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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SANTA ANA DIVISION

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

A TO Z MARKETING, INC., a  
Nevada corporation, also dba Client  
Services et al,

Defendants.

Case No. SA CV 13-919 DOC  
(RNBx)

PRELIMINARY INJUNCTION  
AS TO DEFENDANT BACKEND,  
INC.

On June 18, 2013, the Federal Trade Commission (FTC or Commission),  
filed PLAINTIFF FEDERAL TRADE COMMISSION'S COMPLAINT FOR  
INJUNCTIVE AND OTHER EQUITABLE RELEF (Doc. 1) (Complaint) seeking  
temporary, preliminary, and permanent injunctive relief, rescission or reformation  
of contracts, restitution, the refund of monies paid, disgorgement of ill-gotten  
monies, and other equitable relief. The complaint alleged that the Defendants had  
violated and were violating the Federal Trade Commission Act, 15 U.S.C. § 41

1 seq (FTC Act), and the Mortgage Assistance Relief Services Rule, 16 C.F.R. Part  
2 322 (MARS Rule), recodified as Mortgage Assistance Relief Services, 12 C.F.R.  
3 Part 1015 (Regulation O), in connection with the marketing and sale of mortgage  
4 assistance relief services. With its Complaint, the Commission requested, and on  
5 June 19, 2013, the Court issued, its TEMPORARY RESTRAINING ORDER  
6 INCLUDING AN ASSET FREEZE AND LIMITS ON USING ASSETS,  
7 APPOINTMENT OF A RECEIVER, IMMEDIATE ACCESS TO BUSINESS  
8 PREMISES, LIMITED EXPEDITED DISCOVERY, AND AN ORDER TO

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FINDINGS OF FACT

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2 1 This Court has jurisdiction over the subject matter of this case and of  
3 the parties. Venue in this District is proper.

4 2 There is good cause to believe that Defendant Backend, Inc.  
5 (Backend), has engaged in, and is likely to engage in, acts and practices that violate  
6 Section 5(a) of the FTC Act and the MARS Rule.

7 3 There is good cause to believe that immediate and irreparable harm  
8 will result from Backend's continuing violations of Section 5(a) of the FTC Act  
9 and of the MARS Rule.

10 4 There is good cause to believe that immediate and irreparable damage  
11 to this Court's ability to grant effective final relief for consumers in the form of  
12 monetary restitution and disgorgement will occur from the  
13 transfer, dissipation, or concealment by Backend of its assets or business records  
14 unless Backend is immediately restrained and enjoined by Order of this Court.

15 5 There is good cause for continuing the Receiver over Backend and  
16 related entities.

DEFINITIONS

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18 For purposes of this Order, the following definitions apply:

19 A. ~~Assisting others~~ includes, but is not limited to:

20 1 Performing customer service functions, including, but not  
21 limited to, receiving or responding to consumer complaints;

22 2 Formulating or providing, or arranging for the formulation or  
23 provision of, any advertising or marketing material, including, but not  
24 limited to, any telephone sales script, ~~text~~ mail solicitation, or the design,  
25 text, or use of images of any ~~Internet~~ website, email, or other electronic  
26 communication;  
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1           3     Formulating or providing, or arranging for the formulation or  
2 provision of, any marketing support material or service, including, but not  
3 limited to, web or Internet Protocol addresses or domain name registration  
4 for any Internet websites, affiliate marketing services, or media placement  
5 services;

6           4     Providing names of, or assisting in the generation of, potential  
7 customers;

8           5     Performing marketing, billing, or payment services of any kind;  
9 and

10          6     Acting or serving as an owner, officer, director, manager, or  
11 principal of any person.

