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FEDERAL TRADE COMMISSION

10
11 **UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

12 **FEDERAL TRADE COMMISSION,**

13
14 Plaintiff,

15 v.

16 DAMIAN KUTZNER, individually and as
an officer of BROOKSTONE LAW P.C.
17 (California), BROOKSTONE LAW P.C.
(Nevada), ADVANTIS LAW P.C., and
18 ADVANTIS LAW GROUP P.C.; VITO
TORCHIA, JR., individually and as an
19 officer of BROOKSTONE LAW P.C.
(California) and BROOKSTONE LAW
20 P.C. (Nevada); JONATHAN
TARKOWSKI, individually and as an
21 officer of BROOKSTONE LAW P.C.
(California) and BROOKSTONE LAW
22 P.C. (Nevada); R. GEOFFREY
BRODERICK, individually and as an
23 officer of ADVANTIS LAW P.C. and
ADVANTIS LAW GROUP P.C.;
24 CHARLES T. MARSHALL, individually
and as an officer of ADVANTIS LAW
25 P.C. and ADVANTIS LAW GROUP P.C.;
BROOKSTONE LAW P.C., d/b/a
26 BROOKSTONE LAW GROUP, a
California professional corporation;
27 BROOKSTONE LAW P.C., d/b/a
BROOKSTONE LAW GROUP, a Nevada
28

Case No. CV16-00999-BRO (AFMx)

**EX PARTE TEMPORARY
RESTRAINING ORDER
WITH ASSET FREEZE,
APPOINTMENT OF
TEMPORARY RECEIVER,
LIMITED EXPEDITED
DISCOVERY, AND OTHER
EQUITABLE RELIEF, AND
ORDER TO SHOW CAUSE
WHY PRELIMINARY
INJUNCTION SHOULD NOT
ISSUE**

[LODGED UNDER SEAL]

1 professional corporation; ADVANTIS
2 LAW P.C., a California professional
3 corporation; and ADVANTIS LAW
4 GROUP P.C., a California professional
5 corporation,

6 Defendants.

7 Plaintiff, the Federal Trade Commission (“FTC”), pursuant to Section 13(b)
8 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), and the
9 2009 Omnibus Appropriations Act, Public Law 111-8, Section 626, 123 Stat. 524,
10 678 (Mar. 11, 2009) (“Omnibus Act”), as clarified by the Credit Card
11 Accountability Responsibility and Disclosure Act of 2009, Public Law 111-24,
12 Section 511, 123 Stat. 1734, 1763-64 (Mar. 22, 2009) (“Credit Card Act”), and
13 amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act,
14 Public Law 111-203, Section 1097, 124 Stat. 1376, 2102-03 (July 21, 2010)
15 (“Dodd-Frank Act”), 12 U.S.C. § 5538, has filed a complaint to obtain temporary,
16 preliminary, and permanent injunctive relief, rescission or reformation of contracts,
17 restitution, the refund of monies paid, disgorgement of ill-gotten monies, and other
18 equitable relief for Defendants’ acts or practices in violation of Section 5(a) of the
19 FTC Act, 15 U.S.C. § 45(a), and the Mortgage Assistance Relief Services Rule
20 (“MARS Rule”), 16 C.F.R. Part 322, recodified as Mortgage Assistance Relief
21 Services, 12 C.F.R. Part 1015 (“Regulation O”), and has applied for a temporary
22 restraining order pursuant to Rule 65(b) of the Federal Rules of Civil Procedure.

