

ORIGINAL

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FILED
CLERK, U.S. DISTRICT COURT
SEP 25 2006
CENTRAL DISTRICT OF CALIFORNIA
DEPUTY

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

FEDERAL TRADE COMMISSION,
Plaintiff,

vs.

GROUP C MARKETING, INC., a
California Corporation d/b/a
HBG Publications,

and

SATINDERJIT SINGH CHADHA,
individually and as an officer of
Group C Marketing, Inc.,

Defendants.

No. CV 06-6019-GHK (JCx)

**EX PARTE TEMPORARY
RESTRAINING ORDER WITH ASSET
FREEZE AND OTHER RELIEF, AND
ORDER TO SHOW CAUSE WHY A
PRELIMINARY INJUNCTION
SHOULD NOT ISSUE**

Plaintiff Federal Trade Commission ("Commission" or "FTC"), pursuant to § 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b), filed a complaint for permanent injunction and other relief and applied *ex parte* for a Temporary Restraining Order with Asset Freeze and Other Relief, and an Order to Show Cause Why a Preliminary Injunction Should Not Issue, pursuant to Federal Rule of Civil Procedure 65.

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FINDINGS OF FACT

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We have considered the pleadings, declarations, exhibits, and memoranda filed in support of the Commission's application. On the record as it exists to this point, we make the following findings of fact:

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1. We have subject matter jurisdiction over this case, and there is good cause to believe we will have jurisdiction over all parties.
2. There is good cause to believe venue lies properly within this Court.
3. There is good cause to believe that Defendants Group C Marketing, Inc., ("Group C") and Satinderjit Singh Chadha ("Chadha") have engaged in and are likely to continue to engage in acts and practices that violate § 5(a) of the FTC Act, 15 U.S.C. § 45(a), and that the Commission is likely to prevail on the merits of this action.
4. There is good cause to believe that immediate and irreparable harm will result from the Defendants' ongoing violations of § 5(a) of the FTC Act, 15 U.S.C. § 45(a) absent entry of this Temporary Restraining Order (TRO).
5. There is good cause to believe that immediate and irreparable damage to the Court's ability to grant effective final relief for consumers, in the form of monetary restitution, will occur from the sale, transfer, assignment, or other disposition or concealment by Defendants of their assets or records unless Defendants are immediately restrained and enjoined by order of this Court.
6. There is good cause to believe that Defendants have a history of violating administrative orders, and that persons similar to Defendants have a history of disposing of evidence and assets.

1 7. There is good cause for issuing this Order without prior notice to the Defendants
2 of the Commission's application, pursuant to Federal Rule of Civil Procedure
3 65(b).

4 8. Weighing the equities and considering the Commission's likelihood of success in
5 its cause of action, this TRO is in the public interest.

6 9. No security is required of any agency of the United States for issuance of a
7 restraining order. Fed. R. Civ. P. 65(c).

8 **ORDER**

9 **Definitions**

10 1. "Assets" means any legal or equitable interest in, right to, or claim to, any real or
11 personal property, including but not limited to chattel, goods, instruments,
12 equipment, fixtures, general intangibles, effects, leaseholds, mail, or other
13 deliveries, inventory, checks, notes, accounts, available credit, through credit card
14 accounts or otherwise, receivables (as those terms are defined in the Uniform
15 Commercial Code), and all cash, wherever located.

16 2. "Defendants" means Defendants Group C, and Chadha, and each of them, by
17 whatever name each might be known.

18 3. "Document" is synonymous in meaning and equal in scope to the usage of the
19 term in Federal Rule of Civil Procedure 34(a).

20 4. "Work-at-Home Opportunity" means any program, plan, product, or service that
21 claims to enable a participant or purchaser to earn money by working at home.

