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UNITED STATES DISTRICT COURT

DISTRICT OF ARIZONA

CV 12-2521-PHX-JAT

| | | |
|---|---|------------------------|
| Federal Trade Commission |) | STIPULATED |
| |) | PRELIMINARY INJUNCTION |
| Plaintiff, |) | |
| |) | |
| v. |) | |
| |) | |
| National Card Monitor LLC, also |) | |
| d/b/a Nationwide Card Monitor; and |) | |
| James Eric Cox, |) | |
| |) | |
| Defendants. |) | |

1 Defendant National Card Monitor LLC. The Court scheduled a hearing on the
2 OSC for December 11, 2012.

3 Plaintiff and Defendants have stipulated (Doc. 27) to entry of a
4 Preliminary Injunction with Asset Freeze, Appointment of Receiver, Limited
5 Expedited Discovery, and Other Equitable Relief. As a result of this
6 stipulation, the pending request for a preliminary injunction (part of Doc. 3) is
7 denied as moot. Additionally, the hearing on Plaintiff's request for a
8 preliminary injunction set for December 3, 2011 is vacated. Plaintiff shall
9 immediately provide a copy of this Order to Defendants.

10 **BASED ON THE STIPULATION, IT IS ORDERED:**

11 **FINDINGS OF FACT**

12 1. This Court has jurisdiction over the subject matter of this case,
13 pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a),
14 53(b), 57b, 6102(c), and 6105(b). The Court also has jurisdiction over the
15 parties.

16 2. Venue is proper in this district under 28 U.S.C. § 1391(b) and (c),
17 and 15 U.S.C. § 53(b).

18 3. There is good cause to believe that Defendants National Card
19 Monitor LLC, sometimes doing business as Nationwide Card Monitor, and
20 James Eric Cox have engaged in and are likely to engage in acts that violate
21 Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the Telemarketing Sales
22 Rule ("TSR"), 16 C.F.R. Part 310, and that the Commission is likely to prevail
23 on the merits of this action.

24 4. There is good cause to believe that immediate and irreparable
25 harm will result from Defendants' ongoing violations of the FTC Act and the
26 TSR unless Defendants are restrained and enjoined by Order of this Court.

27 5. There is good cause to believe that immediate and irreparable
28 damage to the Court's ability to grant effective final relief for

1 consumers—including refunds, rescission and restitution, disgorgement or
2 other equitable monetary relief—will occur from the sale, transfer, or other
3 disposition or concealment by Defendants of assets or records unless the
4 Defendants are immediately restrained and enjoined by Order of this Court.

5 6. Good cause exists for the appointment of a Permanent Receiver
6 over Defendant National Card Monitor LLC.

7 7. Considering Plaintiff’s likelihood of ultimate success and
8 weighing the equities, a Preliminary Injunction with an asset freeze, the
9 appointment of a Permanent Receiver, and other equitable relief is in the
10 public interest.

11 8. The Commission is an independent agency of the United States of
12 America and no security is required of any agency of the United States of
13 America for issuance of a preliminary injunction under Fed. R. Civ. P. 65(c).

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1 whether acting directly or through any corporation, subsidiary, division, or

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1 expressly or by implication, that consumers will receive, or are likely to
2 receive, a low rate credit card;

3 B. Representing, expressly or by implication, that consumers will
4 receive, or are likely to receive, a lo

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1 that consumers will receive, any other service or product that will lower the
2 consumer's credit card interest rate, the monthly payment for any outstanding
3 debt, the total amount that the consumer will have to pay to any creditor, or the
4 balance on any of the consumer's credit card accounts;

5 H. Representing, expressly or by implication, that **Defendants** or
6 anyone else will provide, or that consumers will receive, any other service or
7 product that will lower the consumer's credit card interest rate, the consumer's
8 monthly payment for any outstanding debt, the total amount that the consumer
9 will have to pay any creditor, or the balance on any of the consumer's credit
10 card accounts, unless the Defendant possesses and relies upon a reasonable
11 basis to substantiate the representation at the time the representation is made;

