

Jmt

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

08CV2783

JUDGE DOW

MAGISTRATE JUDGE DENLOW

ILS CORP., ILSCORP.NET, DOMAIN LISTING
SERVICE CORP., DLS CORP., and
DLSCORP.NET;

ARI BALABANIAN;

ISAAC BENLOLO; and

1. This Court has jurisdiction over the subject matter of this case and there is good cause to believe it will have jurisdiction of all parties hereto;

2. Venue lies properly with this Court;

3. There is good cause to believe that Defendants Data Business Solutions Inc., d/b/a Internet Listing Service Corp., ILS Corp., ILSCORP.NET, Domain Listing Service Corp., DLS Corp., and DLSCORP.NET; Ari Balabanian; Isaac Benlolo; and Kirk Mulveny have engaged in and are likely to engage in the future in acts and practices that violate Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and that the Commission is therefore likely to prevail on the merits of this action;

4. There is good cause to believe that immediate and irreparable harm will result from Defendants' ongoing violations of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), unless Defendants are restrained and enjoined by Order of this Court;

5. There is good cause to believe that immediate and irreparable damage to the Court's ability to grant effective final relief for U.S. consumers in the form of monetary restitution will occur from the sale, transfer, or other disposition or concealment by Defendants of their assets or records unless Defendants are immediately restrained and enjoined by Order of this Court. Therefore, there is good cause for the entry of the ancillary relief contained in this Order, including freezing the Defendants' assets and prohibiting the Defendants from destroying records, and for relieving the Commission of the duty to provide Defendants with prior notice of the Commission's motion:

6. Weighing the equities and considering the Commission's likelihood of ultimate success, a Temporary Restraining Order with asset freeze, expedited discovery, and other equitable relief is in the public interest; and

of the United States for the issuance of a

restraining order. Fed. R. Civ. P. 65(c).

DEFINITIONS

For the purpose of this temporary restraining order, the following definitions shall apply:

1. "Asset" or "assets" means any legal or equitable interest in, right to, or claim to,

including but not limited to "goods" "instruments"

customs brokers, or other parties holding, receiving, or forwarding mail and/or freight on behalf

of Defendants.

4. **“Consumer”** means any individual, group, unincorporated association, limited or general partnership, corporation, or other business entity.

5. **“Customer”** means any person who has paid, or may be required to pay, for goods or services offered for sale or sold by Defendants.

6. **“Defendant”** or **“Defendants”** means Data Business Solutions Inc., d/b/a Internet Listing Service Corp., ILS Corp., ILSCORP.NET, Domain Listing Service Corp., DLS

ILSCORP.NET, and Defendant James Donohue and Kirk Mulvaney

house, trustee, broker-dealer, escrow agent, title company, commodity trading company, or precious metal dealer.

10 "Material" means likely to affect a person's choice of or conduct regarding

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

limited or general partnership, corporation, or other business entity.

11 "Plaintiff" means the Federal Trade Commission.

[REDACTED]

Misrepresenting, expressly or by implication, that consumers have a preexisting

business relationship with Defendants;

B. Misrepresenting, expressly or by implication, that consumers owe money to Defendants for the continued registration of the consumers' current domain names;

C. Misrepresenting, expressly or by implication, that Defendants will provide continued domain name registration services for consumers' current domain names;

whether acting directly or through any trust, corporation, subsidiary division, or other device, or

as provided herein, as stipulated by the parties, or as directed by further

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

opportunity to inspect the contents in order to determine that they contain no assets covered by this Section;

C. Cashing any checks or depositing any payments from customers of Defendants;

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

E. Incurring liens or encumbrances on real property, personal property, or other assets in the name, singly or jointly, of any Defendant.

Notwithstanding the asset freeze provisions of Section II.A-E above, and subject to prior written agreement with the Commission, Defendants Ari Balabanian, Isaac Beulolo, and Kirk

Mulveney, may upon compliance with Section III (Financial Statements) *infra*, pay from their individual personal funds reasonable, usual, ordinary, and necessary living expenses.

