

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

CASE NO: 8:09-cv-547-T-23TBM

HOME ASSURE, LLC,

B HOME ASSOCIATES, LLC, d/b/a
Expert Foreclosures,

BRIAN BLANCHARD,
individually and as a member, officer,
or director of Home Assure, LLC, and
B Home Associates, LLC,

MICHAEL GRIECO,
MICHAEL TRIMARCO, and
NICOLAS MOLINA,
individually and as members, officers,
or directors of Home Assure, LLC,

Defendants.

**STIPULATED PRELIMINARY INJUNCTION AND ORDER FOR OTHER
EQUITABLE RELIEF AGAINST THE DEFENDANT MICHAEL GRIECO**

The plaintiff, the Federal Trade Commission (the "Commission"), sues the Defendants pursuant to Section 13(b) of the Federal Trade Commission Act (the "FTC Act"), 15 U.S.C. § 53(b), and seeks preliminary and permanent injunctive relief, rescission or reformation of contracts, restitution, disgorgement, and other equitable relief for the Defendants' alleged deceptive acts or practices in connection with the sale of mortgage foreclosure rescue services in violation of Section 5(a) of the FTC Act,

6. Good cause exists for requiring Grieco to produce an accounting of his business assets, sworn financial statements, profit-and-loss statements, and sworn personal financial statements.

7. The court found that good cause exists for the continued appointment of the Temporary Receiver over the defendants Home Assure, LLC, and B Home Associates, LLC, d/b/a Expert Foreclosure, and this order incorporates the provisions of the April 16, 2009, order (Doc. 65) relating to the Temporary Receiver.

8. Weighing the equities and considering the Commission's likelihood of ultimate success on the merits, this preliminary injunction is in the public interest.

9. No security is required of any agency of the United States for issuance of a preliminary injunction. Fed. R. Civ. P. 65(c). **c)**

records, accounts, or other assets, owned directly or indirectly, of record or beneficially, by any Defendant, including accounts or other assets that any Defendant may control by virtue of being a signatory on said accounts.

3. **“Mortgage foreclosure rescue service”** means any service, product, or program wherein the offeror, expressly or by implication, claims that it can assist a homeowner in any manner to: (A) stop, prevent, or postpone any home mortgage foreclosure sale; (B) obtain any forbearance from any beneficiary or mortgagee; (C) exercise any statutory right of reinstatement; (D) obtain any extension of the period within which the owner may reinstate his obligation; (E) obtain any waiver of an acceleration clause contained in any promissory note or contract secured by a deed of trust or mortgage on a residence in foreclosure or contained in that deed of trust or mortgage; (F) obtain a loan or advance of funds; (G) avoid or ameliorate the impairment of the owner’s credit resulting from the recording of a notice of default or the conduct of a foreclosure sale; (H) save the owner’s residence from foreclosure; or (I) assist the owner in obtaining from the beneficiary, mortgagee, trustee under a power of sale, or counsel for the beneficiary, mortgagee, or trustee, the remaining proceeds from the foreclosure sale of the owner’s residence. The foregoing shall include any manner of claimed assistance, including but not limited to debt, budget, or financial counseling; receiving money for the purpose of distributing it to creditors; contacting creditors on behalf of the homeowner; arranging or attempting to arrange for an extension of the period within which the owner of property sold at foreclosure may cure his default;

arranging or attempting to arrange for any delay or postponement of the time of a foreclosure sale; and giving advice of any kind with respect to filing for bankruptcy.

4. “**Individual Defendants**” means Brian Blanchard, Michael Grieco, Michael Trimarco, and Nicolas Molina.

5. “**Business Defendants**” means the Defendants Home Assure, LLC, and B Home Associates, LLC, doing business as Expert Foreclosure, and their successors and assigns.

6. “**Defendants**” means all the Individual Defendants and the Business Defendants, individually, collectively, or in any combination.

7. “**Receivership Defendants**” means the Business Defendants and any entity or name through which the Business Defendants conduct business.

8. “Temporary Receiver” means Robb Evans and Associates, LLC, 11450 Sheldon Street, Sun Valley, California, 91352-1121, as Temporary Receiver for the Receivership Defendants.

9. “**Document**” is synonymous with and equal in scope to the term as defined in Rule 34(a), Federal Rules of Civil Procedure, and includes both documents and electronically stored information, including but not limited to writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, and other data compilations from which information can be obtained and translated, if necessary, through detection devices into a reasonably usable form. A draft or non-identical copy is a separate document within the meaning of the term “document.”

10. “**Material**” means likely to affect a person’s choice of, or conduct regarding, goods or services.

or part of any fees or other monies to consumers, they are hereby enjoined from failing to honor that refund.

