorfraud.info,  
19 nationallegalhelpcenteristhisascamorfraud.net, obamamortgagehelp.com,  
20 obamamortgagehelp.org, and securitizationlitigation.com, , containing statements,  
21 representations, or omissions prohibited by Sections I and II of this Order cannot  
22 be accessed by the public;

23 B. Prevent the destruction or erasure of any Internet website used by  
24 Defendants for the advertising, marketing, promotion, offering for sale, sale, or  
25 performance of any mortgage assistance relief service, by preserving such website  
26 in the format in which it is maintained currently; and  
27  
28

1 C. Immediately notify in writing counsel for the Bureau of any other Internet  
2 website operated or controlled by any Defendant not listed in Subsections V.A  
3 above.

4 VI.

5 **SUSPENSION OF INTERNET DOMAIN NAME REGISTRATIONS**

6 **IT IS FURTHER ORDERED** that, pending determination of the Bureau's  
7 request for a preliminary injunction, any domain name registrar shall suspend the  
8 registration of any internet website used by Defendants for the advertising, marketing,  
9 promotion, offering for sale, sale, or performance of any mortgage assistance relief  
10 service, and containing statements, representations, or omissions prohibited by Sections I  
11 and II of this Order, including, but not limited to 995-hope.com, fhamortgagehelp.com,  
12 fhamortgagehelp.org, fightmortgagefraud.us, green-light.tv, helpwithmylender.com,  
13 homeloanassistance.org, hud-guidelines.com, law-page.org, lending-tree.tv, loan-  
14 safe.org, loan-workout.org,  
15 misrepresentationofinvolvementbytheofficeofthecomptroller.com,  
16 misrepresentationofinvolvementbytheofficeofthecomptroller.me,  
17 misrepresentationofinvolvementbytheofficeofthecomptroller.net,  
18 misrepresentationofinvolvementbytheofficeofthecomptroller.org,  
19 nationalbankfraud.com, nationalbanklaws.com, nationalconsumersassistancecenter.com,  
20 nationallawcenter.net, nationallawcenter.us,  
21 nationallegalhelpcenteristhisascamorfraud.biz,  
22 nationallegalhelpcenteristhisascamorfraud.com,  
23 nationallegalhelpcenteristhisascamorfraud.info,  
24 nationallegalhelpcenteristhisascamorfraud.net, obamamortgagehelp.com,  
25 obamamortgagehelp.org, securitizationlitigation.com, and provide immediate notice to  
26 counsel for the Bureau of any other Internet domain names registered or controlled by  
27 any Defendants.

VII.

ASSET FREEZE

IT IS FURTHER ORDERED that Defendants and their successors, assigns, officers, agents, servants, employees, independent contractors, and attorneys, and all persons directly or indirectly under the control of any of them, including any financial institution, and all other persons in active concert or participation with any of them who receive actual notice of this Order by personal service, facsimile, email, or otherwise, are hereby temporarily restrained and enjoined from directly or indirectly:

- A. Selling, liquidating, assigning, transferring, converting, loaning, hypothecating, disbursing, gifting, conveying, encumbering, pledging, concealing, dissipating, spending, withdrawing, or otherwise disposing of any Asset that is:
  1. in the actual or constructive possession of any Defendant; or
  2. in the actual or constructive possession of, or owned or controlled by, or subject to access by, or belonging to, any corporation, partnership, trust or other entity directly or indirectly owned, managed or controlled by any Defendant;
- B. Opening, or causing to be opened, any safe deposit box, commercial mail box, or storage facility belonging to, for the use or benefit of, controlled by, or titled in the name of any Defendant, or subject to access by any Defendant;
- C. Incurring charges or cash advances on any credit card, stored value card, debit card or charge card issued in the name, singly or jointly, of any Defendant or any other entity directly or indirectly owned, managed, or controlled by any Defendant; or
- D. Cashing any checks from consumers, clients, or customers of any Defendant.

IT IS FURTHER ORDERED that the Assets affected by this Section shall include: (a) all Assets of each Defendant as of the time this Order is entered, and (b)

1 those Assets obtained or received after entry of this Order that are derived, directly or  
2 indirectly, from the actions alleged in Plaintiff's Complaint. This Section does not  
3 prohibit transfers to the Temporary Receiver, as specifically required in Section XVII  
4 (Delivery of Receivership Property), nor does it prohibit the Repatriation of Foreign  
5 Assets, as specifically required in Section XI of this Order.

6 **VIII.**

7 **RETENTION OF ASSETS AND RECORDS BY FINANCIAL INSTITUTIONS**  
8 **AND OTHER THIRD PARTIES**

9 **IT IS FURTHER ORDERED** that, except as otherwise ordered by this Court,  
10 any financial or brokerage institution, business entity, electronic data host, Internet or "e-  
11 currency" payment processor, or person served with a copy of this Order, or who  
12 otherwise has actual or constructive knowledge of this Order, that holds, controls, or  
13 maintains custody of any account, Document, or Asset of, on behalf of, in the name of,  
14 for the benefit of, subject to withdrawal by, subject to access or use by, or under the  
15 signatory power of any Defendant or other party subject to Section VII above, or has  
16 held, controlled, or maintained any such account, Document, or Asset at any time since  
17 January 1, 2010, shall:

18 A. Hold, preserve, and retain within such person's control, and prohibit the  
19 withdrawal, removal, alteration, assignment, transfer, pledge, hypothecation,  
20 encumbrance, disbursement, dissipation, conversion, sale, liquidation, or other  
21 disposal of such account, Document, or Asset held by or under such person's  
22 control, except as directed by further order of the Court or as directed in writing by  
23 the Temporary Receiver regarding accounts, Documents, or Assets held in the  
24 name of or benefit of any Receivership Defendant;

25 B. Provide the Temporary Receiver, the Temporary Receiver's agents, the  
26 Bureau, and the Bureau's agents immediate access to Documents, including those  
27



1 electronically stored, hosted, or otherwise maintained on behalf of Defendants for  
2 forensic imaging or copying;

3 C. Deny access to any safe deposit box, commercial mail box, or storage  
4 facility belonging to, for the use or benefit of, controlled by, or titled in the name  
5 of any Defendant, or subject to access by any Defendant or other party subject to  
6 Section VII (Asset Freeze) above;

7 D. Provide to counsel for the Bureau and the Temporary Receiver, within one  
8 (1) business day, a sworn statement setting forth:

9 1. the identification of each account or Asset titled in the name,  
10 individually or jointly, or held on behalf of or for the benefit of, subject to  
11 withdrawal by, subject to access or use by, or under the signatory power of  
12 any Defendant or other party subject to Section VII above, whether in whole  
13 or in part;

14 2. the balance of each such account, or a description of the nature and  
15 value of such Asset, as of the close of business on the day on which this  
16 Order is served;

17 3. the identification of any safe deposit box, commercial mail box, or  
18 storage facility belonging to, for the use or benefit of, controlled by, or titled  
19 in the name of any Defendant, or subject to access by any Defendant or other  
20 party subject to Section VII above, whether in whole or in part; and

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

24 E. Provide to counsel for the Bureau and the Temporary Receiver, within three  
25 (3) business days after being served with a request, copies of all Documents  
26 pertaining to such account or Asset, including but not limited to originals or copies  
27 of account applications, account statements, signature cards, checks, drafts, deposit  
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1 tickets, transfers to and from the accounts, all other debit and credit instruments or  
2 slips, currency transaction reports, 1099 forms, and safe deposit box logs; provided  
3 that such institution or custodian may charge a reasonable fee; and

4 F. Cooperate with all reasonable requests of the Temporary Receiver relating to  
5 this Order's implementation.

6 G. The accounts subject to this provision include: (a) all Assets of each  
7 Defendant deposited as of the time this Order is entered, and (b) those Assets  
8 deposited after entry of this Order that are derived from the actions alleged in  
9 Plaintiff's Complaint. This Section does not prohibit transfers to the Temporary  
10 Receiver, as specifically required in Section XVII (Delivery of Receivership  
11 Property), nor does it prohibit the Repatriation of Foreign Assets, as specifically  
12 required in Section XI of this Order.

13 H. The Bureau is granted leave, pursuant to Fed. R. Civ. P. 45, to subpoena  
14 Documents immediately from any financial or brokerage institution, business  
15 entity, electronic data host, or person served with a copy of this Order that holds,  
16 controls, or maintains custody of any account, Document, or Asset of, on behalf of,  
17 in the name of, for the benefit of, subject to withdrawal by, subject to access or use  
18 by, or under the signatory power of any Defendant or other party subject to Section  
19 VII above, or has held, controlled, or maintained any such account, Document, or  
20 Asset at any time since January 1, 2010, and such financial or brokerage  
21 institution, business entity, electronic data host or person shall respond to such  
22 subpoena within three (3) business days after service.

## 23 IX.

### 24 FINANCIAL STATEMENTS AND ACCOUNTING

25 **IT IS FURTHER ORDERED** that each Defendant, within three (3) business days of  
26 service of this Order, shall prepare and deliver to counsel for the Bureau and to the  
27 Temporary Receiver:

1 A. For each Individual Defendant, a completed financial statement accurate as  
2 of the date of service of this Order upon such Defendant on the form of Attachment  
3 A to this Order captioned "Financial Statement of Individual Defendant."

4 B. For the Corporate Defendant, a completed financial statement accurate as of  
5 the date of service of this Order upon such Defendant (unless otherwise agreed  
6 upon with Bureau counsel) in the form of Attachment B to this Order captioned  
7 "Financial Statement of Corporate Defendant."

8 C. A list of all officers and directors of the Corporate Defendant and all other  
9 individuals or entities with authority to direct the operations of the Corporate  
10 Defendant or withdraw money from the account of the Corporate Defendant.

11 **X.**

12 **CONSUMER CREDIT REPORTS**

13 **IT IS FURTHER ORDERED** that pursuant to Section 604(a)(1) of the Fair  
14 Credit Reporting Act, 15 U.S.C. § 1681b(a)(1), the Bureau may obtain credit reports  
15 concerning any Defendant, and that, upon written request, any credit reporting agency  
16 from which such reports are requested shall provide them to the Bureau.

