

**UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

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

MICHAEL RANDO, a/k/a Mike Singles,  
individually and as an officer of Prosperity  
Training Technology LLC, Elite Customer  
Services, LLC, Digital Business Scaling  
LLC, First Coast Matchmakers Inc., First  
Coast Matchmakers LLC, and Financial  
Consulting Management Group LLC, et al.,

Defendants.

**PLAINTIFF'S *EX PARTE* MOTION FOR TEMPORARY RESTRAINING  
ORDER WITH ASSET FREEZE, IMMEDIATE ACCESS TO DOCUMENTS  
AND PREMISES, AND APPOINTMENT OF A RECEIVER WITH ORDER  
TO SHOW CAUSE WHY THE COURT SHOULD NOT ISSUE A  
PRELIMINARY INJUNCTION**

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## **I. INTRODUCTION**

Plaintiff, the Federal Trade Commission (“FTC”), brings this action to halt “The Credit Game,” a predatory credit repair operation through which Defendants defrauded millions of dollars from consumers nationwide. Using numerous YouTube videos, telemarketing calls, and other means, Defendants lure consumers desperate for credit with false promises of boosting their credit scores, often touting improved scores in the high 700s or 800s within months or even days. Using these false claims, Defendants dupe consumers into paying hundreds to thousands of dollars each in prohibited advanced fees, even encouraging them to spend their COVID-relief payments to do so. Defendants’ services, however, are neither lawful nor effective. Their credit repair tactics entail false or misleading statements to credit reporting agencies (“CRAs”) and others, which federal law prohibits. Moreover, even with these deceptive tactics, they fail to deliver the promised credit score improvements.

When suspicious or dissatisfied consumers seek to cancel, Defendants consistently refuse to provide refunds. Moreover, Defendants brazenly multiply these illegal practices by separately pitching their credit repair scheme as a money-making opportunity, falsely promising consumers they can earn millions legally by operating a copycat scheme. Not surprisingly, Defendants never provide prospective customers the critical consumer protection disclosures required by federal law to prevent these abuses.

Defendants' conduct violates Section 5 of the FTC Act, 15 U.S.C. § 45, standing alone and pursuant to the COVID-19 Consumer Protection Act, 15 U.S.C. § 45 note. The conduct also violates multiple provisions of the Credit Repair Organizations Act ("CROA"), 15 U.S.C. §§ 1679–1679j; the FTC's Telemarketing Sales Rule ("TSR"), 16 C.F.R. Part 310; and the FTC's Business Opportunity Rule ("BOR"), 16 C.F.R. Part 437.

To preserve the Court's ability to provide effective final relief for injured consumers, the FTC seeks an *ex parte* temporary restraining order ("TRO") pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), with an order to show cause why a preliminary injunction should not issue. Specifically, the TRO would, among other things: (1) prohibit Defendants from continuing to operate their deceptive scheme while this case is pending; (2) place a Receiver in control of the companies to secure assets and evidence while evaluating if the businesses can be run lawfully and profitably; (3) freeze Defendants' assets for possible redress to their injured victims; and (4) provide the Receiver and FTC with immediate access to Defendants' business premises and business documents. These measures are necessary to protect consumers by immediately halting Defendants' fraudulent acts and practices, and to prevent the dissipation of assets and the destruction of evidence. Courts regularly grant the FTC these types of preliminary relief in cases involving credit repair

schemes and other deceptive schemes in violation of the FTC Act and its related regulations, both in this District and nationwide.<sup>1</sup>

## **II. DEFENDANTS AND THEIR UNLAWFUL BUSINESS PRACTICES**

Since at least 2019, Defendants Michael and Valerie Rando have used the Corporate Defendants<sup>2</sup> to operate an illegal credit repair scheme, initially marketed as “Wholesale Tradelines” and rebranded in February 2020 as “The Credit Game.” Since at least February 2020, they have also marketed a related money-making opportunity, offering consumers the chance to run a carbon copy of their credit repair scheme. The following sections detail these two illegal schemes. Section II.A provides an overview of the Randos’ operation. Section II.B details how their credit repair scheme violates the FTC Act, CROA, and the TSR. Section II.C explains

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<sup>1</sup> **Credit repair schemes:** See, e.g., *United States v. Turbo Solutions Inc.*, No. 4:22-mc-00369 (S.D. Tex. Mar. 1, 2022); *FTC v. Grand Teton Professionals, LLC*, No. 3:19-cv-00933-VAB (D. Conn. Jun. 21, 2019); *FTC v. First Time Credit Solution, Corp.*, No. 2:15-cv-01921-DDP-PJW (C.D. Cal. Mar. 16, 2015); *FTC v. Strategic Student Solutions LLC*, No. 17-cv-80619-WPD (S.D. Fla. May 15, 2017); *FTC v. 1<sup>st</sup> Guaranty Mortgage Corp.*, No. 0:09-cv-61840-JJO (S.D. Fla. Nov. 17, 2009); *FTC v. Latrese & Kevin Enterprises Inc.*, No. 3:08-cv-1001-J-34JRK (M.D. Fla. Oct. 20, 2008) (*ex parte* TRO in contempt proceeding). **Other deceptive schemes in this District:** See, e.g., *FTC v. GDP Network LLC*, No. 6:20-cv-1192-WWB-DCI (M.D. Fla. July 10, 2020); *FTC v. First Choice Horizon LLC*, No. 6:19-cv-1028-PGB-LHP (M.D. Fla. June 3, 2019); *FTC v. J. William Enterprises, LLC*, No. 6:16-cv-2123-GAP-DCI (M.D. Fla. Dec 13, 2016); *FTC v. Life Mgmt. Servs. of Orange Cty., LLC*, No. 6:16-cv-00982-CEM-GJK (M.D. Fla. June 8, 2016); *FTC v. D & S Marketing Solutions, LLC*, No. 8:16-cv-01435-MSS-AEP (M.D. Fla. June 8, 2016); additional cases in this District cited in Paragraph 14 of Plaintiff’s contemporaneously filed Rule 65(b) Certification. **Other deceptive schemes nationwide:** See, e.g., *FTC v. American Financial Support Services Inc.*, No. 8:19-cv-02109-JVS-ADS (C.D. Cal. Nov. 4, 2019); *FTC v. Pointbreak Media, LLC*, No. 18-cv-61017-CMA (S.D. Fla. May 23, 2018); *FTC v. Bob Robinson, LLC*, No. 4:17-cv-02411 (S.D. Tex. Aug. 8, 2017); *FTC v. Blue Saguaro Marketing LLC*, No. 16-cv-3406-SPL, Dkt. No. 22 (D. Ariz. Oct. 11, 2016); *FTC v. Fortune Hi-Tech Mktg., Inc.*, No. 13-cv-0578, Dkt. No. 23 (N.D. Ill. Jan. 24, 2013).

<sup>2</sup> The Corporate Defendants are Prosperity Training Technology LLC, Elite Customer Services LLC, Digital Business Scaling LLC, First Coast Matchmakers Inc., First Coast Matchmakers LLC, Financial Consulting Management Group LLC, and Resource Management Investments LLC. All entities are registered in Florida.

how their related money-making opportunity violates the FTC Act, the TSR, and the BOR. Finally, Section II.D explains each Defendant's involvement in the schemes and liability for the various violations.

### **A. An Overview of Defendants' Schemes**

As explained in detail *infra*, Defendants' schemes consist of credit repair services and a related money-making opportunity. Defendants dupe consumers into purchasing their credit repair services by claiming to have a legal and effective way to boost their credit scores quickly, substantially, and without the need for a good credit history. To make these claims, Defendants post daily videos on The Credit Game's YouTube channel with titles such as "If You Do These 5 Things You Will Blow Up Your Credit Score," "Credit Repair and Tradelines on Steroids," and "Negative Collections Removed in 7 Minutes." [PX19; PX44; PX45.] These postings usually include images known as "thumbnails"<sup>3</sup> that enhance Defendants' claims, such as the following that combines a claim of fast results with the image of an 827 credit score:




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<sup>3</sup> These are designed images that serve as a "preview" to a consumer enticing them to click play, with the title of the video displayed under or next to the image.

[PX53 previewing PX11 (“How to Remove Negative Accounts From Your Credit Report Fast”).]

Defendants’ videos feature Mr. Rando declaring Defendants can substantially increase consumers’ credit scores, including from as low as the 500s to over 800, and preview their specialized methods for removing negative information from, and adding positive information to, consumers’ credit reports. [See, e.g., PX10 at 8:30; PX11 at 16:20; PX21 at 1:20.] Notably, these methods include filing false identity theft reports, lying about the consumer’s identifying information, lying about the existence of negative accounts, and paying to falsely add “authorized user” tradelines.<sup>4</sup> See Section II.B.1 *infra*. To reassure consumers regarding the use of such deception, Mr. Rando repeatedly, and falsely, states these methods are legal. [See, e.g., PX24 at 7:15; PX29 at 1:30; PX46 at 4:13.] In fact, these methods are illegal because they involve deceiving CRAs to artificially bolster consumers’ credit history. See CROA, 15 U.S.C. §§ 1679b(a)(1), (2), & (4).

Defendants typically conclude these videos by urging consumers to call them to purchase one of several credit repair packages, including “Maserati,” “Lambo,” “Associates,” and “Masters.” [See, e.g., PX13 at 15:25; PX46 at 9:55; PX47 at 11:20, 15:23.] Defendants style these packages as “educational,” but the primary selling point for all but the cheapest packages is that they come with coaching on how to use

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<sup>4</sup> “Tradelines” are a consumer’s lines of credit (*i.e.*, accounts they have established with lenders). “Authorized user” tradelines are accounts that the primary holder has authorized the consumer to access. [PX60 ¶ 24; PX68 ¶¶ 9, 10.]

the purchased materials and with exclusive access to two vendors who will implement Defendants' deceptive methods. One vendor who will remove negative information and another who will add authorized user tradelines. [*See, e.g.*, PX6 at 6:50, 8:50, 9:20; PX25 at 19:17; PX28 at 3:00.] Defendants direct consumers who respond to sign an online contract and pay illegal advanced fees. [PX36 ¶ 260(a); PX41 ¶ 4; PX71 ¶ 6.] *See* CROA, 15 U.S.C. § 1679b(b); TSR, 16 C.F.R. § 310.4(a)(2). Unsurprisingly, Defendants do not provide the required consumer protection disclosures prior to purchase, including informing consumers of their statutory right to cancel for any reason within three business days. [PX35 ¶ 8 and Att. 2; PX41 ¶ 4 and Att. 1.] *See* CROA, 15 U.S.C. § 1679c(a).

Defendants' credit repair services cost consumers thousands of dollars, depending on the type of package purchased. [PX48 at 2.] To fund these expensive payments, Defendants repeatedly urged consumers to use their COVID-relief funds to pay for Defendants' services, including through videos with thumbnails such as this:





[PX49 previewing PX50 (“How to Use the Government to Boost Your Credit Score”).] [See also PX51 (“\$1400 of FREE money from the government (Stimulus Check)”); PX52 (“How to Use the Government to Boost Your Credit Score ASAP”); PX92 ¶ 3.]

Even using Defendants’ illegal methods, consumers typically do not see the results promised by Defendants because their methods do not work as advertised. However, when consumers later seek to cancel the services, Defendants refuse to honor any refund requests despite their money-back guarantee and the consumers’ statutory right to cancel. See Section II.B.5 *infra*.

Additionally, Defendants pitch their credit repair scheme as a money-making opportunity for consumers. As detailed in Section II.C *infra*, through YouTube videos and live online events, Defendants offer instructional material and business coaching for consumers to operate a copycat schemes. Defendants claim consumers can legally earn substantial profits, including tens of thousands and even a million dollars a month, but provide none of the legally required information to substantiate their earnings claims. See BOR, 16 C.F.R. §§ 437.2-437.4. Defendants charge up to \$15,000 for their purported money-making opportunity. [PX54 at 12:19-23; PX75 at 4:26:58.]

Defendants’ YouTube channel currently has more than 490,000 subscribers. [PX36 ¶ 35.] Defendants claim to have generated “over \$15 million in revenue during Covid” from both their credit repair scheme and purported money-making opportunity. [PX72 at 0:28.]



## **B. Defendants' Unlawful Credit Repair Scheme**

Defendants' credit repair scheme involves multiple practices that violate Section 5 of the FTC Act, CROA, and the TSR. Defendants' unlawful practices fall into five broad categories: (1) using credit repair tactics that mislead CRAs and potential creditors, and therefore, violate CROA (Counts V, VI, and VII); (2) falsely marketing their credit repair tactics as legal and effective in achieving substantial improvements to consumers' credit reports and scores in violation of Section 5 of the FTC Act, CROA, and TSR (Counts I, III, and X); (3) failing to provide consumers the disclosures required by CROA (Count VIII); (4) collecting prohibited advanced fees in violation of CROA and TSR (Count IV and XIII); and (5) failing to honor consumers' cancellation and refund requests in violation of Section 5, CROA, and the TSR (Counts I, IX, and XI).

### **1. Defendants' Credit Repair Tactics Are Illegal**

CROA broadly prohibits any person from “mak[ing] any statement, or counsel[ing] or advis[ing] any consumer to make any statement, which is untrue or misleading . . . with respect to any consumer’s credit worthiness, credit standing, or credit capacity. . . .” 15 U.S.C. § 1679b(a)(1). CROA also prohibits “mak[ing] any statement, or counsel[ing] or advis[ing] any consumer to make any statement, the intended effect of which is to alter the consumer’s identification to prevent the display of the consumer’s credit record, history, or rating for the purpose of concealing adverse information that is accurate and not obsolete. . . .” 15 U.S.C. § 1679b(a)(2). Similarly, CROA prohibits “engag[ing], directly or indirectly, in any

act, practice, or course of business that constitutes or results in the commission of, or an attempt to commit, a fraud or deception on any person in connection with the offer or sale of the services of the credit repair organization.” 15 U.S.C. § 1679b(a)(4).

Defendants’ credit repair services, to the extent they exist at all, rely on practices that violate each of these provisions. In their videos, Defendants claim there are three steps to fixing credit: (1) “staging” your credit report by removing negatively associated names, addresses, job information, or phone numbers, regardless of whether they are accurate; (2) challenging as inaccurate or fraudulent all negative accounts or items, even if such information is accurate; and (3) adding false, positive information to your credit report through authorized user tradelines. [PX19 at 14:15, 16:30, 18:36; PX20 at 5:35, 7:00, 8:28; PX30 at 3:50, 4:13, 9:34; PX46 at 1:30, 2:08, 4:13, 5:57.] Each of Defendants’ steps involves making “untrue or misleading” statements about consumers’ credit history and identifying information, while engaging in conduct designed to deceive both credit bureaus and potential creditors.

**a. Defendants Use Deception to Remove Identifying Information Associated with Negative Accounts**

In the so-called staging process, Defendants first advise consumers to “freeze” the so-called credit “sub-bureaus,” such as Lexis Nexis and Corelogic. [PX20 at 3:28; PX22 at 2:14; PX46 at 0:50.] Defendants claim this step prevents the credit bureaus from verifying a consumer’s negative credit information. [PX15 at 1:20;

PX47 at 9:20; PX55 at 6:45] Then, Defendants advise consumers to review their credit report and challenge identifying information associated with any negative account, such as job history, address, or an alternative spelling of a name, even if this information is accurate. [PX11 at 11:00, 12:00; PX25 at 6:00, 6:15; PX30 at 4:40; PX33 at 1:42; PX46 at 2:08; PX55 at 8:51.] For instance, in a January 12, 2021 video titled, “Collections and Charge Offs Will Not Be Removed Until You Do This First!”, Defendants tell consumers they should challenge a current, accurate address if it is associated with a negative account and replace it with an address of a friend or family member, with whom they do not, in fact, reside. [PX33 at 1:42.] [*See also* PX55 at 8:51; PX36 ¶ 68.]

After “staging” the credit report, Defendants advise consumers to challenge the validity of all negative accounts, including those that actually belong to the consumer. [PX10 at 6:35; PX11 at 5:07; PX24 at 7:15; PX30 at 4:13; PX38 at 18:00] One salesperson told an undercover FTC Investigator that The Credit Game will challenge and remove “your stuff,” bragging that for one client they got “12 collections removed and it’s all their collections.” [PX23 at 9:01-11.] Defendants further reveal the dishonest nature of their scheme by telling consumers to challenge the entirety of an account, even if only a minor inaccuracy, such as an incorrect date or incorrect credit limit, appears. [PX18 at 18:05; PX55 at 7:33; PX56 at 7:03, 7:35; PX57 at 10:26.]

Defendants claim these accounts will be removed because the credit bureaus will be unable to verify the necessary information due to the freeze placed on the

entities that confirm such information. [PX15 at 0:52, 1:20; PX22 at 2:14; PX33 at 1:13; PX46 at 0:50; PX47 at 9:20.] Further, they contend their proprietary form letters cause the credit bureaus to remove accounts that otherwise would not be removed. [PX11 at 6:22, 12:58, 16:37; PX18 at 15:51; PX46 at 1:30; PX58 at 90:21-91:1; PX40 at 13:40-15:55.]

Consistent with this advice, Defendants themselves engage in fraudulent activity by using these deceptive tactics in the name of their customers. A central part of Defendants' marketing pitch is their "educational packages" come with "free" access to an exclusive vendor who will remove negative items from consumers' credit reports using Defendants' methods. [PX6 at 8:50, 9:20; PX19 at 17:52, 18:36; PX20 at 14:40, 16:45; PX26 at 16:15; PX57 at 17:18.] Defendants claim the difference between consumers applying the methods themselves and having Defendants' vendor do so, is the difference between performing surgery on yourself and having a skilled surgeon operate. [PX20 at 11:59; PX26 at 14:52; PX30 at 17:55.] This vendor, Elite Deletions, has no separate corporate form and is simply an extension of Defendants. *See* Section II.D.1 *infra*.

In addition, as part of their credit repair service, Defendants file fraudulent identity theft reports. Misusing the FTC's identify theft reporting systems is a growing method by which fraudulent credit repair companies attempt to remove negative accounts from consumers' credit reports. [PX60 at ¶ 23.] For instance, one consumer reports that after purchasing Defendants' services, credit bureaus contacted her to verify identity theft reports that she had never filed or authorized. [PX35 at ¶

20.] Multiple pieces of evidence indicate that Defendants had filed these false reports as well as over 4,000 nearly identical reports on behalf of others.<sup>5</sup>

**b. Defendants Add False, Positive Credit Information**

Finally, after manipulating one's credit history through "staging" and then fraudulently challenging negative accounts, Defendants advise consumers to engage in "credit piggybacking" to add positive information to their credit report. [PX27 at 2:29, 3:04; PX29 at 1:30, 6:10; PX32 at 7:53; PX37 at 10:02; PX38 at 23:07.] Credit piggybacking describes an illegal activity whereby a consumer pays to have another person's positive credit history appear on her own credit report as an "authorized user tradeline." Consumers can legitimately add others to their credit report by establishing authorized user tradelines. These tradelines provide another person, usually a family member (*e.g.*, a child or spouse) access to the primary account holder's line of credit and thus legitimately appear on the account holder's credit report. [PX60 ¶ 24; PX68 ¶ 10.]

In contrast, piggybacking is inherently dishonest. In such an arrangement, the consumer pays an unrelated third party for permission to add them as an authorized

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<sup>5</sup> Over 4,000 identity theft reports, including those of the consumer declarant, describe the alleged identity theft incidents using identical, generic language. [PX36 ¶ 159.] Moreover, there are only 139 IP addresses associated with these 4,000 identity theft reports, and certain individual IP addresses account for tens or hundreds of the reports purportedly on behalf of consumers spread throughout the country. [PX36 ¶¶ 165-169.] There are reasons to link these 4,000 reports to The Credit Game: (1) complaints with this precise narrative entry were first filed only after The Credit Game scheme began in 2020; (2) there is overlap among the 4,000 identify theft reports and consumers who have complained about The Credit Game; and (3) a prominent The Credit Game employee is included in this list of 4,000. [PX36 ¶¶ 37, 159, 160.]

user to their account.<sup>6</sup> That person, however, never receives access to the consumer's credit. Thus, the third party's good credit appears on the consumer's account without actually lending their creditworthiness to the account.

To facilitate, and profit from, their advice that consumers use credit piggybacking to increase their credit scores, Defendants offer authorized user tradelines (people presumably willing to lend their names to accounts for this purpose) at discounted prices. [PX6 at 9:20; PX11 at 19:00; PX30 at 16:43; PX37 at 10:02; PX56 at 11:25.] In making this offer, Defendants explicitly tell consumers they are paying for another person's information to appear on their credit report but will not share any line of credit with that person. [PX27 at 2:29; PX28 at 13:40; PX61 at 5:02.]

Defendants claim that by piggybacking consumers can qualify for credit they would not otherwise be able to obtain. [PX13 at 6:07; PX25 at 13:26; PX37 at 21:15; PX66 at 2:48, 16:06.] For example, in one video, Mr. Rando states: "Why would people want tradelines? Because it's a fast increase in score. You're going to buy a house; you're trying to get a car; you're trying to get credit cards. How else would you have a \$20,000 credit limit with five years without adding a tradeline?" [PX27 at 3:45.]

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<sup>6</sup> To avoid raising suspicion that the consumer engaged in piggybacking as opposed to being added as a legitimate authorized user to a family member's account, Defendants advise consumers to choose tradelines with addresses in the same state as the consumer. [PX61 at 8:34-9:24.]