II. ASSET FREEZE

IT IS FURTHER ORDERED that Grieco and his officers, agents, employees, and corporations, and all those persons in active concert or participation with them who receive actual notice of this order by personal service or otherwise, including financial institutions, whether acting directly or through any trust, corporation, subsidiary, division, or other device, including but not limited to fictitious business names, are hereby restrained and enjoined from:

A. Transferring, liquidating, converting, encumbering, selling, concealing, dissipating, disbursing, assigning, spending, withdrawing, pledging, loaning, granting a lien or security interest or other interest in, or otherwise disposing of any funds, credit instruments, real or personal property, accounts, contracts, lists of consumer names, shares of stock, or other assets, wherever located, including outside the United States, that are:

1. Owned or controlled by any Defendant, in whole or in part, including but not limited to any assets held by, for, or in the name of the Defendants at any bank or savings and loan institution or credit card processing agent, or with any broker-dealer, escrow agent, title company, commodity trading company, precious metal dealer, merchant account processor, check processor, or other financial institution, depository of any kind, or business entity, including but not limited to Bank of America, NA, Wachovia Bank, NA, and MoneyGram International;
2. In the actual or constructive possession of any Defendant;

3. Held by an agent of any Defendant as a retainer for the agent's provision of services to any Defendant; or

4. Owned, controlled by, or in the actual or constructive possession of any corporation, partnership, limited liability company, or other entity directly or indirectly owned, managed, or controlled by, or under common control with any Defendant.

B. Opening or causing to be opened any safe deposit boxes titled, singly or jointly, in the name of any Defendant, or subject to access by any Defendant;

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

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

E. Collecting, opening, or causing to be collected or opened, any mail received by or on behalf of the Receivership Defendants, at any address including but not limited to 2010 Drew Street, Clearwater, Florida,

Notwithstanding the provisions of this Section, Grieco may make transfers as directed by the Temporary Receiver appointed by this court or as otherwise ordered by the court upon proper showing after notice to counsel for the Commission.

III. PROHIBITION ON DISCLOS

A. Prohibit Grieco from withdrawing, removing, assigning, transferring, pledging, encumbering, disbursing, dissipating, converting, selling, or otherwise disposing of any such account or asset except as directed by further order of the court;

B. Deny Grieco access to any safe deposit box that is titled in the name of any of the Defendants, either individually or jointly, or otherwise subject to access by Grieco, either individually or jointly;

C. Provide to counsel for the Commission and the Temporary Receiver, within five business days of receiving a copy of this order, a sworn statement setting forth:

1. The identification number and description of each such account or asset titled in the name, individually or jointly, of Grieco, or held on behalf of, or for the benefit of, Grieco;
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 asset has been closed or removed, the date closed or removed, the total funds removed to close the account, and the name of the person or entity to whom such account or other asset was remitted;
3. The identification of any safe deposit box that is either titled in Grieco's name, individually or jointly, or otherwise subject to access by Grieco; and

D. Within forty-eight hours of a request by the Temporary Receiver or the Commission, provide the Temporary Receiver and the Commission copies of all records or other documentation pertaining to any account or asset of any Defendant, including but not limited to originals or copies of account applications, account statements,



A. Within forty-eight hours after service of this order, take such steps as are necessary to transfer to the territory of the United States of America all documents and assets that are located outside of such territory and are held by or for the benefit of Grieco or are under his direct or indirect control, jointly, severally, or individually;

B. Within forty-eight hours after service of this order, provide counsel for the Commission and the Temporary Receiver with a full accounting of all documents and assets that are located outside of such territory and are held by or for the benefit of Grieco or are under his direct or indirect control, whether jointly, severally, or individually;

C. Hold and retain all documents and assets transferred pursuant to Subsection A above, and prevent any transfer, disposition, or dissipation whatsoever of any such assets or funds; and

D. Within forty-eight hours of service of this order, provide counsel for the Commission with access to records and documents of defendant Grieco held by financial institutions outside the territorial United States of America by signing and delivering to counsel for the Commission the Consent of Release of Financial Records attached as Attachment A to the March 26, 2009, temporary restraining order (the "TRO").

VII. INTERFERENCE WITH REPATRIATION

IT IS FURTHER ORDERED that Grieco is hereby restrained and enjoined from taking any action, directly or indirectly, which may result in the encumbrance or dissipation of his foreign assets or in the hindrance of the repatriation required by Section VI of this order including but not limited to:

A. Sending any statement, letter, facsimile, e-mail, or wire transmission, telephoning or engaging in any other act, directly or indirectly, that results in a determination by a foreign trustee or other entity that a “duress” event has occurred under the terms of a foreign trust agreement until all assets have been fully repatriated pursuant to Section VI of this order; and

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

VIII. EXPEDITED DISCOVERY

IT IS ORDERED that the Court hereby ORDER. B. B .

Pursuant to Rule 34(b), Grieco shall produce all documents requested by the Commission within two days of the request, with production of documents made to the Commission counsel or to such other person or place as counsel for t2,8counsel or to smsel or to

corporation, limited liability company, or partnership that Grieco hired for personal advice or services, including but not limited to preparation of tax returns and investment advice, since January 1, 2007, and (2) the name, address, and telephone number of each accountant, financial planner, investment advisor, stock broker or other individual, corporation, limited liability company, or partnership that was hired on behalf of the Grieco or the Business Defendants since January 1, 2007.