The assets affected by this Section shall include both existing assets and assets acquired

attach to their completed financial statements copies of all local, state, provincial, and federal income and property tax returns, with attachments and schedules as called for by the instructions to the financial statements; and

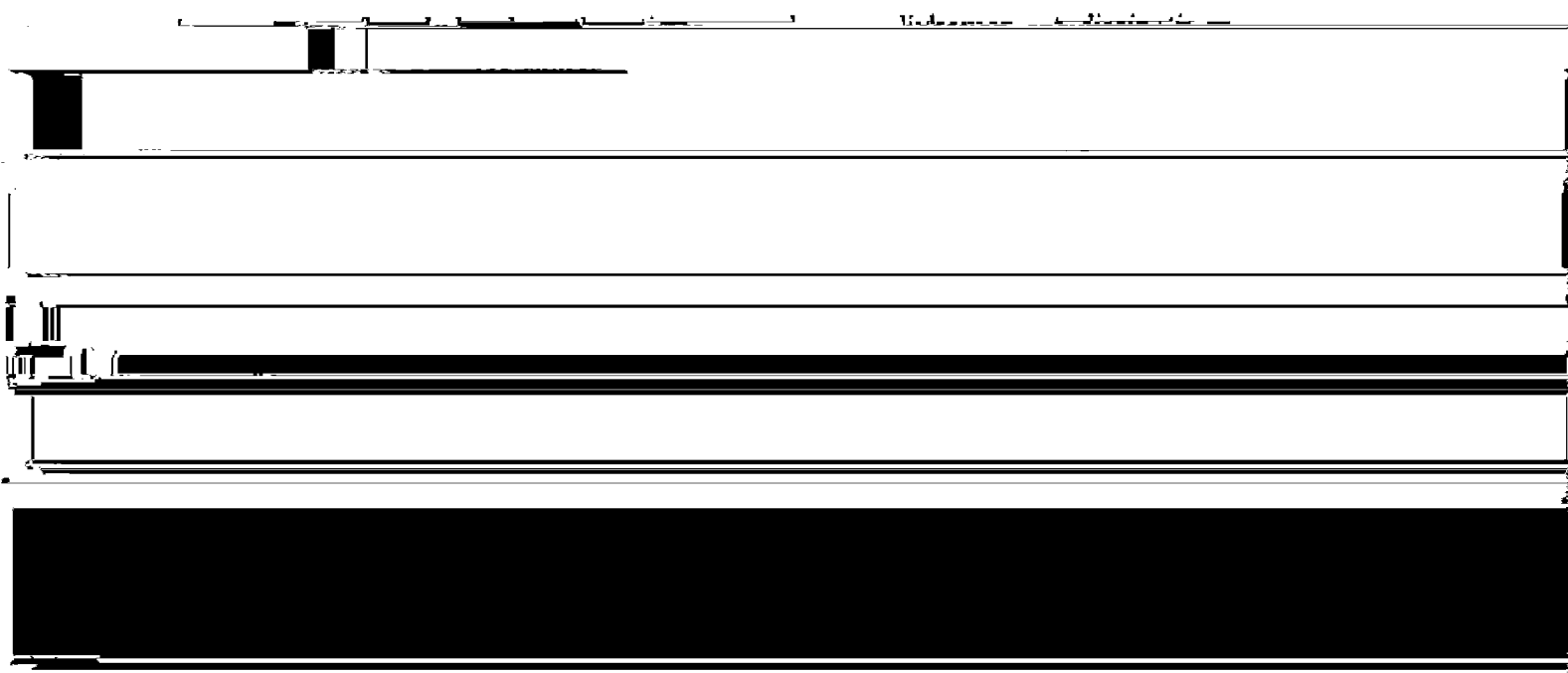
B. A completed Consent to Release of Financial Information, attached to this Order as Attachment A, providing Plaintiff with access to Defendants' records and documents held by financial institutions or other entities outside the territorial United States.