Defendants' credit repair tactics – both to remove negative information and add positive information – are nothing more than deceptive tricks to defraud CRAs and potential creditors. Accordingly, the practice is illegal under Sections 1679b(a)(1), (2), & (4) of CROA as alleged in Counts V, VI, and VII of the Complaint.

## **2. Defendants Market Their Credit Repair Services With False Claims**

Section 5 of the FTC Act prohibits “unfair or deceptive acts or practices in or affecting commerce.” 15 U.S.C. § 45. To prove deception, the FTC “must establish that (1) there was a representation; (2) the representation was likely to mislead customers acting reasonably under the circumstances, and (3) the representation was material.” *FTC v. Tashman*, 318 F.3d 1273, 1277 (11th Cir. 2003) (citing *FTC v. World Travel Vacation Brokers Inc.*, 861 F.2d 1020, 1029 (7th Cir. 1988), and *FTC v. Atlantex Assocs.*, No. 87-0045-Civ, 1987 WL 20384 (S.D. Fla. 1987), *aff'd*, 872 F.2d 966 (11th Cir. 1989)). Regarding the second factor, the Court examines the “material implication in the entirety” of Defendants' marketing. *FTC v. Peoples Credit First, LLC*, 244 F. App'x 942, 944 (11th Cir. 2007); *see also FTC v. Direct Benefits Grp., LLC*, 2013 WL 3771322, at \*15 (M.D. Fla. 2013) (examining “net impression” of website experience). There is no “extravagant claim” defense, and a company will be liable for any misleading interpretation. *FTC v. Washington Data Res.*, 856 F. Supp. 2d 1247, 1273 (M.D. Fla. 2012), *aff'd*, 704 F.3d 1323 (11th Cir. 2013) (collecting cases for these two propositions). Additionally, “[o]nly a tendency to deceive is required; actual consumer deception is unnecessary.” *Id.* at 1273 (citing



*Tashman*, 318 F.3d at 1283 and *Trans World Accounts Inc. v. FTC*, 594 F.2d 212, 214 (9th Cir. 1979)).

With respect to the final factor, materiality, “[a]n express claim used to induce the purchase of a service is presumed material.” *Washington Data Res.*, 856 F. Supp. 2d at 1272-73 (citing *FTC v. Transnet Wireless Corp.*, 506 F. Supp. 2d 1247, 1267 (S.D. Fla. 2007) and *In re Thompson Med. Co.*, 104 FTC 648, 816 (1984), *aff’d*, 791 F.2d 189 (D.C. Cir. 1986)).

Like Section 5’s prohibition against deceptive acts and practices, Section 404(a)(3) of CROA prohibits credit repair organizations<sup>7</sup> from making or using “any untrue or misleading representation of the services of the credit repair organization.” 15 U.S.C. § 1679b(a)(3). Pursuant to CROA, the FTC only needs to show an untrue or misleading statement regarding a credit repair service; the statement need not be designed to induce the consumer’s purchase. *FTC v. Gill*, 265 F.3d 944, 955 (9th Cir. 2001); *FTC v. RCA Credit Servs., LLC*, 727 F. Supp. 2d 1320, 1334 (M.D. Fla. 2010). Likewise, Section 310.3(a)(2)(iii) of the TSR prohibits sellers and telemarketers from “misrepresenting, directly or by implication, any material aspect of the performance,

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<sup>7</sup> Defendants are certainly a “credit repair organization” subject to this section of CROA. Defendants offer services “for the express or implied purpose of improving any consumer’s credit record, credit history, or credit rating” or provide “advice or assistance to any consumer with regard” to such services. 15 U.S.C. § 1679a(3)(A) (defining “credit repair organization”). And they do not fall within any exception in subsection (B)—they are not a 501(c) non-profit, a creditor assisting a consumer to restructure debts owed by the consumer to the creditor, or a depository institution. *Id.* “[The] statutory definition of a credit repair organization is extremely broad.” *Greene v. CCDN, LLC*, 853 F. Supp. 2d 739, 751 (N.D. Ill. 2011) (quoted source omitted).



efficacy, nature, or central characteristics of goods or services that are subject of a sales offer.” 16 C.F.R. § 310.3(a)(2)(iii).<sup>8</sup>

Defendants make numerous material misrepresentations about the nature and performance of their credit repair services. They claim their credit repair services are legal. They also claim those services will substantially improve consumers’ credit reports and credit scores, including by: (1) increasing a consumer’s credit score from as low as the 500s to the 700s or higher; (2) increasing consumers’ credit scores “fast,” including in as little as 45 days; (3) removing any negative item from a credit report; (4) removing at least 70% of negative items on a consumer’s credit report; (5) removing all credit inquiries from a credit report; and (6) increasing a consumer’s credit score through authorized user tradelines.<sup>9</sup>

Defendants make these representations expressly through their own YouTube videos and during telemarketing sales pitches. All are therefore presumed material. Each of the representations is also demonstrably false.

**a. Defendants Falsely Claim That Their Credit Repair Services Are Legal**

Defendants repeatedly claim their credit repair techniques are legal. For instance, in a November 16, 2021 YouTube Video titled “INCREASE Your Credit Score In 30 Days | How to Increase Your Credit,” Mr. Rando states:

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<sup>8</sup> Defendants’ telemarketing activities—both inbound and outbound calls—are covered by the TSR. Although Section 310.6(b)(5) of the TSR generally exempts from TSR coverage inbound telemarketing calls in response to general medium advertising, there is an exception to the exemption for inbound calls relating to credit repair services. 16 C.F.R. § 310.6(b)(5).

<sup>9</sup> Defendants also make express misrepresentations regarding refunds. This is covered separately in Section II.B.5 *infra*.

[G]et rid of the whole account. I would challenge the whole validity of the account and say, ‘you know what, I challenge the whole validity [of the] account because I believe it's inaccurate, obsolete, unfair, erroneous, or incorrect, and I want the whole account removed off my credit.’ Remember, you have the legal right of 1974 to say guess what, ‘I challenge everything that I want on my credit report, nobody can tell me that it's not mine, or it is mine.’ That is your legal right, and the onus has [been] put on the credit bureaus to come back and verify it from the creditor to say it is yours or not. If you don't like it, or you don't want it on your credit report, challenge that bad boy.

[PX24 at 7:02.] Defendants reiterate the claim consumers have the “legal right” to challenge anything on their credit report in multiple videos. [*See, e.g.*, PX25 at 18:54; PX30 at 4:13; PX38 at 18:00.] Defendants’ YouTube video titles also incorporate Defendants’ claim of legality, such as: “5 Credit Score Building Tricks That Should be Illegal (But Are not)”; “4 Credit Hacks That Should Be Illegal But Are Not”; and “Credit Repair Hack That Should Be ‘ILLEGAL’ Buts [sic] It’s NOT!” [PX36 ¶ 76.]

Defendants make the same legality claim for their credit piggybacking technique. In a video touting the benefits of credit piggybacking, Mr. Rando states: “Broad regulations and legal loopholes allow for you to benefit from being an authorized user on another person’s tradeline (also known as ‘credit piggybacking’). . . . In other words, once you are added as an authorized user to an account, the history of that account appears on ‘your’ credit report and will be treated as if it was ‘your’ credit history.” [PX5.] Defendants repeat the claim in multiple videos. [PX29 at 1:00, 1:30; PX37 at 14:00; PX46 at 4:13; PX62 at 1:19; PX63 at 2:35.]

Defendants even have a video touting credit piggybacking that boldly proclaims in the title “Credit Repair Hack That Should Be ‘ILLEGAL’ But It’s NOT!” [PX36 ¶ 76; PX63.]

In fact, credit piggybacking is illegal – as are the rest of Defendants’ credit repair services. As explained in Section II.B.1 *supra*, Defendants’ services are unlawful under CROA because they deceive CRAs and potential creditors. Defendants’ claims of legality are therefore patently false.

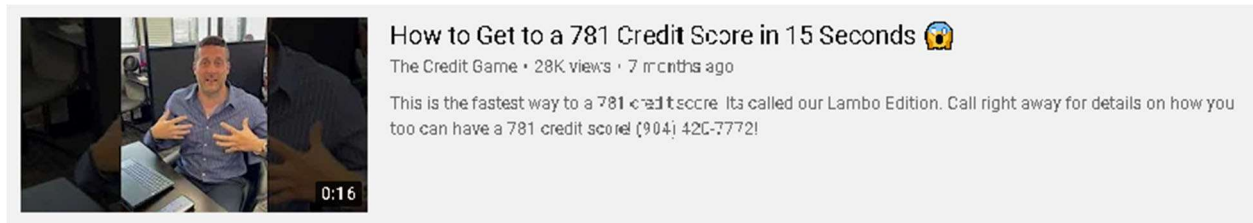
**b. Defendants Make False Claims About the Performance of Their Credit Repair Services**

Defendants also make explicit promises regarding the results consumers will achieve using their credit repair services. Defendants repeatedly claim they can boost credit scores from as low as the 500s to over 800. [PX10 at 8:30; PX11 at 16:20; PX21 at 1:20; PX46 at 7:50; PX58 at 105:23-106:1; PX92 ¶ 4.] In addition, Defendants make strong, specific claims about their ability to remove any type of negative item from a credit report. For instance, in videos, Mike Rando says “I can remove anything from your credit report.” [PX64 at 18:01; PX57 at 18:40; PX65.] When an FTC investigator posing as a consumer called Defendants, the salesperson stated: “[W]e have a vendor who actually does the credit repair service and they guarantee . . . at least 70 percent of your negatives will be removed.”<sup>10</sup> [PX23 at 5:18-6:06.] [See also PX40 at 14:42; PX66 at 18:33, 19:41.]

Defendants bolster these promises with claims about the speed of their services. One prominent video on Defendants’ YouTube home page advertises their “Lambo” program, which guarantees results in as little as 45 days:

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<sup>10</sup> As discussed below, the “vendor” is “Elite Deletions,” which is controlled by the Randos.



[PX12.] Similarly, Defendants claim they are the “fastest credit repair company in the world. . . . Seven day result[s] on Transunion, 45 days on the two E’s, Equifax and Experian.” [PX6 at 8:50.] [See also PX20 at 15:20; PX30 at 16:43; PX38 at 22:41; PX67.]

Defendants convince consumers these outcomes are possible by claiming they utilize uniquely effective methods. For example, Defendants claim they use “proprietary” form letters, as well as coaching on how and when to use them, that will remove negative items from credit reports in 14 days or less. [PX14 at 6:05; PX15 at 5:35; PX17 at 6:50; PX56 at 5:35.] Defendants further claim the CRAs use a coding system that determines the likelihood a dispute letter will undergo manual review, which is more likely to result in a successful dispute than an automated review, and that their letters receive the best possible codes for obtaining a manual review. [PX11 at 6:22, 16:37; PX18 at 15:51; PX40 at 13:40.] They also maintain they can achieve results substantially better than anyone else because they remove negative items “electronically” or through “software” to which, they claim, no more than three people in the country have access. [PX19 at 17:52; PX31 at 19:34; PX45 at 0:02; PX40 at 20:23; PX66 at 19:41.]

Defendants also make explicit claims about how consumers can use credit piggybacking to add positive information and improve a consumer's credit.

Examples include:



- [PX27 (from a video titled, “How Tradelines Are The Single Fastest Way to Raise Your Credit Score”).] [See also PX5 (Wholesale Tradelines screenshot claiming authorized user tradelines with “BOOST your credit score”).]
- “I’ve seen tradelines 150 to 180 points in 3 days. I had a client raise his score 174 points in under three days... I’m going to show you guys how to do it.” [PX27 at 3:30].
- “Within five days I gained 77 points just from one tradeline.”<sup>11</sup> [PX28 at 8:55.]
- “Do you think if I put a \$64,000 tradeline with 24 years of history on it that I would have a great chance of getting a \$20,000 credit limit card? Absolutely.” [PX66 at 16:06 (from a video titled, “How I Boosted my Credit Score 163 Points in 3 Days with Tradelines”).]

These various performance claims, however, are false. Defendants do not deliver the promised substantial improvement to consumers' credit report and credit score. Within the past 4 years, 176 consumers submitted complaints about Defendants to the FTC's Consumer Sentinel Network, 160 of whom stated they did not see the promised results, including consumers who saw a *decline* in their credit

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<sup>11</sup> Mike Rando claims that a consumer will see a 5-6 point increase in their credit score for each “year” they add through a tradeline. So, if a consumer becomes an authorized user on a 10 year old card, “that tradeline will give you 60 points.” [PX28 at 10:24.]

score, after purchasing Defendants' services. [PX36 ¶¶ 156, 261(h).] [*See also* PX92 ¶ 9; PX35 ¶ 28.]

This result is unsurprising because it is impossible for Defendants to predict the credit score impact of their credit repair services, even if those services were effective, which they are not. As both FICO and Equifax explain in their respective Declarations, predicting the impact of a change in a consumer's credit history (such as the removal of negative information or the addition of positive information) requires, at a minimum, knowledge of the consumer's current credit score and detailed credit history. [PX60 ¶ 5; PX68 ¶¶ 7, 9.]

This knowledge is critical because any specific change in a credit report may have a different impact on different consumers' credit scores based on their differing credit histories. [*Id.*] Yet, Defendants broadcast their promises of substantial credit score improvements to all prospective consumers without any knowledge of individuals' credit history. Tellingly, Defendants do not even review their customers' credit reports during the intake process.<sup>12</sup> [PX23; PX35 ¶ 5; PX92 ¶ 6.] *See FTC v. Lalonde*, 545 F. App'x 825, 838 (11th Cir. 2013) (finding defendants violated CROA in part because they "lacked the information necessary to truthfully claim that they could raise consumers' credit scores.").

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<sup>12</sup> Predicting the credit score impact of disputing a negative item is also impossible because successfully removing the disputed information from a consumer's credit report often depends on the information furnisher's response to a CRA's request for verification of the disputed information, which is outside the control of the consumer, the credit repair company, and the CRA. [PX60 ¶ 5.]

Moreover, Defendants' claims regarding credit score results are demonstrably false because their claims regarding the effectiveness of specific techniques are also false. For example, Defendants claim to be able to remove "any negative information;" and in other instances, to remove 70% of negative information. However, "[a]ccurate information which is not obsolete cannot be deleted from a credit report." *FTC v. 1st Guar. Mortg. Corp.*, No. 09-CV-61840, 2011 WL 1233207, at \*10 (S.D. Fla. Mar. 30, 2011). A CRA verifies information with the original source in most cases,<sup>13</sup> and will not remove negative information that is accurate and non-obsolete. [PX60 ¶¶ 8, 16; PX68 ¶ 8.] Based on this process, only approximately 4.5% of disputes results in deletion or suppression of the disputed information. [PX60 ¶ 16.] Furthermore, it is unusual for all, or even almost all, negative information on a credit report to be inaccurate or obsolete. [*Id.* ¶ 19.]

Defendants' claim to circumvent the verification process by "freezing" accounts with verifiers like Lexis-Nexis or CoreLogic, sending their proprietary dispute letters, or using specialized software. However, these techniques simply do not work.

Placing a "freeze" with Lexis-Nexis would not prevent a CRA like Equifax from verifying a consumer's information because Equifax has already received and

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<sup>13</sup> Pursuant to the FCRA, CRAs place restrictions on the inclusion of negative information in credit reports that has become obsolete due to the passage of time. For instance, negative information, such as missed or delinquent payments, remain on a consumer's credit report for up to seven years. Accounts reported as included in a bankruptcy remains on a consumer's credit report for up to seven years from the date of first delinquency. Inquiries made by creditors remain on a consumer's credit report for two years. [PX60 ¶¶ 6, 7.]



incorporated that information into its own credit files. [*Id.* ¶ 17.] Placing a “freeze” with CoreLogic would also have no impact because Equifax does not use CoreLogic to verify a consumer’s information. [*Id.*]

Likewise, “proprietary” dispute letters for obtaining the best code for manual review do not work. Equifax does not have a coding system for designating the likelihood of a manual review of a dispute letter, and thus, all dispute letters have a similar chance of manual review. [*Id.* ¶ 18.]

Additionally, Defendants claim they can achieve their claimed extraordinary results because of “electronic” or “software” method of removing negative items from a credit report. However, as Equifax confirms, no such method exists.<sup>14</sup> [*Id.* ¶ 21.]

Finally, Defendants’ claim that adding “authorized user” tradelines increases a consumer’s credit score significantly (such as by increasing a credit score in the 500s to the 700s) is also false. In fact, if the tradeline incurred a delinquency or had a high utilization rate, adding the tradeline could actually *decrease* a consumer’s credit score. [*Id.* ¶ 24; PX68 ¶ 9.] The only way to obtain a high credit score (e.g. in the mid-700s or higher) is to have credit accounts with years of on-time payments and little or no negative information such as late payments, collections, or charge-offs. [PX60 ¶ 24.] No credit scoring model considers an “authorized user” tradeline as a

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<sup>14</sup> There is software that large credit repair organizations can contract with Equifax to use for *submitting* a dispute electronically. However, the use of that software does not change the process for *evaluating* the dispute. In any event, Equifax confirmed that it does not have any such contract with Defendants. [PX60 ¶ 11.]



substitute for a credit account in the consumer's name with a history of on-time payments. [*Id.*; PX68 ¶ 9.]

### **3. Defendants Fail to Provide Consumers the Disclosures Required by Law for Credit Repair Services**

CROA requires credit repair organizations to make certain disclosures to prospective customers. *See* 15 U.S.C. § 1679c(a). The statute provides mandatory disclosure language, which informs consumers they do not have “the right to have accurate, current, and verifiable information removed from [their] credit report,” *id.*, and requires them to be made in a separate document prior to signing any contract. *Id.* § 1679c(b).

The statute also requires credit repair organizations to disclose that consumers “have the right to cancel [their] contract with any credit repair organization for any reason within 3 business days from the date you signed it,” *id.* § 1679c(a), and provide the form for them to do so. *Id.* § 1679e(b). Informing consumers of their right to cancel is so important CROA requires this disclosure be made as part of “a conspicuous statement in bold face type, in immediate proximity to the space reserved for the consumer's signature on the contract.” *Id.* § 1679d(b)(4).

Moreover, CROA requires any credit repair contract to detail any guarantees of performance, explain the work to be performed, and disclose the time periods in which the services will be performed. *Id.* § 1679d(b).

Tellingly, Defendants do not provide any of these required disclosures. Indeed, rather than confirm performance guarantees made orally, these documents

purport to disclaim such guarantees without otherwise detailing the credit repair services for which consumers are paying, let alone the time periods in which these services will be provided. [PX35 ¶ 8 and Att. 2; PX41 ¶ 4 and Att. 1.] Importantly, Defendants never advise consumers they have three days to cancel their contracts, nor do they provide the required cancellation form. [*Id.*]

#### **4. Defendants Collect Prohibited Advanced Fees**

CROA prohibits credit repair organizations from taking payment for services “before such service is fully performed.” 15 U.S.C. § 1679b(b). The TSR similarly prohibits taking advance fees “for goods or services represented to remove derogatory information from, or improve, a person’s credit history, credit record, or credit rating until” the time frame in which the company claimed they would provide the goods or services has “expired,” *and* the company has provided the consumer “with documentation in the form of a consumer report from a consumer reporting agency demonstrating that the promised results have been achieved.” 16 C.F.R. § 310.4(a)(2).

Despite these explicit prohibitions, Defendants require consumers to pay advance fees for their credit repair services. Consumers who purchase their services complete the transaction over the telephone, signing a contract online as directed by Defendants’ sales staff. [PX41 ¶ 4; PX71 ¶ 6.] After signing the contracts, Defendants instruct consumers to immediately pay advanced fees before receiving any services. [PX36 ¶ 260(a) (consumers paid advanced fees in 166 out of 176 orders analyzed by the FTC); PX41 ¶ 4; PX71 ¶ 6; PX92 ¶ 5.] Defendants’ responses to

consumer complaints about their prior brand, Wholesale Tradelines, confirm their practice of requiring advance payment for their services. [PX43 (acknowledging consumer paid when he/she ordered credit repair service); PX59 (same); PX76 (same).]

### **5. Defendants Refuse to Honor Consumers' Cancellation and Refund Requests**

Section 5 of the FTC Act, CROA, and the TSR govern Defendants' refund policies and practices. As explained in Section II.B.2 *supra*, Section 5 of the FTC Act prohibits Defendants from advertising a refund policy that tends to deceive consumers. Likewise, the TSR requires Defendants to truthfully disclose their refund policy in a clear and conspicuous manner. 16 C.F.R. § 310.3(a)(1)(iii). CROA requires Defendants to honor consumer requests to cancel any contract without any monetary penalty or obligation if consumers submit such requests within three business days after the date of the contract or agreement. 15 U.S.C § 1679e(a).

Again, despite these clear prohibitions, Defendants promise consumers a money-back guarantee but fail to honor refund requests. For instance, in a December 9, 2020 video, Mike Rando states, "Guaranteed money back. 100% money back guarantee if there's not results in 60 days." [PX39 at 18:41.] [See also PX17 at 24:53 ("100% money back guarantee.")] In another video, he states: "Believe me if you get in my program and you don't see a difference in your credit score and you don't see a difference in your finances, I'll refund the whole thing back to you. You have nothing to lose." [PX40 at 4:46.] [See also PX66 at 18:33, 19:41;

PX23 at 5:18-22.] Additionally, on one of the websites operated by The Credit Game, Defendants claim they have a 365 day “refund policy.” [PX48 at 18.]

Yet, many consumers have filed complaints against Defendants with the Better Business Bureau (“BBB”), explaining they did not receive the promised results or services and should be entitled to a refund. [PX36 ¶ 153; PX73.] Defendants respond to these complaints with a thinly disguised refusal to comply with their stated refund policy. Specifically, they claim that consumers purchased digital educational materials, not credit repair services, and that the credit repair services are provided by a “vendor,” Elite Deletions. [*Id.*; *see also* PX35 ¶¶ 26, 28; PX92 ¶ 10.] However, exclusive access to this vendor is a central part of Defendants’ marketing. *See* Section II.B.1.a *supra*. Moreover, as explained *infra* in Section II.D.1, Elite Deletions has no known corporate form and is, in fact, wholly controlled by Defendants.

In addition, the FTC has received 19 consumer complaints in which consumers state they demanded, but did not receive, a full refund after attempting to cancel within 3 days. [PX36 ¶ 261(i), (j).] In fact, one of the FTC’s consumer declarants attempted to cancel and obtain a refund immediately after signing up but was unable to do so. [PX41 ¶¶ 3, 4, 7, 11.]

### **C. Defendants’ Unlawful Money-Making Opportunity**

Defendants also sell their credit repair scheme to consumers as a money-making opportunity, claiming the scheme is legal and that consumers can become

millionaires by operating it on their own. However, the scheme is neither legal nor can consumers use it to become rich.

### **1. Defendants Use False Claims to Market Their Money-Making Opportunity**

Section 5 of the FTC Act, the TSR, and the BOR all prohibit Defendants from using material misrepresentations in marketing their money-making opportunity. As explained in Section II.B.2 *supra*, Section 5 of the FTC Act prohibits material misrepresentations in the sale of any good or service. The BOR prohibits misrepresenting earnings, or any material aspect of goods, services, or assistance offered to a prospective purchaser in connection with the marketing or sale of a “business opportunity.” 16 C.F.R. §§ 437.6(d), (h), (i). Similarly, the TSR prohibits misrepresenting “any material aspect of an investment opportunity.” 16 C.F.R. § 310.3(a)(2)(vi).

Defendants’ marketing of their money-making opportunity violates Section 5, and either the BOR or the TSR. The TSR specifically excludes from coverage “the sale of business opportunities” under the BOR. *Id.* § 310.6(b)(2). Thus, if Defendants’ money-making opportunity is a business opportunity under the BOR, those marketing efforts are not subject to the TSR, which they have violated. Under the BOR, a business opportunity is: (1) a commercial arrangement in which the seller solicits a prospective purchaser to enter into a new business; (2) the prospective purchaser makes a required payment; and (3) the seller represents it will provide outlets, accounts, or customers, including, but not limited to, Internet outlets,

accounts, or customers, for the purchaser's goods or services. 16 C.F.R. § 437.1(c). Here, Defendants meet the definition because they: (1) offer consumers a new business, (2) for which consumers must pay, and (3) claim they, or "designated persons" such as Facebook or other website creators, will provide a Facebook page or a website consumers can use to sell these services.<sup>15</sup>

However, even if Defendants' marketing or sales efforts were not a "business opportunity," their money-making opportunity is an "investment opportunity" covered by the TSR's prohibition against misrepresentation. Defendants' money-making opportunity meets the TSR's definition of "investment opportunity" because Defendants offer their opportunity by employing representations regarding "past, present, or future income, profit, or appreciation." 16 C.F.R. § 310.2(s). The definition does not require the provision of "Internet outlets" as in the relevant portion of BOR's definition of "business opportunity."<sup>16</sup>

Whether Defendants' marketing falls under the BOR or the TSR, they use material misrepresentations prohibited by both those laws as well as Section 5 of the FTC Act. Defendants' marketing takes two different forms. First, Mr. Rando frequently claims consumers should buy The Credit Game's services because they can turn around and sell the discounted tradelines to others for substantial profits. In

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<sup>15</sup> [See, e.g., PX58 at 86:11-20.] Facebook and other website creators qualify as "designated persons" under the BOR. 16 C.F.R. § 437.1(d) (defining "designated person" to mean "any person, other than the seller, whose goods or services the seller *suggests, recommends,* or requires that that the purchaser use in establishing or operating a new business") (emphasis added).

<sup>16</sup> Of course, if Defendants provided internet outlets in marketing their money-making opportunity at certain times, but did not provide those outlets at other times, they could violate both the BOR and TSR, in addition to Section 5.

a video titled “Turn Credit to Millions of Cash! The Untold Secret Revealed Finally,” he tells consumers tradelines can sell for \$1,200 or more and because of the 75% discount through his packages, consumers can “pocket” \$900 from a single sale to a third party. He says that “this is not a five figure job. Not a six figure job. This is a seven figure job. . . . I will help you make a lot of money and I’ll show you how easy it is if you want to make money.” [PX6 at 8:09.] [*See also* PX56 at 5:00 (claiming consumer can open up own credit repair business using program); PX64 at 23:16 (same).]

Second, Defendants market their “Digital Millionaire” and other programs for launching an online business. In videos, they emphasize the earnings claim, stating they are going to show people “how we are making eight figures in a down economy.” [PX58 at 6:02-03.] [*See also* PX8 at 1:27; PX9.] Defendants claim they will provide consumers with credit education courses and authorized user tradelines that they, in turn, can sell to other consumers, in addition to credit coaching and counseling. [PX58 at 89:10-92:6, 103:20-24, 132:12-17, 133:18-23, 139:4-11.] Defendants refer consumers to platforms, such as Facebook, to both advertise for and obtain clients. [*Id.* at 49:17-50:8, 52:3-19, 86:11-20, 102:18-22.] Additionally, they claim that they will provide sales “funnels” to consumers. [PX7 at 61:48; PX54 at 8:5-23.] These funnels are internet landing pages consumer can use to convert sales following an online advertisement. [PX7 at 102:47, 104:10.] Moreover, as detailed above, Defendants repeatedly claim in their marketing The Credit Game’s

products and services, including the sale of authorized user tradelines, are legal. *See* Section II.B.2.a *supra*.

Following up on these claims, an FTC investigator, posing as a consumer, called Defendants. During the call, the sales person repeated the extravagant earnings claims: “[Mike Rando] wants everybody making millions. So tens of thousands monthly . . . is the idea of what we’re trying to get you set up with.” [PX54 at 7:04-13.] During this call the salesperson also claimed that although Defendants would not create websites for consumers, they would provide marketing advice and then refer consumers to companies that can make personalized websites. [*Id.* at 8:05-9:09.]

In reality, it is impossible for consumers to achieve the promised results. Notably, Defendants merely sell copycats of The Credit Game, which itself is unlawful. Moreover, Defendants do not have any “recognizable substantiation” for their promised profits. *FTC v. John Beck Amazing Profits, LLC*, 865 F. Supp. 2d 1052, 1067 (C.D. Cal. 2012) (quoting *FTC v. Direct Mktg. Concepts, Inc.*, 569 F. Supp. 2d 285, 298 (D. Mass. 2008), *aff’d*, 624 F.3d 1 (1st Cir. 2010)). When the investigator asked for additional materials to substantiate the earnings claims and explain the offering, the sales agent merely referred him to The Credit Game’s website, which provides little information regarding the promised earnings. [PX36 ¶¶ 28-30; PX48; PX54 at 10:21-11:08.]



## **2. Defendants Fail to Provide Consumers the Disclosures Required by Law for Their Money-Making Opportunity**

The BOR requires any person marketing or selling a business opportunity to make certain disclosures to prospective purchasers. 16 C.F.R. §§ 437.2-437.4. The rule specifies that a number of these disclosures must be made on “a single written document in the form and using the language set forth in appendix A to this part,” including identifying information, earnings claims, civil or criminal actions in the past 10 years, cancellation or refund policy, and references, *Id.* § 437.3. The rule separately requires disclosure of information substantiating any earnings claims upon consumer request. *Id.* § 437.4(a)(3) & (4).

Defendants fail to provide these required disclosures for its money-making opportunity. As explained in Section II.C.1 *supra*, during an undercover call, Defendants could not provide the FTC investigator with any information to substantiate the earnings claims or adequately explain the offering, let alone provide the required “single written document in the form and using the language” required by the BOR. Moreover, none of Defendants’ YouTube videos or their live 8-hour online event pitching the money-making opportunity provide, or even reference the availability of, the required disclosures. [PX6-PX9, PX56, PX58, PX64.]

### **D. Each Defendant is Liable for All of the Counts**

#### **1. Corporate Defendants Operated as a Common Enterprise**

“[A] corporate entity can be held liable for the conduct of other entities where the structure, organization, and pattern of a business venture reveal a common

enterprise or a maze of integrated business entities.” *FTC v. Lanier Law, LLC*, 715 F. App’x 970, 979 (11th Cir. 2017); *see also FTC v. On Point Capital Partners LLC*, 17 F.4th 1066, 1081-82 (11th Cir. 2021) (officially adopting the test in *Lanier Law*). To establish common enterprise liability, the FTC “need not ‘prove any particular number of entity connections’ or ‘any specific connection,’” but must instead show that defendants “‘maintained an unholy alliance.’” *FTC v. Pointbreak Media, LLC*, 376 F. Supp. 3d 1257, 1270 (S.D. Fla. 2019) (quoting *FTC v. Kennedy*, 574 F. Supp. 2d 714, 722 (S.D. Tex. 2008)).

Here, Corporate Defendants have worked together under the common control of the individual defendants, Michael and Valerie Rando, to further both their credit repair and related money-making opportunity schemes. Initially, Defendants operated their scheme under the name Wholesale Tradelines using Defendants First Coast Matchmakers LLC and First Coast Matchmakers Inc. entities. [PX1; PX3 ¶ 5.2; PX77 ¶ 1.] Mrs. Rando has served both as a manager for the LLC and the president of the corporation.<sup>17</sup> [PX36 ¶ 22.]

In February 2020, Defendants rebranded their scheme to The Credit Game. [PX34 at 0:16.] Defendant Prosperity Training Technology LLC (“Prosperity Training”) is the legal entity behind The Credit Game. Marketing materials for The Credit Game frequently identify Prosperity Training as the official legal name of the company. [PX58 at 152:10-11; PX70.] In addition, when consumers sign up for The

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<sup>17</sup> While it appears that Defendants abandoned the LLC in favor of the corporation several years ago, they still maintain bank accounts under both legal names. [PX86; PX87; PX89.]

Credit Game, they sign contracts with, and pay, Prosperity Training. [PX41 at 6; PX74.] Mr. Rando holds the officer positions, and Mrs. Rando was the registered agent for Prosperity Training until July 17, 2020. [PX36 ¶ 18.]

Despite the change from Wholesale Tradelines to The Credit Game, Defendants have always operated a singular scheme. The rebranding was merely cosmetic and done to evade law enforcement scrutiny that Defendants knew they triggered when they purchased credit piggybacking data from the defendants in *FTC v. Boost My Score LLC, et al.*, No. 20-cv-641 (D. Colo.). Defendants purchased this data from BoostMyScore LLC, BMS Inc., and William Airy (collectively, “BMS”), while BMS was negotiating a settlement with the FTC to resolve allegations of illegally selling credit piggybacking services.<sup>18</sup> [PX3.] In fact, Defendants and BMS expressly acknowledge the illicit nature of the tradeline business in the letter of intent and sales agreement.<sup>19</sup>

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<sup>18</sup> See Permanent Injunction and Monetary Judgment, *FTC v. Boost My Score LLC, et al.*, No. 20-cv-641 (D. Colo.) (entered on April 17, 2020) (through Section II, banning BMS from offering credit piggybacking services, its primary line of business prior to the lawsuit). Defendants purchased the data on December 30, 2019. [PX3.]

<sup>19</sup> Prior to the sale, BMS and Defendants agreed to a detailed letter of intent, in which Defendants acknowledge that they “are aware of the situation [the BMS defendants] have been forced into by the FTC.” [PX4 at 9.] Later in the letter of intent, BMS and Defendants agree the \$150,000 sales price reflects a discount from a claimed \$5,000,000 valuation “because actions taken by the FTC . . . had an extremely depressing effect on the value of the company and its assets.” [*Id.* at 11.] Then, BMS and Defendants are even more explicit about the assets’ illicit nature:

First Coast Matchmakers is aware of BMS’ situation with the FTC and understands the risks of operating a tradeline business. Particularly that at any time, a regulator can investigate the operations of any business and force it to cease operations, rendering the assets of this sale unusable. BMS makes no warranty or guarantee regarding any kind of merchantability of these assets, particularly should something like that ever happen to First Coast Matchmakers.

After acquiring BMS's business assets, Defendants removed their business name's reference to the "tradelines" that had drawn the FTC's scrutiny and renamed their business The Credit Game. [PX34.] Defendants further attempted to disguise the nature of the scheme by calling The Credit Game a credit education provider. [*Id.* at 8:10.] However, The Credit Game continued selling largely the same suite of products, *i.e.*, credit repair services, including tradelines, from the same offices, using the same employees.<sup>20</sup> The only differences between the schemes iterations' are Defendants' claims that credit repair services come for free, or at heavy discounts, with the purchase of one of The Credit Game's education packages, [PX6 at 6:50, 8:50, 9:20; PX25 at 19:17; PX28 at 3:00], and their marketing of the related money-making opportunity scheme. [PX8; PX9; PX58.] These claims are nothing but a weak attempt at placing a legal fig leaf over the actual dealing of the scheme.

To support Defendants' operations, the Randos and Prosperity Training also run "Elite Deletions." Elite Deletions, which has no corporate form, is the purported "vendor" that provides the direct credit repair services for The Credit Game consumers. [PX2 ¶ 14; PX41 ¶¶ 4, 5.] Elite Deletions, however, does not sell services to the public, instead solely servicing The Credit Game consumers. [PX69 at 5:14-18; PX70.] Additionally, the telephone number for Elite Deletions is

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[*Id.* at 12.] Tellingly, the letter of intent states BMS "will not voluntarily disclose this asset transaction to the FTC." [*Id.*] Different versions of these same terms were then included in the ultimate sales agreement. [PX4 ¶¶ 4.1, 5.2.]

<sup>20</sup> "We're not going anywhere. I'm staying in the same office, all the employees are staying for the most part." [PX34 at 6:50.] "So every day, daily videos still on education of credit, everything I've been doing on every channel that you've ever watched will continue." [*Id.* at 8:10.]

registered to, and paid by, Mrs. Rando. [PX78; PX79 at 1.] Consumers interacting with Elite Deletions do so through employees of The Credit Game. [PX2 ¶ 14; PX36 Att. DF at ‘All Complaints’ J12.] Moreover, former employees for The Credit Game and Elite Deletions have appeared in whistleblower YouTube videos explaining Elite Deletions shared office space with The Credit Game and the purported manager for Elite Deletions reports to Mr. Rando and other managers of The Credit Game. [PX80 at 5:08-6:20; PX84 at 1:05, 9:45.] [*See also* PX92 ¶ 8.]

Additionally, four ancillary companies owned or controlled by the Randos have participated in the schemes. Defendant Elite Customer Services LLC (“ECS”) assists The Credit Game consumers to obtain their credit repair services through Elite Deletions. [PX71 ¶ 8; PX35 ¶ 12 (URL used for payment identifies Elite Customer Services).] Defendant Digital Business Scaling LLC (“DBS”) interacts with consumers responding to sales offers made through certain The Credit Game videos. For instance, during an undercover interaction, the FTC investigator was instructed to sign up for The Credit Game’s services by first visiting a website controlled by DBS. [PX36 ¶¶ 32, 105(a).]

The remaining two companies participated in the credit repair scheme under the former Wholesale Tradelines brand. The banking records for Defendant Financial Consulting Management LLC (“FCM”) show it paid payroll for the Wholesale Tradelines enterprise. [PX81 at 15-18, 26-41, 48-49.] A lawyer for Wholesale Tradelines also reported to the BBB that FCM is a “holding company” for Wholesale Tradelines. [PX82.] Additionally, when Defendants purchased

BMS's intellectual property, they did so through a contract in the name of First Coast Matchmakers Inc. but made the required payment through Defendant Resource Management Investments LLC ("RMI"). [PX83 at 15; PX3 ¶ 3.1.]

Thus, these four ancillary Defendant entities are simply shell companies. Other than their involvement in the scheme, there is no evidence these entities have any other business activity. None has any public-facing presence, and each lists only a UPS Store or residential address as its principal place of business. [PX36 ¶¶ 23-26, 34.] Each of these entities has either the Randos or their relatives as members, officers, or managers. [PX36 ¶¶ 20, 23-26.]

Accordingly, Corporate Defendants have operated as a common enterprise in advancing the schemes alleged in the Counts and are therefore liable for each other acts.

## **2. Individual Defendants Are Personally Liable for the Conduct of the Corporate Defendants**

As the animating forces behind Defendants' schemes, Michael and Valerie Rando are both liable for the violations committed by Corporate Defendants. Individuals are liable for monetary and injunctive relief for the unlawful practices of corporate entities if they 1) participated directly in the acts or practices or had authority to control them, and 2) had some knowledge of the practices. *FTC v. On Point Cap. Partners LLC*, 17 F.4th 1066, 1083 (11th Cir. 2021) (quoting *FTC v. Gem Merch. Corp.*, 87 F.3d 466, 470 (11th Cir. 1996)); see also *FTC v. Ross*, 743 F.3d 886, 893 (4th Cir. 2014) (finding no need for "specific link" from individual to particular

unlawful act if he/she had authority to control). An individual's status as a corporate officer gives rise to a "presumption of ability to control" a small, closely-held corporation. *FTC v. Nat'l Urological Grp., Inc.*, 645 F. Supp. 2d 1167, 1207 (N.D. Ga. 2008) (citing *FTC v. Transnet Wireless Corp.*, 506 F. Supp. 2d 1247, 1270 (S.D. Fla. 2007)), *aff'd*, 356 F. App'x 358 (11th Cir. 2009). Individual defendants carry "[a] heavy burden of exculpation" to rebut that presumption. *Windward Mktg., Inc.*, 1997 WL 33642380, at \*13 (quoting *Standard Educations, Inc. v. FTC*, 475 F.2d 401, 403 (D.C.Cir.1973)).

As explained above, Michael Rando is the face of the operation and publicly touts his ownership and operation of The Credit Game. Mr. Rando appears in all The Credit Game's videos and repeatedly claims he created the credit repair program. Additionally, he signs the email marketing that purports to be sent from his business email account. [PX51; PX67; PX70.] Furthermore, he is a signatory on the known business bank accounts associated with the enterprise and frequently appears as an owner or officer on official corporate filings for businesses associated with The Credit Game and Wholesale Tradelines. [PX86; PX87; PX89.]

Valerie Rando was a manager for Wholesale Tradelines and continues to appear as an owner or officer of companies associated with The Credit Game, as well as a signatory on bank accounts associated with the enterprise. [PX86; PX88.] *See* Section II.D.1 *supra*. The phone number for the dubious credit repair vendor, "Elite Deletions," is also registered in her name. [PX78; PX79 at 1.] More recently, she appeared as the host of The Credit Game's "Digital Millionaire" live event in



which she and her cohorts sold consumers on purported money-making opportunity products and services. [PX75 at 9:25.]

In short, the Randos controlled and participated in Corporate Defendants' schemes. Accordingly, they are both individually liable for the Corporate Defendants' violations.

### **III. A TEMPORARY RETRAINING ORDER SHOULD ISSUE AGAINST DEFENDANTS**

#### **A. This Court Has the Authority to Grant the Requested Relief**

Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), authorizes the FTC to seek, and the Court to issue, temporary, preliminary, and permanent injunctions. *See FTC v. Gem Merch. Corp.*, 87 F.3d 466, 469 (11th Cir. 1996) (“[A] district court may order preliminary relief, including an asset freeze, that may be needed to make permanent relief possible.”); *see also On Point*, 17 F.4th at 1079 (“Prospective injunctive relief is still allowed under § 53(b).”) (citing *AMG Cap. Mgmt., LLC v. FTC*, 141 S. Ct. 1341, 1347-48 (2021)). With that authority comes the power to grant “ancillary relief, including freezing assets and appointing a Receiver.” *FTC v. USA Fin., LLC*, 415 F. App'x 970, 976 (11th Cir. 2011) (quoting *FTC v. US. Oil & Gas Corp.*, 748 F.2d 1431, 1432 (11th Cir. 1984)). Although asset freezes and receiverships are not available in actions “premised solely on § 53(b) [Section 13(b)]” in the wake of *AMG*, the FTC brings this case under Section 19 in addition to Section 13(b). *On Point*, 14 F.4th at 1078; *see also FTC v. Southwest Sunsites, Inc.*, 665 F.2d 711, 719-20 (5th Cir. 1982) (affirming asset freeze granted under Section 13(b) on basis that “the final, complete

relief in this case may entail consumer redress through a Section 19 proceeding.”).

Numerous courts in this and other Circuits have granted the same ancillary relief that the FTC seeks here, including in cases filed post-*AMG*.<sup>21</sup>

## **B. The FTC Meets the Standard for Granting a Government Agency’s Request for Preliminary Injunctive Relief**

“[I]n determining whether to grant a preliminary injunction under Section 13(b), a district court must (1) determine the likelihood that the FTC will ultimately succeed on the merits and (2) balance the equities.” *FTC v. Univ. Health, Inc.*, 938 F.2d 1206, 1217-18 (11th Cir. 1991); *see also FTC v. JAB Mktg. Assoc., LP*, 746 F.3d 1228, 1232 (11th Cir. 2014). The FTC, unlike private plaintiffs, need not establish irreparable harm. *JAB Mktg. Assoc.*, 746 F.3d at 1232. The FTC easily satisfies both prongs of the preliminary injunction standard here.