12 I. Misrepresenting, or **assisting others** who are misrepresenting,
13 expressly or by implication, that **Defendants** or anyone else will provide, or
14 that consumers will receive, refunds if consumers do not receive the credit
15 cards, extension of credit, or other **credit-related good or service** being
16 offered or marketed to the consumer, or if consumers are dissatisfied for any
17 other reason; or

18 J. Misrepresenting any other **material fact**.

19 **II.**

20 **PROHIBITIONS ON VIOLATING**
21 **THE TELEMARKETING SALES RULE**

22 **IT IS FURTHER ORDERED** that **Defendants** and their successors,
23 assigns, officers, agents, servants, employees, and attorneys, and those persons
24 or entities in active concert or participation with any of them who receive
25 actual notice of this Order by personal service or otherwise, whether acting
26 directly or through any corporation, subsidiary, division, or other device, in
27 connection with the **telemarketing** of any good or service, are **hereby**
28 **restrained** and enjoined from violating any provision of the Telemarketing

1 Sales Rule, 16 C.F.R. Part 310,

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1 **III.**

2 **ASSET FREEZE**

3 **IT IS FURTHER ORDERED** that each of the **Defendants** is hereby
4 **restrained and enjoined**, until further order of this Court, from:

5 A. Transferring, encumbering, selling, concealing, pledging,
6 hypothecating, assigning, spending, withdrawing, disbursing, conveying,
7 gifting, dissipating, or otherwise disposing of any funds, property, coins, lists
8 of consumer names, shares of stock, or other **assets**, wherever located, that are
9 (1) owned or controlled by any of the **Defendants**, in whole or in part; (2) in
10 the actual or constructive possession of any of the **Defendants**; (3) held by an
11 agent of any of the **Defendants**, as a retainer for the agent's provision of
12 services to a Defendant; or (4) owned, controlled by, or in the actual or
13 constructive possession of, or otherwise held for the benefit of, any
14 corporation, partnership, or other entity directly or indirectly owned or
15 controlled by any of the **Defendants**. This provision specifically applies to,
16 but is not limited to, funds held in account numbers ending in 2433, 2561,
17 3394, and 2159 at JPMorgan Chase Bank;

18 B. Opening or causing to be opened any safe deposit boxes titled in
19 the name of any of the **Defendants**, or subject to access by any of the
20 **Defendants**;

21 C. Incurring charges or cash advances on any credit or debit card
22 issued in the name, singly or jointly, of any of the **Defendants**, or any
23 corporation, partnership, or other entity directly or indirectly owned or
24 controlled by any of the **Defendants**; and

25 D. Failing to disclose to **Plaintiff** (to the extent not previously
26 disclosed), immediately upon service of this Order, information that fully
27 identifies each **asset** of the **Defendants**, and each entity holding such asset,
28 including, without limitation, the entity's name, address, and telephone

1 number, the number of the account, and the name under which the account is
2 held.

3 E. Provided, that the freeze imposed in this Section shall apply to
4 **assets** that any of the

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1 or funds.

2 **V.**

3 **FINANCIAL REPORTS**

4 **IT IS FURTHER ORDERED** that within forty-eight (48) hours after
5 service of this Order, Defendant Cox shall (unless he has already done so
6 pursuant to the TRO):

7 A. Accurately complete, sign and deliver to **Plaintiff** the Financial
8 Statement titled “Financial Statement of Individual Defendant,” a copy of
9 which is attached hereto as Attachment 1;

10 B. Accurately complete, sign and deliver to **Plaintiff** and to the
11 Receiver for **NCM** the Financial Statement titled “Financial Statement of
12 Business Entity Defendant,” a copy of which is attached hereto as Attachment
13 2;

14 C. Accurately complete, sign and deliver to **Plaintiff**, on behalf of
15 each business entity of which he is the majority owner or otherwise controls,
16 other than **NCM**, a separate copy of the Financial Statement titled “Financial
17 Statement of Business Entity Defendant,” a copy of which is attached hereto
18 as Attachment 2.