22 **I. PROHIBITED BUSINESS ACTIVITIES**

23 It is therefore **ORDERED** that, immediately following service of this Order,
24 Defendants, as well as their successors, assigns, officers, agents, directors, servants,
25 employees, salespersons, independent contractors, attorneys, corporations, subsidiaries,
26 branches or business divisions, and all other persons or entities in active concert or
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1 participation with them who receive actual notice of this Order by personal service or
2 otherwise, whether acting directly or through any corporation subsidiary, division, or
3 other entity, are hereby temporarily restrained and enjoined from:

- 4 1. Falsely representing, expressly or by implication, that consumers will make a
5 substantial amount of money by participating in Defendants' envelope-stuffing
6 business opportunity;
- 7 2. Falsely representing, expressly or implicitly, that Defendants will pay consumers
8 who participate in Defendants' envelope-stuffing business for stuffing envelopes;
- 9 3. Falsely representing or representing without adequate substantiation, expressly or
10 implicitly, the earnings potential of any Work-at-Home business opportunity being
11 promoted.

12 II. ASSET FREEZE

13 It is further **ORDERED** that, immediately following service of this Order,
14 Defendants as well as their successors, assigns, officers, agents, directors, servants,
15 employees, salespersons, independent contractors, attorneys, corporations, subsidiaries,
16 branches or business divisions, and all other persons or entities in active concert or
17 participation with them who receive actual notice of this Order by personal service or
18 otherwise, whether acting directly or through any corporation subsidiary, division, or
19 other entity, are hereby temporarily restrained and enjoined from:

- 20 1. Except as otherwise ordered herein, transferring, converting, encumbering, selling,
21 concealing, dissipating, disbursing, assigning, spending, withdrawing, transferring
22 control of, such as by removing a Defendant's name as a signatory from an
23 account, or otherwise disposing of any assets, wherever located, that are a) owned
24 or controlled by any or all Defendants in whole or in part, b) in the actual or
25 constructive possession of any or all Defendants, or c) owned, controlled by, or in
26 the actual or constructive possession of any corporation, partnership, or other
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1 entity directly or indirectly owned, managed, or controlled by, or under common
2 control with any or all Defendants. This Section shall include, but not be limited
3 to, any assets held for, on behalf of, for the benefit of, or by Defendants, or their
4 affiliates or subsidiaries, at any bank or savings and loan institution, or with any
5 broker, dealer, escrow agent, title company, commodity trading company, precious
6 metal dealer, merchant account, processor, or other financial institution or
7 depository of any kind, including without limitation any assets at Vineyard Bank
8 (formerly Rancho Bank) including a) the former Rancho Bank account ending in
9 -1835 in the name of HBG Publications, and b) the former Rancho Bank account
10 ending in -0022 in the name of Summit Group Publications.

- 11 2. Opening or causing to be opened any safe deposit boxes or storage facilities titled
12 in the name of any or all Defendants or subject to access by any or all Defendants
13 or under their control, without providing the Commission prior notice and an
14 opportunity to inspect the contents in order to determine whether they contain
15 assets covered by this Section.

16 This Section shall apply to assets that Defendants acquire following entry of this Order
17 only if such assets are derived from the operation of any activity prohibited by this
18 Order.

19 III. FINANCIAL REPORTS

20 It is further **ORDERED** that, within three (3) business days following service of
21 this Order, Defendant Group C shall complete and deliver to counsel for the Commission
22 the "Financial Statement of Corporate Defendant" that is attached to this Order as
23 Attachment 1.

24 IV. FOREIGN ASSETS

25 It is further **ORDERED** that, within three (3) business days following the service
26 of this Order, Defendant Group C shall provide the Commission with a full accounting
27 of all the funds, documents, and assets outside the United States which are a) titled in its
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1 name, individually or jointly, b) held by any person or entity for the its benefit, or c)
2 under its direct or indirect control, whether jointly or singly.

3 It is further **ORDERED** that, within three (3) business days following the service
4 of this Order, each Defendant shall:

- 5 1. Transfer to the territory of the United States all funds, documents, and assets
6 located in foreign countries which are a) titled in the name individually or jointly
7 or any Defendant, b) held by any person or entity for the benefit of any Defendant,
8 or c) under any Defendant's direct or indirect control, whether jointly or singly;
9 and
- 10 2. Sign, and provide the Commission with, the Consent to Release of Financial
11 Records attached to this Order as Attachment 2.