17 **XI.**

18 **REPATRIATION OF FOREIGN ASSETS**

19 **IT IS FURTHER ORDERED** that, within three (3) business days following the  
20 service of this Order, each Defendant shall:

21 A. Provide counsel for the Bureau and the Temporary Receiver with a full  
22 accounting of all Assets, accounts, and Documents outside of the territory of the  
23 United States that are held either: (1) by Defendants; (2) for their benefit; (3) in  
24 trust by or for them, individually or jointly; or (4) under their direct or indirect  
25 control, individually or jointly;

26 B. Transfer to the territory of the United States all Assets, accounts, and  
27 Documents in foreign countries held either: (1) by Defendants; (2) for their benefit;

(3) in trust by or for them, individually or jointly; or (4) under their direct or indirect control, individually or jointly;

C. All repatriated Assets, accounts, and Documents are subject to Section VII of this Order; and

D. Provide the Bureau access to all records of accounts or Assets of the Corporate Defendants and Individual Defendants held by financial institutions located outside the territorial United States by signing the Consent to Release of Financial Records attached to this Order as Attachment C.

## XII.

### NONINTERFERENCE WITH REPATRIATION

**IT IS FURTHER ORDERED** that Defendants and their successors, assigns, officers, agents, servants, employees, ~~independent contractors~~, and attorneys, and those persons in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any corporation, subsidiary, division, or other device, are hereby temporarily 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 the preceding Section XI of this Order, including, but not limited to:

A. Sending any statement, letter, fax, email or wire transmission, or 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 that all Assets have been fully repatriated pursuant to Section XI of this Order; or

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

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XIII.

APPOINTMENT OF A TEMPORARY RECEIVER

IT IS FURTHER ORDERED that HOWARD I. CAMHI is appointed Temporary Receiver for the business activities of Receivership Defendants with the full power of an equity receiver. The Temporary Receiver shall be the agent of this Court and solely the agent of this Court in acting as Temporary Receiver under this Order. The Temporary Receiver shall be accountable directly to this Court. The Temporary Receiver shall comply with all laws and Local Rules of this Court governing federal equity receivers, including but not limited to Local Rules 66-1 through 66-5.1 and Local Rule 66-8.

XIV.

DUTIES AND AUTHORITY OF TEMPORARY RECEIVER

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

- A. Assume full control of the Receivership Defendants by removing, as the Temporary Receiver deems necessary or advisable, any director, officer, independent contractor, employee, or agent of any of the Receivership Defendants, including any named Defendant, from control of, management of, or participation in, the affairs of the Receivership Defendants;
- B. Take exclusive custody, control, and possession of all Assets and Documents of, or in the possession, custody, or under the control of, the Receivership Defendants, wherever situated. The Temporary Receiver shall have full power to divert mail and to sue for, collect, receive, take into possession, hold, and manage all Assets and Documents of the Receivership Defendants and other persons whose interests are now held by or under the direction, possession, custody, or control of the Receivership Defendants. *Provided, however,* that the Temporary Receiver shall not attempt to collect or receive any amount from a

1 consumer if the Temporary Receiver believes the consumer was a victim of the  
2 unlawful conduct alleged in the complaint in this matter;

3 C. Take all steps necessary to secure the business premises of the Receivership  
4 Defendants. Such steps may include, but are not limited to, the following, as the  
5 Temporary Receiver deems necessary or advisable:

- 6 1. serving and filing this Order;
- 7 2. completing a written inventory of all Receivership Assets;
- 8 3. obtaining pertinent information from all employees and other agents  
9 of the Receivership Defendants, including, but not limited to, the name,  
10 home address, social security number, job description, method of  
11 compensation, and all accrued and unpaid commissions and compensation of  
12 each such employee or agent, and all computer hardware and software  
13 passwords;
- 14 4. videotaping and/or photographing all portions of the location;
- 15 5. securing the location by changing the locks and disconnecting any  
16 computer modems or other means of access to the computer or other records  
17 maintained at that location;
- 18 6. requiring any persons present on the premises at the time this Order is  
19 served to leave the premises, to provide the Temporary Receiver with proof  
20 of identification, or to demonstrate to the satisfaction of the Temporary  
21 Receiver that such persons are not removing from the premises Documents  
22 or Assets of the Receivership Defendants; and
- 23 7. requiring all employees, independent contractors, and consultants of  
24 the Receivership Defendants to complete a Questionnaire submitted by the  
25 Temporary Receiver;

26 D. Conserve, hold, and manage all Receivership Assets, and perform all acts  
27 necessary or advisable to preserve the value of those Assets, in order to prevent  
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1 any irreparable loss, damage, or injury to consumers or to creditors of the  
2 Receivership Defendants, including, but not limited to, obtaining an accounting of  
3 the Assets and preventing transfer, withdrawal, or misapplication of Assets;  
4 E. Liquidate any and all securities or commodities owned by or for the benefit  
5 of the Receivership Defendants as the Temporary Receiver deems to be advisable  
6 or necessary;  
7 F. Enter into contracts and purchase insurance as the Temporary Receiver  
8 deems to be advisable or necessary;  
9 G. Prevent the inequitable distribution of Assets and determine, adjust, and  
10 protect the interests of consumers and creditors who have transacted business with  
11 the Receivership Defendants;  
12 H. Manage and administer the business of the Receivership Defendants until  
13 further order of this Court by performing all incidental acts that the Temporary  
14 Receiver deems to be advisable or necessary, which includes retaining, hiring, or  
15 dismissing any employees, independent contractors, or agents;  
16 I. Choose, engage, and employ attorneys, accountants, appraisers, and other  
17 independent contractors and technical specialists, as the Temporary Receiver  
18 deems advisable or necessary in the performance of duties and responsibilities  
19 under the authority granted by this Order;  
20 J. Make payments and disbursements from the Receivership estate that are  
21 necessary or advisable for carrying out the directions of, or exercising the authority  
22 granted by, this Order. The Temporary Receiver shall apply to the Court for prior  
23 approval of any payment of any debt or obligation incurred by the Receivership  
24 Defendants prior to the date of entry of this Order, except payments that the  
25 Temporary Receiver deems necessary or advisable to secure assets of the  
26 Receivership Defendants, such as rental payments;  
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1 K. Determine and implement measures to ensure that the Receivership  
2 Defendants comply with, and prevent violations of, this Order and all other  
3 applicable laws, including, but not limited to, revising sales materials and  
4 implementing monitoring procedures;