### **1. The FTC Has Demonstrated Its Likelihood of Success on the Merits**

First, the FTC is likely to succeed on the merits. The FTC need only present evidence that it “likely will prevail,” rather than evidence that would justify a “final determination.” *Univ. Health*, 938 F.2d at 1218. The FTC satisfies this standard by establishing “some chance of probable success on the merits.” *FTC v. World Wide*

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<sup>21</sup> *See FTC v. Simple Health Plans LLC*, No. 18-cv-62593, 2021 WL 4050819, at \*2 (S.D. Fla. Sept. 5, 2021) (“Based on a review of the Supreme Court’s holding in *AMG*, the plain language of [the FTC] Act and the TCFAPA, and the allegations in the original Complaint, the Court finds that it had authority under § 19 of the Act to issue the preliminary injunction, order the asset freeze, and appoint the Receiver.”); *FTC v. Acquinity Interactive LLC*, No. 14-cv-60166, 2021 WL 3603594, \*6-8 (S.D. Fla. 2021) (granting preliminary injunction, post-*AMG*, including asset freeze where the FTC was pursuing contempt, which provides a basis to obtain monetary relief); *see also FTC v. Noland*, No. 20-cv-47, 2021 WL 4318466, at \*5 (D. Ariz. Sept. 23, 2021) (holding an asset freeze remains appropriate, post-*AMG*, if there are Section 19 claims). *See also* n.1 *supra*.

*Factors, Ltd.*, 882 F.2d 344,347 (9th Cir. 1989). The evidence used to support such a showing can include “affidavits and hearsay materials.” *FTC v. Primary Group Inc.*, 2015 WL 2976115, at \*4 (N.D. Ga. June 8, 2015) (quoting *Levi Strauss & Co. v. Sunrise Int'l Trading*, 51 F.3d 982, 985 (11th Cir. 1995)).

As detailed above, the FTC has presented ample evidence, including Defendants’ own videos, websites, and advertisements, as well as declarations and complaints from Defendants’ customers, showing that it is likely to succeed on the merits of its claims that Defendants violated multiple provisions of CROA, the TSR, and the BOR, in addition to violating Section 5 of the FTC Act.

## **2. The Equities Weigh in Favor of Granting Injunctive Relief**

Second, the equities weigh decidedly in favor of granting the FTC’s requested relief. “[W]hen a district court balances the hardships of the public interest against a private interest, the public interest should receive greater weight.” *World Wide Factors, Ltd.*, 882 F.2d at 347; *see also FTC v. USA Beverages, Inc.*, 2005 WL 5654219, at \*5 (S.D. Fla. Dec. 6, 2005) (“In balancing the equities, private concerns may be considered, but public equities must receive far greater weight.”). The public interest in this case is compelling. The FTC has filed this action to stop Defendants from defrauding consumers and to obtain restitution for Defendants’ victims. Each aspect of the preliminary relief requested is necessary to immediately halt further consumer injury, preserve evidence for this Court’s adjudication on the merits, and protect assets that may be used for restitution to the Defendants’ victims pursuant to Section 19 of the FTC Act. Defendants, by contrast, have “no legitimate interest in

continuing to make false and misleading claims.” *FTC v. Sabal*, 32 F. Supp. 2d 1004, 1009 (N.D. Ill. 1998) (citing *World Wide Factors, Ltd.*, 882 F.2d at 347).

**C. *Ex Parte* Injunctive Relief, with an Asset Freeze, Immediate Access to Documents, and a Receiver are Necessary to Maintain the Status Quo, Stop Ongoing Harm, and Preserve Assets for the Likely Monetary Judgment**

The FTC seeks the full panoply of *ex parte* preliminary relief in this consumer fraud case, including an asset freeze, appointment of a receiver, and immediate limited discovery. Absent such relief it is likely that Defendants will dissipate assets, destroy evidence, and otherwise take steps to thwart enforcement.

As detailed above, Defendants have engaged in blatantly deceptive and unlawful conduct. The FTC’s past experiences have shown that, upon discovery of impending legal action, defendants engaged in similarly fraudulent schemes withdrew funds from bank accounts and destroyed records. *See* FTC’s Rule 65(b) Certification ¶¶ 10-12. In addition, Defendants have brazenly purchased assets to further their illegal scheme from those under active litigation by the FTC for the same misconduct. Moreover, Defendants have used aliases, bogus shell companies, and other means to hide their conduct. In addition to the “rebranding” and the shell companies described in Section II.D *supra*, the Randos have represented themselves as Mike Singles, Val Singles, and “Thomas” in their marketing and business transactions. [PX3 ¶ 7.3; PX4 at 1; PX36 ¶ 98.] Whistleblower videos of former employees and FTC investigative efforts also confirm that Defendants hide their

operation in the back offices of a purported dating service company registered to the Randos.<sup>22</sup> [PX36 ¶¶ 21, 152; PX90; PX91; PX80 at 20:09; PX85 at 9:40.]

This unlawful and deceptive conduct highlights their untrustworthiness and, at the very least, raises concerns that “the Defendants’ assets will disappear” absent an asset freeze. *See FTC v. Simple Health Plans LLC*, 379 F. Supp. 3d 1346, 1364 (S.D. Fla. 2019) (“[T]he FTC does not need to present evidence that the assets will be dissipated; rather it need only show a concern that the defendants’ assets will disappear.”) (citing *FTC v. IAB Mktg. Assocs., LP*, 972 F. Supp. 2d 1307, 1313 n.3 (S.D. Fla. 2013); *SEC v. ETS Payphones, Inc.*, 408 F.3d 727, 734 (11th Cir. 2005); *SEC v. Gonzalez de Castilla*, 145 F. Supp. 2d 402, 415 (S.D.N.Y. 2001)).

Alongside the asset freeze, appointing a receiver to manage Corporate Defendants is necessary to preserve assets, information, and prevent continuing harm. Courts hold that receivers are appropriate “[w]hen a defendant has used deception to obtain money from consumers” because “it is likely that, in the absence of the appointment of a receiver to maintain the *status quo*, the corporate assets will be subject to diversion and waste to the detriment of [victims].” *Simple Health Plans LLC*, 379 F. Supp. 3d at 1365 (quoting *SEC v. First Fin. Grp. Of Tex.*, 645 F.2d 429, 438 (5th Cir. 1981)).

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<sup>22</sup> The dating service company is Legacy Matchmaking located at 13107 Atlantic Blvd., Unit #201, Jacksonville, FL 32225. [PX36 ¶ 152] The whistleblower videos also identify a nearby Lionshare Cowork office located at 13475 Atlantic Blvd., Unit 8, Jacksonville, FL 32225, as a satellite office. [PX36 ¶ 152; PX84 at 6:35; PX85 at 11:42.]

Likewise, immediate discovery will enable the FTC to identify evidence and assets prior to any destruction by Defendants. *See* Fed. R. Civ. P. 26(d), 33(a), and 34(b) (authorizing the Court to alter the standard provisions, including applicable time frames, that govern depositions and production of documents). This type of discovery order reflects the Court's broad and flexible authority in equity to grant preliminary emergency relief in cases involving the public interest such as this one. *See Porter v. Warner Holding*, 328 U.S. 395, 398 (1946); *Fed. Express Corp. v. Fed. Expresso, Inc.*, 1997 U.S. Dist. LEXIS 19144, at \* 6 (N.D.N.Y. Nov. 24, 1997) (holding expedited discovery is contemplated by the Federal Rules); *Benham Jewelry Corp. v. Aron Basha Corp.*, 1997 U.S. Dist. LEXIS 15957, at \*58 (S.D.N.Y. July 18, 1997) (courts have broad powers to grant expedited discovery).

The FTC requests that the Court grant this preliminary relief *ex parte* because “immediate and irreparable injury, loss, or damage will result” if notice is given. Fed. R. Civ. P. 65(b). The substantial risk of asset dissipation and document destruction in this case, coupled with Defendants’ ongoing and deliberate statutory violations, strongly indicate “notice to the defendant would render fruitless the further prosecution of the action.” *AT&T Broadband v. Tech Commc’ns.*, 381 F.3d 1309, 1319 (11th Cir. 2004) (quoting *In re Vuitton et Fils, S.A.*, 606 F.2d 1, 4-5 (2d Cir. 1979)).

#### IV. CONCLUSION

Because Defendants are violating the law and preliminary relief is necessary to maintain the *status quo*, prevent additional harm, and preserve assets and evidence, the Court should enter a temporary restraining order with injunctive relief, an asset freeze, immediate access to documents and premises, and the appointment of a receiver, while requiring Defendants to show cause why a preliminary injunction should not issue.

Respectfully submitted,

Dated: 5/2/2022

/s/ Hong Park

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**UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

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

MICHAEL RANDO, a/k/a Mike Singles,  
individually and as an officer of Prosperity  
Training Technology LLC, Elite Customer  
Services, LLC, Digital Business Scaling  
LLC, First Coast Matchmakers Inc., First  
Coast Matchmakers LLC, and Financial  
Consulting Management Group LLC, et al.,

Defendants.

**EXHIBITS SUPPORTING PLAINTIFF'S *EX PARTE* MOTION FOR  
TEMPORARY RESTRAINING ORDER WITH ASSET FREEZE,  
IMMEDIATE ACCESS TO DOCUMENTS AND PREMISES, AND  
APPOINTMENT OF A RECEIVER WITH ORDER TO SHOW CAUSE WHY  
THE COURT SHOULD NOT ISSUE A PRELIMINARY INJUNCTION**

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Respectfully submitted,

Dated: 5/2/2022

*/s/ Hong Park*

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**UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

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

MICHAEL RANDO, a/k/a Mike Singles,  
individually and as an officer of Prosperity  
Training Technology LLC, Elite Customer  
Services, LLC, Digital Business Scaling  
LLC, First Coast Matchmakers Inc., First  
Coast Matchmakers LLC, and Financial  
Consulting Management Group LLC, et al.,

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UNITED STATES DISTRICT COURT  
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FEDERAL TRADE COMMISSION,

Plaintiff,

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MICHAEL RANDO, a/k/a Mike Singles,  
individually and as a principal of Prosperity  
Training Technology LLC, Elite Customer  
Services, LLC, Digital Business Scaling  
LLC, First Coast Matchmakers Inc., First  
Coast Matchmakers LLC, and Financial  
Consulting Management Group LLC,

VALERIE RANDO, a/k/a Valerie Payton,  
Val Rando, and Val Singles, individually  
and as a principal of Prosperity Training  
Technology LLC, Elite Customer Services,  
LLC, Digital Business Scaling LLC, First  
Coast Matchmakers Inc., First Coast  
Matchmakers LLC, and Financial  
Consulting Management Group LLC,

PROSPERITY TRAINING  
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ELITE CUSTOMER SERVICES, LLC, a  
Florida limited liability company,

DIGITAL BUSINESS SCALING LLC, a  
Florida limited liability company,

FIRST COAST MATCHMAKERS INC., a  
Florida corporation, also d/b/a Wholesale  
Tradelines,

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

**[Proposed] *EX PARTE*  
TEMPORARY RESTRAINING  
ORDER WITH ASSET  
FREEZE, APPOINTMENT OF  
A TEMPORARY RECEIVER,  
AND OTHER EQUITABLE  
RELIEF, AND ORDER TO  
SHOW CAUSE WHY A  
PRELIMINARY INJUNCTION  
SHOULD NOT ISSUE**

FIRST COAST MATCHMAKERS LLC, a  
Florida limited liability company, also  
d/b/a Wholesale Tradelines,

FINANCIAL CONSULTING  
MANAGEMENT GROUP LLC, a Florida  
limited liability company, and

RESOURCE MANAGEMENT  
INVESTMENTS, LLC, a Florida limited  
liability company,

Defendants.

Plaintiff, the Federal Trade Commission (“FTC”) has filed its Complaint for Permanent Injunction, Monetary Relief, and Other Relief pursuant to Sections 13(b) and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, (Dkt. #\_\_\_), and has moved, pursuant to Fed. R. Civ. P. 65(b), for a temporary restraining order, asset freeze, other equitable relief, and an order to show cause why a preliminary injunction should not issue against Michael Rando and Valerie Rando, and Prosperity Training Technology LLC; Elite Customer Services, LLC; Digital Business Scaling LLC; First Coast Matchmakers Inc.; First Coast Matchmakers LLC; Financial Consulting Management Group LLC; and Resource Management Investments, LLC. (Dkt. #\_\_\_.)

## **FINDINGS OF FACT**

The Court, having considered the Complaint, the *ex parte* Motion for a Temporary Restraining Order, declarations, exhibits, and the memorandum of points and authorities filed in support thereof, and being otherwise advised, finds that:

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

B. In numerous instances, Defendants have operated a credit repair and business opportunity scheme in which they, among other things:

1. Deceptively claim they can quickly and legally improve consumers' credit scores by removing most or all negative items on their credit reports, causing a third party's credit history to appear on their credit reports, and manipulating consumers' identifying information, and that these services come with a money-back guarantee;
2. File, or caused to be filed, fake identity theft reports on the FTC's identitytheft.gov website;
3. Take prohibited advance fees, fail to honor cancellation requests and provide refunds, and fail to make required disclosures regarding their credit repair services;
4. Deceptively claim consumers can profitably and legally operate a business selling credit repair services and education and fail to

make required disclosures regarding their business opportunity;  
and

5. Associate their scheme with government benefits related to COVID-19 by telling consumers to spend or otherwise “invest” various tax credit benefits issued under various COVID-19 relief laws on Defendants’ deceptive products and services.

C. There is good cause to believe that Defendants Michael Rando; Valerie Rando; Prosperity Training Technology LLC; Elite Customer Services, LLC; Digital Business Scaling LLC; First Coast Matchmakers Inc.; First Coast Matchmakers LLC; Financial Consulting Management Group LLC; and Resource Management Investments, LLC have engaged in and are likely to engage in acts or practices that violate Section 5(a) of the FTC Act, 15 U.S.C. § 45(a); multiple provisions of the Credit Repair Organizations Act (“CROA”), 15 U.S.C. §§ 1679-1679j; multiple provisions of the FTC’s Telemarketing Sales Rule (“TSR”), 16 C.F.R. Part 310; Section 1401(b)(2) of the COVID-19 Consumer Protection Act (“CCPA”), 15 U.S.C. § 45 note (CCPA § 1401(b)(2)); and multiple provisions of the FTC’s Trade Regulation Rule entitled “Disclosure Requirements and Prohibitions Concerning Business Opportunities” (“Business Opportunity Rule” or “BOR”), 16 C.F.R. Part 437; and that Plaintiff is therefore likely to prevail on the merits of this action. As demonstrated by detailed evidence, including declarations from FICO and Equifax, declarations from consumers, transcripts of undercover calls, consumer complaint

analyses, identity theft report analyses, Defendants' own marketing statements, and the additional documentation filed by the FTC, the FTC has established a likelihood of success in showing that Defendants have operated an illegal credit repair and money-making scheme and made false, misleading, and deceptive misrepresentations.

D. There is good cause to believe that immediate and irreparable harm will result from Defendants' ongoing violations of the FTC Act, CROA, the TSR, the CCPA, and the BOR unless Defendants are restrained and enjoined by order of this Court.

E. There is good cause to believe that immediate and irreparable damage to the Court's ability to grant effective final relief for consumers – including rescission or reformation of contracts, the refund of money, and the return of property – will occur from the sale, transfer, destruction, or other disposition or concealment by Defendants of their assets or records, unless Defendants are immediately restrained and enjoined by order of this Court; and that, in accordance with Fed. R. Civ. P. 65(b), the interests of justice require that this Order be granted without prior notice to Defendants. Thus, there is good cause for relieving Plaintiff of the duty to provide Defendants with prior notice of its Motion for a Temporary Restraining Order.

F. Good cause exists for appointing a temporary Receiver over the Receivership Entities, freezing Defendants' assets, permitting the Plaintiff and the



Receiver immediate access to the Defendants' business premises, and permitting the Plaintiff and the Receiver to take expedited discovery.

G. Weighing the equities and considering Plaintiff's likelihood of ultimate success on the merits, a temporary restraining order with an asset freeze, the appointment of a temporary Receiver, immediate access to business premises, expedited discovery, and other equitable relief is in the public interest.

H. This Court has authority to issue this Order pursuant to Sections 13(b) and 19 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b; Federal Rule of Civil Procedure 65; and the All Writs Act, 28 U.S.C. § 1651.

I. No security is required of any agency of the United States for issuance of a temporary restraining order. Fed. R. Civ. P. 65(c).

### DEFINITIONS

For the purpose of this Order, the following definitions shall apply:

A. **"Asset"** means any legal or equitable interest in, right to, or claim to, any property, wherever located and by whomever held, whether tangible, intangible, digital, intellectual property, or otherwise.

B. **"Corporate Defendant(s)"** means Prosperity Training Technology LLC; Elite Customer Services, LLC; Digital Business Scaling LLC; First Coast Matchmakers Inc.; First Coast Matchmakers LLC; Financial Consulting Management Group LLC; Resource Management Investments, LLC; and each of their subsidiaries, affiliates, successors, and assigns.

C. “**Credit Repair Service**” means any service, in return for payment of money or other valuable consideration, for the express or implied purpose of: 1) improving any consumer’s credit report, credit record, credit history, credit profile, credit score, or credit rating; or 2) providing any advice or assistance to any consumer with regard to any activity or service the purpose of which is to improve a consumer’s credit report, credit record, credit history, credit profile, credit score, or credit rating.

D. “**Defendants**” means Corporate Defendants and Individual Defendants, individually, collectively, or in any combination.

E. “**Document**” is synonymous in meaning and equal in scope to the usage of “document” and “electronically stored information” in Federal Rule of Civil Procedure 34(a), Fed. R. Civ. P. 34(a), and includes writings, drawings, graphs, charts, photographs, sound and video recordings, images, Internet sites, web pages, websites, electronic correspondence, including e-mail and instant messages, contracts, accounting data, advertisements, FTP Logs, Server Access Logs, books, written or printed records, handwritten notes, telephone logs, telephone scripts, receipt books, ledgers, personal and business canceled checks and check registers, bank statements, appointment books, computer records, customer or sales databases and any other electronically stored information, including Documents located on remote servers or cloud computing systems, and other data or data compilations from which information can be obtained directly or, if necessary, after translation

into a reasonably usable form. A draft or non-identical copy is a separate document within the meaning of the term.

F. **“Earnings Claim”** means any oral, written, or visual representation to a consumer, prospective purchaser, or investor that conveys, expressly or by implication, a specific level or range of actual or potential sales, or gross or net income or profits. Earnings claims include, but are not limited to any: 1) chart, table, or mathematical calculation that demonstrates possible results based upon a combination of variables; and 2) statements from which a consumer, prospective purchaser, or investor can reasonably infer that he or she will earn a minimum level of income (*e.g.* “earn enough to buy a Lamborghini,” “earn a six-figure income,” or “earn your investment back within one year”).

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

H. **“Individual Defendant(s)”** means Michael Rando and Valerie Rando, individually, collectively, or in any combination.

I. **“Person”** means a natural person, an organization or other legal entity, including a corporation, partnership, sole proprietorship, limited liability company, association, cooperative, or any other group or combination acting as an entity.

J. “**Receiver**” means the temporary receiver appointed in Section XIII of this Order and any deputy receivers that shall be named by the temporary receiver.

K. “**Receivership Entities**” means Corporate Defendants as well as any other entity that has conducted any business related to Defendants’ credit repair and money-making scheme, including receipt of Assets derived from any activity that is the subject of the Complaint in this matter, and that the Receiver determines is controlled or owned by any Defendant.

## **ORDER**

### **I. PROHIBITED CREDIT REPAIR ACTIVITIES**

**IT IS THEREFORE ORDERED** that Defendants, Defendants’ officers, agents, employees, and attorneys, and all other persons in active concert or participation with them, who receive actual notice of this Order by personal service or otherwise, whether acting directly or indirectly, in connection with the advertising, marketing, promoting, or offering for sale of any Credit Repair Service, are temporarily restrained and enjoined from:

A. Misrepresenting or assisting others in misrepresenting, expressly or by implication:

1. That any Person can remove negative information or hard inquiries from their own or any other Person’s credit report, credit record, credit history, or credit profile;
2. That any Person can substantially improve their own or any other Person’s credit score or credit rating;

3. That any Person is, or will add any Person as, an additional authorized user on any other Person's credit card or line of credit account;
4. That any Person is or was the victim of identity theft;
5. Current or past identifying information (*e.g.* names, aliases, addresses, phone numbers, or employment history) on a consumer's credit report, credit record, credit history, or credit profile;
6. Any other fact material to consumers concerning any Credit Repair Service, such as the total costs; any material restrictions, limitations, or conditions; or any material aspect of its performance, efficacy, nature, or central characteristics;

B. Charging or receiving money or other valuable consideration for the performance of any Credit Repair Service: 1) before such service is fully performed, and 2) before providing the consumer with documentation in the form of a consumer report from a consumer reporting agency demonstrating the promised results have been achieved, with such report having been issued more than six months after the results were achieved.