12 **V. INTERFERENCE WITH REPATRIATION**

13 It is further **ORDERED** that Defendants are hereby temporarily restrained and
14 enjoined from taking any action, directly or indirectly, which may result in the
15 encumbrance or dissipation of foreign assets, or in the hindrance of the repatriation
16 required by Section IV of this Order, including but not limited to:

- 17 1. Sending any statement, letter, fax, e-mail, or wire transmission, telephoning or
18 engaging in any other act, directly or indirectly, that results in a determination by
19 foreign trustee or other entity that a "duress" event has occurred under the terms of
20 a foreign trust agreement, until such time that all assets have been fully repatriated
21 pursuant to Section IV of this Order; and
- 22 2. Notifying any trustee, protector, or other agent of any foreign trust or other related
23 entities of either the existence of this Order, or the fact that repatriation is required
24 pursuant to a Court Order, with the intent or knowledge of substantial likelihood
25 that such notification will hinder or interfere with repatriation.

26 **VI. PRESERVATION OF RECORDS**

27 It is further **ORDERED** that Defendants as well as their successors, assigns,
28 officers, agents, directors, servants, employees, salespersons, independent contractors,

1 attorneys, corporations, subsidiaries, branches or business divisions, and all other
2 persons or entities in active concert or participation with them who receive actual notice
3 of this Order by personal service or otherwise, whether acting directly or through any
4 corporation subsidiary, division, or other entity, are hereby temporarily restrained and
5 enjoined from destroying, erasing, mutilating, concealing, altering, transferring, or
6 otherwise disposing of, in any manner, directly or indirectly, any documents that relate to
7 the business practices, business finances or personal finances of Defendants and any
8 business or entity owned or controlled, in whole or in part, directly or indirectly, by
9 Defendants.

10 **VII. REQUIRED DISTRIBUTION OF ORDER BY DEFENDANTS**

11 It is further **ORDERED** that, within three (3) business days following service of
12 this Order, Defendants shall provide a copy of this Order to every possible affiliate,
13 partner, division, sales entity, successor, assign, employee, independent contractor,
14 agent, attorney, spouse, and representative, of Defendants, and **SHALL**, within ten (10)
15 days from the date of entry of this Order, file with this Court and serve upon counsel for
16 the Commission a sworn statement that they have complied with this provision of the
17 Order. This statement shall include the names and street addresses of each such person
18 or entity who received a copy of the Order, as well as the names and last known
19 addresses for each such person or entity for whom service was not possible and a
20 justification therefor.

21 **VIII. RETENTION OF MAIL**

22 It is further **ORDERED** that any person, entity, or commercial mail receiving
23 agency, including that entity located at 20651 Golden Springs Drive, Diamond Bar,
24 California 91789, who is receiving mail on behalf of any of the Defendants or that is
25 addressed to "HBG Publications" is hereby temporarily restrained and enjoined from
26 releasing any such mail to the Defendants or their successors, assigns, officers, agents,
27 directors, servants, employees, salespersons, independent contractors, attorneys,
28 corporations, subsidiaries, branches or business divisions, and all other persons or

1 entities in active concert or participation with them. Such person or entity shall
2 safeguard and maintain such mail in their possession. The Commission's representatives
3 shall be allowed to examine the items received and make copies of the outside of the
4 envelopes.

5 IX. DUTIES OF ASSET HOLDERS

6 It is further **ORDERED** that, effective upon actual notice of this Order, any bank,
7 savings and loan institution, credit union, financial institution, brokerage house, escrow
8 agent, money market, mutual fund, title company, commodity trading company, common
9 carrier, storage company, trustee, commercial mail receiving agency, mail holding or
10 forwarding company, or any other partnership, corporation, or legal entity, business
11 entity, or person, including but not limited to Vineyard Bank ("Asset Holder"), that
12 holds, controls, or maintains custody of any account or asset belonging to or titled in the
13 name of any Defendant or belonging to or titled in the name of any corporation,
14 partnership, or other entity known to such Asset Holder to be directly or indirectly
15 owned, managed, or controlled by, in whole or in part, any Defendant, or to which they
16 are a signatory, or which is known to such Asset Holder to be held on behalf of, or for
17 the benefit of, any Defendant, individually or jointly, or that has held, controlled or
18 maintained custody of any such account or asset at any time since June 3, 2004, shall:

