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IN THE UNITED STATES DIST-9.73696 TD.002 Tc94.44 o602 Tc9 44 o6

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FTC and Stipulating Defendant Stacey Vela filed a Joint Stipulation Regarding Proposed Stipulated Preliminary Injunction As To Stacey Vela. (Doc. 56.)

Having considered the parties' pleadings, papers, and argument, the Court hereby **GRANTS** the FTC and Stipulating Defendant's application for a preliminary injunction against Stipulating Defendant (Doc. 56) as follows.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

This Court, having considered the FTC's Complaint, *ex parte* motion for TRO and supporting papers, supplemental filing in

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- g. Purple Bulldog LLC, BBVA Compass, 2401;
- h. Cenex Hub Distribution, Bank of America, 0396;
- i. Max Results Marketing LLC, Chase Bank, 9625;
- j. Oro Canyon Marketing LLC, BBVA Compass, 1055;
- k. Southwest Billing & Payments, Chase Bank, 2226;
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9. **“Individual Defendants”** means Stephanie A. Bateluna, Stacey C. Vela, and Carl E. Morris, Jr., and any other names they might use, have used, be known by or have been known by, individually, collectively, and in any combination.

10. **“Person”** means any individual, group, unincorporated association, limited or general partnership, corporation or other business entity.

11. **“Plaintiff”** means the Federal Trade Commission (“Commi“Com

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with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with the advertising, marketing, promotion, offering for sale, sale, or performance of any service or product, are temporarily restrained and enjoined from making or assisting others in making, expressly or by implication:

A.

1 trust, corporation, subsidiary, division, or other device, are hereby temporarily restrained
2 and enjoined from using, benefitting from, selling, renting, leasing, transferring, or
3 otherwise disclosing the name, address, telephone number, email address, Social Security
4 number, credit card number, debit card number, bank account number, any financial
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managed, or controlled by, or under common control with any Defendant, including any entity acting under a fictitious name owned by or controlled by any Defendant, and any Assets held by, for, or under the name of any Defendant at any bank or savings and loan institution, or with any broker-dealer, escrow agent, title company, commodity trading company, payment processing company, precious metal dealer, or other Financial Institution or depository of any kind;

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

C. Incurring charges or cash advances on any credit card, debit card, or checking card issued in the name, singly or jointly, of any Defendant;

D. Obtaining a personal or secured loan;

E. Incurring liens or encumbrances on real property, personal property or other Assets in the name, singly or jointly, of any Defendant, or on any Defendant's

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3. the identification of any safe deposit box that is either titled in the name of, individually or jointly, or is otherwise subject to access or control by the Stipulating Defendant or other party subject to the Asset Freeze above; and

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

E. To the extent it does not violate her Fifth Amendment right not to be compelled to incriminate herself, Stipulating Defendant shall provide counsel for the FTC, within three (3) business days after being served with a request, copies of all Documents pertaining to such account or Asset, including but not limited to: account statements, account applications, signature cards, underwriting files, checks, deposit tickets, transfers to and from the accounts, wire transfers, all other debit and credit instruments or slips, 1099 forms, and safe deposit box logs; and

F. To the extent it does not violate her Fifth Amendment right not to be compelled to incriminate herself, Stipulating Defendant shall cooperate with all reasonable requests of the FTC relating to this Order's implementation.

IT IS FURT

1 within one (1) business day of service of this Order, shall prepare and deliver to counsel
2 for the FTC a completed financial statement accurate as of the date of service of this
3 Order upon such Stipulating Defendant, in the form of Attachment A to this Order
4 captioned "Financial Statement of Individual Defendant," to the extent it does not violate
5 her Fifth Amendment right not to be compelled to incriminate herself.

6 IX. CREDIT REPORTS

7 IT IS FURTHER ORDERED that the FTC may obtain credit reports concerning
8 the Stipulating Defendant pursuant to Section 604(a)(1) of the Fair Credit Reporting Act,
9 15 U.S.C. § 1681b(a)(1), and that, upon written request, any credit reporting agency from
10 which such reports are requested shall provide them to the FTC.