19 **VI.**

20 **PRESERVATION OF DOCUMENTS**

21 **A. Preservation By Defendants**

22 **IT IS FURTHER ORDERED** that **Defendants**, and their agents,
23 servants, employees, and attorneys, and all **persons** or entities directly or
24 indirectly under the control of any of them, and all other **persons** or entities in
25 active concert or participation with any of them who receive actual notice of
26 this Order by personal service or otherwise, and each such person, are **hereby**
27 **restrained and enjoined** from destroying, erasing, mutilating, concealing,
28 altering, transferring or otherwise disposing of, in any manner, directly or

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VII.
ACCESS BY PLAINTIFF
TO DEFENDANTS' RECORDS

IT IS FURTHER ORDERED that:

A. **Defendants** and their successors, assigns, officers, agents, servants, employees, and attorneys, and those **persons** in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any corporation, subsidiary, division, or other device, and the Receiver, shall allow **Plaintiff's** representatives, agents, and assistants access to the business premises, mail drops, storage facilities, and all other business locations owned, controlled, or used by **Defendants**, including, but not limited to, business premises at 500 West Southern Ave., Suites 15-17, Mesa, Arizona 85210. The purpose of the access shall be to inspect and copy materials relevant to this action.

1. **Plaintiff** shall have the right to remove **documents** from **Defendants'** premises in order that they may be inspected, inventoried, and copied. **Plaintiff**

1 **Defendants** and their representatives reasonable access to the business
2 premises of the **Receivership Defendants**. The purpose of this access shall be

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1 to **assets** of any of the **Defendants** that are held by financial institutions
2 outside the territory of the United States, including but not limited to
3 cooperating by signing a Consent to Release of Financial Records if requested
4 by **Plaintiff**;

- 5 E. Within one (1) day of service of this Order, Defendants shall:
- 6 1. notify counsel for the Commission of the name and location of
7 any person or entity (e.g., Google, Go Daddy, HostMonster,
8 Facebook or Rackspace) that is hosting, storing, or otherwise
9 maintaining electronic data related to **NCM** or to any other of
10 **Defendants' credit-related goods or services**;
 - 11 2. serve this Order on any such person or entity;
 - 12 3. cooperate in providing access to such data to the Commission and
13 its attorneys and agents, including but not limited to executing
14 any documents necessary to facilitate this access; and
 - 15 4. identify for **Plaintiff**
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1 TRO), a sworn statement setting forth:

- 2 1. The identification of each account or **asset**;
- 3 2. The balance of each account or a description of the nature and
4 value of each **asset** as of the close of business on the day
5 notification of this Order is received, and, if the account or **asset**
6 has been closed or moved, the balance or value removed and the
7 person or entity to whom it was transferred; and
- 8 3. The identification of any safe deposit box titled in the name of or
9 subject to access by any of the **Defendants**;

10 D. With respect to any bank account or other financial account for
11 which online account access has been available to the **Receivership**
12 **Defendants**, provide to the Receiver, within one (1) business day of receiving
13 notice of this Order and a request from the Receiver, the means or ability to
14 sign on to the bank's (or other financial institution's) website and view
15 account activity, account balances, and all other information that was available
16 to the Defendant as of the date of the Order;

17 E. Upon request by counsel for **Plaintiff** (or by the Receiver, with
18 respect to **assets** Plaintiff

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IX.

**PROHIBITION ON RELEASE OF
CUSTOMER INFORMATION OR CUSTOMERS LISTS**

IT IS FURTHER ORDERED that **Defendants**, and officers, agents, directors, servants, employees, salespersons, and attorneys of **Defendants**, as well as all other **persons** or entities 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 tr

1 either of the **Defendants** (hereinafter referred to as the “**Receivership**
2 **Defendants**”), with the full power of an equity receiver. The Receiver shall
3 be the agent of this Court and solely the agent of this Court in acting as
4 Receiver under this Order. The Receiver shall be accountable directly to this
5 Court. The Receiver shall comply with all Local Rules of this Court
6 governing receivers.