- 19 1. Prohibit Defendants and their agents, servants, employees, attorneys, and all
20 persons or entities directly or indirectly under their control, or in common control
21 with them, from withdrawing, removing, assigning, transferring, pledging,
22 encumbering, disbursing, dissipating, converting, selling, transferring control of,
23 such as by removing a Defendant's name as a signatory from an account, or
24 otherwise disposing of any such account or asset except:
 - 25 a. As directed by further Order of the Court; or
 - 26 b. By written agreement of the Commission and the parties claiming an
27 interest in such account or asset;

- 1 2. Maintain the status quo of any such account or asset and shall not withdraw,
2 remove, assign, transfer, pledge, encumber, disburse, dissipate, convert, sell, or
3 otherwise dispose of any such account or asset except:
- 4 a. As directed by further Order of the Court; or
 - 5 b. By written agreement of the Commission and the parties claiming an
6 interest in such account or asset;
- 7 3. Deny Defendants and their agents, servants, employees, attorneys, and all persons
8 or entities directly or indirectly under their control or in common control with
9 them, unless accompanied by counsel for the Commission, access to any safe
10 deposit box that is:
- 11 a. Titled in the name of any Defendant or their affiliates or subsidiaries, either
12 individually or jointly; or
 - 13 b. Otherwise subject to access by any Defendant or their affiliates;
- 14 4. Provide counsel for the Commission within three (3) business days of receiving a
15 copy of this Order, a sworn statement setting forth:
- 16 a. The identification number of each such account or asset belonging to or
17 titled in the name of any Defendant or to which any Defendant is a
18 signatory, or which is known to the Asset Holder to be held on behalf of, or
19 for the benefit of, any Defendant;
 - 20 b. The balance of each such account, or a description of the nature and value
21 of such asset as of the time this Order is served, and if any asset valued at
22 over \$1,000 has been removed or transferred within the last ninety (90)
23 days, the date removed or transferred, the total funds or value removed or
24 transferred, and the name of the person or entity to whom such account or
25 other asset was remitted;
 - 26 c. The identification of any safe deposit box that is titled in the name,
27 individually or jointly, of any Defendant or is otherwise subject to access by
28 any Defendant; and

1 d. Upon the Commission's request, provide the Commission with copies of all
2 records or other documentation pertaining to such account or asset,
3 including without limitation, originals or copies of account applications,
4 account statements, signature cards, checks, drafts, deposit tickets, transfers
5 to and from the accounts, all other debit and credit instruments or slips,
6 currency transaction reports, 1099 forms, and safe deposit box logs.

7 **X. CONSUMER CREDIT REPORTS**

8 It is further **ORDERED** that, upon actual notice of this order, and pursuant to
9 § 604(a)(1) of the Fair Credit Reporting Act, 15 U.S.C. § 1681b(a)(1), any credit
10 reporting agency shall promptly furnish credit reports, as requested, concerning
11 Defendant Chadha to counsel for the Commission.

12 **XI. EXPEDITED DISCOVERY**

13 It is further **ORDERED** that, pursuant to Federal Rules of Civil Procedure 30(a),
14 31(a), 34, and 45, the Commission is granted leave at any time after service of this
15 Order:

- 16 1. To take the deposition, including depositions upon forty-eight (48) hours' written
17 notice, of any person, whether or not a party, for the purpose of discovering the
18 nature, location, status, and extent of assets of Defendants; the nature and location
19 of documents reflecting the business transactions of Defendants; and the
20 whereabouts of Defendants. The limitations and conditions set forth in Federal
21 Rules of Civil Procedure 30(a)(2)(B) and 31(a)(2)(B) regarding subsequent
22 depositions of an individual shall not apply to depositions taken pursuant to this
23 Section. Any such depositions taken pursuant to this Section shall not be counted
24 toward the ten deposition limit set forth in Federal Rules of Civil Procedure
25 30(a)(2)(A) and 31(a)(2)(A); and
- 26 2. To demand the production of documents, on forty-eight (48) hours' notice, from
27 any person, whether or not a party, relating to the nature, status, or extent of
28 Defendants' assets, or of their affiliates or subsidiaries; the location of documents

1 reflecting the business transactions of Defendants; and the whereabouts of
2 Defendants.

3 **XII. ORDER TO SHOW CAUSE RE: PRELIMINARY INJUNCTION**

4 It is further **ORDERED**, pursuant to Federal Rule of Civil Procedure 65(b) and
5 Local Rule 65-1, Defendants shall appear before this Court in Courtroom 650 of the
6 United States District Court, located at 255 East Temple Street, Los Angeles, California
7 90012 on October 10, 2006, at 1:30 P.M. (PDT), to **SHOW CAUSE**, if any, why we
8 should not enter a preliminary injunction pending final judgment on the Complaint.

9 It is further **ORDERED** that the Commission **SHALL** serve and file a
10 memorandum of points and authorities based on evidence acquired subsequent to the
11 filing of its Complaint by no later than 4:00 P.M. (PDT) on October 2, 2006. The
12 Commission **SHALL** leave a courtesy copy of this memorandum in the bin outside
13 Chambers, located in room 660, **AT THE SAME TIME** it is filed.

14 It is further **ORDERED** that Defendants, jointly or individually, **SHALL** serve
15 and file Memoranda in Opposition, together with all declarations and other evidence
16 upon which they intend to rely at the preliminary injunction hearing, by no later than
17 4:00 P.M. (PDT) on October 5, 2006. The Defendants **SHALL** leave a courtesy copy of
18 all memoranda, evidence, or other documents in the bin outside Chambers, located in
19 room 660, **AT THE SAME TIME** it is filed.

20 It is further **ORDERED** that the Commission **SHALL** serve and file a Reply
21 Memorandum by no later than 4:00 P.M. (PDT) on October 6, 2006. This Reply
22 **SHALL** be limited to argument and/or authorities responsive to the opposition papers.
23 The Commission **SHALL** leave a courtesy copy of this Reply in the bin outside
24 Chambers, located in room 660, **AT THE SAME TIME** it is filed.

25 **XIII. SERVICE**

26 It is further **ORDERED** that:

- 27 1. Service of, or pursuant to, this Order may be made by any means, including
28 facsimile.

- 1 2. For purposes of service on anyone in possession of records, assets, property, or
2 property rights, actual notice of this Order shall be deemed complete upon
3 notification by any means, including but not limited to facsimile transmission of
4 this Order, without Attachments.
- 5 3. Notwithstanding the fact that this case is under seal until September 29, 2006, at
6 9:30 A.M., the Commission may immediately serve this Order for any reason set
7 forth herein.
- 8 4. Service on opposing parties of the papers described in Section XII **SHALL** be by
9 hand or by fax on the day and at the time of filing.

10 **XIV. DURATION**

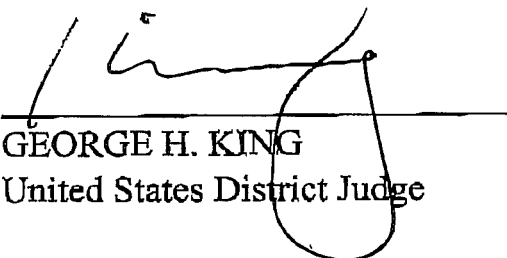
11 It is further **ORDERED** that the TRO granted herein shall expire ten (10) court
12 days after entry, on October 10, 2006, unless, within such time, for good cause shown, it
13 is extended for a like period, or unless the Defendants consent, in writing, that it may be
14 extended for a longer period. The reasons for any extension **SHALL** be entered on the
15 record.