C. Failing to provide any Person with a written statement of "Consumer Credit File Rights Under State and Federal Law," in the form and manner required by 15 U.S.C. § 1679c(a);

D. Failing to include in contracts for any Credit Repair Service the following required terms and conditions: a) a full and detailed description of the services to be performed for the consumer, including all guarantees of performance and an estimate of the date by which the performance of the services (to be performed by Defendants or any other Person) will be complete or the length of the period necessary to perform such services, and b) the specific conspicuous statement in bold face type, in immediate proximity to the space reserved for the consumer's signature on the contract, regarding the consumers' right to cancel the contract without penalty or obligation at any time before the third business day after the date on which the consumer signed the contract;

E. Failing to provide any Person with a separate form with the heading "Notice of Cancellation," in the form and manner required by 15 U.S.C. § 1679e(b); and

F. Failing to provide any Person with a copy of a completed contract and all disclosures required under CROA, 15 U.S.C. §§ 1679-1679j, and a copy of any other document such Person is required to sign.

## **II. PROHIBITED BUSINESS ACTIVITIES**

**IT IS THEREFORE ORDERED** that Defendants, Defendants' officers, agents, employees, and attorneys, and all other persons in active concert or participation with them, who receive actual notice of this Order by personal service or otherwise, whether acting directly or indirectly, in connection with the

advertising, marketing, promoting, or offering for sale of any goods or services, are temporarily restrained and enjoined from:

A. Making any Earnings Claim, unless the Earnings Claim is non-misleading, and, at the time such claim is made, Defendants: 1) have a reasonable basis for their claim; 2) have in their possession written materials that substantiate the claim; and 3) make the written substantiation available upon request to the consumer, potential purchaser, investor, the Receiver, or to the FTC;

B. Failing to provide any consumer, potential purchaser, or investor with disclosure documents in the form and manner required by 16 C.F.R. §§ 437.2, 437.3(a)(1)-(5), and 437.4;

C. Misrepresenting or assisting others in misrepresenting, expressly or by implication:

1. Any refund, money-back guarantee, or cancellation policy;
2. That Defendants' practices or advised practices are legal;
3. That consumers, using Defendants' products and services, are likely to profitably and legally operate a business selling credit repair services and education;
4. Any fact concerning a government benefit related to COVID-19;  
or
5. Any other fact material to consumers concerning any good or service, such as: the total costs; any material restrictions,

limitations, or conditions; or any material aspect of its performance, efficacy, nature, or central characteristics.

### **III. PROHIBITION ON RELEASE OF CUSTOMER INFORMATION**

**IT IS FURTHER ORDERED** that Defendants, Defendants' officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, are hereby temporarily restrained and enjoined from disclosing, using, transferring, or benefitting from customer information, including the name, address, telephone number, email address, birth date, social security number, other identifying information, or any data that enables access to a customer's account (including a credit card, bank account, or other financial account), that any Defendant obtained prior to entry of this Order.

Provided, however, that Defendants may disclose such identifying information to a law enforcement agency, to their attorneys as required for their defense, as required by any law, regulation, or court order, or in any filings, pleadings or discovery in this action in the manner required by the Federal Rules of Civil Procedure and by any protective order in the case.

### **IV. ASSET FREEZE**

**IT IS FURTHER ORDERED** that Defendants and their officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, are hereby temporarily restrained and enjoined from:



A. Transferring, liquidating, converting, encumbering, pledging, loaning, selling, concealing, dissipating, disbursing, assigning, relinquishing, spending, withdrawing, granting a lien or security interest or other interest in, or otherwise disposing of any Assets that are:

1. owned or controlled, directly or indirectly, by any Defendant;
2. held, in part or in whole, for the benefit of any Defendant;
3. in the actual or constructive possession of any Defendant; or
4. owned or controlled by, in the actual or constructive possession of, or otherwise held for the benefit of, any corporation, partnership, asset protection trust, or other entity that is directly or indirectly owned, managed or controlled by any Defendant.

B. Opening or causing to be opened any safe deposit boxes, commercial mail boxes, or storage facilities titled in the name of any Defendant or subject to access by any Defendant, except as necessary to comply with written requests from the Receiver acting pursuant to its authority under this Order;

C. Incurring charges or cash advances on any credit, debit, or ATM card issued in the name, individually or jointly, of any Corporate Defendant or any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by any Defendant or of which any Defendant is an officer, director, member, or manager. This includes any corporate bankcard or corporate credit card

account for which any Defendant is, or was on the date that this Order was signed, an authorized signor; or

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

The Assets affected by this Section shall include: (1) all Assets of Defendants as of the time this Order is entered; and (2) Assets obtained by Defendants after this Order is entered if those Assets are derived from any activity that is the subject of the Complaint in this matter or that is prohibited by this Order. This Section does not prohibit any transfers to the Receiver or repatriation of foreign Assets specifically required by this order.

## **V. DUTIES OF ASSET HOLDERS AND OTHER THIRD PARTIES**

**IT IS FURTHER ORDERED** that any financial or brokerage institution, Electronic Data Host, credit card processor, payment processor, merchant bank, acquiring bank, independent sales organization, third party processor, payment gateway, insurance company, business entity, or person who receives actual notice of this Order (by service or otherwise) that:

(a) has held, controlled, or maintained custody, through an account or otherwise, of any Document on behalf of any Defendant or any Asset that has been: owned or controlled, directly or indirectly, by any Defendant; held, in part or in whole, for the benefit of any Defendant; in the actual or constructive possession of any Defendant; or owned or controlled by, in the actual or constructive possession

of, or otherwise held for the benefit of, any corporation, partnership, asset protection trust, or other entity that is directly or indirectly owned, managed or controlled by any Defendant;

(b) has held, controlled, or maintained custody, through an account or otherwise, of any Document or Asset associated with credits, debits, or charges made on behalf of any Defendant, including reserve funds held by payment processors, credit card processors, merchant banks, acquiring banks, independent sales organizations, third party processors, payment gateways, insurance companies, or other entities; or

(c) has extended credit to any Defendant, including through a credit card account, shall:

A. Hold, preserve, and retain within its control and prohibit the withdrawal, removal, alteration, assignment, transfer, pledge, encumbrance, disbursement, dissipation, relinquishment, conversion, sale, or other disposal of any such Document or Asset, as well as all Documents or other property related to such Assets, except by further order of this Court; provided, however, that this provision does not prohibit an Individual Defendant from incurring charges on a personal credit card established prior to entry of this Order, up to the pre-existing credit limit;

B. Deny any person, except the Receiver, access to any safe deposit box, commercial mail box, or storage facility that is titled in the name of any Defendant, either individually or jointly, or otherwise subject to access by any Defendant;

C. Provide Plaintiff's counsel and the Receiver, within three (3) days of receiving a copy of this Order, a sworn statement setting forth, for each Asset or account covered by this Section:

1. The identification number of each such account or Asset;
2. The balance of each such account, or a description of the nature and value of each such Asset as of the close of business on the day on which this Order is served, and, if the account or other Asset has been closed or removed, the date closed or removed, the total funds removed in order to close the account, and the name of the person or entity to whom such account or other Asset was remitted; and
3. The identification of any safe deposit box, commercial mail box, or storage facility that is either titled in the name, individually or jointly, of any Defendant, or is otherwise subject to access by any Defendant; and

D. Upon the request of Plaintiff's counsel or the Receiver, promptly provide Plaintiff's counsel and the Receiver with copies of all records or other Documents pertaining to each account covered by this Section or Asset, including originals or copies of account applications, account statements, signature cards, checks, drafts, deposit tickets, transfers to and from the accounts, including wire transfers and wire transfer instructions, all other debit and credit instruments or slips,

currency transaction reports, 1099 forms, and all logs and records pertaining to safe deposit boxes, commercial mail boxes, and storage facilities.

Provided, however, that this Section does not prohibit any transfers to the Receiver or repatriation of foreign Assets specifically required by this order.

## **VI. FINANCIAL DISCLOSURES**

**IT IS FURTHER ORDERED** that each Defendant, within five (5) days of service of this Order upon them, shall prepare and deliver to Plaintiff's counsel and the Receiver:

A. Completed financial statements on the forms attached to this Order as **Attachment A** (Financial Statement of Individual Defendant) for each Individual Defendant, and **Attachment B** (Financial Statement of Corporate Defendant) for each Corporate Defendant; and

B. Completed **Attachment C** (IRS Form 4506, Request for Copy of a Tax Return) for each Individual and Corporate Defendant.

## **VII. FOREIGN ASSET REPATRIATION**

**IT IS FURTHER ORDERED** that within five (5) days following the service of this Order, each Defendant shall:

A. Provide Plaintiff's counsel and the Receiver with a full accounting, verified under oath and accurate as of the date of this Order, of all Assets, Documents, and accounts outside of the United States which are: (1) titled in the name, individually or jointly, of any Defendant; (2) held by any person or entity for

the benefit of any Defendant or for the benefit of, any corporation, partnership, asset protection trust, or other entity that is directly or indirectly owned, managed or controlled by any Defendant; or (3) under the direct or indirect control, whether jointly or singly, of any Defendant;

B. Take all steps necessary to provide Plaintiff's counsel and the Receiver access to all Documents and records that may be held by third parties located outside of the territorial United States of America, including signing the Consent to Release of Financial Records appended to this Order as **Attachment D**;

C. Transfer to the territory of the United States all Documents and Assets located in foreign countries which are: (1) titled in the name, individually or jointly, of any Defendant; (2) held by any person or entity for the benefit of any Defendant or for the benefit of, any corporation, partnership, asset protection trust, or other entity that is directly or indirectly owned, managed or controlled by any Defendant; or (3) under the direct or indirect control, whether jointly or singly, of any Defendant; and

D. The same business day as any repatriation, (1) notify the Receiver and counsel for Plaintiff of the name and location of the financial institution or other entity that is the recipient of such Documents or Assets; and (2) serve this Order on any such financial institution or other entity.

### **VIII. NON-INTERFERENCE WITH REPATRIATION**

**IT IS FURTHER ORDERED** that Defendants, Defendants' officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, 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 this Order, including, but not limited to:

A. Sending any communication 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 Defendants' Assets have been fully repatriated pursuant to 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 Defendants' Assets have been fully repatriated pursuant to this Order.

### **IX. CONSUMER CREDIT REPORTS**

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

## **X. PRESERVATION OF RECORDS**

**IT IS FURTHER ORDERED** that Defendants, Defendants' officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, are hereby temporarily restrained and enjoined from:

A. Destroying, erasing, falsifying, writing over, mutilating, concealing, altering, transferring, or otherwise disposing of, in any manner, directly or indirectly, Documents that relate to: (1) the business, business practices, Assets, or business or personal finances of any Defendant; (2) the business practices or finances of entities directly or indirectly under the control of any Defendant; or (3) the business practices or finances of entities directly or indirectly under common control with any other Defendant; and

B. Failing to create and maintain Documents that, in reasonable detail, accurately, fairly, and completely reflect Defendants' incomes, disbursements, transactions, and use of Defendants' Assets.

## **XI. PRESERVATION OF RECORDS BY THIRD PARTIES**

**IT IS FURTHER ORDERED** that any person who receives actual notice of this Order (by service or otherwise) that has held, controlled, or maintained custody of any Document on behalf of any Defendant that relates to the business or business practices of any Defendant or of any entity directly or indirectly under the control of any Defendant are hereby permanently restrained and enjoined from destroying,



erasing, falsifying, writing over, mutilating, concealing, altering, transferring, or otherwise disposing of, in any manner, directly or indirectly, any such Documents.

## **XII. REPORT OF NEW BUSINESS ACTIVITY**

**IT IS FURTHER ORDERED** that Defendants, Defendants' officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, are hereby temporarily restrained and enjoined from creating, operating, or exercising any control over any business entity, whether newly formed or previously inactive, including any partnership, limited partnership, joint venture, sole proprietorship, or corporation, without first providing Plaintiff's counsel and the Receiver with a written statement disclosing: (1) the name of the business entity; (2) the address and telephone number of the business entity; (3) the names of the business entity's officers, directors, principals, managers, and employees; and (4) a detailed description of the business entity's intended activities.

## **XIII. TEMPORARY RECEIVER**

**IT IS FURTHER ORDERED** that \_\_\_\_\_ is appointed as temporary Receiver of the Receivership Entities with full powers of an equity receiver. The Receiver shall be solely the agent of this Court in acting as Receiver under this Order.

## **XIV. DUTIES AND AUTHORITY OF RECEIVER**

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

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

B. Take exclusive custody, control, and possession of all Assets and Documents of, or in the possession, custody, or under the control of, any Receivership Entity, wherever situated;

C. Take exclusive custody, control, and possession of all Documents or Assets associated with credits, debits, or charges made on behalf of any Receivership Entity, wherever situated, including reserve funds held by payment processors, credit card processors, merchant banks, acquiring banks, independent sales organizations, third party processors, payment gateways, insurance companies, or other entities;

D. Conserve, hold, manage, and prevent the loss of all Assets of the Receivership Entities, and perform all acts necessary or advisable to preserve the value of those Assets. The Receiver shall assume control over the income and profits therefrom and all sums of money now or hereafter due or owing to the Receivership Entities. The Receiver shall have full power to sue for, collect, and receive, all Assets of the Receivership Entities and of other persons or entities whose interests are now under the direction, possession, custody, or control of, the Receivership Entities. Provided, however, that the Receiver shall not attempt to collect any amount from a consumer if the Receiver believes the consumer's debt to

the Receivership Entities has resulted from the deceptive acts or practices or other violations of law alleged in the Complaint in this matter, without prior Court approval;

E. Obtain, conserve, hold, manage, and prevent the loss of all Documents of the Receivership Entities, and perform all acts necessary or advisable to preserve such Documents. The Receiver shall: divert mail; preserve all Documents of the Receivership Entities that are accessible via electronic means (such as online access to financial accounts and access to electronic documents held onsite or by Electronic Data Hosts, by changing usernames, passwords or other log-in credentials; take possession of all electronic Documents of the Receivership Entities stored onsite or remotely; take whatever steps necessary to preserve all such Documents; and obtain the assistance of the FTC's Digital Forensic Unit for the purpose of obtaining electronic documents stored onsite or remotely.

F. Choose, engage, and employ attorneys, accountants, appraisers, and other independent contractors and technical specialists, as the Receiver deems advisable or necessary in the performance of duties and responsibilities under the authority granted by this Order;

G. Make payments and disbursements from the receivership estate that are necessary or advisable for carrying out the directions of, or exercising the authority granted by, this Order, and to incur, or authorize the making of, such agreements as may be necessary and advisable in discharging his or her duties as Receiver. The

Receiver shall apply to the Court for prior approval of any payment of any debt or obligation incurred by the Receivership Entities prior to the date of entry of this Order, except payments that the Receiver deems necessary or advisable to secure Assets of the Receivership Entities, such as rental payments;

H. Take all steps necessary to secure and take exclusive custody of each location from which the Receivership Entities operate their businesses. Such steps may include, but are not limited to, any of the following, as the Receiver deems necessary or advisable: (1) securing the location by changing the locks and alarm codes and disconnecting any internet access or other means of access to the computers, servers, internal networks, or other records maintained at that location; and (2) requiring any persons present at the location to leave the premises, to provide the Receiver with proof of identification, and/or to demonstrate to the satisfaction of the Receiver that such persons are not removing from the premises Documents or Assets of the Receivership Entities. Law enforcement personnel, including, but not limited to, police or sheriffs, may assist the Receiver in implementing these provisions in order to keep the peace and maintain security. If requested by the Receiver, the United States Marshal will provide appropriate and necessary assistance to the Receiver to implement this Order and is authorized to use any necessary and reasonable force to do so;

I. Take all steps necessary to prevent the modification, destruction, or erasure of any web page or website registered to and operated, in whole or in part, by

any Defendants, and to provide access to all such web page or websites to Plaintiff's representatives, agents, and assistants, as well as Defendants and their representatives;

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

K. Prevent the inequitable distribution of Assets and determine, adjust, and protect the interests of consumers who have transacted business with the Receivership Entities;

L. Make an accounting, as soon as practicable, of the Assets and financial condition of the receivership and file the accounting with the Court and deliver copies thereof to all parties;

M. Institute, compromise, adjust, appear in, intervene in, defend, dispose of, or otherwise become party to any legal action in state, federal or foreign courts or arbitration proceedings as the Receiver deems necessary and advisable to preserve or recover the Assets of the Receivership Entities, or to carry out the Receiver's mandate under this Order, including but not limited to, actions challenging fraudulent or voidable transfers;

N. Issue subpoenas to obtain Documents and records pertaining to the receivership, and conduct discovery in this action on behalf of the receivership estate, in addition to obtaining other discovery as set forth in this Order;

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

P. Maintain accurate records of all receipts and expenditures incurred as Receiver;

Q. Allow the Plaintiffs' representatives, agents, and assistants, as well as Defendants' representatives and Defendants themselves, reasonable access to the premises of the Receivership Entities, or any other premises where the Receivership Entities conduct business. The purpose of this access shall be to inspect and copy any and all books, records, Documents, accounts, and other property owned by, or in the possession of, the Receivership Entities or their agents. The Receiver shall have the discretion to determine the time, manner, and reasonable conditions of such access;

R. Allow the Plaintiffs' representatives, agents, and assistants, as well as Defendants and their representatives reasonable access to all Documents in the possession, custody, or control of the Receivership Entities;

S. Cooperate with reasonable requests for information or assistance from any state or federal civil or criminal law enforcement agency;

T. Suspend business operations of the Receivership Entities if in the judgment of the Receiver such operations cannot be continued legally and profitably;

U. If the Receiver identifies a nonparty entity as a Receivership Entity, promptly notify the entity as well as the parties, and inform the entity that it can challenge the Receiver's determination by filing a motion with the Court. Provided, however, that the Receiver may delay providing such notice until the Receiver has established control of the nonparty entity and its assets and records, if the Receiver determines that notice to the entity or the parties before the Receiver establishes control over the entity may result in the destruction of records, dissipation of assets, or any other obstruction of the Receiver's control of the entity;

V. If in the Receiver's judgment the business operations cannot be continued legally and profitably, take all steps necessary to ensure that any of the Receivership Entities' web pages or websites relating to the activities alleged in the Complaint cannot be accessed by the public, or are modified for consumer education and/or informational purposes, and take all steps necessary to ensure that any telephone numbers associated with the Receivership Entities cannot be accessed by the public, or are answered solely to provide consumer education or information regarding the status of operations; and

W. Prepare a written report at or before any hearing described in Paragraph XXVII, that describes (1) the steps taken by the Receiver to implement the terms of the Order; (2) the value of all assets and sum of all liabilities of the Receivership

Entities; (3) the steps the Receiver intends to take in the future to protect receivership assets, recover receivership assets from third parties, and adjust receivership liabilities; (4) the Receiver's opinion on whether any portion of the business of any of the Receivership Entities can continue to operate legally and profitably; and (5) any other matters which the Receiver believes should be brought to the Court's attention.

**XV. TRANSFER OF RECEIVERSHIP PROPERTY TO RECEIVER**

**IT IS FURTHER ORDERED** that Defendants and any other person, with possession, custody or control of property of, or records relating to, the Receivership Entities shall, upon notice of this Order by personal service or otherwise, fully cooperate with and assist the Receiver in taking and maintaining possession, custody, or control of the Assets and Documents of the Receivership Entities and immediately transfer or deliver to the Receiver possession, custody, and control of, the following:

- A. All Assets held by or for the benefit of the Receivership Entities;
- B. All Documents or Assets associated with credits, debits, or charges made on behalf of any Receivership Entity, wherever situated, including reserve funds held by payment processors, credit card processors, merchant banks, acquiring banks, independent sales organizations, third party processors, payment gateways, insurance companies, or other entities;



C. All Documents of or pertaining to the Receivership Entities, including all communications occurring via electronic mail, electronic messaging service, or encrypted messaging service (including but not limited to Signal or WhatsApp);

D. All computers, electronic devices, mobile devices and machines used to conduct the business of the Receivership Entities, even if such computers, electronic devices, mobile devices, and machines are also used for non-business purposes;

E. All Assets and Documents belonging to other persons or entities whose interests are under the direction, possession, custody, or control of the Receivership Entities; and

F. All keys, codes, user names and passwords necessary to gain or to secure access to any Assets or Documents of or pertaining to the Receivership Entities, including access to their business premises, means of communication, accounts, computer systems (onsite and remote), Electronic Data Hosts, encrypted messaging services, or other property.

In the event that any person or entity fails to deliver or transfer any Asset or Document, or otherwise fails to comply with any provision of this Section, the Receiver may file an Affidavit of Non-Compliance regarding the failure and a motion seeking compliance or a contempt citation.

## **XVI. PROVISION OF INFORMATION TO RECEIVER**

**IT IS FURTHER ORDERED** that Defendants shall immediately provide to the Receiver:

A. A list of all Assets and accounts of the Receivership Entities that are held in any name other than the name of a Receivership Entity, or by any person or entity other than a Receivership Entity;

B. A list of all agents, employees, officers, attorneys, servants and those persons in active concert and participation with the Receivership Entities, or who have been associated or done business with the Receivership Entities; and

C. A description of any documents covered by attorney-client privilege or attorney work product, including files where such documents are likely to be located, authors or recipients of such documents, and search terms likely to identify such electronic documents.

## **XVII. COOPERATION WITH THE RECEIVER**

**IT IS FURTHER ORDERED** that Defendants; Receivership Entities; Defendants' or Receivership Entities' officers, agents, employees, and attorneys, all other persons in active concert or participation with any of them, and any other person with possession, custody, or control of property of or records relating to the Receivership Entities who receive actual notice of this Order shall fully cooperate with and assist the Receiver. This cooperation and assistance shall include, but is not limited to, providing information to the Receiver that the Receiver deems necessary to exercise the authority and discharge the responsibilities of the Receiver under this Order; providing any keys, codes, user names and passwords required to access any computers, electronic devices, mobile devices, and machines (onsite or

remotely) and any cloud account (including specific method to access account) or electronic file in any medium; advising all persons who owe money to any Receivership Entity that all debts should be paid directly to the Receiver; and transferring funds at the Receiver's direction and producing records related to the Assets and sales of the Receivership Entities.

### **XVIII. NON-INTERFERENCE WITH THE RECEIVER**

**IT IS FURTHER ORDERED** that Defendants; Receivership Entities; Defendants' or Receivership Entities' officers, agents, employees, attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, and any other person served with a copy of this Order, are hereby restrained and enjoined from directly or indirectly:

- A. Interfering with the Receiver's efforts to manage, or take custody, control, or possession of, the Assets or Documents subject to the receivership;
- B. Transacting any of the business of the Receivership Entities;
- C. Transferring, receiving, altering, selling, encumbering, pledging, assigning, liquidating, or otherwise disposing of any Assets owned, controlled, or in the possession or custody of, or in which an interest is held or claimed by, the Receivership Entities; or
- D. Refusing to cooperate with the Receiver or the Receiver's duly authorized agents in the exercise of their duties or authority under any order of this Court.

## **XIX. STAY OF ACTIONS**

**IT IS FURTHER ORDERED** that, except by leave of this Court, during the pendency of the receivership ordered herein, Defendants, Defendants' officers, agents, employees, attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, and their corporations, subsidiaries, divisions, or affiliates, and all investors, creditors, stockholders, lessors, customers and other persons seeking to establish or enforce any claim, right, or interest against or on behalf of Defendants, and all others acting for or on behalf of such persons, are hereby enjoined from taking action that would interfere with the exclusive jurisdiction of this Court over the Assets or Documents of the Receivership Entities, including, but not limited to:

A. Filing or assisting in the filing of a petition for relief under the Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, or of any similar insolvency proceeding on behalf of the Receivership Entities;

B. Commencing, prosecuting, or continuing a judicial, administrative, or other action or proceeding against the Receivership Entities, including the issuance or employment of process against the Receivership Entities, except that such actions may be commenced if necessary to toll any applicable statute of limitations; or

C. Filing or enforcing any lien on any asset of the Receivership Entities, taking or attempting to take possession, custody, or control of any Asset of the Receivership Entities; or attempting to foreclose, forfeit, alter, or terminate any

interest in any Asset of the Receivership Entities, whether such acts are part of a judicial proceeding, are acts of self-help, or otherwise.

Provided, however, that this Order does not stay: (1) the commencement or continuation of a criminal action or proceeding; (2) the commencement or continuation of an action or proceeding by a governmental unit to enforce such governmental unit's police or regulatory power; or (3) the enforcement of a judgment, other than a money judgment, obtained in an action or proceeding by a governmental unit to enforce such governmental unit's police or regulatory power.

## **XX. COMPENSATION OF RECEIVER**

**IT IS FURTHER ORDERED** that the Receiver and all personnel hired by the Receiver as herein authorized, including counsel to the 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, in the possession or control of, or which may be received by, the Receivership Entities. The Receiver shall file with the Court and serve on the parties periodic requests for the payment of such reasonable compensation, with the first such request filed no more than sixty (60) days after the date of entry of this Order. The Receiver shall not increase the hourly rates used as the bases for such fee applications without prior approval of the Court.

## **XXI. RECEIVER'S BOND**

**IT IS FURTHER ORDERED** that the Receiver is not required to file with the Clerk of this Court a bond until further order of this Court, conditioned that the

Receiver will well and truly perform the duties of the office and abide by and perform all acts the Court directs.

**XXII. IMMEDIATE ACCESS TO BUSINESS PREMISES AND RECORDS**

**IT IS FURTHER ORDERED** that:

A. In order to allow Plaintiff and the Receiver to preserve Assets and evidence relevant to this action and to expedite discovery, Plaintiff and the Receiver, and their representatives, agents, contractors, and assistants, shall have immediate access to the business premises and storage facilities, owned, controlled, or used by the Receivership Entities. Such locations include, but are not limited to, 13107 Atlantic Blvd, suite 201 Jacksonville, FL 32225, and 13475 Atlantic Blvd., Unit 8, Jacksonville, FL 32225, and any offsite location or commercial mailbox used by the Receivership Entities. The Receiver may exclude Defendants, Receivership Entities, and their employees from the business premises during the immediate access;

B. Plaintiff and the Receiver, and their representatives, agents, contractors, and assistants, are authorized to remove Documents from the Receivership Entities' premises in order that they may be inspected, inventoried, and copied. Plaintiff shall return any removed materials to the Receiver within five (5) business days of completing inventorying and copying, or such time as is agreed upon by Plaintiff and the Receiver;

C. Plaintiff's access to the Receivership Entities' documents pursuant to this Section shall not provide grounds for any Defendant to object to any subsequent request for documents served by Plaintiff;

D. Plaintiff and the Receiver, and their representatives, agents, contractors, and assistants, are authorized to obtain the assistance of federal, state and local law enforcement officers as they deem necessary to effect service and to implement peacefully the provisions of this Order;

E. If any Documents, computers, or electronic storage devices containing information related to the business practices or finances of the Receivership Entities are at a location other than those listed herein, including personal residence(s) of any Defendant, then, immediately upon receiving notice of this order, Defendants and Receivership Entities shall produce to the Receiver all such Documents, computers, and electronic storage devices, along with any codes or passwords needed for access. In order to prevent the destruction of computer data, upon service of this Order, any such computers or electronic storage devices shall be powered down in the normal course of the operating system used on such devices and shall not be powered up or used until produced for copying and inspection; and

F. If any communications or records of any Receivership Entity are stored with an Electronic Data Host, such Entity shall, immediately upon receiving notice of this order, provide the Receiver with the username, passwords, and any other login credential needed to access the communications and records, and shall not

attempt to access, or cause a third-party to attempt to access, the communications or records.

### **XXIII. DISTRIBUTION OF ORDER BY DEFENDANTS**

**IT IS FURTHER ORDERED** that Defendants shall immediately provide a copy of this Order to each affiliate, telemarketer, marketer, sales entity, successor, assign, member, officer, director, employee, agent, independent contractor, client, attorney, spouse, subsidiary, division, and representative of any Defendant, and shall, within ten (10) days from the date of entry of this Order, and provide Plaintiff and the Receiver with a sworn statement that this provision of the Order has been satisfied, which statement shall include the names, physical addresses, phone number, and email addresses of each such person or entity who received a copy of the Order. Furthermore, Defendants shall not take any action that would encourage officers, agents, members, directors, employees, salespersons, independent contractors, attorneys, subsidiaries, affiliates, successors, assigns or other persons or entities in active concert or participation with them to disregard this Order or believe that they are not bound by its provisions.

### **XXIV. EXPEDITED DISCOVERY**

**IT IS FURTHER ORDERED** that, notwithstanding the provisions of the Fed. R. Civ. P. 26(d) and (f) and 30(a)(2)(A)(iii), and pursuant to Fed. R. Civ. P. 30(a), 33, 34, and 45, Plaintiff and the Receiver are granted leave, at any time after service of this Order, to conduct limited expedited discovery for the purpose of discovering: (1) the nature, location, status, and extent of Defendants' Assets; (2)



the nature, location, and extent of Defendants' business transactions and operations; (3) Documents reflecting Defendants' business transactions and operations; or (4) compliance with this Order. The limited expedited discovery set forth in this Section shall proceed as follows:

A. Plaintiff and the Receiver may take the deposition of parties and non-parties. Forty-eight (48) hours' notice shall be sufficient notice for such depositions. The limitations and conditions set forth in Rules 30(a)(2)(A) and 31(a)(2)(A) of the Federal Rules of Civil Procedure regarding subsequent depositions of an individual shall not apply to depositions taken pursuant to this Section. Any such deposition taken pursuant to this Section shall not be counted towards the deposition limit set forth in Rules 30(a)(2)(A) and 31(a)(2)(A) and depositions may be taken by telephone or other remote electronic means.

B. Plaintiff and the Receiver may serve upon parties requests for production of Documents or inspection that require production or inspection within five (5) days of service, provided, however, that three (3) days of notice shall be deemed sufficient for the production of any such Documents that are maintained or stored only in an electronic format.

C. Plaintiff and the Receiver may serve upon parties interrogatories that require response within five (5) days of service.

D. The Plaintiff and the Receiver may serve subpoenas upon non-parties that direct production or inspection within five (5) days of service.

E. Service of discovery upon a party to this action, taken pursuant to this Section, shall be sufficient if made by facsimile, email, or by overnight delivery.

F. Any expedited discovery taken pursuant to this Section is in addition to, and is not subject to, the limits on discovery set forth in the Federal Rules of Civil Procedure and the Local Rules of this Court. The expedited discovery permitted by this Section does not require a meeting or conference of the parties, pursuant to Rules 26(d) & (f) of the Federal Rules of Civil Procedure.

G. The Parties are exempted from making initial disclosures under Fed. R. Civ. P. 26(a)(1) until further order of this Court.

#### **XXV. SERVICE OF THIS ORDER**

**IT IS FURTHER ORDERED** that copies of this Order as well as the Motion for Temporary Restraining Order and all other pleadings, Documents, and exhibits filed contemporaneously with that Motion (other than the complaint and summons), may be served by any means, including facsimile transmission, electronic mail or other electronic messaging, personal or overnight delivery, U.S. Mail or FedEx, by agents and employees of Plaintiff, by any law enforcement agency, or by private process server, upon any Defendant or any person (including any financial institution) that may have possession, custody or control of any Asset or Document of any Defendant, or that may be subject to any provision of this Order pursuant to Rule 65(d)(2) of the Federal Rules of Civil Procedure. For purposes of this Section,

service upon any branch, subsidiary, affiliate or office of any entity shall effect service upon the entire entity.

**XXVI. CORRESPONDENCE AND SERVICE ON PLAINTIFF**

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

Hong Park  
Brian M. Welke  
Sana Chaudhry  
FEDERAL TRADE COMMISSION  
600 Pennsylvania Avenue NW, CC 9528  
Washington, DC 20580  
Telephone: 202-326-2158 (Park); -2897 (Welke); -2679 (Chaudhry)  
Facsimile: 202-326-3768  
Email: hpark@ftc.gov; bwelke@ftc.gov; schaudhry@ftc.gov

**XXVII. PRELIMINARY INJUNCTION HEARING**

**IT IS FURTHER ORDERED** that, pursuant to Fed. R. Civ. P. 65(b), Defendants shall appear before this Court on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, at \_\_\_\_\_, to show cause, if there is any, why this Court should not enter a preliminary injunction, pending final ruling on the Complaint against Defendants, enjoining the violations of the law alleged in the Complaint, continuing the freeze of their Assets, continuing the receivership, and imposing such additional relief as may be appropriate.

**XXVIII. BRIEFS AND AFFIDAVITS CONCERNING PRELIMINARY INJUNCTION**

**IT IS FURTHER ORDERED** that:

A. Defendants shall file with the Court and serve on Plaintiff's counsel any answering pleadings, affidavits, motions, expert reports or declarations, or legal memoranda no later than four (4) days prior to the order to show cause hearing scheduled pursuant to this Order. Plaintiff may file responsive or supplemental pleadings, materials, affidavits, or memoranda with the Court and serve the same on counsel for Defendants no later than one (1) day prior to the order to show cause hearing. Provided that such affidavits, pleadings, motions, expert reports, declarations, legal memoranda or oppositions must be served by personal or overnight delivery, facsimile or email, and be received by the other party or parties no later than 5:00 p.m. Eastern Time on the appropriate dates set forth in this Section.

G. An evidentiary hearing on Plaintiff's request for a preliminary injunction is not necessary unless Defendants demonstrate that they have, and intend to introduce, evidence that raises a genuine and material factual issue. The question of whether this Court should enter a preliminary injunction shall be resolved on the pleadings, declarations, exhibits, and memoranda filed by, and oral argument of, the parties. Live testimony shall be heard only on further order of this Court. Any motion to permit such testimony shall be filed with the Court and served on counsel for the other parties at least five (5) days prior to the preliminary injunction hearing in this matter. Such motion shall set forth the name, address, and telephone number of each proposed witness, a detailed summary or affidavit revealing the substance of

each proposed witness's expected testimony, and an explanation of why the taking of live testimony would be helpful to this Court. Any papers opposing a timely motion to present live testimony or to present live testimony in response to another party's timely motion to present live testimony shall be filed with this Court and served on the other parties at least three (3) days prior to the order to show cause hearing.

Provided, however, that service shall be performed by personal or overnight delivery, facsimile or email, and Documents shall be delivered so that they shall be received by the other parties no later than 5:00 p.m. Eastern Time on the appropriate dates provided in this Section.

**XXIX. DURATION OF THE ORDER**

**IT IS FURTHER ORDERED** that this Order shall expire fourteen (14) days from the date of entry noted below, unless within such time, the Order is extended for an additional period pursuant to Fed. R. Civ. P. 65(b)(2).

**XXX. RETENTION OF JURISDICTION**

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

**SO ORDERED**, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

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UNITED STATES DISTRICT JUDGE

# **Attachment A**

## FEDERAL TRADE COMMISSION

FINANCIAL STATEMENT OF INDIVIDUAL DEFENDANT

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**Definitions and Instructions:**

1. Complete all items. Enter "None" or "N/A" ("Not Applicable") in the first field only of any item that does not apply to you. If you cannot fully answer a question, explain why.
2. "Dependents" include your spouse, live-in companion, dependent children, or any other person, whom you or your spouse (or your children's other parent) claimed or could have claimed as a dependent for tax purposes at any time during the past five years.
3. "Assets" and "Liabilities" include ALL assets and liabilities, located within the United States or any foreign country or territory, whether held individually or jointly and whether held by you, your spouse, or your dependents, or held by others for the benefit of you, your spouse, or your dependents.
4. Attach continuation pages as needed. On the financial statement, state next to the Item number that the Item is being continued. On the continuation page(s), identify the Item number(s) being continued.
5. Type or print legibly.
6. Initial each page in the space provided in the lower right corner.
7. Sign and date the completed financial statement on the last page.

**Penalty for False Information:**

Federal law provides that any person may be imprisoned for not more than five years, fined, or both, if such person:

(1) "in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or devise a material fact; makes any materially false, fictitious or fraudulent statement or representation; or makes or uses any false writing or document knowing the same to contain any materially false, fictitious or fraudulent statement or entry" (18 U.S.C. § 1001);

(2) "in any . . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code, willfully subscribes as true any material matter which he does not believe to be true" (18 U.S.C. § 1621); or

(3) "in any ( . . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code) in any proceeding before or ancillary to any court or grand jury of the United States knowingly makes any false material declaration or makes or uses any other information . . . knowing the same to contain any false material declaration" (18 U.S.C. § 1623).

For a felony conviction under the provisions cited above, federal law provides that the fine may be not more than the greater of (i) \$250,000 for an individual or \$500,000 for a corporation, or (ii) if the felony results in pecuniary gain to any person or pecuniary loss to any person other than the defendant, the greater of twice the gross gain or twice the gross loss. 18 U.S.C. § 3571.

**BACKGROUND INFORMATION****Item 1. Information About You**

Full Name	Social Security No.		
Current Address of Primary Residence	Driver's License No.		State Issued
	Phone Numbers Home: (    ) Fax: (    )	Date of Birth:    /    / (mm/dd/yyyy)	
	Place of Birth		
<input type="checkbox"/> Rent <input type="checkbox"/> Own      From (Date):    /    / (mm/dd/yyyy)	E-Mail Address		
Internet Home Page			

**Previous Addresses for past five years** (if required, use additional pages at end of form)

Address	From:    /    / (mm/dd/yyyy)	Until:    /    / (mm/dd/yyyy)
	<input type="checkbox"/> Rent <input type="checkbox"/> Own	
Address	From:    /    /	Until:    /    /
	<input type="checkbox"/> Rent <input type="checkbox"/> Own	
Address	From:    /    /	Until:    /    /
	<input type="checkbox"/> Rent <input type="checkbox"/> Own	
Identify any other name(s) and/or social security number(s) you have used, and the time period(s) during which they were used:		

**Item 2. Information About Your Spouse or Live-In Companion**

Spouse/Companion's Name	Social Security No.	Date of Birth /    / (mm/dd/yyyy)
Address (if different from yours)	Phone Number (    )	Place of Birth
	<input type="checkbox"/> Rent <input type="checkbox"/> Own      From (Date):    /    / (mm/dd/yyyy)	
Identify any other name(s) and/or social security number(s) you have used, and the time period(s) during which they were used:		
Employer's Name and Address	Job Title	
	Years in Present Job	Annual Gross Salary/Wages \$

**Item 3. Information About Your Previous Spouse**

Name and Address	Social Security No.
	Date of Birth /    / (mm/dd/yyyy)

**Item 4. Contact Information** (name and address of closest living relative other than your spouse)

Name and Address	Phone Number (    )
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Initials: \_\_\_\_\_



**Item 5. Information About Dependents** (whether or not they reside with you)

Name and Address	Social Security No.	Date of Birth / / (mm/dd/yyyy)
	Relationship	
Name and Address	Social Security No.	Date of Birth / / (mm/dd/yyyy)
	Relationship	
Name and Address	Social Security No.	Date of Birth / / (mm/dd/yyyy)
	Relationship	
Name and Address	Social Security No.	Date of Birth / / (mm/dd/yyyy)
	Relationship	

**Item 6. Employment Information/Employment Income**

Provide the following information for this year-to-date and for each of the previous five full years, for each business entity of which you were a director, officer, member, partner, employee (including self-employment), agent, owner, shareholder, contractor, participant or consultant at any time during that period. "Income" includes, but is not limited to, any salary, commissions, distributions, draws, consulting fees, loans, loan payments, dividends, royalties, and benefits for which you did not pay (e.g., health insurance premiums, automobile lease or loan payments) received by you or anyone else on your behalf.

Company Name and Address	Dates Employed		Income Received: Y-T-D & 5 Prior Yrs.	
	From (Month/Year) /	To (Month/Year) /	Year	Income
Ownership Interest? <input type="checkbox"/> Yes <input type="checkbox"/> No			20	\$
Positions Held	From (Month/Year)	To (Month/Year)		\$
	/	/		\$
	/	/		\$
	/	/		\$
	/	/		\$
Company Name and Address	Dates Employed		Income Received: Y-T-D & 5 Prior Yrs.	
	From (Month/Year) /	To (Month/Year) /	Year	Income
Ownership Interest? <input type="checkbox"/> Yes <input type="checkbox"/> No			20	\$
Positions Held	From (Month/Year)	To (Month/Year)		\$
	/	/		\$
	/	/		\$
	/	/		\$
	/	/		\$
Company Name and Address	Dates Employed		Income Received: Y-T-D & 5 Prior Yrs.	
	From (Month/Year) /	To (Month/Year) /	Year	Income
Ownership Interest? <input type="checkbox"/> Yes <input type="checkbox"/> No			20	\$
Positions Held	From (Month/Year)	To (Month/Year)		\$
	/	/		\$
	/	/		\$
	/	/		\$
	/	/		\$

Initials: \_\_\_\_\_

**Item 7. Pending Lawsuits Filed By or Against You or Your Spouse**

List all pending lawsuits that have been filed by or against you or your spouse in any court or before an administrative agency in the United States or in any foreign country or territory. **Note:** At Item 12, list lawsuits that resulted in final judgments or settlements in your favor. At Item 21, list lawsuits that resulted in final judgments or settlements against you.

Caption of Proceeding	Court or Agency and Location	Case No.	Nature of Proceeding	Relief Requested	Status or Disposition

**Item 8. Safe Deposit Boxes**

List all safe deposit boxes, located within the United States or in any foreign country or territory, whether held individually or jointly and whether held by you, your spouse, or any of your dependents, or held by others for the benefit of you, your spouse, or any of your dependents.

Name of Owner(s)	Name & Address of Depository Institution	Box No.	Contents

Initials: \_\_\_\_\_

**FINANCIAL INFORMATION**

**REMINDER:** When an item asks for information regarding your "assets" and "liabilities" include ALL assets and liabilities, located within the United States or in any foreign country or territory, or institution, whether held individually or jointly, and whether held by you, your spouse, or any of your dependents, or held by others for the benefit of you, your spouse, or any of your dependents. In addition, provide all documents requested in Item 24 with your completed Financial Statement.

**ASSETS****Item 9. Cash, Bank, and Money Market Accounts**

List cash on hand (as opposed to cash in bank accounts or other financial accounts) and all bank accounts, money market accounts, or other financial accounts, including but not limited to checking accounts, savings accounts, and certificates of deposit. The term "cash on hand" includes but is not limited to cash in the form of currency, uncashed checks, and money orders.

a. Amount of Cash on Hand \$		Form of Cash on Hand	
b. Name on Account	Name & Address of Financial Institution	Account No.	Current Balance
			\$
			\$
			\$
			\$
			\$

**Item 10. Publicly Traded Securities**

List all publicly traded securities, including but not limited to, stocks, stock options, corporate bonds, mutual funds, U.S. government securities (including but not limited to treasury bills and treasury notes), and state and municipal bonds. Also list any U.S. savings bonds.