7 **XIII.**

8 **RECEIVERSHIP DUTIES**

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

11 A. Assume full control of the **Receivership Defendants** by
12 removing, as the Receiver deems necessary or advisable, any manager,
13 independent contractor, employee, or agent of the **Receivership Defendants**,
14 including Defendant Cox, from control of, management of, or participation in,
15 the affairs of the **Receivership Defendants**;

16 B. Take exclusive custody, control and possession of all **assets** and
17 **documents** of, or in the possession, custody, or under the control of, the
18 **Receivership Defendants**, wherever situated. The Receiver shall have full
19 power to divert mail and to sue for, collect, receive, take in possession, hold,
20 and manage all **assets** and **documents** of the **Receivership Defendants** and
21 other **persons** or entities whose interests are now held by or under the
22 direction, possession, custody, or control of the **Receivership Defendants**;

23 C. Take all steps necessary to secure all premises owned, rented,
24 leased, or otherwise controlled by the **Receivership Defendants**, including but
25 not limited to all such premises located at 500 West Southern Ave., Suites 15-
26 17, Mesa, Arizona 85210. Such steps may include, but are not limited to, the
27 following, as the Receiver deems necessary or advisable: (1) serving and filing
28 this Order; (2) completing a written inventory of all receivership **assets**; (3)

1 and other independent contractors and technical specialists, as the Receiver
2 deems advisable or necessary in the performance of his or her duties and
3 responsibilities under the authority granted by this Order;

4 I. Make payments and disburseme
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1 funds of the **Receivership Defendants**. The Receiver shall deposit all funds
2 of the **Receivership Defendants** in such a designated account and shall make
3 all payments and disbursements from the receivership estate from such an
4 account; and

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

7 **XIV.**

8 **REPORTING BY RECEIVER**

9 **IT IS FURTHER ORDERED** that the Receiver shall:

10 A. Prepare and submit periodic reports, observations, and
11 recommendations to the Court, upon reasonable notice to the parties, and seek
12 guidance and instructions from this Court as necessary. The first report
13 (beyond any report that was filed pursuant to the TRO) shall be filed, with no
14 further notice required, by no later than 45 days after the date of entry of this
15 Order. The first report shall describe the efforts and activities that the
16 Receiver has undertaken pursuant to this Order, and any other information that
17 the Receiver believes is relevant to the Court. If the Receiver has any reason
18 to believe that the report would reveal any trade secrets or similarly sensitive
19 business information, the Receiver is granted leave to file his report under
20 seal, or, alternatively, to redact the report and to file a key to the sensitive
21 information under seal (if any portion of the report is filed under seal, the
22 Receiver must still serve it, unredacted, on Defendants); and

23 B. Prepare and submit such additional reports as the Court directs.

24 **XV.**

25 **COOPERATION WITH THE RECEIVER**

26 **IT IS FURTHER ORDERED** that **Defendants**, and their agents,
27 servants, employees, and attorneys, and all **persons** or entities directly or
28 indirectly under the control of any of them, and all other **persons** or entities in

1 active concert or participation with any of them who receive actual notice of
2 this Order by personal service or otherwise, and each such person, shall fully
3 cooperate with and assist the Receiver. Such cooperation and assistance shall
4 include, but not be limited to, providing any information to the Receiver that
5 the Receiver deems necessary to exercising the authority and discharging the
6 responsibilities of the Receiver under this Order; providing any username and
7 password required to access any computer or electronic files, in any medium;
8 providing any key required to gain access to any and all offices, rooms,
9 storage facilities, mail boxes, or other physical locations at which **documents**
10 or **assets** belonging to **NCM** may be found; or advising all persons who owe
11 money to the **Receivership Defendants** that all debts should be paid directly
12 to the Receiver.

13 **Defendants** are hereby **restrained and enjoined** from directly or
14 indirectly:

15 A. Transacting any of the business of the **Receivership Defendants**,
16 or transacting business under the name National Card Monitor LLC,
17 Nationwide Card Monitor, or any substantially similar name;

18 B. Destroying, concealing, defacing, transferring, or otherwise
19 altering or disposing of any **documents** of the **Receivership Defendants**,
20 including, but not limited to, books, records, accounts, or any other papers of
21 any kind or nature;

22 C. Transferring, receiving, altering, selling, encumbering, pledging,
23 assigning, liquidating, or otherwise disposing of any **assets** owned, controlled,
24 or in the possession or custody of, or in which an interest is held or claimed
25 by, the **Receivership Defendants**, or the Receiver;

26 D. Excusing debts owed to the **Receivership Defendants**;

27 E. Failing to notify the Receiver (unless the Defendant so notified
28 the Temporary Receiver pursuant to the TRO) of any asset, including

