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2 Injunction and Other Equitable Relief pursuant to Section 13(b) of the Federal Trade
3 & RPPL VLRQ \$FW 15 U.S.C. §§ 53(a) and has moved, pursuant to Fed. R. Civ. P.
4 65(b) and Local Civil Rules 7-10 and 65-1, for a temporary restraining o UGHU 3 7 5 2 '
5 freeze, other equitable relief, and an order to show cause why a preliminary injunction should not
6 issue against Defendants Disruption Theory LLC, Emergent Technologies LLC, Marc Grisham,
7 and Courtney Grisham (collectively 3 ' H I H Q G D Q W V

8 FINDINGS

9 The Court, having considered the Complaint, the *ex parte* Motion for a Temporary
10 Restraining Order, declarations, exhibits, and the memorandum of points and authorities filed in
11 support thereof, and being otherwise advised, finds that:

12 A. This Court has jurisdiction over the subject matter of this case, and there is good
13 cause to believe that it will have jurisdiction over all parties hereto and that venue in this district
14 is proper.

15 B. It is likely that Defendants, in numerous instances, have falsely claimed to
16 provide unlimited minutes calling plans for a set monthly rate, and have falsely claimed
17 affiliation with specialized telecommunication companies that have exclusive contracts to
18 provide prison and jail telephone call services. This conduct has likely led to significant
19 consumer harm.

20 C. There is good cause to believe that Defendants have engaged in and are likely to
21 engage in acts or practices that violate Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and that
22 Plaintiff is therefore likely to prevail on the merits of this action. As demonstrated by the
23 consumer declarations, an undercover purchase, bank records, consumer complaints, declarations
24 from specialized telecommunication companies and the Better Business Bureau, and the
25 additional documentation filed by the FTC, the FTC has established a likelihood of success in
26 showing that Defendants have deceived consumers by: (1) falsely advertising unlimited minutes
27 calling plans, and (2) misrepresenting their affiliation with specialized telecommunication
28 companies that provide

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D. Although the FTC need not show irreparable harm to obtain interim relief in this context, there is nonetheless good cause to believe that immediate and irreparable harm will result for consumers unless Defendants are restrained and enjoined by order of this Court.

E. There is good cause to believe that immediate and irreparable damage to the

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2. **Individual Defendants** means Plaintiff and Courtney Grisham.

C. **Document** includes writings, drawings, graphs, charts, photographs, sound and video recordings, images, Internet sites, web pages, websites, electronic correspondence, including e-mail and instant messages, contracts, accounting data, advertisements, FTP Logs, Server Access Logs, books, written or printed records, handwritten notes, telephone logs, telephone scripts, receipt books, ledgers, personal and business canceled checks and check registers, bank statements, appointment books, computer records, customer or sales databases, and any other electronically stored information, including Documents located on remote servers or cloud computing systems, and other data or data compilations from which information can be obtained directly or, if necessary, after translation into a reasonably usable form. A draft or nonidentical copy is a separate document within the meaning of the term.

D. **Electronic Data Host** means hosting, or otherwise maintaining electronically stored information. This includes, but is not limited to, electronic storage.

E. **Inmate Calling Services** means any product, service, plan, or program relating to telecommunications services for incarcerated individuals that are marketed to consumers.

ORDER

I. PROHIBITED BUSINESS ACTIVITIES

IT IS THEREFORE ORDERED that Plaintiff, its employees, and attorneys, and all other persons in active concert or participation with them, who receive actual notice of this Order by personal service or otherwise, whether acting directly or indirectly, in connection with the advertising, marketing, promoting, or offering for sale of any goods or services, are temporarily restrained and enjoined from misrepresenting or assisting others in misrepresenting, expressly or by implication, any material fact, including, but not limited to:

1 A. That Defendants provide consumers with access to an unlimited number of
2 minutes for inmate calls for a set period at a fixed price;

3 B. That Defendants are affiliated with Global Tel*Link Corporation, Inmate Calling
4 Solutions, LLC, or Securus Technologies, LLC, which are Inmate Calling Service providers
5 contracted with correctional facilities; and

6 C. Any other fact material to consumers concerning any good or service, such as: the
7 total costs; any material restrictions, limitations, or conditions; or any material aspect of its
8 performance, efficacy, nature, or central characteristics.

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1 trust, or other entity that is directly or indirectly owned, managed or controlled
2 by any Defendant.