IV.

DUTIES OF THIRD PARTIES HOLDING DEFENDANTS' ASSETS

IT IS FURTHER ORDERED that, pending determination of the Commission's request for a preliminary injunction, any financial institution, person, or other entity maintaining or having custody or control of any account or other asset of any Defendant, or any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by, or under common control with any Defendant, or that at any time since August 1, 2004, has maintained or had custody of any such asset, and which is served with a copy of this Order, or otherwise has actual or constructive knowledge of this Order, shall:

A. Hold and retain within its control and prohibit the withdrawal, removal,



B. Deny Defendants access to any safe deposit boxes or storage facilities that are either titled in the name, individually or jointly, of any Defendant, or otherwise subject to access by any Defendant;

C. Provide the Commission, within five (5) days of the date of service of this Order, a sworn statement setting forth:

1. The identification number of each account or asset titled in the name, individually or jointly, of any Defendant, or held on behalf of, or for the benefit of, any Defendant, including all trust accounts managed on behalf of any Defendant or subject to any Defendant's control;

2. The balance of each such account, or a description of the nature and value of 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 and location 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 or control by any Defendant; and

[REDACTED]

The assets and funds affected by this Section shall include both existing assets and assets acquired after the issuance date of this Order.

V.

DUTIES OF THIRD PARTIES TO WITHHOLD DEFENDANTS' MAIL

[REDACTED]

any CMAA where Defendants maintain an account, including, but not limited to

[REDACTED]

[REDACTED]

[REDACTED]

VIII.

DISABLEMENT OF DEFENDANTS' WEB SITES

IT IS FURTHER ORDERED that, any party hosting any Web pages or Web sites for Defendants, including, but not limited to, Wild West Domains, Inc., and its affiliates, shall:

A. Immediately take whatever steps may be necessary to ensure that Web pages or Web sites operated, in whole or in part, under the names jlscorp.net, and dlscorp.net cannot be accessed by the public;

B. Prevent the destruction or erasure of Web pages or Web sites operated, in whole or in part, under the names jlscorp.net, and dlscorp.net by preserving such documents in the format in which they are currently maintained; and

C. Immediately notify counsel for the Commission of any other Web page or Web site operated or controlled by Defendants.

IX.

SUSPEND DOMAIN NAMES

IT IS FURTHER ORDERED that Wild West Domains, Inc. and its affiliates, and any

other domain name registrar shall:

A. Immediately suspend the registration and prevent the transfer of the following domain names: jlscorp.net, and dlscorp.net, by any and all means, including by removing name

1. Remove domain names from the registry root file; and

X.

PRESERVATION OF RECORDS AND REPORT OF NEW BUSINESS ACTIVITY

IT IS FURTHER ORDERED that Defendants, and their officers, agents, directors, servants, employees, salespersons, independent contractors, attorneys, corporations, subsidiaries,

and business ledgers and check registers, bank statements, appointment books, copies of

federal, provincial, state or local business or personal income or property tax returns, and other documents or records of any kind that relate to the business practices or business or personal

[REDACTED]

B. Benefitting from or using the name, address, birth date, telephone number, e-mail

[REDACTED] identification number, bank account number, or other financial or

[REDACTED]

identifying personal information of any person from whom or about whom any Defendant obtained such information in connection with activities alleged in the FTC's complaint;

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

XII.

DISTRIBUTION OF ORDER BY DEFENDANTS

IT IS FURTHER ORDERED that Defendants shall immediately provide a copy of this

(3) any other person or entity that may be subject to any provision of this Order. Service upon any branch or office of any financial institution or entity shall effect service upon the entire financial institution or entity.

XIV.

CONSUMER REPORTS

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

XV.