16 **XV. RETENTION OF JURISDICTION**

17 It is further **ORDERED** that we shall retain jurisdiction over this matter in order
18 to enforce this TRO.

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20 **IT IS SO ORDERED.**

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22 DATED: This 25th day of September, 2006 at 2:00 P.M.

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26 GEORGE H. KING
27 United States District Judge
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FEDERAL TRADE COMMISSION

FINANCIAL STATEMENT OF CORPORATE DEFENDANT

Instructions:

1. Complete all items. Enter "None" or "N/A" ("Not Applicable") where appropriate. If you cannot fully answer a question, explain why.
2. In completing this financial statement, "the corporation" refers not only to this corporation but also to each of its predecessors that are not named defendants in this action.
3. When an Item asks for information about assets or liabilities "held by the corporation," include ALL such assets and liabilities, located within the United States or elsewhere, held by the corporation or held by others for the benefit of the corporation.
4. Attach continuation pages as needed. On the financial statement, state next to the Item number that the Item is being continued. On the continuation page(s), identify the Item number being continued.
5. Type or print legibly.
6. An officer of the corporation must sign and date the completed financial statement on the last page and initial each page in the space provided in the lower right corner.

Penalty for False Information:

Federal law provides that any person may be imprisoned for not more than five years, fined, or both, if such person:

- (1) "in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry" (18 U.S.C. § 1001);
- (2) "in any . . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code, willfully subscribes as true any material matter which he does not believe to be true" (18 U.S.C. § 1621); or
- (3) "in any (. . . statement under penalty of perjury as permitted under section 1746 of title 28, United States Code) in any proceeding before or ancillary to any court or grand jury of the United States knowingly makes any false material declaration or makes or uses any other information . . . knowing the same to contain any false material declaration." (18 U.S.C. § 1623)

For a felony conviction under the provisions cited above, federal law provides that the fine may be not more than the greater of (i) \$250,000 for an individual or \$500,000 for a corporation, or (ii) if the felony results in pecuniary gain to any person or pecuniary loss to any person other than the defendant, the greater of twice the gross gain or twice the gross loss. 18 U.S.C. § 3571.

BACKGROUND INFORMATION

Item 1. General Information

Corporation's Full Name _____

Primary Business Address _____ From (Date) _____

Telephone No. _____ Fax No. _____

E-Mail Address _____ Internet Home Page _____

All other current addresses & previous addresses for past five years, including post office boxes and mail drops:

Address _____ From/Until _____

Address _____ From/Until _____

Address _____ From/Until _____

All predecessor companies for past five years:

Name & Address _____ From/Until _____

Name & Address _____ From/Until _____

Name & Address _____ From/Until _____

Item 2. Legal Information

Federal Taxpayer ID No. _____ State & Date of Incorporation _____

State Tax ID No. _____ State _____ Profit or Not For Profit _____

Corporation's Present Status: Active _____ Inactive _____ Dissolved _____

If Dissolved: Date dissolved _____ By Whom _____

Reasons _____

Fiscal Year-End (Mo./Day) _____ Corporation's Business Activities _____

Item 3. Registered Agent

Name of Registered Agent _____

Address _____ Telephone No. _____

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Item 4. Principal Stockholders

List all persons and entities that own at least 5% of the corporation's stock.

Name & Address

% Owned

Item 5. Board Members

List all members of the corporation's Board of Directors.

Name & Address

% Owned

Term (From/Until)

Item 6. Officers

List all of the corporation's officers, including *de facto* officers (individuals with significant management responsibility whose titles do not reflect the nature of their positions).

Name & Address

% Owned

Item 7. Businesses Related to the Corporation

List all corporations, partnerships, and other business entities in which this corporation has an ownership interest.

<u>Name & Address</u>	<u>Business Activities</u>	<u>% Owned</u>
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State which of these businesses, if any, has ever transacted business with the corporation _____

Item 8. Businesses Related to Individuals

List all corporations, partnerships, and other business entities in which the corporation's principal stockholders, board members, or officers (i.e., the individuals listed in Items 4 - 6 above) have an ownership interest.