3 B. Opening or causing to be opened any safe deposit boxes, commercial mail boxes,
4 or storage facilities titled in the name of any Defendant or subject to access by any Defendant;

5 C. Incurring charges or cash advances on any credit, debit, or ATM card issued in
6 the name, individually or jointly, of any Corporate Defendant or any corporation, partnership, or
7 other entity directly or indirectly owned, managed, or controlled by any Defendant or of which
8 any Defendant is an officer, director, member, or manager. This includes any corporate
9 bankcard or corporate credit card account for which any Defendant is, or was on the date that this
10 Order was signed, an authorized signor; or

11 D. Cashing any checks or depositing any money orders or cash received from
12 consumers, clients, or customers of any Defendant.

13 The Assets affected by this Section shall include: (1) all Assets of Defendants as of the
14 time this Order is entered; and (2) Assets obtained by Defendants after this Order is entered if
15 those Assets are derived from any activity that is the subject of the Complaint in this matter or
16 that is prohibited by this Order. This Section does not prohibit any repatriation of foreign Assets
17 specifically required by this Order.

18 **VI. DUTIES OF ASSET HOLDERS AND OTHER THIRD PARTIES**

19 **IT IS FURTHER ORDERED** that any financial or brokerage institution, Electronic
20 Data Host, credit card processor, payment processor, merchant bank, acquiring bank,
21 independent sales organization, third party processor, payment gateway, insurance company,
22 business entity, or person who receives actual notice of this Order (by service or otherwise) that:

23 (a) has held, controlled, or maintained

1 controlled by any Defendant;

2 (b) has held, controlled, or maintained custody, through an account or otherwise, of
3 any Document or Asset associated with credits, debits, or charges made on behalf of any
4 Defendant, including reserve funds held by payment processors, credit card processors, merchant
5 banks, acquiring banks, independent sales organizations, third party processors, payment
6 gateways, insurance companies, or other entities;

7 (c) has extended credit to any Defendant, including through a crse 4h.or other entities;

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1 Defendant, or is otherwise subject to access by any Defendant; and

2 4. Information sufficient to identify, locate, and track any cryptocurrency
3 belonging to, for the use or benefit of, or subject to access by any Defendant.

4 D. 8SRQ WKH UHTXHVW RI 3ODLQWLII¶V FRXQVHO SUR
5 copies of all records or other Documents pertaining to any account covered by this Section or
6 Asset, including originals or copies of account applications, account statements, signature cards,
7 checks, drafts, deposit tickets, transfers to and from the accounts, including wire transfers and
8 wire transfer instructions, all other debit and credit instruments or slips, currency transaction
9 reports, 1099 forms, and all logs and records pertaining to safe deposit boxes, commercial mail
10 boxes, and storage facilities.

11 Provided, however, that this Section does not prohibit any repatriation of foreign Assets
12 specifically required by this order.

13 **VII. FINANCIAL DISCLOSURES**

14 **IT IS FURTHER ORDERED** that each Defendant, within five (5) days of service of
15 this Order upon them, shall prepare and d HOLYHU WRUR 3ODLQWLII¶V FR

16 A. Completed financial statements on the forms attached to this Order as
17 **Attachment A** (Financial Statement of Individual Defendant) for each Individual Defendant, and
18 **Attachment B** (Financial Statement of Corporate Defendant) for each Corporate Defendant;

19 B. Completed **Attachment C** (IRS Form 4506, Request for Copy of Tax Return) for
20 the Individual and Corporate Defendant; and

21 C. A detailed accounting of:

22 (1) each product advertised, marketed, promoted, offered for sale, distributed, or
23 sold by or on behalf of Defendants since 2015, including a brief description of
24 each product;

25 (2) gross revenues and net profits (in U.S. dollars) obtained from the advertising,
26 marketing, or sale of each product identified in response to section (1) above,
27 from inception of the sale of that product through the date of entry of this Order;

28 (3) the name, address, telephone number, and e-mail address of each consumer

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3 **XI. REPORT OF NEW BUSINESS ACTIVITY**

4 **IT IS FURTHER ORDERED** WKDW 'HIHQGDQWV 'HIHQGDQWV¶ RIIL

5 and attorneys, and all other persons in active concert or participation with any of them, who
6 receive actual notice of this Order, whether acting directly or indirectly, are hereby temporarily
7 restrained and enjoined from creating, operating, or exercising any control over any business
8 entity, whether newly formed or previously inactive, including any partnership, limited

