

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

CASE NO. 3:22-cv-00487-TJC-MCR

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

MICHAEL RANDO, et al.,

Defendants.

**MOTION TO MODIFY THE TEMPORARY RESTRAINING ORDER AND
ASSET FREEZE TO SET A BUDGET FOR
DEFENDANTS' LIVING EXPENSES**

Defendants Michael Rando and Valerie Rando (the “Individual Defendants”), move the Court to modify the asset freeze and establish a monthly disbursement for their living expenses until this case concludes. The Individual Defendants further request that the Court set aside time during the hearing scheduled on September 21, 2022, for the parties to address the amount of such distributions.

1. On May 4, 2022, the Court entered an *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 (“TRO”) (Doc. 12).

2. On May 26, 2022, the Court granted the Individual Defendants’ first request for living expenses and released \$36,000 from the asset freeze. (Doc. 33). On

June 29, 2022 and August 12, 2022, the Court ordered second and third disbursements of \$25,000 for the Individual Defendants' living expenses. (Docs. 62 and 80). In the August 12, 2022 order, the Court indicated that absent a showing of "extraordinary hardship," there would be no further disbursements prior to the September 21, 2022 hearing. (Doc. 80).

3. The Plaintiff and the Individual Defendants have been engaged in fruitful and ongoing settlement negotiations. As a result of these discussions, the Parties filed a Joint Motion for Entry of a Stipulated Preliminary Injunction (Doc. 89) on August 31, 2022, to allow them additional time to finalize settlement negotiations. As noted in that Motion, however, settlement cannot be finalized without "approval by a majority vote of the FTC's Commissioners through *an internal approval process that often takes some time.*" (emphasis added).

4. The Stipulated Proposed Order includes a carve-out from the asset freeze permitting the Individual Defendants to incur reasonable personal expenses. (Doc. 89-1 at 13). A final settlement agreement will provide the Individual Defendants with means to pay their living expenses in the short term, but until that settlement is reached, all of their assets (personal and business) remain frozen. Although they are making efforts to reduce their monthly expenses and to generate new sources of income, the asset freeze makes it virtually impossible for them to pay their existing debts, childcare expenses, rent, medical expenses, insurance, and other normal daily living expenses.

WHEREFORE, the Individual Defendants respectfully request that the Court modify the asset freeze to permit a monthly disbursement to be paid to the Individual Defendants for living expenses through the end of this case and that the Court reserve time at the upcoming hearing to address the amount of these distributions.

LOCAL RULE 3.01(g) CERTIFICATE OF CONFERRAL

I certify that counsel for the Individual Defendants conferred with counsel for the Plaintiff and Receiver via telephone and email about the relief sought in this motion. The Plaintiff opposes this motion. The Receiver does not oppose the concept of a monthly budget.

Dated: September 14, 2022

**GUNSTER, YOAKLEY &
STEWART, P.A.**

By: /s/ Samantha V. Medina

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Attorneys for Defendants

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 14th day of September, 2022 a true and correct copy of the foregoing document was electronically filed with the United States District Court for the Middle District of Florida using the CM/ECF system which will send notification of such filing to all counsel of record.

By: /s/ Samantha V. Medina