1 accounts, of any Receivership Defendant held in any name other than the
2 name of any Receivership Defendant, or by any person or entity other than the
3 **Receivership Defendants**, or failing to provide any assistance or information
4 requested by the Receiver in connection with obtaining possession, custody, or
5 control of such **assets**;

6 F. Failing to:

- 7 1. inform the Receiver of all addresses (unless the Defendant so
8 informed the Temporary Receiver pursuant to the TRO),
9 including Post Office boxes and commercial mail boxes, at which
10 mail addressed to National Card Monitor or Nationwide Card
11 Monitor, or mail relating to the business or finances of **NCM** or
12 Nationwide, is received; and
13 2. cooperate in providing the Receiver access to all such mail and
14 ensuring that the Receiver is able to divert and obtain such mail
15 from the Post Office or other mail box provider; or

16 G. Doing any act or refraining from any act whatsoever to interfere
17 with the Receiver's taking custody, control, possession, or managing of the
18 **assets** or **documents** subject to this receivership; or to harass or interfere with
19 the Receiver in any way; or to interfere in any manner with the exclusive
20 jurisdiction of this Court over the **assets** or **documents** of the **Receivership**
21 **Defendants**; or to refuse to cooperate with the Receiver or the Receiver's duly
22 authorized agents in the exercise of their duties or authority under any Order
23 of this Court.

24 **XVI.**

25 **DELIVERY OF RECEIVERSHIP PROPERTY**

26 **IT IS FURTHER ORDERED** that:

27 A. Immediately upon service of this Order upon them, or within a
28 period permitted by the Receiver, **Defendants** and all other **persons** and

1 entities in possession, custody, and control of **assets** or **documents** of the
2 **Receivership Defendants** shall transfer or deliver possession, custody, and
3 control of the following to the Receiver:

4 1. All **assets** of the **Receivership Defendants**;
5 2. All **documents** of the **Receivership Defendants**, including, but
6 not limited to, books and records of accounts, all financial and accounting
7 records, balance sheets, income statements, bank records (including monthly
8 statements, canceled checks, records of wire transfers, and check registers),
9 client lists, title **documents** and other papers;

10 3. All **assets** belonging to members of the public now held by the
11 **Receivership Defendants**; and

12 4. To the extent not provided pursuant to the TRO, all keys and
13 codes necessary to gain or to secure access to any **assets** or **documents** of the
14 **Receivership Defendants**, including, but not limited to, access to their
15 business premises, mail, means of communication, accounts, computer
16 systems, Receivership-Defendant-related e-mails (including but not limited to
17 e-mails sent to or from <NCM.customerservice@gmail.com> or
18 <nationalcardmonitor@gmail.com>) or other property.

19 B. In the event any person or entity fails to deliver or transfer any
20 asset or otherwise fails to comply with any provision of this Section, the
21 Receiver may file, on an *ex parte* basis, an Affidavit of Non-Compliance
22 regarding the failure. Upon filing of the affidavit, the Court may authorize,
23 without additional process or demand, Writs of Possession or Sequestration or
24 other equitable writs requested by the Receiver. The writs shall authorize and
25 direct the United States Marshal or any sheriff or deputy sheriff of any county
26 to seize the asset, document, or other thing and to deliver it to the Receiver.
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1 Monitor, in the name of any of **NCM's assets**, or in the name of the Receiver
2 or the Receiver's duly authorized agents acting in their capacities as such,
3 including, but not limited to, the following actions:

- 4 1. Commencing, prosecuting, continuing, entering, or enforcing any
5 suit or proceeding, except that such actions may be filed to toll
6 any applicable statute of limitations;
 - 7 2. Accelerating the due date of any obligation or claimed obligation;
8 filing or enforcing any lien; taking or attempting to take
9 possession, custody, or control of any asset; attempting to
10 foreclose, forfeit, alter, or terminate any interest in any asset,
11 whether such acts are part of a judicial proceeding, are acts of
12 self-help, or otherwise;
 - 13 3. Executing, issuing, serving, or causing the execution, issuance or
14 service of, any legal process, including, but not limited to,
15 attachments, garnishments, subpoenas, writs of replevin, writs of
16 execution, or any other form of process whether specified in this
17 Order or not; or
 - 18 4. Doing any act or thing whatsoever to interfere with the Receiver
19 taking custody, control, possession, or management of the **assets**
20 or **documents** subject to this receivership, or to harass or interfere
21 with the Receiver in any way, or to interfere in any manner with
22 the exclusive jurisdiction of this Court over the **assets** or
23 **documents** of the **Receivership Defendants**.
- 24 B. Paragraph (A) of this Section does not stay:
- 25 1. The commencement or continuation of a criminal action or
26 proceeding;
 - 27 2. The commencement or continuation of an action or proceeding by
28 a governmental unit to enforce such governmental unit's police or

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- regulatory power;
- 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;
- 4. The commencement of any action by the Secretary of the United States Department of Housing and Urban Development to foreclose a mortgage or deed of trust in any case in which the mortgage or deed of trust held by the Secretary is insured or was formerly insured under the National Housing Act and covers property, or combinations of property, consisting of five or more living units; or

1 payment of such reasonable compensation, with the first such request filed no
2 more than sixty days after the date of this Order. The Receiver shall not
3 increase the hourly rates used as the bases for such fee applications without
4 prior approval of the Court.

5 **XXI.**

6 **RECEIVER'S BOND**

7 **IT IS FURTHER ORDERED** that the Receiver shall file with the
8 Clerk of this Court a bond in the sum of \$50,000, with sureties to be approved
9 by the Court, conditioned that the Receiver will well and truly perform the
10 duties of the office and abide by and perform all acts the Court directs. This
11 bond is in lieu of, and not in addition to, the temporary bond previously posted
12 (Doc. 26).

13 **XXII.**

14 **DISTRIBUTION OF ORDER**

15 **IT IS FURTHER ORDERED** that Defendant Cox shall immediately
16 provide a copy of this Order to each of NCM's affiliates, franchises,
17 subsidiaries, divisions, successors, assigns, directors, officers, members,
18 managing agents, employees, representatives, and independent contractors and
19 shall, within three (3) business days from the date of service of this Order,
20 serve on **Plaintiff** affidavits identifying the names, titles, addresses, and
21 telephone numbers of the persons and entities whom he has served pursuant to
22 this provision.

23 **XXIII.**

24
25 **serve on 12be202**

to

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1 provide them to **Plaintiff**.

2 **XXIV.**

3 **LIMITED EXPEDITED DISCOVERY**

4 **IT IS FURTHER ORDERED** that:

5 A. The Commission is granted leave at any time after service of this
6 Order to:

7 1. Take the deposition of any person or entity, demand the
8 production of documents from of any person or entity, or
9 propound up to ten (10) interrogatories to each Defendant, for the
10 purpose of:

- 11 a. discovering the nature, location, status, and extent of assets
12 of any of the Defendants, including Receivership
13 Defendants, or of their affiliates or of their subsidiaries,
14 b. discovering the nature, location, status and extent of
15 documents reflecting the business transactions of any of the
16 Defendants;
17 c. discovering the nature and extent of Defendants' business
18 activities;

19 B. Thirty-six (36) hours notice shall be deemed sufficient for any
20 such deposition and forty-eight (48) hours notice shall be deemed sufficient
21 for the production of any such documents. Defendants shall serve answers and
22 objections to interrogatories by no later than the close of the third business
23 day after service of the interrogatories, or by such later date as **Plaintiff** may
24 specify.

25 C. The limitations and conditions set forth in Fed. R. Civ. P. 30(a)(2)
26 and 31(a)(2) shall not apply to depositions taken pursuant to this Section. Any
27 such depositions taken pursuant to this Section shall not be counted toward the
28 ten-deposition limit set forth in Fed. R. Civ. P. 30(a)(2)(A) and 31(a)(2)(A).

r r ' s r

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

| | |
|----|---|
| | |
| 1. | V |

Full Name

Social Security No.

| | | |
|---|---------------------|--------------------------------------|
| 5. _____ (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 | |

6. _____
 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: This year to date | |
| | 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: This year to date | |
| | 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: This year to date | |
| | 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: _____

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.

15.

List any pending insurance payments or inheritances owed to you.