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10 counsel with a written statement disclosing: (1) the name of the business entity;

11 (2) the address and telephone number of the business entity; (3) the names of the busin0052005500030046>4 005

1 granted leave, at any time after service of this Order, to conduct limited expedited discovery for

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3 Documents; WKH VFRSH RI 'HIHQGDQWV¶ EXVLQHVV RSHUDWLR

4 participants involved, and their roles in the scheme; or (3) compliance with this Order. The

5 limited expedited discovery set forth in this Section shall proceed as follows:

6 A. Plaintiff may take the deposition of parties and non-parties. Forty-eight (48)

7 KRXUV¶ QBEWFFHFWKDFDQ depositions. The limitations and conditions set

8 forth in Rules 30(a)(2)(B) and 31(a)(2)(B) of the Federal Rules of Civil Procedure regarding

9 subsequent depositions of an individual shall not apply to depositions taken pursuant to this

10 Section. Any such deposition taken pursuant to this Section shall not be counted towards the

11 deposition limit set forth in Rules 30(a)(2)(A) and 31(a)(2)(A) and depositions may be taken by

12 telephone or other remote electronic means;

13 B. Plaintiff may serve upon parties requests for production of Documents or

14 inspection that require production or inspection within five (5) calendar days of service,

15 provided, however, that three (3) calendar days of notice shall be deemed sufficient for the

16 production of any such Documents that are maintained or stored only in an electronic format.

17 C. Plaintiff may serve upon parties interrogatories that require response within five

18 (5) calendar days after Plaintiff serves such interrogatories;

19 D. Plaintiff may serve subpoenas upon non-parties that direct production or

20 inspection within five (5) calendar days of service.

21 E. Service of discovery upon a party to this action, taken pursuant to this Section,

22 shall be sufficient if made by facsimile, email, or by overnight delivery.

23 F. Any expedited discovery taken pursuant to this Section is in addition to, and is not

24 subject to, the limits on discovery set forth in the Federal Rules of Civil Procedure and the Local

25 Rules of this Court. The expedited discovery permitted by this Section does not require a

26 meeting or conference of the parties, pursuant to Rules 26(d) & (f) of the Federal Rules of Civil

27 Procedure.

28 G. The Parties are exempted from making initial disclosures under Fed. R. Civ. P.

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XVIII. BRIEFS AND AFFIDAVITS CONCERNING PRELIMINARY INJUNCTION

A. 'HIHQGDQWV ZLOO ILOH ZLWK Wknhelary Xnlwring QG VHU pleadings, affidavits, motions, expert reports or declarations, or legal memoranda no later than four (4) days prior to the injunction hearing. Plaintiff may file responsive or supplemental pleadings, materials, affidavits, or memoranda with the Court and serve the same on counsel for Defendants no later than one (1) day prior to the order to show cause hearing. Provided that such affidavits, pleadings, motions, expert reports, declarations, legal memoranda or oppositions must be served by email and be received by the other party or parties no later than 5:00 p.m. (Pacific Time) on the appropriate dates set forth in this Section.

B. Defendants may request an evidentiary hearing and the presentation of live witnesses if they believe that is warranted. Any motion to permit such testimony shall be filed with the Court and served on counsel for the other parties at least five (5) days prior to the preliminary injunction hearing. Such motion shall set forth the name, address, and telephone number of each proposed witness, a detailed summary or affidavit revealing the substance of HDFK SURSRVHG ZLWQHVV¶V H[SHFWHG WHVWLPRQ\ DQG D testimony would be helpful to this Court. Any papers opposing a timely motion to present live WHVWLPRQ\ RU WR SUHVHQW OLYH WHVWLPRQ\ LQ UHVSRQV live testimony shall be filed with this Court and served on the other parties at least three (3) days prior to the order to show cause hearing. Otherwise, and unless ordered differently by the Court, the preliminary injunction hearing will not include live witnesses or evidentiary proceedings.

XIX. RETENTION OF JURISDICTION

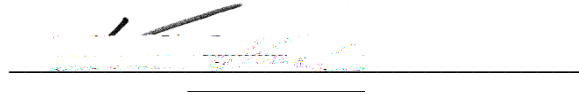
IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for all purposes.

1 SO ORDERED this 6th day of October, 2020 at 8:00 p.m. Pacific Time.

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3 BY THE COURT:

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UNITED STATES DISTRICT JUDGE
NORTHERN DISTRICT OF CALIFORNIA

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