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

10 M. Defend, compromise, adjust, or otherwise dispose of any or all actions or  
11 proceedings instituted in the past or in the future against the Temporary Receiver  
12 in his role as Temporary Receiver, or against the Receivership Defendants, that the  
13 Temporary Receiver deems necessary and advisable to preserve the Assets of the  
14 Receivership Defendants or that the Temporary Receiver deems necessary and  
15 advisable to carry out the Temporary Receiver's mandate under this Order;

16 N. Continue and conduct the business of the Receivership Defendants in such  
17 manner, to such extent, and for such duration as the Temporary Receiver may in  
18 good faith deem to be necessary or appropriate to operate the business profitably  
19 and lawfully, if at all; *provided, however*, that the continuation and conduct of the  
20 business shall be conditioned upon the Temporary Receiver's good faith  
21 determination that the businesses can be lawfully operated at a profit using the  
22 Assets of the receivership estate;

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



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

5 Q. Maintain accurate records of all receipts and expenditures that he makes as  
6 Temporary Receiver;

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

9 S. Maintain the chain of custody of all of Defendants' records in their  
10 possession.

11 **XV.**

12 **IMMEDIATE ACCESS TO BUSINESS PREMISES AND RECORDS**

13 **IT IS FURTHER ORDERED** that the Bureau, the Temporary Receiver, and their  
14 respective representatives, agents, contractors, or assistants, are permitted immediate  
15 access to Defendants' business premises; and

16 **IT IS FURTHER ORDERED** that the Defendants and their successors, assigns,  
17 officers, ~~directors~~, agents, servants, employees, attorneys, and all other persons directly  
18 or indirectly, in whole or in part, under their control, and all other persons in active  
19 concert or participation with them, who receive actual notice of this Order by personal  
20 service, facsimile, email, or otherwise, whether acting directly or through any  
21 corporation, subsidiary, division, or other entity, shall:

22 A. Allow the Bureau and the Temporary Receiver, and their respective  
23 representatives, agents, attorneys, investigators, paralegals, contractors, or  
24 assistants immediate access to:

- 25 1. All of the Defendants' business premises, including but not limited to:  
26 a) 1740 East Garry Avenue, Suites 118, 119, 202, 206, Santa Ana,  
27 California 92705;

- b) any storage facilities; and
- c) such other business locations that are wholly or partially owned, rented, leased, or under the temporary or permanent control of any Defendant;

2. Any other premises where the Defendants conduct business, sales operations, or customer service operations;

3. Any premises where Documents related to the Defendants' businesses are stored or maintained, including but not limited to a storage unit;

4. Any premises where Assets belonging to any Defendant are stored or maintained; and

5. Any Documents located at any of the locations described in this Section.

B. Immediately identify to the Bureau's counsel and the Temporary Receiver:

1. All of Defendants' business premises and storage facilities;

2. Any non-residence premises where any Defendant conducts business, sales operations, or customer service operations;

3. Any non-residence premises where Documents related to the business, sales operations, or customer service operations of any Defendant are hosted, stored, or otherwise maintained, including but not limited to the name and location of any electronic data hosts; and

4. Any non-residence premises where Assets belonging to any Defendant are stored or maintained.

C. Provide the Bureau and the Temporary Receiver, and their respective representatives, agents, attorneys, investigators, paralegals, contractors, or assistants with any necessary means of access to, copying of, and forensic imaging of Documents, including, without limitation, the locations of Receivership Defendants' business premises, keys and combinations to business premises locks,

1 passwords to devices that hold Electronically Stored Information, computer access  
2 codes of all computers used to conduct Receivership Defendants' business, access  
3 to (including but not limited to execution of any Documents necessary for access to  
4 and forensic imaging of) any data stored, hosted or otherwise maintained by an  
5 electronic data host, and storage area access information.

6 D. The Bureau and the Temporary Receiver are authorized to employ the  
7 assistance of law enforcement officers, including, but not limited to, the Special  
8 Investigator General for the Troubled Asset Relief Program, the United States  
9 Postal Inspection Service, Internal Revenue Service, Federal Bureau of  
10 Investigation, the United States Marshal's service, and the Sheriff or deputy of any  
11 county or other federal or state law enforcement office to effect service, to  
12 implement peacefully the provisions of this Order, and to keep the peace. The  
13 Temporary Receiver shall immediately allow the Bureau and its representatives,  
14 agents, contractors, or assistants into the premises and facilities described in this  
15 Section to inspect, inventory, image, and copy Documents relevant to any matter  
16 contained in this Order, wherever they may be situated and whether they are on the  
17 person of Defendants Jalan, Nelsen, or others. The Temporary Receiver may  
18 exclude Defendants and their agents and employees from the business premises  
19 and facilities during the immediate access. No one shall interfere with the Bureau's  
20 or Temporary Receiver's inspection of the Defendants' premises or documents.