12         B.     ~~Document~~ and ~~Electronically Stored Information~~ are  
13 synonymous in meaning and equal in scope to the usage of the terms in Rule 34(a)  
14 of the Federal Rules of Civil Procedure and include but are not limited to:

15           1     The original or a true copy of any written, typed, printed,  
16 electronically stored, transcribed, ~~text~~, recorded, filmed, punched, or  
17 graphic matter or other data compilations of any kind, including, but not  
18 limited to, letters, email or other correspondence, messages, memoranda,  
19 interoffice communications, notes, reports, summaries, manuals, magnetic  
20 tapes or discs, tabulations, books, ~~receipts~~ checks, invoices, work papers,  
21 journals, ledgers, statements, returns, ~~reports~~, schedules, or files; and

22           2     Any electronically stored information stored on any computer  
23 (including, but not limited to, any server workstation, or desktop, laptop,  
24 notebook, or tablet computer), mobile communications device (including,  
25 but not limited to, BlackBerrys, iPhones, and Smart Phones of any type or  
26 brand), flash drives, personal digital assistants, or any other electronic  
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1 storage media, whether assigned to individuals or in pools of computers  
2 available for shared use, or personally owned but used for work-related  
3 purposes; backup disks and tapes, and disks and tapes, and other forms  
4 of offline storage, whether stored on-site with the computer used to generate  
5 them, stored offsite in another company facility, or stored, hosted, or  
6 otherwise maintained offsite by a third party; and computers and related  
7 offline storage used by Backend Bank's participating associates,  
8 which may include persons who are not employees of the company or who  
9 do not work on company premises.

10 C. **Electronic Data Host** means any person in the business of storing,  
11 hosting, or otherwise maintaining electronically stored information.

12 D. **Financial Institution** means any bank, savings and loan institution,  
13 credit union, or any financial depository of any kind, including, but not limited to,  
14 any brokerage house, trustee, broker, escrow agent, title company,  
15 commodity trading company, or precious metal dealer.

16 E. **Mortgage assistance relief product or service** means any product,  
17 service, plan, or program, offered or provided to the consumer in exchange for  
18 consideration, that is represented, expressly or by implication, to assist or attempt  
19 to assist the consumer with any of the following:

20  
21 1 stopping, preventing, or postponing any mortgage or deed of  
22 trust foreclosure sale for the consumer's dwelling, any repossession of the  
23 consumer's dwelling, or otherwise saving the consumer's dwelling from  
24 foreclosure or repossession;

25 2 negotiating, obtaining, or arranging a modification of any term  
26 of a dwelling loan, including a reduction in the amount of interest, principal  
27 balance, monthly payments, or fees;



1 Emax Loans, Inc., as well as any affiliates and subsidiaries that conduct any  
2 business related to the Receivership Defendants' provision of MARS and that the  
3 Receiver has reason to believe are owned or controlled in whole or in part by any  
4 of the Defendants.

5 H. "Backend Receivership Defendants" means Backend, Inc.,  
6 Millennium Law Center, P.C., SC Law Corp, Legal Marketing Group, Inc., dba  
7 Legal Marketing Group, Interstate WA Group, Accredited Law Group, Backend  
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1 modifications that will make consumer payments substantially more affordable,  
2 or will help consumers avoid foreclosure;

3 C. The amount of time it will take the mortgage assistance relief service  
4 provider to accomplish any represented service or result.

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6 II. PROHIBITION AGAINST COLLECTING ADVANCE FEES

7 IT IS FURTHER ORDERED THAT Backend and Backend’s officers,  
8 agents, servants, employees, and attorneys all others in active concert or  
9 participation with any of them, who received actual notice of this Order, whether  
10 acting directly or indirectly, in connection with the telemarketing, advertising,  
11 marketing, promotion, offering for sale or sale of any mortgage assistance relief  
12 product or service or any other credit-debt-related good or service, are  
13 temporarily restrained and enjoined from asking for or receiving payment before  
14 the consumer has executed a written agreement between the consumer and the  
15 creditor, loan holder, or servicer of secured or unsecured debt that incorporates the  
16 offer obtained by Backend on the consumer’s behalf.