23 **FINDINGS OF FACT**

24 This Court, having considered the FTC’s Complaint, *ex parte* application,
25 declarations, exhibits, and memoranda filed in support of the FTC’s application,
26 and the evidence presented, finds the facts in its Order dated June 1, 2016 (Dkt.
27 No. 22.):
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- 1 7. Brookstone Law P.C., JPMorgan Chase, 8561;
- 2 8. Brookstone Law P.C., JPMorgan Chase, 7928;
- 3 9. Brookstone Law P.C., JPMorgan Chase, 8769;
- 4 10. Brookstone Law P.C., JPMorgan Chase, 8819;
- 5 11. Brookstone Law P.C., JPMorgan Chase, 6317;
- 6 12. Brookstone Law P.C., JPMorgan Chase, 9052;
- 7 13. Brookstone Law P.C., Bank of America, 0081;
- 8 14. Brookstone Law P.C., Bank of America, 0097;
- 9 15. Brookstone Law P.C., Bank of America, 0098;
- 10 16. Brookstone Law P.C., Bank of America, 0099;
- 11 17. Brookstone Law P.C., Bank of America, 2747;
- 12 18. Brookstone Law P.C., Bank of America, 2748;
- 13 19. Brookstone Law P.C., Bank of America, 2909;
- 14 20. Brookstone Law P.C., Bank of America, 3466;
- 15 21. Brookstone Law P.C., Bank of America, 8722;
- 16 22. Brookstone Law P.C., Bank of America, 8735;
- 17 23. Brookstone Law P.C., Bank of America, 7366;
- 18 24. Brookstone Law P.C., CitiBank, No. unknown;
- 19 25. Charles T. Marshall, JPMorgan Chase, 4691;
- 20 26. Charles T. Marshall, JPMorgan Chase, 4708;
- 21 27. Charles T. Marshall, JPMorgan Chase, 6085;
- 22 28. Charles T. Marshall, JPMorgan Chase, 7957;
- 23 29. Charles T. Marshall, JPMorgan Chase, 8120;
- 24 30. Charles T. Marshall, JPMorgan Chase, 2107;
- 25 31. Charles T. Marshall, Bank of America, 1763;
- 26 32. Damian Kutzner, JPMorgan Chase, 9111;
- 27 33. Doheny Development Corp., JPMorgan Chase, 5983;
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- 34. Federal Management Systems Inc., JPMorgan Chase, 2850;
- 35. Geoffrey Broderick, JP

1 as an owner, officer, director, manager, or principal of any entity; (7) providing
2 telemarketing services; or (8) consulting with regard to any of the above.

3 D. **“Corporate Defendants”** means, collectively, Advantis Law P.C.,
4 Advantis Law Group P.C., Brookstone Law P.C. (California), Brookstone Law
5 P.C. (Nevada), and their successors, assigns, affiliates, or subsidiaries, and each of
6 them by whatever names each might be known.

7 E. **“Defendants”**

1 I. **“Individual Defendants”** means, collectively, Damian Kutzner, Vito
2 Torchia, Jonathan Tarkowski, Geoffrey Broderick, Charles Mars
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1 by, or under the signatory power of any Defendant, or other party subject to the
2 Asset Freeze above, or has held, controlled, or maintained any such account,
3 Document, or Asset, shall:

4 A. Hold, preserve, and retain within such entity's or person's control, and
5 prohibit the withdrawal, removal, alteration, assignment, transfer, pledge,
6 hypothecation, encumbrance, disbursement, dissipation, conversion, sale,
7 liquidation, or other disposal of such asset, or the Asset Freeze.

1 4. if the account, safe deposit box, or other Asset has been closed
2 or removed, the date closed or removed, the balance on said date, and the name or
3 the person or entity to whom such account or other Asset was remitted;

4 E. Provide counsel for the FTC, within three (3) business days after
5 being served with a request, copies of all Documents pertaining to such account or
6 Asset, including but not limited to: account statements, account applications,
7 signature cards, underwriting files, checks, deposit tickets, transfers to and from
8 the accounts, wire transfers, all other debit and credit instruments or slips, 1099
9 forms, and safe deposit box logs; and

10 F. Cooperate with all reasonable requests of the FTC relating to this
11 Order's implementation.

1 attached to this Order as Attachment C and by signing any other Documents
2 required by any person, including any Financial Institution, or other person holding
3 any such Asset.

4 **XI. NON-INTERFERENCE WITH REPATRIATION**

5 **IT IS FURTHER ORDERED** that Defendants, and each of their
6 successors, assigns, members, officers, agents, servants, employees, and attorneys,
7 and those persons in active concert or participation with them who receive actual
8 notice of this Order by personal service or otherwise, whether acting directly or
9 through any entity, corporation, subsidiary, division, affiliate or other device, are
10 hereby temporarily restrained and enjoined from taking any action, directly or
11 indirectly, that may result in the encumbrance or dissipation of foreign Assets, or
12 in the hindrance of the repatriation required by the preceding “Repatriation of
13 Assets” Section of this Order, including, but not limited to:

14 A. Sending any statement, letter, fax, email or wire transmission, or
15 telephoning or engaging in any other act, directly or indirectly, that results in a
16 determination by a foreign trustee or other entity that a “duress” event has occurred
17 under the terms of a foreign trust agreement until such time that all Assets have
18 been fully repatriated pursuant to the “Repatriation of Assets” Section of this
19 Order; or

20 B. Notifying any trustee, protector, or other agent of any foreign trust or
21 other related entities of either the existence of this Order, or of the fact that
22 repatriation is required pursuant to a court order, until such time that all Assets
23 have been fully repatriated pursuant to “Repatriation of Assets” Section of this
24 Order.