21 E. The Temporary Receiver and the Bureau shall have the right to remove any  
22 Documents, including any devices containing Electronically Stored Information,  
23 related to Defendants' business practices from the premises in order that they may  
24 be inspected, inventoried, and copied. The materials so removed shall be returned  
25 within five (5) business days of completing said inventory and copying. If any  
26 property, records, Documents, or computer files relating to the Receivership  
27 Defendants' finances or business practices are located in the residence of any  
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1 Defendant or are otherwise in the custody or control of any Defendant, then such  
2 Defendant shall produce them to the Temporary Receiver within twenty-four (24)  
3 hours of service of this Order. In order to prevent the destruction of computer data,  
4 upon service of this Order upon Defendants, any such computers may be powered  
5 down (turned off) in the normal course for the operating systems used on such  
6 computers and shall not be powered up or used again until produced for copying  
7 and inspection, along with any codes needed for access. The Bureau's and the  
8 Temporary Receiver's representatives may also photograph and videotape the  
9 inside and outside of all premises to which they are permitted access by this Order,  
10 and all Documents and other items found on such premises.

11 F. The Bureau's access to the Defendants' Documents pursuant to this  
12 provision shall not provide grounds for any Defendant to object to any subsequent  
13 request for Documents served by the Bureau.

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

## 21 XVI.

### 22 COOPERATION WITH TEMPORARY RECEIVER

23 IT IS FURTHER ORDERED that:

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

1. Providing any information to the Temporary Receiver that the Temporary Receiver deems necessary to exercising the authority and discharging the responsibilities of the Temporary Receiver under this Order, including but not limited to allowing the Temporary Receiver to inspect Documents and Assets and to partition office space;
2. Providing any username or password and executing any documents required to access any computer or electronic files in any medium, including but not limited to electronically stored information stored, hosted or otherwise maintained by an electronic data host; and
3. Advising all persons who owe money to the Receivership Defendants that all debts should be paid directly to the Temporary Receiver.

B. Defendants and their successors, assigns, officers, ~~directors~~ agents, servants, employees, attorneys, and all other persons or entities directly or indirectly, in whole or in part, under their control, and all other persons in active concert or participation with ~~who~~ receive actual notice of this Order by personal service or otherwise, shall not interfere in any manner, directly or indirectly with the custody, possession, management, or control by the Temporary Receiver of Assets and Documents, and are hereby temporarily restrained and enjoined from directly or indirectly:

1. Transacting any of the business of the Receivership Defendants;
2. Destroying, secreting, erasing, mutilating, defacing, concealing, altering, transferring or otherwise disposing of, in any manner, directly or indirectly, any Documents or equipment of the Receivership Defendants,

1 including but not limited to contracts, agreements, consumer files, consumer  
2 lists, consumer addresses and telephone numbers, correspondence,  
3 advertisements, brochures, sales material, sales presentations, Documents  
4 evidencing or referring to Defendants' services, training materials, scripts,  
5 data, computer tapes, disks, or other computerized records, books, written or  
6 printed records, handwritten notes, telephone logs, "verification" or  
7 "compliance" tapes or other audio or video tape recordings, receipt books,  
8 invoices, postal receipts, ledgers, personal and business canceled checks and  
9 check registers, bank statements, appointment books, copies of federal, state  
10 or local business or personal income or property tax returns, photographs,  
11 mobile devices, electronic storage media, accessories, and any other  
12 Documents, records or equipment of any kind that relate to the business  
13 practices or business or personal finances of the Receivership Defendants or  
14 any other entity directly or indirectly under the control of the Receivership  
15 Defendants;

16 3. Transferring, receiving, altering, selling, encumbering, pledging,  
17 assigning, liquidating, or otherwise disposing of any Assets owned,  
18 controlled, or in the possession or custody of, or in which an interest is held  
19 or claimed by, the Receivership Defendants, or the Temporary Receiver;

20 4. Excusing debts owed to the Receivership Defendants;

21 5. Failing to notify the Temporary Receiver of any Asset, including  
22 accounts, of a Receivership Defendant held in any name other than the name  
23 of the Receivership Defendant, or by any person or entity other than the  
24 Receivership Defendant, or failing to provide any assistance or information  
25 requested by the Temporary Receiver in connection with obtaining  
26 possession, custody, or control of such Assets;

6. 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 the Defendants or any other entity directly or indirectly under the control of the Defendants;

7. Doing any act or refraining from any act whatsoever to interfere with the Temporary Receiver's taking custody, control, possession, or managing of the Assets or Documents subject to this Receivership; or to harass or to interfere with the Temporary 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 Defendants; or to refuse to cooperate with the Temporary Receiver or the Temporary Receiver's duly authorized agents in the exercise of their duties or authority under any Order of this Court; and

8. 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.