Owner of Security	Issuer	Type of Security	No. of Units Owned
Broker House, Address	Broker Account No.		
	Current Fair Market Value \$	Loan(s) Against Security \$	
Owner of Security	Issuer	Type of Security	No. of Units Owned
Broker House, Address	Broker Account No.		
	Current Fair Market Value \$	Loan(s) Against Security \$	
Owner of Security	Issuer	Type of Security	No. of Units Owned
Broker House, Address	Broker Account No.		
	Current Fair Market Value \$	Loan(s) Against Security \$	

Initials: \_\_\_\_\_

**Item 11. Non-Public Business and Financial Interests**

List all non-public business and financial interests, including but not limited to any interest in a non-public corporation, subchapter-S corporation, limited liability corporation ("LLC"), general or limited partnership, joint venture, sole proprietorship, international business corporation or personal investment corporation, and oil or mineral lease.

Entity's Name & Address	Type of Business or Financial Interest (e.g., LLC, partnership)	Owner (e.g., self, spouse)	Ownership %	If Officer, Director, Member or Partner, Exact Title

**Item 12. Amounts Owed to You, Your Spouse, or Your Dependents**

Debtor's Name & Address	Date Obligation Incurred (Month/Year) /	Original Amount Owed \$	Nature of Obligation (if the result of a final court judgment or settlement, provide court name and docket number)
	Current Amount Owed \$	Payment Schedule \$	
Debtor's Telephone	Debtor's Relationship to You		
Debtor's Name & Address	Date Obligation Incurred (Month/Year) /	Original Amount Owed \$	Nature of Obligation (if the result of a final court judgment or settlement, provide court name and docket number)
	Current Amount Owed \$	Payment Schedule \$	
Debtor's Telephone	Debtor's Relationship to You		

**Item 13. Life Insurance Policies**

List all life insurance policies (including endowment policies) with any cash surrender value.

Insurance Company's Name, Address, & Telephone No.	Beneficiary	Policy No.	Face Value \$
	Insured	Loans Against Policy \$	Surrender Value \$
Insurance Company's Name, Address, & Telephone No.	Beneficiary	Policy No.	Face Value \$
	Insured	Loans Against Policy \$	Surrender Value \$

**Item 14. Deferred Income Arrangements**

List all deferred income arrangements, including but not limited to, deferred annuities, pensions plans, profit-sharing plans, 401(k) plans, IRAs, Keoghs, other retirement accounts, and college savings plans (e.g., 529 Plans).

Trustee or Administrator's Name, Address & Telephone No.	Name on Account		Account No.
	Date Established / / (mm/dd/yyyy)	Type of Plan	Surrender Value before Taxes and Penalties \$
Trustee or Administrator's Name, Address & Telephone No.	Name on Account		Account No.
	Date Established / /	Type of Plan	Surrender Value before Taxes and Penalties \$

Initials: \_\_\_\_\_

**Item 15. Pending Insurance Payments or Inheritances**

List any pending insurance payments or inheritances owed to you.

Type	Amount Expected	Date Expected (mm/dd/yyyy)
	\$	/ /
	\$	/ /
	\$	/ /

**Item 16. Vehicles**

List all cars, trucks, motorcycles, boats, airplanes, and other vehicles.

Vehicle Type	Year	Registered Owner's Name	Purchase Price \$	Original Loan Amount \$	Current Balance \$
Make		Registration State & No.	Account/Loan No.	Current Value \$	Monthly Payment \$
Model		Address of Vehicle's Location	Lender's Name and Address		

Vehicle Type	Year	Registered Owner's Name	Purchase Price \$	Original Loan Amount \$	Current Balance \$
Make		Registration State & No.	Account/Loan No.	Current Value \$	Monthly Payment \$
Model		Address of Vehicle's Location	Lender's Name and Address		

Vehicle Type	Year	Registered Owner's Name	Purchase Price \$	Original Loan Amount \$	Current Balance \$
Make		Registration State & No.	Account/Loan No.	Current Value \$	Monthly Payment \$
Model		Address of Vehicle's Location	Lender's Name and Address		

Vehicle Type	Year	Registered Owner's Name	Purchase Price \$	Original Loan Amount \$	Current Balance \$
Make		Registration State & No.	Account/Loan No.	Current Value \$	Monthly Payment \$
Model		Address of Vehicle's Location	Lender's Name and Address		

**Item 17. Other Personal Property**

List all other personal property not listed in Items 9-16 by category, whether held for personal use, investment or any other reason, including but not limited to coins, stamps, artwork, gemstones, jewelry, bullion, other collectibles, copyrights, patents, and other intellectual property.

Property Category (e.g., artwork, jewelry)	Name of Owner	Property Location	Acquisition Cost	Current Value
			\$	\$
			\$	\$
			\$	\$

Initials: \_\_\_\_\_

**Item 18. Real Property**

List all real property interests (including any land contract)

Property's Location		Type of Property	Name(s) on Title or Contract and Ownership Percentages	
Acquisition Date (mm/dd/yyyy) / /	Purchase Price \$	Current Value \$	Basis of Valuation	
Lender's Name and Address		Loan or Account No.	Current Balance On First Mortgage or Contract \$	
			Monthly Payment \$	
Other Mortgage Loan(s) (describe)		Monthly Payment \$	<input type="checkbox"/> Rental Unit	
		Current Balance \$	Monthly Rent Received \$	
Property's Location		Type of Property	Name(s) on Title or Contract and Ownership Percentages	
Acquisition Date (mm/dd/yyyy) / /	Purchase Price \$	Current Value \$	Basis of Valuation	
Lender's Name and Address		Loan or Account No.	Current Balance On First Mortgage or Contract \$	
			Monthly Payment \$	
Other Mortgage Loan(s) (describe)		Monthly Payment \$	<input type="checkbox"/> Rental Unit	
		Current Balance \$	Monthly Rent Received \$	

**LIABILITIES****Item 19. Credit Cards**

List each credit card account held by you, your spouse, or your dependents, and any other credit cards that you, your spouse, or your dependents use, whether issued by a United States or foreign financial institution.

Name of Credit Card (e.g., Visa, MasterCard, Department Store)	Account No.	Name(s) on Account	Current Balance
			\$
			\$
			\$
			\$
			\$

**Item 20. Taxes Payable**

List all taxes, such as income taxes or real estate taxes, owed by you, your spouse, or your dependents.

Type of Tax	Amount Owed	Year Incurred
	\$	
	\$	
	\$	

Initials: \_\_\_\_\_

**Item 21. Other Amounts Owed by You, Your Spouse, or Your Dependents**

List all other amounts, not listed elsewhere in this financial statement, owed by you, your spouse, or your dependents.

Lender/Creditor's Name, Address, and Telephone No.		Nature of Debt (if the result of a court judgment or settlement, provide court name and docket number)	
		Lender/Creditor's Relationship to You	
Date Liability Was Incurred / / (mm/dd/yyyy)	Original Amount Owed \$	Current Amount Owed \$	Payment Schedule
Lender/Creditor's Name, Address, and Telephone No.		Nature of Debt (if the result of a court judgment or settlement, provide court name and docket number)	
		Lender/Creditor's Relationship to You	
Date Liability Was Incurred / / (mm/dd/yyyy)	Original Amount Owed \$	Current Amount Owed \$	Payment Schedule

**OTHER FINANCIAL INFORMATION****Item 22. Trusts and Escrows**

List all funds and other assets that are being held in trust or escrow by any person or entity for you, your spouse, or your dependents. Include any legal retainers being held on your behalf by legal counsel. Also list all funds or other assets that are being held in trust or escrow by you, your spouse, or your dependents, for any person or entity.

Trustee or Escrow Agent's Name & Address	Date Established (mm/dd/yyyy)	Grantor	Beneficiaries	Present Market Value of Assets*
	/ /			\$
	/ /			\$
	/ /			\$

\*If the market value of any asset is unknown, describe the asset and state its cost, if you know it.

**Item 23. Transfers of Assets**

List each person or entity to whom you have transferred, in the aggregate, more than \$5,000 in funds or other assets during the previous five years by loan, gift, sale, or other transfer (exclude ordinary and necessary living and business expenses paid to unrelated third parties). For each such person or entity, state the total amount transferred during that period.

Transferee's Name, Address, & Relationship	Property Transferred	Aggregate Value*	Transfer Date (mm/dd/yyyy)	Type of Transfer (e.g., Loan, Gift)
		\$	/ /	
		\$	/ /	
		\$	/ /	

\*If the market value of any asset is unknown, describe the asset and state its cost, if you know it.

Initials: \_\_\_\_\_

**Item 24. Document Requests**

Provide copies of the following documents with your completed Financial Statement.

	Federal tax returns filed during the last three years by or on behalf of you, your spouse, or your dependents.
	All applications for bank loans or other extensions of credit (other than credit cards) that you, your spouse, or your dependents have submitted within the last two years, including by obtaining copies from lenders if necessary.
Item 9	For each bank account listed in Item 9, all account statements for the past 3 years.
Item 11	For each business entity listed in Item 11, provide (including by causing to be generated from accounting records) the most recent balance sheet, tax return, annual income statement, the most recent year-to-date income statement, and all general ledger files from account records.
Item 17	All appraisals that have been prepared for any property listed in Item 17, including appraisals done for insurance purposes. You may exclude any category of property where the total appraised value of all property in that category is less than \$2,000.
Item 18	All appraisals that have been prepared for real property listed in Item 18.
Item 21	Documentation for all debts listed in Item 21.
Item 22	All executed documents for any trust or escrow listed in Item 22. Also provide any appraisals, including insurance appraisals that have been done for any assets held by any such trust or in any such escrow.

**SUMMARY FINANCIAL SCHEDULES****Item 25. Combined Balance Sheet for You, Your Spouse, and Your Dependents**

Assets		Liabilities	
Cash on Hand (Item 9)	\$	Loans Against Publicly Traded Securities (Item 10)	\$
Funds Held in Financial Institutions (Item 9)	\$	Vehicles - Liens (Item 16)	\$
U.S. Government Securities (Item 10)	\$	Real Property – Encumbrances (Item 18)	\$
Publicly Traded Securities (Item 10)	\$	Credit Cards (Item 19)	\$
Non-Public Business and Financial Interests (Item 11)	\$	Taxes Payable (Item 20)	\$
Amounts Owed to You (Item 12)	\$	Amounts Owed by You (Item 21)	\$
Life Insurance Policies (Item 13)	\$	<b>Other Liabilities (Itemize)</b>	
Deferred Income Arrangements (Item 14)	\$		\$
Vehicles (Item 16)	\$		\$
Other Personal Property (Item 17)	\$		\$
Real Property (Item 18)	\$		\$
<b>Other Assets (Itemize)</b>			\$
	\$		\$
	\$		\$
	\$		\$
<b>Total Assets</b>	\$	<b>Total Liabilities</b>	\$

**Item 26. Combined Current Monthly Income and Expenses for You, Your Spouse, and Your Dependents**

Provide the current monthly income and expenses for you, your spouse, and your dependents. Do not include credit card payments separately; rather, include credit card expenditures in the appropriate categories.

Income (State source of each item)		Expenses	
Salary - After Taxes Source:	\$	Mortgage or Rental Payments for Residence(s)	\$
Fees, Commissions, and Royalties Source:	\$	Property Taxes for Residence(s)	\$
Interest Source:	\$	Rental Property Expenses, Including Mortgage Payments, Taxes, and Insurance	\$
Dividends and Capital Gains Source:	\$	Car or Other Vehicle Lease or Loan Payments	\$
Gross Rental Income Source:	\$	Food Expenses	\$
Profits from Sole Proprietorships Source:	\$	Clothing Expenses	\$
Distributions from Partnerships, S-Corporations, and LLCs Source:	\$	Utilities	\$

Initials: \_\_\_\_\_



**Item 26. Combined Current Monthly Income and Expenses for You, Your Spouse, and Your Dependents (cont.)**

Distributions from Trusts and Estates Source:	\$	Medical Expenses, Including Insurance	\$
Distributions from Deferred Income Arrangements Source:	\$	Other Insurance Premiums	\$
Social Security Payments	\$	Other Transportation Expenses	\$
Alimony/Child Support Received	\$	<b>Other Expenses (Itemize)</b>	
Gambling Income	\$		\$
<b>Other Income (Itemize)</b>			\$
	\$		\$
	\$		\$
	\$		\$
<b>Total Income</b>	\$	<b>Total Expenses</b>	\$

**ATTACHMENTS****Item 27. Documents Attached to this Financial Statement**

List all documents that are being submitted with this financial statement. For any Item 24 documents that are not attached, explain why.

Item No. Document Relates To	Description of Document

I am submitting this financial statement with the understanding that it may affect action by the Federal Trade Commission or a federal court. I have used my best efforts to obtain the information requested in this statement. The responses I have provided to the items above are true and contain all the requested facts and information of which I have notice or knowledge. I have provided all requested documents in my custody, possession, or control. I know of the penalties for false statements under 18 U.S.C. § 1001, 18 U.S.C. § 1621, and 18 U.S.C. § 1623 (five years imprisonment and/or fines). I certify under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed on:

\_\_\_\_\_  
(Date)\_\_\_\_\_  
Signature

# Attachment B

**FEDERAL TRADE COMMISSION**

**FINANCIAL STATEMENT OF CORPORATE DEFENDANT**

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**Instructions:**

1. Complete all items. Enter “None” or “N/A” (“Not Applicable”) where appropriate. If you cannot fully answer a question, explain why.
2. The font size within each field will adjust automatically as you type to accommodate longer responses.
3. In completing this financial statement, “the corporation” refers not only to this corporation but also to each of its predecessors that are not named defendants in this action.
4. When an Item asks for information about assets or liabilities “held by the corporation,” include ALL such assets and liabilities, located within the United States or elsewhere, held by the corporation or held by others for the benefit of the corporation.
5. Attach continuation pages as needed. On the financial statement, state next to the Item number that the Item is being continued. On the continuation page(s), identify the Item number being continued.
6. Type or print legibly.
7. An officer of the corporation must sign and date the completed financial statement on the last page and initial each page in the space provided in the lower right corner.

**Penalty for False Information:**

Federal law provides that any person may be imprisoned for not more than five years, fined, or both, if such person:

- (1) “in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry” (18 U.S.C. § 1001);
- (2) “in any . . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code, willfully subscribes as true any material matter which he does not believe to be true” (18 U.S.C. § 1621); or
- (3) “in any (. . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code) in any proceeding before or ancillary to any court or grand jury of the United States knowingly makes any false material declaration or makes or uses any other information . . . knowing the same to contain any false material declaration.” (18 U.S.C. § 1623)

For a felony conviction under the provisions cited above, federal law provides that the fine may be not more than the greater of (i) \$250,000 for an individual or \$500,000 for a corporation, or (ii) if the felony results in pecuniary gain to any person or pecuniary loss to any person other than the defendant, the greater of twice the gross gain or twice the gross loss. 18 U.S.C. § 3571.

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**BACKGROUND INFORMATION**

**Item 1. General Information**

Corporation's Full Name \_\_\_\_\_

Primary Business Address \_\_\_\_\_ From (Date) \_\_\_\_\_

Telephone No. \_\_\_\_\_ Fax No. \_\_\_\_\_

E-Mail Address \_\_\_\_\_ Internet Home Page \_\_\_\_\_

All other current addresses & previous addresses for past five years, including post office boxes and mail drops:

Address \_\_\_\_\_ From/Until \_\_\_\_\_

Address \_\_\_\_\_ From/Until \_\_\_\_\_

Address \_\_\_\_\_ From/Until \_\_\_\_\_

All predecessor companies for past five years:

Name & Address \_\_\_\_\_ From/Until \_\_\_\_\_

Name & Address \_\_\_\_\_ From/Until \_\_\_\_\_

Name & Address \_\_\_\_\_ From/Until \_\_\_\_\_

**Item 2. Legal Information**

Federal Taxpayer ID No. \_\_\_\_\_ State & Date of Incorporation \_\_\_\_\_

State Tax ID No. \_\_\_\_\_ State \_\_\_\_\_ Profit or Not For Profit \_\_\_\_\_

Corporation's Present Status: Active \_\_\_\_\_ Inactive \_\_\_\_\_ Dissolved \_\_\_\_\_

If Dissolved: Date dissolved \_\_\_\_\_ By Whom \_\_\_\_\_

Reasons \_\_\_\_\_

Fiscal Year-End (Mo./Day) \_\_\_\_\_ Corporation's Business Activities \_\_\_\_\_

**Item 3. Registered Agent**

Name of Registered Agent \_\_\_\_\_

Address \_\_\_\_\_ Telephone No. \_\_\_\_\_

**Item 4. Principal Stockholders**

List all persons and entities that own at least 5% of the corporation's stock.

<u>Name &amp; Address</u>	<u>% Owned</u>

**Item 5. Board Members**

List all members of the corporation's Board of Directors.

<u>Name &amp; Address</u>	<u>% Owned</u>	<u>Term (From/Until)</u>

**Item 6. Officers**

List all of the corporation's officers, including *de facto* officers (individuals with significant management responsibility whose titles do not reflect the nature of their positions).

<u>Name &amp; Address</u>	<u>% Owned</u>

**Item 7. Businesses Related to the Corporation**

List all corporations, partnerships, and other business entities in which this corporation has an ownership interest.

<u>Name &amp; Address</u>	<u>Business Activities</u>	<u>% Owned</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

State which of these businesses, if any, has ever transacted business with the corporation \_\_\_\_\_

**Item 8. Businesses Related to Individuals**

List all corporations, partnerships, and other business entities in which the corporation's principal stockholders, board members, or officers (i.e., the individuals listed in Items 4 - 6 above) have an ownership interest.

<u>Individual's Name</u>	<u>Business Name &amp; Address</u>	<u>Business Activities</u>	<u>% Owned</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

State which of these businesses, if any, have ever transacted business with the corporation \_\_\_\_\_

**Item 9. Related Individuals**

List all related individuals with whom the corporation has had any business transactions during the three previous fiscal years and current fiscal year-to-date. A "related individual" is a spouse, sibling, parent, or child of the principal stockholders, board members, and officers (i.e., the individuals listed in Items 4 - 6 above).

<u>Name and Address</u>	<u>Relationship</u>	<u>Business Activities</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

**Item 10. Outside Accountants**

List all outside accountants retained by the corporation during the last three years.

<u>Name</u>	<u>Firm Name</u>	<u>Address</u>	<u>CPA/PA?</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**Item 11. Corporation's Recordkeeping**

List all individuals within the corporation with responsibility for keeping the corporation's financial books and records for the last three years.

<u>Name, Address, &amp; Telephone Number</u>	<u>Position(s) Held</u>
_____	_____
_____	_____
_____	_____
_____	_____

**Item 12. Attorneys**

List all attorneys retained by the corporation during the last three years.

<u>Name</u>	<u>Firm Name</u>	<u>Address</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**Item 13. Pending Lawsuits Filed by the Corporation**

List all pending lawsuits that have been filed by the corporation in court or before an administrative agency. (List lawsuits that resulted in final judgments or settlements in favor of the corporation in Item 25).

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

\_\_\_\_\_ Status \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

\_\_\_\_\_ Status \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

\_\_\_\_\_ Status \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

\_\_\_\_\_ Status \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

\_\_\_\_\_ Status \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

\_\_\_\_\_ Status \_\_\_\_\_



**Item 14. Current Lawsuits Filed Against the Corporation**

List all pending lawsuits that have been filed against the corporation in court or before an administrative agency. (List lawsuits that resulted in final judgments, settlements, or orders in Items 26 - 27).

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

\_\_\_\_\_ Status \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

\_\_\_\_\_ Status \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

\_\_\_\_\_ Status \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

\_\_\_\_\_ Status \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

\_\_\_\_\_ Status \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_

Docket No. \_\_\_\_\_ Relief Requested \_\_\_\_\_ Nature of Lawsuit \_\_\_\_\_

\_\_\_\_\_ Status \_\_\_\_\_

**Item 15. Bankruptcy Information**

List all state insolvency and federal bankruptcy proceedings involving the corporation.

Commencement Date \_\_\_\_\_ Termination Date \_\_\_\_\_ Docket No. \_\_\_\_\_

If State Court: Court & County \_\_\_\_\_ If Federal Court: District \_\_\_\_\_

Disposition \_\_\_\_\_

**Item 16. Safe Deposit Boxes**

List all safe deposit boxes, located within the United States or elsewhere, held by the corporation, or held by others for the benefit of the corporation. *On a separate page, describe the contents of each box.*

<u>Owner's Name</u>	<u>Name &amp; Address of Depository Institution</u>	<u>Box No.</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**FINANCIAL INFORMATION**

**REMINDER:** When an Item asks for information about assets or liabilities “held by the corporation,” include **ALL** such assets and liabilities, located within the United States or elsewhere, held by the corporation or held by others for the benefit of the corporation.