25 **XII. RECORDKEEPING AND BUSINESS OPERATIONS**

26 **IT IS FURTHER ORDERED** that Defendants are hereby temporarily
27 restrained and enjoined from:
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1 A. Failing to maintain Documents that, in reasonable detail, accurately,
2 fairly, and completely reflect their incomes, disbursements, transactions, and use of
3 money;

4 B. Creating, operating, or exercising any control over any business
5 entity, including any partnership, limited partnership, joint venture, sole
6 proprietorship, limited liability company or corporation, without first providing the
7 Commission with a written statement disclosing: (1) the name of the business
8 entity; (2) the address and telephone number of the business entity; (3) the names
9 of the business entity's officers, directors, principals, managers, and employees;
10 and (4) a detailed description of the business entity's intended activities; and

11 C. Affiliating with, becoming employed by, or performing any work for
12 any business that is not a named Defendant in this action without first providing
13 the Commission with a written statement disclosing: (1) the name of the business;
14 (2) the address and telephone number of the business; and (3) a detailed description
15 of the nature of the business or employment and the nature of the Defendant's
16 duties and responsibilities in connection with that business or employment.

17 **XIII. APPOINTMENT OF TEMPORARY RECEIVER**

18 **IT IS FURTHER ORDERED** that Thomas W. McNamara of San Diego,
19 California is appointed Temporary Receiver for the Receivership Entities, with the
20 full power of an equity Receiver. The Temporary Receiver shall be the agent of
21 this Court and solely the agent of this Court in acting as Temporary Receiver under
22 this Order. The Temporary Receiver shall be accountable directly to this Court.
23 The Temporary Receiver shall comply with all local rules and laws governing
24 federal equity receivers.

25 **XIV. COOPERATION WITH THE TEMPORARY RECEIVER**

26 **IT IS FURTHER ORDERED** that Defendants shall fully cooperate with
27 and assist the Temporary Receiver. Defendants' cooperation and assistance shall
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1 include, but not be limited to, providing any information to the Temporary
2 Receiver that the Temporary Receiver deems necessary to exercise the authority
3 and discharge the responsibilities of the Temporary Receiver under this Order;
4 providing any login, password, or biometric identifier required to access any
5 computer or electronic files or information in or on any medium; and advising all
6 persons who owe money to the Receivership Entities that all debts should be paid
7 directly to the Temporary Receiver. Defendants are hereby restrained and enjoined
8 from directly or indirectly:

9 A. Transacting any of the business of the Receivership Entities;

10 B. Excusing debts owed to the Receivership Entities;

11 C. Destroying, secreting, defacing, transferring, or otherwise altering or
12 disposing of any Documents of the Receivership Entities;

13 D. Transferring, receiving, altering, selling, encumbering, pledging,
14 assigning, liquidating, or otherwise disposing of any Assets owned, controlled, or
15 in the possession or custody of, or in which an interest is held or claimed by, the
16 Receivership Entities, or the Temporary Receiver;

17 E. Failing to provide any assistance or information requested by the
18 Temporary Receiver in connection with obtaining possession, custody, or control
19 of any Assets within the receivership estate that the Receiver or the FTC has
20 identified; or

21 F. Doing any act or thing whatsoever to interfere with the Temporary
22 Receiver's taking and keeping custody, control, possession, or managing of the
23 Assets or Documents subject to this receivership; or to harass or interfere with the
24 Temporary Receiver in any way; or to interfere in any manner with the exclusive
25 jurisdiction of this Court over the Assets or Documents of the Receivership
26 Entities; or to refuse to cooperate with the Temporary Receiver or the Temporary
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1 Receiver's duly authorized agents in the exercise of their duties or authority under
2 any Order of this Court.