## **XVII.**

### **DELIVERY OF RECEIVERSHIP PROPERTY**

**IT IS FURTHER ORDERED** that immediately upon service of this Order upon them or upon their otherwise obtaining actual knowledge of this Order, or within a period permitted by the Temporary Receiver, Defendants and any other person or entity, including but not limited to financial institutions and electronic data hosts, shall transfer or deliver access to, possession, custody, and control of the following to the Temporary Receiver:

A. All Assets of the Receivership Defendants;

B. All Documents of the Receivership Defendants, including, but not limited to, books and records of accounts, all financial and accounting records, balance sheets, income statements, bank records (including monthly statements, canceled checks,

records of wire transfers, records of ACH transactions, and check registers), client or customer lists, title documents and other papers;

C. All Assets belonging to members of the public now held by the Receivership Defendants;

D. All keys, computer and other passwords, user names, entry codes, combinations to locks required to open or gain or secure access to any Assets or Documents of the Receivership Defendants, wherever located, including, but not limited to, access to their business premises, means of communication, accounts, computer systems, or other property; and

E. Information identifying the accounts, employees, properties, or other assets or obligations of the Receivership Defendants.

In the event any person or entity fails to deliver or transfer immediately any asset or otherwise fails to comply with any provision of this Section XVII, the Temporary Receiver may file *ex parte* with the Court 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 Temporary Receiver. The writs shall authorize and direct the United States Marshal or any sheriff or deputy sheriff of any county to seize the Asset, Document, or other thing and to deliver it to the Temporary Receiver.

## **XVIII.**

### **COMPENSATION FOR TEMPORARY RECEIVER**

**IT IS FURTHER ORDERED** that the Temporary Receiver and all personnel hired by the Temporary Receiver as herein authorized, including counsel to the Temporary Receiver and accountants, are entitled to reasonable compensation for the performance of duties pursuant to this Order, and for the cost of actual out-of-pocket expenses incurred by them, from the assets now held by or in the possession or control of,



1 or which may be received by, the Receivership Defendants. The Temporary Receiver  
2 shall file with the Court and serve on the parties periodic requests for the payment of such  
3 reasonable compensation, with the first such request filed no more than sixty (60) days  
4 after the date of this Order. The Temporary Receiver shall not increase the hourly rates  
5 used as the bases for such fee applications without prior approval of the Court.

6 **XIX.**

7 **TEMPORARY RECEIVER'S REPORTS**

8 **IT IS FURTHER ORDERED** that the Temporary Receiver shall report to  
9 this Court on or before the date set for the hearing to Show Cause regarding the  
10 Preliminary Injunction, regarding: (1) the steps taken by the Temporary Receiver to  
11 implement the terms of this Order; (2) the value of all liquidated and unliquidated assets  
12 of the Receivership Defendants; (3) the sum of all liabilities of the Receivership  
13 Defendants; (4) the steps the Temporary Receiver intends to take in the future to: (a)  
14 prevent any diminution in the value of assets of the Receivership Defendants, (b) pursue  
15 receivership assets from third parties, and (c) adjust the liabilities of the Receivership  
16 Defendants, if appropriate; (5) the Temporary Receiver's assessment of whether the  
17 business can be operated in compliance with this Order; and (6) any other matters which  
18 the Temporary Receiver believes should be brought to the Court's attention. *Provided,*  
19 *however,* if any of the required information would hinder the Temporary Receiver's  
20 ability to pursue receivership assets, the portions of the Temporary Receiver's report  
21 containing such information may be filed under seal and not served on the parties.

22 **XX.**

23 **WITHDRAWAL OF TEMPORARY RECEIVER**

24 **IT IS FURTHER ORDERED** that the Temporary Receiver and any Professional  
25 retained by the Temporary Receiver, including but not limited to his or her attorneys and  
26 accountants, be and are hereby authorized to withdraw from his or her respective  
27 appointments or representations and apply for payment of their professional fees and  
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costs at any time after the date of this Order, for any reason in their sole and absolute discretion, by sending written notice seven (7) days prior to the date of the intended withdrawal to the Court and to the parties along with a written report reflecting the Temporary Receiver's work, findings, and recommendations, as well as an accounting for all funds and assets in possession or control of the Temporary Receiver. The Temporary Receiver and Professionals shall be relieved of all liabilities and responsibilities, and the Temporary Receiver shall be exonerated and the receivership deemed closed seven (7) days from the date of the mailing of such notice of withdrawal. The Court will retain jurisdiction to consider the fee applications, report, and accounting submitted by the Temporary Receiver and the Professionals. The written notice shall include an interim report indicating the Temporary Receiver's actions and reflect the knowledge gained along with the fee applications of the Temporary Receiver and his or her Professionals. The report shall also contain the Temporary Receiver's recommendations, if any.

**XXI .**

**TEMPORARY RECEIVER'S BOND/LIABILITY**

**IT IS FURTHER ORDERED** that no bond shall be required in connection with the appointment of the Temporary Receiver. Except for an act of gross negligence, the Temporary Receiver and the Professionals shall not be liable for any loss or damage incurred by any of the Defendants, their officers, agents, servants, employees, and attorneys or any other person, by reason of any act performed or omitted to be performed by the Temporary Receiver and the Professionals in connection with the discharge of his or her duties and responsibilities, including but not limited to their withdrawal from the case under Section XX.

**XXII.**

**PROHIBITION ON RELEASE OF CONSUMER INFORMATION**

**IT IS FURTHER ORDERED** that, except as required by a law enforcement agency law, regulation or court order, Defendants, and their successors, assigns, officers,

1 agents, servants, employees, and attorneys, and all other persons in active concert or  
2 participation with any of them ~~who~~ who receive actual notice of this Order by personal service  
3 or otherwise, are temporarily restrained and enjoined from disclosing, using, or  
4 benefitting from consumer information, including the name, address, telephone number,  
5 email address, social security number, other identifying information, or any data that  
6 enables access to a consumer's account (including a credit card, bank account, or other  
7 financial account), of any person which any Defendant obtained prior to entry of this  
8 Order in connection with any mortgage assistance relief product.