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18 III. DISCLOSE INFORMATION REQUIRED BY THE MARS RULE

19 IT IS FURTHER ORDERED THAT Backend and Backend’s officers,  
20 agents, servants, employees, and attorneys all others in active concert or  
21 participation with any of them, who received actual notice of this Order, whether  
22 acting directly or indirectly, are temporarily restrained and enjoined from

23 A. Failing to make the following disclosure in all general and  
24 consumer-specific commercial communications: [Name of Company] is not  
25 associated with the government, and our service is not approved by the government  
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1 or your lender in violation of 16 C.F.R. 322.4(a)(1) and 322.4(b)(2),  
2 recodified at 12 C.F.R. 1015.4(a)(1) and 1015.4(b)(2);

3 B. Failing to make the following disclosure in all general and  
4 consumer-specific comme

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1 prominently, and in close proximity to any such representation the following  
2 disclosure: If you stop paying your mortgage, you could lose your home and  
3 damage your credit rating. In violation of 16 C.F.R. 322.4(c), recodified at 12  
4 C.F.R. 1015.4(c).

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6 IV. PRESERVATION OF RECORDS AND TANGIBLE THINGS

7 IT IS FURTHER ORDERED THAT Backend Receivership Defendants  
8 and any of the officers, agents, servants, employees, and attorneys and all others in  
9 active concert or participation with any Backend Receivership Defendant, who  
10 receive actual notice of this Order, whether acting directly or indirectly, are  
11 temporarily restrained and enjoined from destroying, erasing, mutilating,  
12 concealing, altering, transferring, or otherwise disposing of or rendering  
13 inaccessible, in any manner, directly or indirectly, any documents or records that  
14 relate to the business practices of or the business or personal finances of any Backend  
15 Receivership Defendant or a person directly or indirectly under the control of  
16 Backend Receivership Defendant.  
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V. PROHIBITION ON RELEASE OF CONSUMER INFORMATION

IT IS FURTHER ORDERED THAT, except as required by a law enforcement agency, law, regulation, court order, Backend and Backend's officers, agents, servants, employees, attorneys and all others in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, are temporarily restrained and enjoined from disclosing, using, or benefitting from consumer information, including the name, address, telephone number, e-mail address, social security number, other identifying information, or any data that enables access to a consumer account (including a credit card, bank, or other financial account), of any person which Backend obtained prior to entry of this Order in connection with any mortgage assistance relief product or service.

VI. DISABLEMENT OF WEBSITES AND PRESERVATION OF ELECTRONICALLY STORED INFORMATION

IT IS FURTHER ORDERED THAT, immediately upon service of this Order upon them (1) any person hosting any Internet website or server for, or on behalf of, Backend, and (2) Backend and Backend's officers, agents, servants, employees, and attorneys and all others in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, shall:

A. Immediately take any necessary steps to render inaccessible to the public any Internet website used by Backend for the advertising, marketing, promotion, offering for sale, sale, or provision of any mortgage assistance relief

1 product or service, and containing statements or representations prohibited by  
2 Section I of this Order; and

3 B. Prevent the alteration, destruction or erasure of (1) any Internet  
4 websites used by Backend for the advertising, marketing, promotion, offering for  
5 sale, sale, or provision of any mortgage assistance relief product or service, by  
6 preserving such websites in the format in which they are maintained currently, and  
7 (2) any electronically stored information stored on behalf of Backend or entities in  
8 active concert or participation with any of them.