11 X. REPATRIATION OF FOREIGN ASSETS

12 IT IS FURTHER ORDERED that, within three (3) days following the service of
13 this Order, the Stipulating Defendant shall:

14 A. Transfer to the territory of the United States and provide the FTC and the
15 Receiver with a full accounting of all Assets, Documents, and records outside of the
16 territory of the United States that are:

- 17 1. owned or controlled by;
- 18 2. subject to access by;
- 19 3. held in whole or in part for the benefit of;
- 20 4. belonging to any entity that is directly or indirectly owned, managed,
21 or under the control of; or
- 22 5. belonging to a person under the control of the Stipulating Defendant;

23 B. Hold all repatriated Assets, Documents, and records as required by the
24 Asset Freeze imposed by this Order; and

25 C. Provide the FTC access to all records of accounts or Assets of the
26 Stipulating Defendant held by any Financial Institution or other person located outside
27 the territorial United States by signing the Consent to Release of Financial Records
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1 B. Creating, operating, or exercising control over any business entity,
2 including any partnership, limited partnership, joint venture, sole proprietorship, limited
3 liability company or corporation, without first providing the Commission with a written
4 statement disclosing: (1) the name of the business entity; (2) the address and telephone
5 number of the business entity; (3) the names of the business entity's officers, directors,
6 principals, managers, and employees; and (4) a detailed description of the business
7 entity's intended activities; and

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

14 XIII. APPOINTMENT OF RECEIVER

15 IT IS FURTHER ORDERED that Robb Evans & Associates LLC is appointed
16 Receiver for the Receivership Entities, with the full power of an equity Receiver. The
17 Receiver shall be the agent of this Court and solely the agent of this Court in acting as
18 Receiver under this Order. The Receiver shall be accountable directly to this Court. The
19 Receiver shall comply with all local rules and laws governing federal equity receivers.

20 XIV. COOPERATION WITH THE RECEIVER

21 IT IS FURTHER ORDERED that to the extent of any conflict between the provisions of this Order and any other order of this Court, the provisions of this Order shall control. (of

1 B. Take exclusive custody, control and possession of all Assets and
 2 Documents of, or in the possession, custody, or under the control of, any Receivership
 3 Entity and other persons or entities whose interests are now held by or under the
 4 direction, possession, custody, or control of any Receivership Entity, wherever situated.
 5 The Receiver shall have full power to divert mail; change usernames, passwords or other
 6 log-in credentials for any online access to accounts held by any Receivership Entity (such
 7 as online access to financial accounts and remote access to electronic Documents held by
 8 cloud service providers, email service providers and web hosts); and take possession of
 9 all electronic Documents of the Receivership Entities stored remotely by copying all such
 10 Documents and obtaining the assistance of the FTC's litigation support staff for the
 11 purpose of obtaining electronic Documents stored remotely. The Receiver shall assume
 12 control over the income and profits therefrom and all sums of money now or hereafter
 13 due or owing to the Receivership Entities. Provided, however, that the Receiver shall not
 14 attempt to collect any amount from a consumer if the Receiver believes the consumer was
 15 a victim of the unfair or deceptive acts or practices or other violations of law alleged in
 16 the Complaint in this matter without prior Court approval;

17 C. Take all steps necessary to secure the business premises of the Receivership
 18 Entities, which may include, but are not limited to, taking the following steps as the
 19 Receiver deems necessary or advisable: (1) serving and filing this Order; (2) completing
 20 a written inventory of the Receivership Assets; (3) obtaining pertinent information from all
 21 employees and other agents of the Receivership Entities, including, but not limited to, the
 22 name, home address, Social Security number, job description, method of compensation,
 23 and all accrued and unpaid commissions and compensation of each such employee or
 24 agent; (4) video-recording and/or photographing all portions of the location at which any
 25 Receivership Entity conducts business or Assets; (5) changing the locks and alarm
 26 codes and disconnecting any computer networks or other means of access to
 27 electronically stored information or other Documents maintained at that location; or (6)
 28 requiring any persons present on the premises at the time this Order is served to leave the

1 premises, to provide the Receivers with proof of identification, and/or to demonstrate to
2 the satisfaction of the Receiver that such persons are not removing from the premises
3 Documents or Assets of the Receivership Entities. Such authority shall include, but not
4 be limited to, the authority to order any owner, director, officer, employee, or agent of the
5 Receivership Entities to leave the business premises;

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

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

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

15 G. Manage and administer the business of the Receivership Entities until
16 further order of this Court by performing all incidental acts that the Receiver deems to be
17 advisable or necessary, which includes rehiring, or dismissing any employees,
18 independent contractors, or agents;