9 **XXIII.**

10 **STAY OF ACTIONS**

11 **IT IS FURTHER ORDERED** that:

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

- 19 1. Commencing, prosecuting, continuing, entering, or enforcing any suit  
20 or proceeding, except that such actions may be filed to toll any applicable  
21 statute of limitations;
- 22 2. Accelerating the due date of any obligation or claimed obligation;  
23 filing or enforcing any lien; taking or attempting to take possession, custody,  
24 or control of any asset; attempting to foreclose, forfeit, alter, or terminate  
25 any interest in any asset, whether such acts are part of a judicial proceeding,  
26 are acts of self-help, or otherwise;
- 27

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

5           4.     Doing any act or thing whatsoever to interfere with the Temporary  
6           Receiver taking custody, control, possession, or management of the Assets  
7           or Documents subject to this Receivership, or to harass or interfere with the  
8           Temporary Receiver in any way, or to interfere in any manner with the  
9           exclusive jurisdiction of this Court over the Assets or Documents of the  
10          Receivership Defendants;

11        B.     This Section XXIII does not stay:

12           1.     The commencement or continuation of a criminal action or  
13           proceeding;

14           2.     The commencement or continuation of an action or proceeding by the  
15           State Bar of California to enforce its police or regulatory power;

16           3.     The commencement or continuation of an action or proceeding by a  
17           governmental unit to enforce such governmental unit's police or regulatory  
18           power;

19           4.     The enforcement of a judgment, other than a money judgment,  
20           obtained in an action or proceeding by a governmental unit to enforce such  
21           governmental unit's police or regulatory power; or

22           5.     The issuance to a Receivership Defendant of a notice of tax  
23           deficiency; and

24        C.     Except as otherwise provided in this Order, all persons and entities in need  
25           of documentation from the Temporary Receiver shall in all instances first attempt  
26           to secure such information by submitting a formal written request to the  
27           Temporary Receiver, and, if such request has not been responded to within thirty  
28

(30) days of receipt by the Temporary Receiver, any such person or entity may thereafter seek an Order of this Court with regard to the relief requested.

#### XXIV.

#### LIMITED EXPEDITED DISCOVERY

**IT IS FURTHER ORDERED** that the Bureau is granted leave to conduct certain expedited discovery, and that, commencing with the time and date of this Order, in lieu of the time periods, notice provisions, and other requirements of Rules 19, 26, 30, 34, and 45 of the Federal Rules of Civil Procedure, and applicable Local Rules, the Bureau and the Temporary Receiver are granted leave to:

- A. Take the deposition, on three (3) days' notice, of any person or entity, whether or not a party, for the purpose of discovering: (1) the nature, location, status, and extent of Assets of Defendants or their affiliates or subsidiaries; (2) the nature and location of Documents and business records of Defendants or their affiliates or subsidiaries; and (3) compliance with this Order. The limitations and conditions set forth in Fed. R. Civ. P. 30(a)(2) and 31(a)(2) regarding subsequent depositions shall not apply to depositions taken pursuant to this Section. In addition, any such depositions taken pursuant to this Section shall not be counted toward the ten deposition limit set forth in Fed. R. Civ. P. 30(a)(2)(A)(i) and 31(a)(2)(A)(i) and shall not preclude the Bureau from subsequently deposing the same person or entity in accordance with the Federal Rules of Civil Procedure. Service of discovery upon a party, taken pursuant to this Section, shall be sufficient if made by facsimile, email or by overnight delivery. Any deposition taken pursuant to this sub-section that has not been reviewed and signed by the deponent may be used by any party for purposes of the preliminary injunction hearing;
- B. Serve upon parties requests for production of documents or inspection that require production or inspection within three (3) calendar days of service, and may serve subpoenas upon non-parties that direct production or inspection within five

(5) calendar days of service, for the purpose of discovering: (1) the nature, location, status, and extent of assets of Defendants or their affiliates or subsidiaries; (2) the nature and location of Documents and business records of Defendants or their affiliates or subsidiaries; and (3) compliance with this Order, *provided that* twenty-four (24) hours' notice shall be deemed sufficient for the production of any such Documents that are maintained or stored only as electronic data;

C. Serve deposition notices and other discovery requests upon the parties to this action by facsimile or overnight courier, and take depositions by telephone or other remote electronic means; and

D. If a Defendant fails to appear for a properly noticed deposition or fails to comply with a request for production or inspection, seek to prohibit that Defendant from introducing evidence at any subsequent hearing.

#### XXV.

#### MONITORING

**IT IS FURTHER ORDERED** that agents or representatives of the Bureau may contact Defendants directly or anonymously for the purpose of monitoring compliance with this Order, and may tape record any oral communications that occur in the course of such contacts.