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10 VII. SUSPENSION OF INTERNET DOMAIN NAME REGISTRATIONS

11 IT IS FURTHER ORDERED THAT , any domain name registrar or other  
12 person shall suspend the registration of any Internet website used by Backend for  
13 the advertising, marketing, promotion, offering for sale, sale, or provision of any  
14 mortgage assistance relief product or service, and containing statements or  
15 representations prohibited by Section I of this Order, and provide immediate notice  
16 to the FTC and to the Receiver of any Internet domain names registered by  
17 Backend or Backend's officers, agents, servants, employees, and attorneys and all  
18 others in active concert or participation with any of them.  
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21 VIII. ASSET FREEZE

22 IT IS FURTHER ORDERED THAT the Backend Receivership  
23 Defendants and their officers, agents, servants, employees, and attorneys and all  
24 others in active concert or participation with any of them, who receive actual notice  
25 of this Order, whether acting directly or indirectly, are temporarily restrained and  
26 enjoined from directly or indirectly:  
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1 A. Selling, assigning, transferring, converting, loaning, conveying,  
2 encumbering, concealing, spending, withdrawing, granting a lien or security  
3 interest or other interest in, or otherwise disposing of any assets that are:

4 1 in the possession, actual or constructive, of Backend;

5 2 owned or controlled by, held in whole or in part for the benefit  
6 of, or subject to access by, Backend; or

7 3 in the actual or constructive possession of, owned or controlled  
8 by, subject to access by, or belonging to any person who is directly or  
9 indirectly owned, managed, under the control of Backend;

10 B. Opening, or causing to be opened, any safe deposit boxes titled in the  
11 name of or subject to access by Backend;

12 C. Cashing any checks from consumers, clients, or custome( )T99ty  
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1 of Business Premises of Additional Backend Receivership Defendants and Confirming  
2 Actions Taken by Receiver to Freeze Assets (Doc. 50).

3 Provided further, however, that this Section VIII does not prohibit the  
4 repatriation of foreign assets as required in Section XII of this Order.

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6 IX. HANDLING OF DOCUMENTS, RECORDS, AND ASSETS  
7 BY THIRD PARTIES

8 IT IS FURTHER ORDERED THAT , any person, including but not  
9 limited to any financial institution, electronic data host, or payment processor, who  
10 receives actual notice of this Order, by personal service, facsimile, email, or  
11 otherwise, who has, or at any time since January 1, 2010, has had, possession,  
12 custody, or control of any documents, records, or assets belonging to, in the name  
13 of, for the benefit of, subject to access use by, or under the signatory power of  
14 any Backend Receivership Defendant shall:

15 A. Hold, preserve, and retain within such person's control, and prohibit  
16 the withdrawal, removal, alteration, transfer, encumbrance, disbursement,  
17 dissipation, sale, liquidation, or other disposal of such documents, records, or  
18 assets except as directed in writing by the Receiver as to any property of any  
19 Backend Receivership Defendant;

20 B. Provide the Receiver and the Firm immediate access to electronically  
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1 D. Provide to counsel for the FTC and the Receiver, within two (2) days  
2 of receipt of this Order, a sworn statement setting forth:

3 1 a description of or other identification of the documents,  
4 records, or assets;

5 2 the balance of each such account and the value of each other  
6 asset as of the close of business on the day on which this Order is served;

7 3 the location of any safe deposit box that is either titled in the  
8 name of, individually or jointly, or is otherwise subject to access or control  
9 by Backend;

10 4 if any asset, including any account at any financial institution,  
11 has been closed or removed, the date closed or removed, the balance on that  
12 date, and the name of the person to whom the account or asset was remitted  
13 or transferred;

14 E. Provide counsel for the FTC and the Receiver, within seven (7) days  
15 after being served with a request, with copies of documents or records and copies  
16 of documents pertaining to assets, including but not limited to: account statements,  
17 account applications, signature cards, check deposit tickets, transfers to and from  
18 the accounts, wire transfers, all other bills and credit instruments or slips, 1099  
19 forms, and safe deposit box logs; and

20 F. Cooperate with all reasonable requests of the FTC and the Receiver  
21 relating to this Order's implementation, including but not limited to transferring  
22 funds at the Receiver's discretion.

23 G. IT IS FURTHER ORDERED THAT this Section IX shall apply to  
24 both existing documents, records and assets to documents, records, and assets  
25 acquired after the date of entry of this Order. This Section IX does not prohibit the  
26 Repatriation of Foreign Assets, as required in Section XII of this Order.  
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2 X. FINANCIAL STATEMENTS AND ACCOUNTING

3 IT IS FURTHER ORDERED THAT Backend, within three (3) days of  
4 service of this Order, shall prepare and deliver counsel for the FTC, to the extent  
5 not already provided: A completed financial statement accurate as of the date of  
6 service of this Order upon Backend in the form of Attachment B to the TRO,  
7 captioned "Financial Statement of Corporate Defendant" (Doc. 13, p. 46).  
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9 XI. CONSUMER CREDIT REPORTS

10 IT IS FURTHER ORDERED THAT pursuant to Section 604(1) of the  
11 Fair Credit Reporting Act, 15 U.S.C.1681b(1), any consumer reporting agency  
12 may furnish to the FTC a consumer report concerning Backend.  
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14 XII. REPATRIATION OF FOREIGN ASSETS

15 IT IS FURTHER ORDERED THAT , to the extent not already  
16 accomplished, within three (3) days following the service of this Order, Backend  
17 shall:  
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19 A. Transfer to the territory of the United States and provide the FTC and  
20 the Receiver with a full accounting of all assets, documents, and records outside of  
21 the territory of the United States that are:  
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XIV. CONTINUATION OF RECEIVER

IT IS FURTHER ORDERED THAT the Receivership created by the TRO (Doc. 13) and extended by this Court's Order Authorizing Temporary Receiver's Immediate Possession of Business Premises of Additional Receivership Defendants and Confirming Actions Taken by Receiver to Freeze Assets (Order Extending Receivership) (Doc. 50), shall continue as to the Backend Receivership Defendants until further order of the Court. Thomas McNamara, the Receiver appointed in the TRO, shall continue as Receiver until further order of this Court.

XV. DUTIES AND AUTHORITY OF RECEIVER

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

A. Maintain full control of the Backend Receivership Defendants by removing, as the Receiver deems necessary and advisable, any officer, director, agent, servant, independent contractor or attorney of any Backend Receivership Defendant, including any Defendant, from control of, management of, or participation in, the affairs of any Backend Receivership Defendant;

B. Maintain exclusive custody, control, and possession of all assets, documents, and electronically stored information of, or in the possession, custody, or under the control of any Backend Receivership Defendant, wherever situated. The Receiver shall have full power to divest and to sue for, collect, receive, take into possession, hold, and manage assets and documents of any Backend Receivership Defendant and other persons whose interests are now held by or under the direction, possession, custody, control of any Backend Receivership Defendant; provided, however, that the Receiver shall not attempt to collect or

1 receive any amount from a consumer if the Receiver believes the consumer was a  
2 victim of the unlawful conduct alleged in the complaint in this matter;

3 C. Take all steps necessary to secure the business premises of any  
4 Backend Receivership Defendant. Such steps may include, but are not limited to,  
5 the following, as the Receiver deems necessary or appropriate:

6 1 changing the locks and disconnecting any computer modems,  
7 network access, or other means of access to the computer or other records  
8 maintained at that location;

9 2 obtaining pertinent information from all employees and other  
10 agents of any Backend Receivership Defendants, including, but not limited  
11 to, the name, home address, job description, method of compensation, and  
12 all accrued and unpaid commissions and compensation of each such  
13 employee or agent, and all computer hardware and software passwords, and  
14 including the completion of a questionnaire presented by the Receiver;

15 3 completing a written inventory of all Backend Receivership  
16 Defendant assets;

17 4 videotaping and/or photographing all portions of any location at  
18 which any Backend Receivership Defendant has conducted business or has  
19 or has had assets, and;

20 5 serving and filing this Order;