3 **XV. DUTIES AND AUTHORITY OF TEMPORARY RECEIVER**

4 **IT IS FURTHER ORDERED** that the Temporary Receiver is directed and
5 authorized to accomplish the following:

6 A. Assume full control of the Receivership Entities by removing, as the
7 Temporary Receiver deems necessary or advisable, any director, officer,
8 independent contractor, employee, attorney, or agent of any Receivership Entity
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1 locks and disconnecting any computer networks or other means of access to
2 electronically stored information or other Documents maintained at that location;
3 or (6) requiring any persons present on the premises at the time this Order is served
4 to leave the premises, to provide the Temporary Receivers with proof of
5 identification, and/or to demonstrate to the satisfaction of the Temporary Receiver
6 that such persons are not removing from the premises Documents or Assets of the
7 Receivership Entities. Such authority shall include, but not be limited to, the
8 authority to order any owner, director, officer, employee, or agent of the
9 Receivership Entities to leave the business premises;

10 D. Conserve, hold, and manage all receivership Assets, and perform all
11 acts necessary or advisable to preserve the value of those Assets, in order to
12 prevent any irreparable loss, damage, or injury to consumers, including, but not
13 limited to, obtaining an accounting of the Assets and preventing the transfer,
14 withdrawal, or misapplication of Assets;

15 E. Enter into contracts and purchase insurance as advisable or necessary;

16 F. Prevent the inequitable distribution of Assets and determine, adjust,
17 and protect the interests of consumers and creditors who have transacted business
18 with the Receivership Entities;

19 G. Manage and administer the business of the Receivership Entities until
20 further order of this Court by performing all incidental acts that the Temporary
21 Receiver deems to be advisable or necessary, which includes retaining, hiring, or
22 dismissing any employees, independent contractors, or agents;

23 H. Continue and conduct the businesses of the Defendants in such
24 manner, to such extent, and for such duration as the Temporary Receiver may in
25 good faith deem to be necessary or appropriate to operate the businesses profitably,
26 using the Assets of the receivership estate, and lawfully, if at all;

1 I. Choose, engage, and employ attorneys, accountants, appraisers,
2 investigators, and other independent contractors and technical specialists, as the
3 Temporary Receiver deems advisable or necessary in the performance of their
4 duties and responsibilities, including but not limited to the law firm in which the
5 Receiver is a partner;

6 J. Make payments and disbursements from the receivership estate that
7 are necessary or advisable for carrying out the directions of, or exercising the
8 authority granted by, this Order. The Temporary Receiver shall apply to the Court
9 for prior approval of any payment of any debt or obligation incurred by the
10 Receivership Entities prior to the date this Order is signed, except payments that
11 the Temporary Receiver deems necessary or advisable to secure Assets of the
12 Receivership Entities, such as rental payments;

13 K. Collect any money due or owing to the Receivership Entities;

14 L. Institute, compromise, adjust, appear in, intervene in, or become party
15 to such actions or proceedings in state, federal or foreign courts that the Temporary
16 Receiver deems necessary and advisable to preserve or recover the Assets of the
17 Receivership Entities, or to carry out the Temporary Receiver's mandate under this
18 Order;

19 M. Defend, compromise, adjust, or otherwise dispose of any or all actions
20 or proceedings instituted against the Receivership Entities or the Temporary
21 Receiver that the Temporary Receiver deems necessary and advisable to preserve
22 the Assets of the Receivership Entities, or to carry out the Temporary Receiver's
23 mandate under this Order;

24 N. Take depositions and issue subpoenas to obtain Documents and
25 records pertaining to the receivership and compliance with this Order. Subpoenas
26 may be served by electronic mail, by agents or attorneys of the Temporary
27 Receiver and by agents of any process server retained by the Temporary Receiver;
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1 O. Open one or more bank accounts as designated depositories for funds
2 of the Receivership Entities. The Temporary Receiver shall deposit all funds of
3 the Receivership Entities in such a designated account and shall make all payments
4 and disbursements from the receivership estate from such an account;

5 P. Maintain accurate records of all receipts and expenditures made by the
6 Temporary Receiver;

7 Q. Cooperate with reasonable requests for information or assistance from
8 any state or federal law enforcement agency;

9 R. Permit, within the Temporary Receiver's discretion, copies of client
10 files to be given to a lawyer working for a Receivership Entity if the files relate to
11 a matter other than one within the scope of the allegations in the Complaint;

12 S. File, within the Temporary Receiver's discretion, notices in any
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1 the Temporary Receiver is authorized to work with representatives of the
2 California State Bar to perform these actions.

3 **XVI. TRANSFER OF FUNDS TO THE TEMPORARY RECEIVER BY**
4 **FINANCIAL INSTITUTIONS AND OTHER THIRD PARTIES**

5 **IT IS FURTHER ORDERED** that, upon service of a copy of this Order,
6 any Financial Institution shall cooperate with all reasonable requests of counsel for
7 the FTC and the Temporary Receiver relating to implementation of this Order,
8 including transferring funds at the Temporary Receiver's direction and producing
9 records related to the Assets and sales of the Receivership Entities.

10 **XVII. TEMPORARY RECEIVER'S REPORTS**

11 **IT IS FURTHER ORDERED** that the Temporary Receiver shall report to
12 this Court at least one day before the date set for the hearing regarding the
13 Prelnvt27 TaeRecr,

1 undertaken pursuant to this Order and for the cost of actual out-of-pocket expenses
2 incurred by them from the Assets now held by or in the possession or control of, or
3 which may be received by, the Receivership Entities. The Temporary Receiver
4 shall file with the Court and serve on the parties a request for the payment of
5 reasonable compensation at the time of the filing of any report required by the
6 “Temporary Receiver’s Reports” Section of this Order. The Temporary Receiver
7 shall not increase the fees or rates used as the bases for such fee applications
8 without prior approval of the Court.

9 **XIX. TEMPORARY RECEIVER’S ACCESS TO BUSINESS PREMISES**
10 **AND RECORDS**

11 **IT IS FURTHER ORDERED** that:

12 A. The Temporary Receiver, and his representatives, agents, and
13 assistants, shall have immediate access to all business premises and storage
14 facilities, owned, controlled, or used by any Receivership Entity, including but not
15 limited to the offices and facilities at 6 Hutton Centre Drive, Suite 1000, Santa
16 Ana, CA 92707, and any offsite commercial mail boxes or virtual offices used by
17 any Receivership Entity. The Temporary Receiver is authorized to employ the
18 assistance of law enforcement as he deems necessary to effect service and
19 peacefully implement this Order. The Temporary Receiver may exclude
20 Receivership Entities and their employees from part or all of the business premises
21 during the immediate access. The purpose of the immediate access shall be to
22 effect service and to inspect and copy the business and financial records of the
23 Receivership Entities, including forensic imaging of electronically stored
24 information. Such business records include, but are not limited to, correspondence,
25 contracts, emails, and financial data;

26 B. The Temporary Receiver and its representatives, agents, and
27 assistants, shall have the right to remove materials from the above-listed premises
28 for inspection and copying;

1 C. Receivership Entities and all employees or agents of Receivership
2 Entities shall provide the Temporary Receiver with any necessary means of access
3 to Documents and records, including, without limitation, the locations of the
4 Receivership Entities' business premises, keys and combinations to locks,
5 computer access codes, and storage area access information;

6 D. If any Individual Defendant possesses a smartphone or tablet on
7 receivership premises, they will turn over the device to the Receiver for imaging.
8 Within two business days, the Temporary Receiver will return the device; and

9 E. If any Documents, computers, smartphones, tablets, or electronic data
10 storage devices containing information related to the business practices or finances
11 of the Receivership Entities are at a location other than those listed herein,
12 including but not limited to, the personal residence(s) of the Defendants, then,
13 immediately upon notice of this Order, Defendants shall produce to the Temporary
14 Receiver all such Documents, computers, smartphones, tablets, or electronic data
15 storage devices. To prevent the destruction of electronic data, upon service of this
16 Order upon any Receivership Entity, any computers, smartphones, tablets, or
17 electronic data storage devices containing such information shall be powered down
18 (turned off) in the normal course for the operating systems used on such devices
19 and shall not be used until produced for copying and inspection, along with any
20 codes needed for access. For any smartphone or tablet that contains information
21 related to the business practices or finances of the Receivership Entities that is in
22 the personal possession of an Individual Defendant, the Temporary Receiver shall
23 image that device and return it to the Individual Defendant within two business
24 days.

25 **XX. PARTIES' ACCESS TO BUSINESS PREMISES AND RECORDS**

26 **IT IS FURTHER ORDERED** that the Temporary Receiver shall allow the
27 FTC, the Defendants, and their representatives reasonable access to the premises of
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1 the Receivership Entities. The purpose of this access shall be to inspect, inventory,
2 and copy any Documents and other property owned by, or in the possession of, the
3 Receivership Entities, provided that those Documents and property are not
4 removed from the premises without the permission of the Temporary Receiver.
5 The Temporary Receiver shall have the discretion to determine the time, manner,
6 and reasonable conditions of such access. The Temporary Receiver will segregate
7 all materials subject to an attorney-client privilege held by a Receivership Entity's
8 clients and shall not make these materials available to either the FTC or
9 Defendants without the clients' consent. The FTC's access to any Documents
10 pursuant to this provision shall not provide grounds for any Defendant to object to
11 any subsequent request for Documents served by the FTC.