#### XXVI.

#### DEFENDANTS' DUTY TO DISTRIBUTE ORDER

**IT IS FURTHER ORDERED** that Defendants shall immediately provide a copy of this Order to each affiliate, subsidiary, division, sales entity, successor, assign, officer, director, employee, independent contractor, client company, electronic data host, agent, authorized signatory to bank accounts, attorney, spouse, and representative of Defendants and shall, within three (3) calendar days from the date of entry of this Order, provide counsel for the Bureau with a sworn statement that: (a) confirms that Defendants have

provided copies of the Order as required by this Section and (b) lists the names and addresses of each entity or person to whom Defendants provided a copy of the Order. Furthermore, Defendants shall not take any action that would encourage officers, agents, directors, employees, salespersons, independent contractors, attorneys, subsidiaries, affiliates, successors, assigns, or other persons or entities in active concert or participation with Defendants to disregard this Order or believe that they are not bound by its provisions.

**XXVII.**

**DURATION OF TEMPORARY RESTRAINING ORDER**

**IT IS FURTHER ORDERED** that the Temporary Restraining Order granted herein shall expire on the 18<sup>TH</sup> day of ~~OCTOBER~~, 2012, at 4:15 o'clock ~~p~~.m., unless within such time, the Order, for good cause shown, is extended with the consent of the parties, or for an additional period not to exceed fourteen (14) calendar days, or unless it is further extended pursuant to Federal Rule of Civil Procedure 65.

**XXVIII.**

**ORDER TO SHOW CAUSE REGARDING PRELIMINARY INJUNCTION**

**IT IS FURTHER ORDERED** that, pursuant to Federal Rule of Civil Procedure 65(b), each of the Defendants shall appear before this Court on the 10<sup>TH</sup> day of ~~OCTOBER~~, 2012 at 10 o'clock ~~a~~.m., to show cause, if there is any, why this Court should not enter a preliminary injunction enjoining the violations of law alleged in the Bureau's Complaint, continuing the freeze of their assets, and imposing such additional relief as may be appropriate.

**XXIX.**

**SERVICE OF PLEADINGS, MEMORANDA, AND OTHER EVIDENCE**

**IT IS FURTHER ORDERED** that Defendants shall file any answering affidavits, pleadings, or legal memoranda with the Court and serve the same on counsel for the Bureau no later than five (5) business days prior to the preliminary injunction hearing in

1 this matter. The Bureau may file responsive or supplemental pleadings, materials,  
2 affidavits, or memoranda with the Court and serve the same on counsel for Defendants no  
3 later than one (1) business day prior to the preliminary injunction hearing in this matter.  
4 *Provided that* service shall be performed by personal or overnight delivery, facsimile, or  
5 email, and documents shall be delivered so that they shall be received by the other parties  
6 no later than 4 p.m. (Pacific Time) on the appropriate dates listed in this Section XXIX.

7 **XXX.**

8 **LIVE TESTIMONY; WITNESS IDENTIFICATION**

9 **IT IS FURTHER ORDERED** that the question of whether this Court should  
10 enter a preliminary injunction pursuant to Rule 65 of the Federal Rules of Civil Procedure  
11 enjoining the Defendants during the pendency of this action shall be resolved on the  
12 pleadings, declarations, exhibits, and memoranda filed by, and oral argument of, the  
13 parties. Live testimony shall be heard only on further order of this Court on motion filed  
14 with the Court and served on counsel for the other parties at least five (5) business days  
15 prior to the preliminary injunction hearing in this matter. Such motion shall set forth the  
16 name, address, and telephone number of each proposed witness, a detailed summary or  
17 affidavit disclosing the substance of each proposed witness' expected testimony, and an  
18 explanation of why the taking of live testimony would be helpful to this Court. Any  
19 papers opposing a timely motion to present live testimony or to present live testimony in  
20 response to live testimony to be presented by another party shall be filed with this Court  
21 and served on the other parties at least three (3) business days prior to the preliminary  
22 injunction hearing in this matter. *Provided that* service shall be performed by personal  
23 or overnight delivery or by facsimile or email, and documents shall be delivered so that  
24 they shall be received by the other parties no later than 4 p.m. (Pacific Time) on the  
25 appropriate dates listed in this Subsection. *Provided further,* however, that an  
26 evidentiary hearing on the Bureau's request for a preliminary injunction is not necessary  
27



1 unless Defendants demonstrate that they have, and intend to introduce, evidence that  
2 raises a genuine material factual issue.

3 **XXXI.**

4 **CORRESPONDENCE WITH PLAINTIFF**

5 **IT IS FURTHER ORDERED** that, for the purposes of this Order, because mail  
6 addressed to the Bureau is subject to delay due to heightened security screening, all  
7 correspondence and service of pleadings on Plaintiff shall be sent either via electronic  
8 submission or via overnight express delivery to:

9  
10 Elizabeth Boison  
11 Consumer Financial Protection Bureau  
12 Office of Enforcement  
13 1700 G Street, NW  
14 Washington, DC 20552  
15 ATTN: Office of Enforcement  
16 Elizabeth.boison@cfpb.gov

17 with a copy to:

18 Kent Kawakami - Local Counsel, CA Bar # 149803  
19 United States Attorney's Office  
20 Central District of California - Civil Division  
21 300 North Los Angeles Street, Room 7516  
22 Los Angeles, CA 90012  
23 Kent.Kawakami@usdoj.gov

24 **XXXII.**

25 **SERVICE OF THIS ORDER**

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

XXXIII.

RETENTION OF JURISDICTION

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

IT IS SO ORDERED, this 4<sup>th</sup> day of December, 2012, at 4:15 o'clock P.m.

DECEMBER 4, 2012

Date

  
United States District Judge