<u>Individual's Name</u>	<u>Business Name & Address</u>	<u>Business Activities</u>	<u>% Owned</u>
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State which of these businesses, if any, have ever transacted business with the corporation _____

Item 9. Related Individuals

List all related individuals with whom the corporation has had any business transactions during the three previous fiscal years and current fiscal year-to-date. A "related individual" is a spouse, sibling, parent, or child of the principal stockholders, board members, and officers (i.e., the individuals listed in Items 4 - 6 above).

<u>Name and Address</u>	<u>Relationship</u>	<u>Business Activities</u>
-------------------------	---------------------	----------------------------

Item 10. Outside Accountants

List all outside accountants retained by the corporation during the last three years.

<u>Name</u>	<u>Firm Name</u>	<u>Address</u>	<u>CPA/PA?</u>
-------------	------------------	----------------	----------------

Item 11. Corporation's Recordkeeping

List all individuals within the corporation with responsibility for keeping the corporation's financial books and records for the last three years.

<u>Name, Address, & Telephone Number</u>	<u>Position(s) Held</u>
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Item 12. Attorneys

List all attorneys retained by the corporation during the last three years.

<u>Name</u>	<u>Firm Name</u>	<u>Address</u>
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Item 13. Pending Lawsuits Filed by the Corporation

List all pending lawsuits that have been filed by the corporation in court or before an administrative agency. (List lawsuits that resulted in final judgments or settlements in favor of the corporation in Item 25).

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Item 14. Current Lawsuits Filed Against the Corporation

List all pending lawsuits that have been filed against the corporation in court or before an administrative agency. (List lawsuits that resulted in final judgments, settlements, or orders in Items 26 - 27).

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Opposing Party's Name & Address _____

Court's Name & Address _____

Docket No. _____ Relief Requested _____ Nature of Lawsuit _____

_____ Status _____

Item 15. Bankruptcy Information

List all state insolvency and federal bankruptcy proceedings involving the corporation.

Commencement Date _____ Termination Date _____ Docket No. _____

If State Court: Court & County _____ If Federal Court: District _____

Disposition _____

Item 16. Safe Deposit Boxes

List all safe deposit boxes, located within the United States or elsewhere, held by the corporation, or held by others for the benefit of the corporation. *On a separate page, describe the contents of each box.*

<u>Owner's Name</u>	<u>Name & Address of Depository Institution</u>	<u>Box No.</u>

FINANCIAL INFORMATION

REMINDER: When an Item asks for information about assets or liabilities "held by the corporation," include **ALL** such assets and liabilities, located within the United States or elsewhere, held by the corporation or held by others for the benefit of the corporation.

Item 17. Tax Returns

List all federal and state corporate tax returns filed for the last three complete fiscal years. *Attach copies of all returns.*

<u>Federal/ State/Both</u>	<u>Tax Year</u>	<u>Tax Due Federal</u>	<u>Tax Paid Federal</u>	<u>Tax Due State</u>	<u>Tax Paid State</u>	<u>Preparer's Name</u>
		\$ _____	\$ _____	\$ _____	\$ _____	
		\$ _____	\$ _____	\$ _____	\$ _____	
		\$ _____	\$ _____	\$ _____	\$ _____	

Item 18. Financial Statements

List all financial statements that were prepared for the corporation's last three complete fiscal years and for the current fiscal year-to-date. Attach copies of all statements, providing audited statements if available.

<u>Year</u>	<u>Balance Sheet</u>	<u>Profit & Loss Statement</u>	<u>Cash Flow Statement</u>	<u>Changes in Owner's Equity</u>	<u>Audited?</u>

Item 19. Financial Summary

For each of the last three complete fiscal years and for the current fiscal year-to-date for which the corporation has not provided a profit and loss statement in accordance with Item 17 above, provide the following summary financial information.