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

16.

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 | | | |

17.

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: _____

18.

List all real property interests (including any land contract)

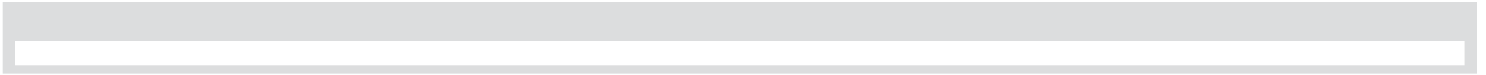
| | | | | |
|--------------------------------------|----------------------|-----------------------|--|---|
| Property's Location | | Type of Property | Name(s) on Title or Contract and Ownership Percentages | |
| Acquisition Date (mm/dd/yyyy) / / | Purchase Price \$ | Current Value \$ | Basis of Valuation | |
| 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 \$ | |































































































19.

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 |
|--|-------------|--------------------|-----------------|
| | | | \$ |
| | | | \$ |
| | | | \$ |

\$



24.                                                                                               

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

| 27. () | | | |
|--|----|---------------------------------------|----|
| 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 | \$ | () | |
| Gambling Income | \$ | | \$ |
| () | \$ | | \$ |
| | \$ | | \$ |
| | \$ | | \$ |
| | \$ | | \$ |
| | \$ | | \$ |

28. () () ()
List all documents that are being submitted with this financial statement.

| 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

BACKGROUND INFORMATION

Item 4. Principal Stockholders, Members (if LLC) or Owners

List all persons and entities that own at least 5% of the business entity.

| <u>Name & Address</u> | <u>% Owned</u> |
|---------------------------|----------------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

Item 5. Board Members or Managers (if an LLC)

List all members of the Business Entity's Board of Directors or Managers (if an LLC).

| <u>Name & Address</u> | <u>% Owned</u> | <u>Term (From/Until)</u> |
|---------------------------|----------------|--------------------------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

Item 6. Officers

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

| <u>Name & Address</u> | <u>% Owned</u> |
|---------------------------|----------------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

Item 7. **Businesses Related to the Business Entity**

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

| <u>Name & Address</u> | <u>Business Activities</u> | <u>% Owned</u> |
|---------------------------|----------------------------|----------------|
|---------------------------|----------------------------|----------------|

Item 10. Outside Accountants

Item 13. Pending Lawsuits Filed by the Business Entity

List all pending lawsuits that have been filed by the business entity in court or before an administrative agency. (List lawsuits that resulted in final judgments or settlements in favor of the business entity 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 _____

Item 14. Current Lawsuits Filed Against the Business Entity

List all pending lawsuits that have been filed against the business entity 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 _____

_____ \$ _____ \$ _____ \$ _____ \$ _____
 _____ \$ _____ \$ _____ \$ _____ \$ _____

Item 18. Financial Statements

List all financial statements that were prepared for the business entity’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 & 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 business entity 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 business entity. The term “cash” includes currency and uncashed checks.

Cash on Hand \$ _____ Cash Held for the Business Entity’s Benefit \$ _____

| <u>Name & 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 business entity. 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 business entity.

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

Item 25. Monetary Judgments and Settlements Owed To the Business Entity

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

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 Business Entity

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

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 business entity 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 business entity'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 business entity 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.

Name/Position.ns. [812 528.(C)-7(m)84l__6.038 0 atio8 0(p13 Td(two p.3bet8.18 ____60scal y)13 Tw.ns. [8p.3bet6.sa

Item 30. Compensation of Board Members, Officers, and Managers (if an LLC)

List all compensation and other benefits received from the business entity 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 business entity, 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, & Relationship</u> | <u>Property Transferred</u> | <u>Aggregate Value</u> | <u>Transfer Date</u> | <u>Type of Transfer (e.g., Loan, Gift)</u> |
|---|-----------------------------|------------------------|----------------------|--|
| _____ | _____ | \$ _____ | _____ | _____ |
| _____ | _____ | \$ _____ | _____ | _____ |
| _____ | _____ | \$ _____ | _____ | _____ |
| _____ | _____ | \$ _____ | _____ | _____ |
| _____ | _____ | \$ _____ | _____ | _____ |