**Item 17. Tax Returns**

List all federal and state corporate tax returns filed for the last three complete fiscal years. *Attach copies of all returns.*

<u>Federal/ State/Both</u>	<u>Tax Year</u>	<u>Tax Due Federal</u>	<u>Tax Paid Federal</u>	<u>Tax Due State</u>	<u>Tax Paid State</u>	<u>Preparer's Name</u>
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____

**Item 18. Financial Statements**

List all financial statements that were prepared for the corporation's last three complete fiscal years and for the current fiscal year-to-date. *Attach copies of all statements, providing audited statements if available.*

<u>Year</u>	<u>Balance Sheet</u>	<u>Profit &amp; Loss Statement</u>	<u>Cash Flow Statement</u>	<u>Changes in Owner's Equity</u>	<u>Audited?</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

**Item 19. Financial Summary**

For each of the last three complete fiscal years and for the current fiscal year-to-date for which the corporation has not provided a profit and loss statement in accordance with Item 18 above, provide the following summary financial information.

	<u>Current Year-to-Date</u>	<u>1 Year Ago</u>	<u>2 Years Ago</u>	<u>3 Years Ago</u>
<u>Gross Revenue</u>	\$ _____	\$ _____	\$ _____	\$ _____
<u>Expenses</u>	\$ _____	\$ _____	\$ _____	\$ _____
<u>Net Profit After Taxes</u>	\$ _____	\$ _____	\$ _____	\$ _____
<u>Payables</u>	\$ _____			
<u>Receivables</u>	\$ _____			

**Item 20. Cash, Bank, and Money Market Accounts**

List cash and all bank and money market accounts, including but not limited to, checking accounts, savings accounts, and certificates of deposit, held by the corporation. The term "cash" includes currency and uncashed checks.

Cash on Hand \$ \_\_\_\_\_ Cash Held for the Corporation's Benefit \$ \_\_\_\_\_

<u>Name &amp; Address of Financial Institution</u>	<u>Signator(s) on Account</u>	<u>Account No.</u>	<u>Current Balance</u>
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

**Item 21. Government Obligations and Publicly Traded Securities**

List all U.S. Government obligations, including but not limited to, savings bonds, treasury bills, or treasury notes, held by the corporation. Also list all publicly traded securities, including but not limited to, stocks, stock options, registered and bearer bonds, state and municipal bonds, and mutual funds, held by the corporation.

Issuer \_\_\_\_\_ Type of Security/Obligation \_\_\_\_\_

No. of Units Owned \_\_\_\_\_ Current Fair Market Value \$ \_\_\_\_\_ Maturity Date \_\_\_\_\_

Issuer \_\_\_\_\_ Type of Security/Obligation \_\_\_\_\_

No. of Units Owned \_\_\_\_\_ Current Fair Market Value \$ \_\_\_\_\_ Maturity Date \_\_\_\_\_

**Item 22. Real Estate**

List all real estate, including leaseholds in excess of five years, held by the corporation.

Type of Property \_\_\_\_\_ Property's Location \_\_\_\_\_

Name(s) on Title and Ownership Percentages \_\_\_\_\_

Current Value \$ \_\_\_\_\_ Loan or Account No. \_\_\_\_\_

Lender's Name and Address \_\_\_\_\_

Current Balance On First Mortgage \$ \_\_\_\_\_ Monthly Payment \$ \_\_\_\_\_

Other Loan(s) (describe) \_\_\_\_\_ Current Balance \$ \_\_\_\_\_

Monthly Payment \$ \_\_\_\_\_ Rental Unit? \_\_\_\_\_ Monthly Rent Received \$ \_\_\_\_\_

Type of Property \_\_\_\_\_ Property's Location \_\_\_\_\_

Name(s) on Title and Ownership Percentages \_\_\_\_\_

Current Value \$ \_\_\_\_\_ Loan or Account No. \_\_\_\_\_

Lender's Name and Address \_\_\_\_\_

Current Balance On First Mortgage \$ \_\_\_\_\_ Monthly Payment \$ \_\_\_\_\_

Other Loan(s) (describe) \_\_\_\_\_ Current Balance \$ \_\_\_\_\_

Monthly Payment \$ \_\_\_\_\_ Rental Unit? \_\_\_\_\_ Monthly Rent Received \$ \_\_\_\_\_

**Item 23. Other Assets**

List all other property, by category, with an estimated value of \$2,500 or more, held by the corporation, including but not limited to, inventory, machinery, equipment, furniture, vehicles, customer lists, computer software, patents, and other intellectual property.

<u>Property Category</u>	<u>Property Location</u>	<u>Acquisition Cost</u>	<u>Current Value</u>
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$

**Item 24. Trusts and Escrows**

List all persons and other entities holding funds or other assets that are in escrow or in trust for the corporation.

<u>Trustee or Escrow Agent's Name &amp; Address</u>	<u>Description and Location of Assets</u>	<u>Present Market Value of Assets</u>
		\$
		\$
		\$
		\$
		\$
		\$
		\$

**Item 25. Monetary Judgments and Settlements Owed To the Corporation**

List all monetary judgments and settlements, recorded and unrecorded, owed to the corporation.

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_ Docket No. \_\_\_\_\_

Nature of Lawsuit \_\_\_\_\_ Date of Judgment \_\_\_\_\_ Amount \$ \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_ Docket No. \_\_\_\_\_

Nature of Lawsuit \_\_\_\_\_ Date of Judgment \_\_\_\_\_ Amount \$ \_\_\_\_\_

**Item 26. Monetary Judgments and Settlements Owed By the Corporation**

List all monetary judgments and settlements, recorded and unrecorded, owed by the corporation.

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_ Docket No. \_\_\_\_\_

Nature of Lawsuit \_\_\_\_\_ Date \_\_\_\_\_ Amount \$ \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_ Docket No. \_\_\_\_\_

Nature of Lawsuit \_\_\_\_\_ Date of Judgment \_\_\_\_\_ Amount \$ \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_ Docket No. \_\_\_\_\_

Nature of Lawsuit \_\_\_\_\_ Date of Judgment \_\_\_\_\_ Amount \$ \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_ Docket No. \_\_\_\_\_

Nature of Lawsuit \_\_\_\_\_ Date of Judgment \_\_\_\_\_ Amount \$ \_\_\_\_\_

Opposing Party's Name & Address \_\_\_\_\_

Court's Name & Address \_\_\_\_\_ Docket No. \_\_\_\_\_

Nature of Lawsuit \_\_\_\_\_ Date of Judgment \_\_\_\_\_ Amount \$ \_\_\_\_\_

**Item 27. Government Orders and Settlements**

List all existing orders and settlements between the corporation and any federal or state government entities.

Name of Agency \_\_\_\_\_ Contact Person \_\_\_\_\_

Address \_\_\_\_\_ Telephone No. \_\_\_\_\_

Agreement Date \_\_\_\_\_ Nature of Agreement \_\_\_\_\_

**Item 28. Credit Cards**

List all of the corporation's credit cards and store charge accounts and the individuals authorized to use them.

Name of Credit Card or Store

Names of Authorized Users and Positions Held


**Item 29. Compensation of Employees**

List all compensation and other benefits received from the corporation by the five most highly compensated employees, independent contractors, and consultants (other than those individuals listed in Items 5 and 6 above), for the two previous fiscal years and current fiscal year-to-date. "Compensation" includes, but is not limited to, salaries, commissions, consulting fees, bonuses, dividends, distributions, royalties, pensions, and profit sharing plans. "Other benefits" include, but are not limited to, loans, loan payments, rent, car payments, and insurance premiums, whether paid directly to the individuals, or paid to others on their behalf.

<u>Name/Position</u>	<u>Current Fiscal Year-to-Date</u>	<u>1 Year Ago</u>	<u>2 Years Ago</u>	<u>Compensation or Type of Benefits</u>
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	\$ _____	_____

**Item 30. Compensation of Board Members and Officers**

List all compensation and other benefits received from the corporation by each person listed in Items 5 and 6, for the current fiscal year-to-date and the two previous fiscal years. "Compensation" includes, but is not limited to, salaries, commissions, consulting fees, dividends, distributions, royalties, pensions, and profit sharing plans. "Other benefits" include, but are not limited to, loans, loan payments, rent, car payments, and insurance premiums, whether paid directly to the individuals, or paid to others on their behalf.

<u>Name/Position</u>	<u>Current Fiscal Year-to-Date</u>	<u>1 Year Ago</u>	<u>2 Years Ago</u>	<u>Compensation or Type of Benefits</u>
	\$ _____	\$ _____	\$ _____	_____
	\$ _____	\$ _____	\$ _____	_____
	\$ _____	\$ _____	\$ _____	_____
	\$ _____	\$ _____	\$ _____	_____
	\$ _____	\$ _____	\$ _____	_____
	\$ _____	\$ _____	\$ _____	_____
	\$ _____	\$ _____	\$ _____	_____
	\$ _____	\$ _____	\$ _____	_____

**Item 31. Transfers of Assets Including Cash and Property**

List all transfers of assets over \$2,500 made by the corporation, other than in the ordinary course of business, during the previous three years, by loan, gift, sale, or other transfer.

<u>Transferee's Name, Address, &amp; Relationship</u>	<u>Property Transferred</u>	<u>Aggregate Value</u>	<u>Transfer Date</u>	<u>Type of Transfer (e.g., Loan, Gift)</u>
		\$ _____	_____	_____
		\$ _____	_____	_____
		\$ _____	_____	_____
		\$ _____	_____	_____
		\$ _____	_____	_____



## **Item 32. Documents Attached to the Financial Statement**

List all documents that are being submitted with the financial statement.

<u>Item No.</u>	<u>Document</u>	<u>Description of Document</u>
	<u>Relates To</u>	

[illegible]

I am submitting this financial statement with the understanding that it may affect action by the Federal Trade Commission or a federal court. I have used my best efforts to obtain the information requested in this statement. The responses I have provided to the items above are true and contain all the requested facts and information of which I have notice or knowledge. I have provided all requested documents in my custody, possession, or control. I know of the penalties for false statements under 18 U.S.C. § 1001, 18 U.S.C. § 1621, and 18 U.S.C. § 1623 (five years imprisonment and/or fines). I certify under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed on:

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(Date)

Signature \_\_\_\_\_

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## Corporate Position

# Attachment C

Form **4506**

(November 2021)

Department of the Treasury  
Internal Revenue Service**Request for Copy of Tax Return**

- **Do not sign this form unless all applicable lines have been completed.**
- **Request may be rejected if the form is incomplete or illegible.**
- **For more information about Form 4506, visit [www.irs.gov/form4506](http://www.irs.gov/form4506).**

OMB No. 1545-0429

**Tip: Get faster service:** Online at [www.irs.gov](http://www.irs.gov), **Get Your Tax Record** (Get Transcript) or by calling **1-800-908-9946** for specialized assistance. We have teams available to assist. **Note:** Taxpayers may register to use Get Transcript to view, print, or download the following transcript types: **Tax Return Transcript** (shows most line items including Adjusted Gross Income (AGI) from your original Form 1040-series tax return as filed, along with any forms and schedules), **Tax Account Transcript** (shows basic data such as return type, marital status, AGI, taxable income and all payment types), **Record of Account Transcript** (combines the tax return and tax account transcripts into one complete transcript), **Wage and Income Transcript** (shows data from information returns we receive such as Forms W-2, 1099, 1098 and Form 5498), and **Verification of Non-filing Letter** (provides proof that the IRS has no record of a filed Form 1040-series tax return for the year you request).

<b>1a</b> Name shown on tax return. If a joint return, enter the name shown first.	<b>1b</b> First social security number on tax return, individual taxpayer identification number, or employer identification number (see instructions)
<b>2a</b> If a joint return, enter spouse's name shown on tax return.	<b>2b</b> Second social security number or individual taxpayer identification number if joint tax return
<b>3</b> Current name, address (including apt., room, or suite no.), city, state, and ZIP code (see instructions)	
<b>4</b> Previous address shown on the last return filed if different from line 3 (see instructions)	
<b>5</b> If the tax return is to be mailed to a third party (such as a mortgage company), enter the third party's name, address, and telephone number.	

**Caution:** If the tax return is being sent to the third party, ensure that lines 5 through 7 are completed before signing. (see instructions).

**6 Tax return requested.** Form 1040, 1120, 941, etc. and all attachments as originally submitted to the IRS, including Form(s) W-2, schedules, or amended returns. Copies of Forms 1040, 1040A, and 1040EZ are generally available for 7 years from filing before they are destroyed by law. Other returns may be available for a longer period of time. Enter only one return number. If you need more than one type of return, you must complete another Form 4506. ► \_\_\_\_\_

**Note:** If the copies must be certified for court or administrative proceedings, check here . . . . . ☐

**7 Year or period requested.** Enter the ending date of the tax year or period using the mm/dd/yyyy format (see instructions).

____/____/____	____/____/____	____/____/____	____/____/____
____/____/____	____/____/____	____/____/____	____/____/____

<b>8 Fee.</b> There is a \$43 fee for each return requested. <b>Full payment must be included with your request or it will be rejected. Make your check or money order payable to "United States Treasury." Enter your SSN, ITIN, or EIN and "Form 4506 request" on your check or money order.</b>	
<b>a</b> Cost for each return . . . . .	\$ 43.00
<b>b</b> Number of returns requested on line 7 . . . . .	
<b>c</b> Total cost. Multiply line 8a by line 8b . . . . .	\$

**9** If we cannot find the tax return, we will refund the fee. If the refund should go to the third party listed on line 5, check here . . . . . ☐

**Caution:** Do not sign this form unless all applicable lines have been completed.

**Signature of taxpayer(s).** I declare that I am either the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax return requested. If the request applies to a joint return, at least one spouse must sign. If signed by a corporate officer, 1 percent or more shareholder, partner, managing member, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506 on behalf of the taxpayer. **Note:** This form must be received by IRS within 120 days of the signature date.

☐ **Signatory attests that he/she has read the attestation clause and upon so reading declares that he/she has the authority to sign the Form 4506.** See instructions.

Phone number of taxpayer on line 1a or 2a

**Sign Here**

Signature (see instructions)	Date
Print/Type name	Title (if line 1a above is a corporation, partnership, estate, or trust)
Spouse's signature	Date
Print/Type name	

Section references are to the Internal Revenue Code unless otherwise noted.

## Future Developments

For the latest information about Form 4506 and its instructions, go to [www.irs.gov/form4506](http://www.irs.gov/form4506).

## General Instructions

**Caution:** Do not sign this form unless all applicable lines, *including lines 5 through 7*, have been completed.

**Designated Recipient Notification.** Internal Revenue Code, Section 6103(c), limits disclosure and use of return information received pursuant to the taxpayer's consent and holds the recipient subject to penalties for any unauthorized access, other use, or redisclosure without the taxpayer's express permission or request.

**Taxpayer Notification.** Internal Revenue Code, Section 6103(c), limits disclosure and use of return information provided pursuant to your consent and holds the recipient subject to penalties, brought by private right of action, for any unauthorized access, other use, or redisclosure without your express permission or request.

**Purpose of form.** Use Form 4506 to request a copy of your tax return. You can also designate (on line 5) a third party to receive the tax return.

**How long will it take?** It may take up to 75 calendar days for us to process your request.

**Where to file.** Attach payment and mail Form 4506 to the address below for the state you lived in, or the state your business was in, when that return was filed. There are two address charts: one for individual returns (Form 1040 series) and one for all other returns.

If you are requesting a return for more than one year or period and the chart below shows two different addresses, send your request based on the address of your most recent return.

## Chart for individual returns (Form 1040 series)

### If you filed an individual return and lived in:

Florida, Louisiana, Mississippi, Texas, a foreign country, American Samoa, Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, or A.P.O. or F.P.O. address

### Mail to:

Internal Revenue Service  
RAIVS Team  
Stop 6716 AUCS  
Austin, TX 73301

Alabama, Arkansas, Delaware, Georgia, Illinois, Indiana, Iowa, Kentucky, Maine, Massachusetts, Minnesota, Missouri, New Hampshire, New Jersey, New York, North Carolina, Oklahoma, South Carolina, Tennessee, Vermont, Virginia, Wisconsin

Internal Revenue Service  
RAIVS Team  
Stop 6705 S-2  
Kansas City, MO 64999

Alaska, Arizona, California, Colorado, Connecticut, District of Columbia, Hawaii, Idaho, Kansas, Maryland, Michigan, Montana, Nebraska, Nevada, New Mexico, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Dakota, Utah, Washington, West Virginia, Wyoming

Internal Revenue Service  
RAIVS Team  
P.O. Box 9941  
Mail Stop 6734  
Ogden, UT 84409

## Chart for all other returns

### For returns not in Form 1040 series, if the address on the return was in:

### Mail to:

Connecticut, Delaware, District of Columbia, Georgia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, Wisconsin

Internal Revenue Service  
RAIVS Team  
Stop 6705 S-2  
Kansas City, MO 64999

Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wyoming, a foreign country, American Samoa, Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, or A.P.O. or F.P.O. address

Internal Revenue Service  
RAIVS Team  
P.O. Box 9941  
Mail Stop 6734  
Ogden, UT 84409

## Specific Instructions

**Line 1b.** Enter the social security number (SSN) or individual taxpayer identification number (ITIN) for the individual listed on line 1a, or enter the employer identification number (EIN) for the business listed on line 1a. For example, if you are requesting Form 1040 that includes Schedule C (Form 1040), enter your SSN.

**Line 3.** Enter your current address. If you use a P.O. box, please include it on this line 3.

**Line 4.** Enter the address shown on the last return filed if different from the address entered on line 3.

**Note.** If the addresses on lines 3 and 4 are different and you have not changed your address with the IRS, file Form 8822, Change of Address, or Form 8822-B, Change of Address or Responsible Party — Business, with Form 4506.

**Line 7.** Enter the end date of the tax year or period requested in mm/dd/yyyy format. This may be a calendar year, fiscal year or quarter. Enter each quarter requested for quarterly returns. Example: Enter 12/31/2018 for a calendar year 2018 Form 1040 return, or 03/31/2017 for a first quarter Form 941 return.

**Signature and date.** Form 4506 must be signed and dated by the taxpayer listed on line 1a or 2a. The IRS must receive Form 4506 within 120 days of the date signed by the taxpayer or it will be rejected. Ensure that all applicable lines, *including lines 5 through 7*, are completed before signing.



**CAUTION** You must check the box in the signature area to acknowledge you have the authority to sign and request the information. The form will not be processed and returned to you if the box is unchecked.

**Individuals.** Copies of jointly filed tax returns may be furnished to either spouse. Only one signature is required. Sign Form 4506 exactly as your name appeared on the original return. If you changed your name, also sign your current name.

**Corporations.** Generally, Form 4506 can be signed by: (1) an officer having legal authority to bind the corporation, (2) any person designated by the board of directors or other governing body, or (3) any officer or employee on written request by any principal officer and attested to by the secretary or other officer. A bona fide shareholder of record owning 1 percent or more of the outstanding stock of the corporation may submit a Form 4506 but must provide documentation to support the requester's right to receive the information.

**Partnerships.** Generally, Form 4506 can be signed by any person who was a member of the partnership during any part of the tax period requested on line 7.

**All others.** See section 6103(e) if the taxpayer has died, is insolvent, is a dissolved corporation, or if a trustee, guardian, executor, receiver, or administrator is acting for the taxpayer.

**Note:** If you are Heir at law, Next of kin, or Beneficiary you must be able to establish a material interest in the estate or trust.

**Documentation.** For entities other than individuals, you must attach the authorization document. For example, this could be the letter from the principal officer authorizing an employee of the corporation or the letters testamentary authorizing an individual to act for an estate.

**Signature by a representative.** A representative can sign Form 4506 for a taxpayer only if this authority has been specifically delegated to the representative on Form 2848, line 5a. Form 2848 showing the delegation must be attached to Form 4506.

## Privacy Act and Paperwork Reduction Act

**Notice.** We ask for the information on this form to establish your right to gain access to the requested return(s) under the Internal Revenue Code. We need this information to properly identify the return(s) and respond to your request. If you request a copy of a tax return, sections 6103 and 6109 require you to provide this information, including your SSN or EIN, to process your request. If you do not provide this information, we may not be able to process your request. Providing false or fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file Form 4506 will vary depending on individual circumstances. The estimated average time is: **Learning about the law or the form**, 10 min.; **Preparing the form**, 16 min.; and **Copying, assembling, and sending the form to the IRS**, 20 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making Form 4506 simpler, we would be happy to hear from you. You can write to:

Internal Revenue Service  
Tax Forms and Publications Division  
1111 Constitution Ave. NW, IR-6526  
Washington, DC 20224.

Do not send the form to this address. Instead, see *Where to file* on this page.

# Attachment D

## CONSENT TO RELEASE FINANCIAL RECORDS

I, \_\_\_\_\_ of \_\_\_\_\_, (City, State), do hereby direct any bank, saving and loan association, credit union, depository institution, finance company, commercial lending company, credit card processor, credit card processing entity, automated clearing house, network transaction processor, bank debit processing entity, brokerage house, escrow agent, money market or mutual fund, title company, commodity trading company, trustee, or person that holds, controls, or maintains custody of assets, wherever located, that are owned or controlled by me or at which there is an account of any kind upon which I am authorized to draw, and its officers, employees, and agents, to disclose all information and deliver copies of all documents of every nature in its possession or control which relate to the said accounts to any attorney of the Federal Trade Commission, and to give evidence relevant thereto, in the matter of [ ], now pending in the United States District Court of [ ], and this shall be irrevocable authority for so doing.

This direction is intended to apply to the laws of countries other than the United States of America which restrict or prohibit disclosure of bank or other financial information without the consent of the holder of the account, and shall be construed as consent with respect hereto, and the same shall apply to any of the accounts for which I may be a relevant principal.

Dated: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_