19 H. Continue and conduct the businesses of the Stipulating Defendants in such
20 manner, to such extent, and for such duration as the Receiver may in good faith deem to
21 be necessary or appropriate to operate the businesses profitably, using the Assets of the
22 receivership estate, and lawfully, if at all;

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

27 J. Make payments and disbursements from the receivership estate that are
28 necessary or advisable for carrying out the directions of, or exercising the authority

1 granted by, this Order. The Receiver shall apply to the Court for prior approval of any
2 payment of any debt obligation incurred by the Receivership Entities prior to the date
3 this Order is signed, except payments that the Receiver deems necessary or advisable to
4 secure Assets of the Receivership Entities, such as rental payments;

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

6 L. Institute, compromise, adjust, appear in, intervene, or become party to
7 such actions or proceedings in state, federal or foreign courts that the Receiver deems
8 necessary and advisable to preserve or recover the Assets or Documents of the
9 Receivership Entities, or to carry out the Receiver's mandate under this Order;

10 M. Defend, compromise, adjust, or otherwise dispose of any civil actions or
11 proceedings instituted against the Receivership Entities or that the Receiver
12 deems necessary and advisable to preserve Assets of the Receivership Entities, or to
13 carry out the Receiver's mandate under this Order;

14 N. Take depositions and issue subpoenas to obtain Documents and records
15 pertaining to the receivership and compliance with this Order. Subpoenas may be served
16 by electronic mail, by agents or attorneys of the Receiver and by agents of any process
17 server retained by the Receiver;

18 O. Open one or more bank accounts as designated depositories for funds of the
19 Receivership Entities. The Receiver shall deposit all funds of the Receivership Entities in
20 such a designated account and shall make payments and disbursements from the
21 receivership estate from such an account;

22 P. Maintain accurate records of all receipts and expenditures made by the
23 Receiver; and

24 Q. Cooperate with reasonable requests for information or assistance from any
25 state or federal law enforcement agency.

26 XVI. TRANSFER OF FUNDS TO THE RECEIVER BY FINANCIAL
27 INSTITUTIONS AND OTHER THIRD PARTIES
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1 payment of reasonable compensation at the time of the filing of any report required by
2 the "Receiver's Reports" Section of this Order. The Receiver shall not increase the fees
3 or rates used as the bases for such calculations without prior approval of the Court.

4 XX. RECEIVER'S ACCESS TO BUSINESS PREMISES AND RECORDS

5 IT IS FURTHER ORDERED that:

6 A. The Receiver, and his representatives, agents, and assistants, shall have
7 immediate access to all business premises and storage facilities owned, controlled, or
8 used by any Receivership Entity, including but not limited to the offices and facilities at:
9 13201 North 35th Avenue, Suite B12, Phoenix, AZ 85029; 13201 North 35th Avenue,
10 Suite B20, Phoenix, AZ 85029; 4045 East McDowell Road, Phoenix, AZ 85008; 10640
11 North 28th Drive, Phoenix, AZ 85053; and any site commercial mail boxes or virtual
12 offices used by any Receivership Entity. The Receiver is authorized to employ the
13 assistance of law enforcement as he deems necessary to effect service and peacefully
14 implement this Order. The Receiver may exclude Receivership Entities and their
15 employees from part or all of the business premises during the immediate access. The
16 purpose of the immediate access shall be to effect service and to inspect and copy the
17 business and financial records of the Receivership Entities, including forensic imaging of
18 electronically stored information. Such business records include, but are not limited to,
19 correspondence, contracts, bills, and financial data;

20 B. The Receiver and its representatives, agents, and assistants, shall have the
21 right to remove materials from the above premises for inspection and copying;

22 C. Receivership Entities and all employees, agents, and assistants of Receivership Entities
23 shall provide the Receiver with any necessary means of access to Documents and records,
24 including, without limitation, the locations of the Receivership Entities' business
25 premises, keys and combinations to locks, alarm codes, computer access codes, and
26 storage area access information;

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D. If any Individual Stipulating Defendant possesses a smartphone or tablet on receivership premises, they will turn over the device to the Receiver for imaging. Within two (2) business days, the Receiver will return the device; and

E. If any Documents, computers, smartphones, tablets, or electronic data storage devices containing information related to the business practices or finances of the Receivership Entities are at a location other than those listed herein, including but not

1 constables, marshals, and other officers and their deputies, and their respective attorneys,
2 servants, agents, and employees be and are hereby stayed from:

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

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

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

15 4. Doing any act or thing whatsoever to interfere with the Receiver's
16 taking custody, control, possession, or management of Assets or
17 Documents subject to this receivership; or to harass or interfere with the
18 Receiver in any way; or to interfere in any manner with the exclusive
19 jurisdiction of this Court over the Assets or Documents of the Receivership
20 Entities.