XI. RECORD KEEPING/BUSINESS OPERATIONS

IT IS FURTHER ORDERED that Grieco and his officers, agents, employees, and corporations, and those persons in active concert or participation with them who receive actual notice of this order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other device, including but not limited to fictitious business names, are hereby restrained and enjoined from:

A. Failing to create and maintain documents that, in reasonable detail, accurately, fairly, and completely reflect their incomes, disbursements, transactions, and use of money;

B. Destroying, erasing, mutilating, concealing, altering, transferring, or otherwise disposing of, in any manner, directly or indirectly, any contracts, accounting data, correspondence, advertisements, computer tapes, discs, or other computerized records, 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, copies of federal, state, or local business or personal income or property tax returns, and other documents of any kind

that relate to the business practices or business or personal finances of the Defendants;
and

C. Creating, operating, or exercising any control over any new business entity, including any partnership, limited partnership, joint venture, sole proprietorship, limited liability company, or corporation, without first providing counsel for the Commission 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.

XII. DISTRIBUTION OF ORDER

IT IS FURTHER ORDERED that Grieco shall immediately provide a copy of this order to each affiliate, subsidiary, division, sales entity, successor, assign, officer, director, employee, independent contractor, agent, attorney, and representative of Grieco and the Receivership Defendants and shall, within five calendar days from the date of entry of this order, provide counsel for the Commission and the Temporary Receiver a sworn statement that Grieco has complied with this provision, which statement shall include the name and address of each such person or entity who has received a copy of this order. The Temporary Receiver has no obligation under this Section.

XIII. COOPERATION WITH THE TEMPORARY RECEIVER

IT IS FURTHER ORDERED that Grieco and his officers, agents, employees, and corporations, and those persons in active concert or participation with them who receive actual notice of this order by personal service or otherwise, whether acting directly or through any trust, corporation, subsidiary, division, or other device, including but not

limited to fictitious business names, shall fully cooperate with and assist the Temporary Receiver. Grieco's cooperation and assistance shall include but not be limited to providing any information to the Temporary Receiver that the Temporary Receiver deems necessary to exercise the authority and discharge the responsibilities of the Temporary Receiver; providing any password or entry code required to access any computer or electronic file of the Receivership Defendants in any medium; or advising all persons who owe money to the Receivership Defendants that all debts should be paid directly to the Temporary Receiver. Grieco is hereby restrained and enjoined from directly or indirectly:

- A. Transacting any of the business of the Receivership Defendants;
- B. Destroying, secreting, defacing, transferring, or otherwise altering or disposing of any documents of the Receivership Defendants, including but not limited to books, records, accounts, or any other papers of any kind or nature;
- C. Transferring, receiving, altering, se

F. Doing any act or refraining from any act whatsoever to interfere with the Temporary Receiver taking custody, control, possession, or managing of the Receivership Defendants' assets or documents; or to harass or interfere with the Temporary Receiver in any way; or to interfere in any manner with the exclusive jurisdiction of this court over the assets or documents of the Receivership Defendants; or to refuse to cooperate with the Temporary Receiver or the Temporary Receiver's duly authorized agents in the exercise of their duties or authority.

XIV. DELIVERY OF RECEIVERSHIP PROPERTY

IT IS FURTHER ORDERED that immediately upon service of this order upon them, or within a period permitted by the Temporary Receiver, Grieco and any other person or entity served with a copy of this order shall forthwith or within such time as permitted by the Temporary Receiver in writing, transfer or deliver possession, custody, and control of the following to the Temporary Receiver:

- A. All assets and property owned beneficially or otherwise, wherever situated, of the Receivership Defendants;
- B. All documents of the Receivership Defendants, including but not limited to books and records of accounts, all financial and accounting records, balance sheets, income statements, bank records (including monthly statements, canceled checks, records of wire transfers, and check registers), client lists, title documents, and other papers;
- C. All assets belonging to members of the public now held by the Receivership Defendants;
- D. All keys, computer passwords, entry codes, and combinations to locks necessary to gain or secure access to any assets or documents of the Receivership

Defendants, including but not limited to access to their business premises, means of communication, accounts, computer systems, or other property; and

XVII. SERVICE OF ORDER UPON THIRD-PARTY ASSET HOLDERS

IT IS FURTHER ORDERED that copies of this order may be served by any means, including facsimile transmission, upon any financial institution or other entity or person that may have possession, custody, or control of any documents or assets of Grieco, or that may otherwise 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.

XVIII. RETENTION OF JURISDICTION

IT IS FURTHER ORDERED that the court shall retain jurisdiction over this matter for all purposes.

ORDERED in Tampa, Florida, on May 1, 2009.



STEVEN D. MERRITT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA