

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

FEDERAL TRADE COMMISSION,	)	
	)	
Plaintiff,	)	Case No. 03-C-3904
	)	
v.	)	Hon. Robert W. Gettleman
	)	
KEVIN TRUDEAU,	)	
	)	
Defendant.	)	
	)	
	)	

**ORDER APPOINTING A RECEIVER  
AND IMPLEMENTING ANCILLARY RELIEF**

This matter came before the Court on Plaintiff Federal Trade Commission’s (“FTC’s”) motion to hold Defendant Kevin Trudeau in contempt (DE481). In accordance with the Court’s inherent power and LR 66.1, and consistent with this Court’s order (DE729) granting the FTC’s motion in part, the Court finds as follows:

- (1) )

(1) Persons and entities “**acting in concert**” with Trudeau include, without limitation: (A) Trudeau’s agents and attorneys (including both present and past agents and attorneys); (B) the Trudeau Entities (as defined herein); (C) their officers, agents, servants, employees, and attorneys; (D) Nataliya Babenko, (E) her agents and attorneys (including both present and past agents and attorneys); and (F) any person or entity “in active concert or participation with” Trudeau or any person or entity identified in (A) through (E) of this paragraph. The phrase “in active concert or participation with” is defined in accordance with its meaning in FRCP 65 (d)(2)(C). Notwithstanding the foregoing, nothing in this order restrains, limits or enjoins the conduct of Nataliya Babenko with respect to: (i) Assets that she did not acquire directly or indirectly from Trudeau or the Trudeau Entities, and were not derived in any manner from Trudeau or the Trudeau Entities; or (ii) Assets that she lawfully acquired after July 26, 2013.

(2) “**Assets**” means any real property, any personal property (including, without limitation, any vehicles, jewelry, coins, artwork, antiques, collectibles, bullion and gold bars), any currency or other legal tender (of any country), money market accounts, accounts receivable, savings accounts, checking accounts, other financial accounts of any sort, certificates of deposit, uncashed checks, money orders, promissory notes, commercial paper of any sort, stocks, stock options, mutual funds, other securities of any sort, corporate bonds, public bonds, other bonds of any sort, insurance policies with any cash surrender value, trademarks, copyrights, patents, other intellectual property, interests in any companies or corporate entities (in any form), partnership interests, trust interests, and any interest of any sort in any of the foregoing, or rights to any interest, of any sort, in any of the foregoing, wherever any such asset is located, whether in the United States or abroad; provided however, that “Asset” excludes any personal asset both: (A) legally owned by Trudeau in his personal capacity as of July 26, 2013; and (B) exempted by law pursuant to 11 U.S.C. § 522(d).

(3) “**Business Premises**” means any premises or storage facilities owned, controlled, or used by Trudeau or the Trudeau Entities as well as any other location where Trudeau and the Trudeau Entities conducted business and where property or business records are likely to be

located. Such locations include, without limitation, the offices and facilities of the Trudeau Entities on Quail Ridge Drive in Westmont, Illinois. ~~Provided~~ however, that no premises used by Trudeau, or any person acting in concert with Trudeau, constitute “Business Premises” if such premises are used primarily as a personal residence, and such residence is owned or leased by Trudeau or a person acting in concert by Trudeau (rather than by a Trudeau Entity). In addition, with respect to 3108 White Oak Lane, Oak Brook, Illinois (“the White Oak Property”) only, such property will not constitute Business Premises, and Trudeau and other persons acting in concert with Trudeau may reside there; ~~provided~~ however, the White Oak Property may be converted to “Business Premises” within the meaning of this Order if (1) the Receiver provides Trudeau, the White Oak Property’s lessee, and Plaintiff with fourteen days written notice that the White Oak Property will become Business Premises within the meaning of this Order; or (2) the Court orders otherwise. Furthermore, for avoidance of doubt, even if the White Oak Property becomes Business Premises, the Receiver has the authority (but not the obligation) to agree in writing that Trudeau and/or persons acting in concert with Trudeau may reside there (under such written terms as the Receiver accepts).

(4) **“Defendant”** means Kevin Trudeau.

(5) **“Documents”** shall mean the complete original and any non-identical copy (whether different from the original because of notations on the copy or otherwise), regardless of origin or location, of any written, typed, printed, transcribed, filmed, punched, or graphic matter of every type and description, however and by whomever prepared, produced, disseminated or made, including but not limited to any advertisement, book, pamphlet, periodical, contract, correspondence, file, invoice, memorandum, note, telegram, report, record, handwritten note, working paper, routing slip, chart, graph, paper, index, map, tabulation, manual, guide, outline, script, abstract, history, calendar, diary, agenda, minute, code book or label. “Document” shall also include Electronically Stored Information.

(6) **“Electronically Stored Information”** or **“ESI”** shall mean the complete original and any non-identical copy (whether different from the original because of notations, different

metadata, or otherwise), regardless of origin or location, of any information created, manipulated, communicated, stored, or utilized in digital form, requiring the use of computer hardware or software. This includes, but is not limited to, text messages, electronic mail, instant messaging, videoconferencing, and other electronic correspondence (whether active, archived, or in a deleted items folder), word processing files, spreadsheets, databases, and video and sound recordings, whether stored on: cards; magnetic or electronic tapes; disks; computer hard drives, network shares or servers, or other drives; cloud-based platforms; cell phones, PDAs, computer tablets, or other mobile devices; or other storage media. “ESI” also includes such technical assistance or instructions as will enable conversion of such ESI into a reasonably usable form.

(7) “**Plaintiff**” means the Federal Trade Commission.

(8) “**Receiver**” means the person or entity appointed pursuant to Section IV of this order.

(9) “**Trudeau Entities**” include all entities, foreign or domestic, owned or controlled by Trudeau. The Trudeau Entities include, without limitation: 0913372 B.C. Ltd.; 0913376 B.C. Ltd.; Advantage Solutions Ltd; Alliance Publishing Group, Inc.; APC Trading Limited; Direct Response Associates, LLC; GIN USA Inc.; Global Information Network FDN; Global Sales Solutions A.G., International Pool Tour Inc.; K.T. Corporation Limited; KMT Fiduciary Trust; KT Capital Corporation; KT Radio Network Inc.; Natural Cures, Inc.; Natural Cures Health Institute; Natural Cures Holdings Inc.; NBT Trading Limited; N.T. Trading S.A.; Pool Licensing LLC; Sovereign Trust; The Whistle Blower, Inc.; TRUCOM, L.L.C.; Trudeau Approved Products Inc.; Trudeau Management Inc.; TruStar Marketing Corporation; Trustar Productions, Incorporated; Website Solutions Switzerland GmbH; and Website Solutions USA Inc.

(10) The words ~~And~~ and ~~Or~~ shall be understood to have both conjunctive and disjunctive meanings.

(11) “**Any**” shall be construed to include “**all**,” and “**all**” shall be construed to include the word “**any**.”

**II. ASSET FREEZE**

It is ordered that Trudeau, the Trudeau Entit

Notwithstanding anything this order otherwise provides, the Receiver shall allow Trudeau sufficient funds and property for ordinary and necessary living expenses. The Receiver shall inform Plaintiff regarding these expenses, and any disputes regarding the propriety of these expenses shall be brought to the Court for resolution.

**III. RETENTION OF ASSETS BY THIRD PARTIES**

It is further ordered that any financial or brokerage institution, escrow agent, title company, commodity trading company, trust, entity, or person that: (A) holds, controls or maintains custody of any account or Asset owned or controlled by Trudeau or any Trudeau

Entity; or (iv) otherwise subject to access by Trudeau or any Trudeau Entity, directly or indirectly, or by any person or entity acting in concert with Trudeau or any Trudeau Entity;

(B) 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 notice of this order is received, and, if the account or other Asset has been closed or removed, the date closed or removed, the total funds removed in order to close the account, and the name of the person or entity to whom such







necessary in the performance of duties and responsibilities under the authority granted by this Order;

(7) Make payments and disbursements from the receivership estate that are necessary or advisable for carrying out the directions of, or exercising the authority granted by, this order. The Receiver shall apply to the Court for prior approval of any payment of any debt or obligation incurred by Trudeau or any Trudeau Entity prior to the date of entry of this order, except payments that the Receiver deems necessary or advisable to secure Assets of Trudeau or any Trudeau Entity;

(8) Collect any money due or owing to Trudeau or to any Trudeau Entity including, without limitation, membership dues, salaries, and royalties payable to Trudeau or on behalf of Trudeau or persons or entities Trudeau controls;

(9) Institute, compromise, adjust, appear in, intervene in, or become party to such actions or proceedings in state, federal or foreign courts that the Receiver deems necessary or advisable to preserve or recover the Assets of Trudeau or Trudeau Entity or to carry out the Receiver's mandate under this order;

(10) Defend, compromise, adjust, or otherwise dispose of any or all actions or proceedings instituted against any Trudeau Entity or the Receiver, that the Receiver deems necessary or advisable to preserve the Assets of the receivership estate or to carry out the Receiver's mandate under this order;

(11) The Receiver will assume the attorney-client privilege, attorney work product protection, and similar rights belonging to Trudeau personally only to the extent accessing Trudeau's otherwise privileged or protected information will assist the Receiver in identifying and obtaining possession of Assets controlled, directly or indirectly, by Trudeau or any Trudeau Entity; subject to this limitation, however, the Receiver will assume the attorney-client privilege, attorney work product protection, and other similar rights belonging to Trudeau and any Trudeau Entity (including, without limitation, any attorney-client privilege and attorney work product



(1)

- (1) Providing any information to the Receiver that the Receiver deems necessary to exercise the authority and discharge the responsibilities of the Receiver under this order;
- (2) Providing any password required to access any computer or electronic files or information in any medium;
- (3) Advising all persons who owe money to Trudeau or the Trudeau Entities that all debts should be paid directly to the Receiver;
- (4) Executing any Documents drawn by the Receiver to transfer all ownership, control and direction of any Trudeau Entities to the Receiver. Any dispute regarding the form of such documents should be brought to the Court's attention immediately;
- (5) Execute any Documents drawn by the Receiver to transfer any of Trudeau's Assets, and any of the Trudeau Entities' Assets, to the Receiver. Any dispute regarding the form of such documents should be brought to the Court's attention immediately;
- (6) Providing the Receiver with sworn statement(s) identifying any and all money and property transferred by or received by Trudeau or any Trudeau Entity to or from any source.

**VIII. ADDITIONAL RESTRAINTS**

It is further ordered that Trudeau, the Trudeau Entities, and anyone acting in concert with Trudeau or any Trudeau Entity is hereby restrained and enjoined from directly or indirectly:

- (1) Transacting any of the business of any Trudeau Entity without prior approval from the Court or the Receiver;
- (2) Excusing debts owed to Trudeau or any Trudeau Entity;
- (3) Destroying, secreting, defacing, transferring, or otherwise altering or disposing of any Documents of Trudeau or any Trudeau Entity;
- (4) Transferring, receiving, altering, selling, encumbering, pledging, assigning, liquidating, or otherwise disposing of any Assets owned, controlled, or in the possession or custody of, or in which an interest is held or claimed by, Trudeau, any Trudeau Entity, anyone acting in concert with Trudeau or any Trudeau Entity, or the Receiver;

(5) Failing to notify the Receiver of any Asset of Trudeau or any Trudeau Entity held in any name other than the name of Trudeau or any Trudeau Entity, or by any person or entity other than Trudeau or any Trudeau Entity, or failing to provide any assistance or information requested by the Receiver in connection with obtaining possession, custody, or control of such Assets; or

(6) Doing any act or thing whatsoever to interfere with the Receiver's taking and keeping custody, control, possession, or managing of the Assets or Documents subject to this receivership; or to harass or interfere with the Receiver in any way; or to interfere in any manner with the exclusive jurisdiction of this Court over the Assets or Documents of Trudeau or any Trudeau Entity; or to refuse to cooperate with the Receiver or the Receiver's duly authorized agents in the exercise of their duties or authority under any order of this Court.

(7) Nothing herein prohibits transfers to the Receiver that this order requires.

**IX. FOREIGN ASSET REPATRIATION**

It is further ordered that Trudeau and each Trudeau Entity shall take the following steps, but only with the Receiver's express prior authorization, and only pursuant to and in accordance with the Receiver's express instructions:

(1) Provide Plaintiff and the Receiver with a full accounting of all Assets outside of the United States that are held by (A) Trudeau or by any Trudeau Entity, (B) any person or entity holding such Assets for the benefit of Trudeau or any Trudeau Entity, and (C) any Assets under the direct or indirect control, individually or jointly, of Trudeau or any Trudeau Entity;

(2) Repatriate to the United States all such Assets;

(3) Hold and retain all such repatriated Assets, and prevent any disposition, transfer, or dissipation whatsoever of any such Assets, except as this order requires;

(4) Perform any act or acts (including, without limitation, the execution of any Documents) necessary to repatriate Assets; and

(5) Provide the Receiver with complete access to records and Documents held by financial institutions of any sort outside the United States.

**X. NON-INTERFERENCE WITH REPATRIATION**

It is further ordered that Trudeau, the Trudeau Entities, and any person or entity acting in concert with Trudeau or the Trudeau Entities (and which receives notice of this order), are hereby enjoined from taking any action, directly or indirectly, that may result in the encumbrance or dissipation of foreign Assets, or which hinders, in any way, the repatriation of those Assets.

This prohibition includes, without limitation:

(1) Sending any communication of any sort (including any communication that includes or refers to this order), or engaging in any act of any sort, that directly or indirectly results in any determination or decision by a foreign trustee, foreign trust protector, foreign enterprise of any sort (including any nonprofit enterprise), foreign financial institution, or foreign adjudicative body that Assets cannot be or will not be repatriated;

(2) Notifying any entity foreign trustee, foreign trust protector, foreign enterprise of any sort (including any nonprofit enterprise), foreign financial institution, or foreign adjudicative body of the existence of this order, or of the fact that repatriation is required pursuant to a court order, until such time as all Assets have been fully repatriated.

(3) Notifying anyone of any fact or information if the notice of such fact or information could reasonably be foreseen to hinder, prevent, or delay the repatriation of Assets for any reason.

**XI. RECEIVER'S PERIODIC REPORTS**

It is further ordered that, on September 6, 2013, and periodically thereafter as directed by the Court, the Receiver shall report (in writing) to Plaintiff, Trudeau, and the Court regarding the status of the receivership and whether the receivership is serving consumers' interests. The Receiver also may contact the Court *ex parte* regarding scheduling and administrative matters. Additionally, the Court will hold a status hearing on September 18, 2013, at 10:30 a.m.

**XII. COMPENSATION OF THE RECEIVER AND THE RECEIVER'S AGENTS**

It is further ordered:

(1) The Receiver, and agents the Receiver engages to implement this order, are entitled to reasonable compensation for the performance of duties undertaken pursuant to this order and for the cost of actual out-of-pocket expenses they incur.

(2) The Receiver may not receive compensation greater than the rate structure and terms outlined in the attachment to Plaintiff's proposal to the Court, see DE730 at PXA:1.

(3) Contemporaneously with the Receiver's Periodic Reports, the Receiver may file (or request Plaintiff to file) with the Court a request for payment.

(4) If the Court approves the Receiver's request for payment, the payment will come from Assets the Receiver has recovered pursuant to this order. If such funds are inadequate to compensate the Receiver, then payment to the receiver will come from the escrow account



Entity). Trudeau, any Trudeau Entity, and Plaintiff will execute promptly any documents necessary so that funds from the Escrow Account can be paid to such other professionals.

(6) Nothing herein alters the conduct restrictions that the Court imposed in Section III of its June 2, 2010 order (DE372) in the event that the amount of money in the Escrow Account falls below \$2 million.

(7) In no event will Plaintiff have any liability or responsibility for any costs, fees or any expenses in any way associated with the receivership.

### **XIII. RECEIVER ACCESS TO BUSINESS PREMISES AND RECORDS**

It is further ordered that:

(1) Trudeau, the Trudeau Entities, and those acting in concert with Trudeau or the Trudeau entities shall allow the Receiver and its representatives, agents, contractors, or assistants, immediate access to any Business Premises.

(2) Trudeau, the Trudeau Entities, and those acting in concert with them shall allow the Receiver and its representatives, agents, contractors, or assistants to employ the assistance of law enforcement officers as deemed necessary to implement the provisions of this order peacefully.

(3) The Receiver may exclude Trudeau and any person or entity acting in concert with Trudeau or the Trudeau Entities from any Business Premises belonging to Trudeau or the Trudeau Entities.

(4) Trudeau, the Trudeau Entities, and any person or entity acting in concert with Trudeau or the Trudeau Entities shall provide

**XIV.**

(C) 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

(D) Doing any act or thing whatsoever to interfere with the Receiver's taking custody, control, possession, or management of the assets or documents subject to this receivership; or to harass or interfere with the Receiver in any way; or to interfere in any manner with the exclusive jurisdiction of this Court over the assets or documents of Trudeau and the Trudeau Entities.

(2) This section does not stay:

(A) The commencement or continuation of a criminal action or proceeding;

(B) The commencement or continuation of an action or proceeding by a governmental unit to enforce such governmental unit's police or regulatory power;

(C) 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;

(D) 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

(E) The issuance to Trudeau or a Trudeau Entity of a notice of tax deficiency.

## **XVII. CONSTRUCTION WITH OTHER ORDERS**

It is further ordered that nothing herein modifies or limits any prior order of the Court. For avoidance of doubt, nothing herein alters the conduct restrictions that the Court imposed in Section III of its June 2, 2010 order (DE372) in the event that the amount of money in the Escrow Account falls below \$2 million.

**XVIII.        INCARCERATION**

It is further ordered that Trudeau's failure to comply fully and timely with this order will result in Trudeau's immediate incarceration until (A) such compliance is achieved; (B) Trudeau fully complies with this Court's June 2, 2010 order (DE372); (C) Trudeau establishes that he has no present ability to comply with the Court's June 2, 2010 order; or (D) Trudeau establishes that continued incarceration will not coerce him to comply with the Court's June 2, 2010 order.

**XIX.        NOTICE**

**CERTIFICATE OF SERVICE**

I, Jonathan Cohen, hereby certify that on August 7, 2013, I caused to be served true copies of the foregoing by electr