21 D. Conserve, hold, and manage all Backend Receivership Defendant  
22 assets, and perform all acts necessary or advisable to preserve the value of those  
23 assets, in order to prevent any irreparable loss, damage, or injury to consumers or  
24 to creditors of Backend, including, but not limited to, obtaining an accounting of  
25 the assets and preventing transfer, unauthorized withdrawal, or misapplication of  
26 assets;  
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1 E. Liquidate any and all assets owned by or for the benefit of any  
2 Backend Receivership Defendant, as the Receiver deems to be advisable or  
3 necessary;

4 F. Enter into or break contracts and purchase insurance as the Receiver  
5 deems to be advisable or necessary;

6 G. Prevent the inequitable distribution of assets and determine, adjust,  
7 and protect the interests of consumers who have transacted business with any  
8 Backend Receivership Defendant;

9 H. Manage and administer the business of any Backend Receivership  
10 Defendant until further order of this Court by performing all incidental acts that the  
11 Receiver deems to be advisable or necessary, which includes retaining, hiring, or  
12 dismissing any employees, independent contractors, or agents;

13 I. Choose, engage, and employ, with prior approval of the Court,  
14 attorneys, accountants, appraisers, and other independent contractors, agents, technicians, and other personnel, as the Receiver deems to be advisable or necessary, for the purpose of performing the duties of the Receiver;





1 of the Receivership Defendants. The Receiver shall file with the Court and serve  
2 on the parties periodic requests for the payment of such reasonable compensation,  
3 with the first such request filed no more than sixty (60) days after the date of this  
4 Order. The Receiver shall not increase hourly rates used as the bases for such  
5 fee applications without prior approval of the Court.

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7 XVIII. RECEIVER'S REPORTS

8 IT IS FURTHER ORDERED THAT the Receiver shall report to this  
9 Court periodically regarding: (1) the steps taken by the Receiver to implement the  
10 terms of this Order; (2) the value of liquidated and unliquidated assets of the  
11 Backend Receivership Defendants; (3) the sum of all liabilities of the Backend  
12 Receivership Defendants; (4) the Receiver's assessment of whether any of the  
13 Backend Receivership Defendants can be operated profitably and legally; (5) any  
14 future steps the Receiver recommends; and (6) any other matters which the  
15 Receiver believes should be brought to the Court's attention; provided, however,  
16 that if any of the required information would hinder the Receiver's ability to pursue  
17 receivership assets, the portions of the Receiver's report containing such  
18 information may be filed under seal and not served on the parties.

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20 XIX. RECEIVER'S BOND

21 IT IS FURTHER ORDERED THAT the bond filed with the Clerk of this  
22 Court by the Receiver pursuant to the TRO shall remain in effect to ensure that the  
23 Receiver will well and truly perform the  
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XX. STAY OF ACTIONS

IT IS FURTHER ORDERED THAT:

A. Except by leave of this Court, during pendency of the Receivership created by this Order, any Backend Receivership Defendant and all other persons and entities are stayed from taking any action to establish or enforce any claim, right, or interest for, against, in, on behalf of, or in the name of, any Backend Receivership Defendant or any of its subsidiaries, affiliates, partnerships, assets, or documents, or the Receiver or the Receiver's duly authorized agents acting in their capacities as such, including, but not limited to, the following:

1 Commencing, prosecuting, continuing, entering, or enforcing any suit or proceeding, except that such actions may be filed to toll any applicable statute of limitations;

2 Accelerating the due date of any obligation or claimed obligation; filing or enforcing any lien; taking or attempting to take possession, custody, or control of any asset; attempting to foreclose, forfeit, alter, or terminate any interest in any asset, whether such acts are part of a judicial proceeding, are acts of self-help, or otherwise;

3 Executing, issuing, serving, or causing the execution, issuance or service of, any legal process, including, but not limited to, attachments, garnishments, subpoenas, writs of replevin, writs of execution, or any other form of process whether specified in this Order or not; or

4 Doing any act or thing whatsoever to interfere with the Receiver taking custody, control, possession, or management of the assets or documents subject to this Receivership, to harass or interfere with the Receiver in any way, or to interfere in any manner with the exclusive