EXPEDITED ASSET DISCOVERY

IT IS FURTHER ORDERED that, notwithstanding the provisions of Federal Rules of Civil Procedure 26(d) and (f) and 30(a)(2)(A)(iii), and pursuant to Federal Rules of Civil Procedure 30(a), 34, and 45, Plaintiff is granted leave, at any time after service of this Order, to:

A. Take the deposition, on three (3) calendar days' notice, of any person, whether or not a party, for the purpose of discovering the nature, location, status, and extent of the assets of the Defendants, or their affiliates or subsidiaries; the nature and location of documents reflecting the Defendants' business transactions, or the business transactions of the Defendants' affiliates or subsidiaries; the location of any premises where Defendants, directly or through any third party, conduct business operations; the Defendants' whereabouts; and/or the applicability of any evidentiary privileges to this action. The limitations and conditions set forth in Fed. R. Civ. P. 30(a)(2)(A)(ii) and 31(a)(2)(A)(ii) regarding subsequent depositions of a person shall not apply to depositions taken pursuant to this Section. Any such depositions taken pursuant to this Section shall not be counted toward the ten (10) deposition limit set forth in Fed. R. Civ. P.

30(a)(2)(A)(i) and 31(a)(2)(A)(i). Service of discovery upon a party, taken pursuant to this

B. Demand the production of documents, on five (5) calendar days' notice, from any person, whether or not a party, relating to the nature, status, or extent of Defendants' assets, or of their affiliates or subsidiaries; the location of documents reflecting the business transactions of Defendants, or of their affiliates or subsidiaries; the location of any premises where Defendants, directly or through any third party, conduct business operations; the Defendants' whereabouts; and/or the applicability of any evidentiary privileges to this action, provided that twenty-four (24) hours' notice shall be deemed sufficient for the production of any such documents that are maintained or stored only as electronic data.

XVI.

SERVICE UPON PLAINTIFF

IT IS FURTHER ORDERED that any correspondence, papers, and pleadings related to

XVII.

DURATION OF TEMPORARY RESTRAINING ORDER

IT IS FURTHER ORDERED that the Temporary Restraining Order granted herein shall expire on May 29, 2008 at ~~11:59~~^{2:40 p.m.} p.m., unless within such time, the Order, for good cause shown, is extended, or unless, as to any Defendant, the Defendant consents that it should be extended for a longer period of time.

XVIII.

ORDER TO SHOW CAUSE REGARDING PRELIMINARY INJUNCTION

IT IS FURTHER ORDERED, pursuant to Federal Rule of Civil Procedure 65, that each Defendant shall appear before this Court on the 29th day of May, 2008, at 9:30 o'clock a.m., at the Dirksen Federal Courthouse, 219 S. Dearborn St., Chicago, Illinois, Courtroom 1919, to show cause, if there is any, why this Court should not enter a

~~Provided further that, if any party to this action intends to present the testimony of any~~

witness at the hearing on a Preliminary Injunction in this matter, that party shall, ~~at least seventy-two (72) hours prior to the scheduled date and time of hearing,~~ file with this Court and serve on all other parties a statement disclosing the name, address, and telephone number of any such witness, and either a summary of the witness' expected testimony, or the witness' affidavit revealing the substance of such witness' expected testimony. *by 4:00 p.m. on Friday, May 23, 2008, unless prior leave of Court has been granted ~~to that party~~ ~~to~~ to extend that time for good ^{XIX.} cause shown.*

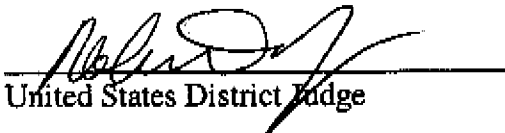
RETENTION OF JURISDICTION

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

The parties shall appear for a status hearing in Courtroom 1919 ^{RND} at 9:45 am on Thursday, May 22, 2008.

SO ORDERED, this 14th day of May, 2008, at 2:40 .m.

MAY 14 2008


United States District Judge