12 **XXI. LIMITED EXPEDITED DISCOVERY**

13 **IT IS FURTHER ORDERED** that the Temporary Receiver and the FTC
14 are granted leave to conduct certain expedited discovery and that in lieu of the time
15 periods, notice provisions, and other requirements of the applicable Local Rules for
16 this District and Rules 26, 30, 34, and 45 of the Federal Rules of Civil Procedure,
17 the Temporary Receiver and the FTC are granted leave to:

18 A. Depose, on three (3) days' notice, any party or non-party for the
19 purpose of discovering: (1) the nature, location, status, and extent of Assets of
20 Defendants or their affiliates or subsidiaries; (2) the nature and location of
21 Documents and business records of Defendants or their affiliates or subsidiaries;
22 and (3) compliance with this Order. Any such depositions shall not be counted
23 toward any deposition limit set forth in the Federal Rules of Civil Procedure or this
24 Court's Local rules and shall not preclude the FTC from subsequently deposing the
25 same person during discovery on the merits in this case. Depositions may be taken
26 by telephone, video conference, or other remote means. Any deposition taken
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1 pursuant to this Section that has not been reviewed and signed by the deponent

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XXII. BANKRUPTCY PETITIONS

1 **IT IS FURTHER ORDERED** that, in light of the appointment of the
2 Temporary Receiver, the Receivership Entities are hereby prohibited from filing
3 petitions for relief under the United States Bankruptcy Code, 11 U.S.C. § 101 *et*
4 *seq.*, without prior permission from this Court.

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6 **XXIII. PRE-EXISTING ORDERS**

7 **IT IS FURTHER ORDERED** that nothing herein modifies any existing
8 Order in any way, including the Orders governing Damian Kutzner. *See FTC v.*
9 *GM Funding, Inc.*, SACV02-1026 DOC (C.D. Cal.), Stipulated Judgment and
10 Order for Permanent Injunction as to Defendants GM Funding, Inc., Robert D.
11 Kutzner, Global Mortgage Funding, Inc., and Damian R. Kutzner (May 5, 2003);
12 *U.S. v. Global Mortgage Funding, Inc.*, SACV07-1275 DOC (C.D. Cal.),
13 Stipulated Judgment and Order for Permanent Injunction (July 17, 2009). The
14 FTC may take discovery and pursue any other measure any existing Order permits.

15 **XXIV. STAY OF ACTIONS**

16 **IT IS FURTHER ORDERED** that:

17 A. Except by leave of this Court, during the pendency of the Temporary
18 Receivership ordered herein, the Receivership Entities and all customers,
19 principals, investors, creditors, stockholders, lessors, and other persons seeking to
20 establish or enforce any claim, right, or interest against or on behalf of the
21 Receivership Entity, and all others acting for or on behalf of such persons,
22 including attorneys, trustees, agents, sheriffs, constables, marshals, and other
23 officers and their deputies, and their respective attorneys, servants, agents, and
24 employees be and are hereby stayed from:

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

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

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

10 4. Doing any act or thing whatsoever to interfere with the
11 Temporary Receiver's taking custody, control, possession, or management of
12 Assets or Documents subject to this receivership; or to harass or interfere with the
13 Temporary Receiver in any way; or to interfere in any manner with the exclusive
14 jurisdiction of this Court over the Assets or Documents of the Receivership
15 Entities.

16 B. This Section does not stay:

17 1. The commencement or continuation of a criminal action or
18 proceeding;

19 2. The commencement or continuation of an action or proceeding
20 by a governmental unit to enforce such governmental unit's police or regulatory
21 power;

22 3. The enforcement of a judgment, other than a money judgment,
23 obtained in an action or proceeding by a governmental unit to enforce such
24 governmental unit's police or regulatory power, including but not limited to any
25 actions (including discovery) taken by the FTC in enforcing the Orders in the
26 related matters, *FTC v. GM Funding, Inc.*, SACV02-1026 DOC (C.D. Cal.), *U.S. v.*
27 *Global Mortgage Funding, Inc.*, SACV07-1275 DOC (C.D. Cal.); or
28

1 4. The issuance to the Receivership Entities of a notice of tax
2 deficiency.

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4 **XXV. ACKNOWLEDGMENT OF RECEIPT OF ORDER BY**
5 **DEFENDANTS**

6 **IT IS FURTHER ORDERED** that each Defendant, within three (3)
7 business days of receipt of this Order, must submit to counsel for the FTC a
8 truthful sworn statement acknowledging receipt of this Order.

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XXVIII.

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