21 B. This Section does not stay:
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- 3. The enforcement of a judgment, other than a money judgment, obtained in an action or proceeding by governmental unit to enforce such governmental unit's police or regulatory power; or
- 4. The issuance to the Receivership Entities of a notice of tax deficiency.

XXV. ACKNOWLEDGMENT OF RECEIPT

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1 XXXI. RETENTION OF JURISDICTION

2 IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this
3 matter for all purposes of construction, modification, and enforcement

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ATTACHMENT A

Item 5. Information About Dependents (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	

Item 6. Employment Information/Employment Income

Pr7.6(m)2.4399 24ut DependentIncomePr7.6(m)2.4399 24ut DependentIncome

FINANCIAL INFORMATION

REMINDER: When an item asks for information regarding your "assets" and "liabilities" include ALL assets, located within the United States or in any foreign country or territory, or institution, whether held individually or jointly, a 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.

liabilities, located within the United States or in any foreign country or territory, or institution, whether held by you, your spouse, or any of your dependents. In addition, provide all documents requested in Item 24 with your completed Financial Statement.

ASSETS

Item 9. Cash, Bank, and Money Market Accounts

List cash on hand (as opposed to cash in bank accounts or other financial accounts) and all bank accounts, money market accounts, including but not limited to checking accounts, savings accounts, and certificates of deposit. The term "cash" is limited to cash in the form of currency, uncashed checks, and money orders.

assets, or other financial accounts, including but is not limited to checking accounts, savings accounts, and certificates of deposit.

a. Amount of Cash on Hand \$	Form of Cash on Hand	
b. Name on Account	Name & Address of Financial Institution	Account Number

Current Balance
\$
\$
\$

Item 11. Non-Public Business and Financial Interests

List all non-public business and financial interests, including but not limited to any interest in a non-public corporation, subchapter-S corporation, limited liability corporation ("LLC"), general or limited partnership, joint venture, sole proprietorship, international business corporation or personal investment corporation, and oil or mineral lease.

Entity's Name & Address	Type of Business or Financial Interest (e.g., LLC, partnership)	Owner (e.g., self, spouse)	Ownership %	If Officer, Director, Member or Partner, Exact Title

Item 12. Amounts Owed to You, Your Spouse, or Your Dependents

Debtor's Name & Address	Date Obligation Incurred (Month/Year) /	Original Amount Owed \$	Nature of Obligation (if the result of a final court judgment or settlement, provide court name and docket number)
	Current Amount Owed \$	Payment Schedule \$	
Debtor's Telephone	Debtor's Relationship to You		
Debtor's Name & Address	Date Obligation Incurred (Month/Year) /	Original Amount Owed \$	Nature of Obligation (if the result of a final court judgment or settlement, provide court name and docket number)
	Current Amount Owed \$	Payment Schedule \$	
Debtor's Telephone	Debtor's Relationship to You		

Item 21. Other Amounts Owed by You, Your Spouse, or Your Dependents

List all other amounts, not listed elsewhere in this financial statement, owed by you, your spouse, or your dependents.

Item 24. Document Requests

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

Federal tax returns filed during the last three years by or on behalf of you, your spouse, or your dependents.

All applications for bank loans or other extensions of credit (o

Item 26. Combined Current Monthly Income and Expens

ATTACHMENT C

ATTACHMENT C

CONSENT TO RELEASE OF FINANCIAL RECORDS

I, _____, do hereby direct any bank, savings and loan association, credit union, depository institution, finance company, commercial lending company, credit card processor, credit card processing entity, automated clearing network transaction processor, bank debit processing entity, brokerage house, escrow agent, money market or mutual fund, title company, commodity trading company, trustee, or person that holds, controls or maintains custody of assets, wherever located, are owned or controlled by me or at which I have an account of any kind, or at which a corporation or other entity has a bank account of any kind upon which I am authorized to draw, and its officers, employees and agents, to disclose all information and deliver