	<u>Current Year-to-Date</u>	<u>1 Year Ago</u>	<u>2 Years Ago</u>	<u>3 Years Ago</u>
<u>Gross Revenue</u>	\$ _____	\$ _____	\$ _____	\$ _____
<u>Expenses</u>	\$ _____	\$ _____	\$ _____	\$ _____
<u>Net Profit After Taxes</u>	\$ _____	\$ _____	\$ _____	\$ _____
<u>Payables</u>	\$ _____	[REDACTED]		[REDACTED]
<u>Receivables</u>	\$ _____	[REDACTED]		[REDACTED]

Item 20. Cash, Bank, and Money Market Accounts

List cash and all bank and money market accounts, including but not limited to, checking accounts, savings accounts, and certificates of deposit, held by the corporation. The term "cash" includes currency and uncashed checks.

Cash on Hand \$ _____ Cash Held for the Corporation's Benefit \$ _____

<u>Name & Address of Financial Institution</u>	<u>Signator(s) on Account</u>	<u>Account No.</u>	<u>Current Balance</u>
			\$ _____
			\$ _____
			\$ _____
			\$ _____

Item 21. Government Obligations and Publicly Traded Securities

List all U.S. Government obligations, including but not limited to, savings bonds, treasury bills, or treasury notes, held by the corporation. Also list all publicly traded securities, including but not limited to, stocks, stock options, registered and bearer bonds, state and municipal bonds, and mutual funds, held by the corporation.

Issuer _____ Type of Security/Obligation _____

No. of Units Owned _____ Current Fair Market Value \$ _____ Maturity Date _____

Issuer _____ Type of Security/Obligation _____

No. of Units Owned _____ Current Fair Market Value \$ _____ Maturity Date _____

Item 22. Real Estate

List all real estate, including leaseholds in excess of five years, held by the corporation.

Type of Property _____ Property's Location _____

Name(s) on Title and Ownership Percentages _____

Current Value \$ _____ Loan or Account No. _____

Lender's Name and Address _____

Current Balance On First Mortgage \$ _____ Monthly Payment \$ _____

Other Loan(s) (describe) _____ Current Balance \$ _____

Monthly Payment \$ _____ Rental Unit? _____ Monthly Rent Received \$ _____

Type of Property _____ Property's Location _____

Name(s) on Title and Ownership Percentages _____

Current Value \$ _____ Loan or Account No. _____

Lender's Name and Address _____

Current Balance On First Mortgage \$ _____ Monthly Payment \$ _____

Other Loan(s) (describe) _____ Current Balance \$ _____

Monthly Payment \$ _____ Rental Unit? _____ Monthly Rent Received \$ _____

Item 23. Other Assets

List all other property, by category, with an estimated value of \$2,500 or more, held by the corporation, including but not limited to, inventory, machinery, equipment, furniture, vehicles, customer lists, computer software, patents, and other intellectual property.

<u>Property Category</u>	<u>Property Location</u>	<u>Acquisition Cost</u>	<u>Current Value</u>
		\$ _____	\$ _____
		\$ _____	\$ _____
		\$ _____	\$ _____
		\$ _____	\$ _____
		\$ _____	\$ _____
		\$ _____	\$ _____
		\$ _____	\$ _____
		\$ _____	\$ _____
		\$ _____	\$ _____
		\$ _____	\$ _____

Item 24. Trusts and Escrows

List all persons and other entities holding funds or other assets that are in escrow or in trust for the corporation.

<u>Trustee or Escrow Agent's Name & Address</u>	<u>Description and Location of Assets</u>	<u>Present Market Value of Assets</u>
		\$ _____
		\$ _____
		\$ _____
		\$ _____
		\$ _____
		\$ _____
		\$ _____
		\$ _____

Item 25. Monetary Judgments and Settlements Owed To the Corporation

List all monetary judgments and settlements, recorded and unrecorded, owed to the corporation.

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Item 26. Monetary Judgments and Settlements Owed By the Corporation

List all monetary judgments and settlements, recorded and unrecorded, owed by the corporation.

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Opposing Party's Name & Address _____

Court's Name & Address _____ Docket No. _____

Nature of Lawsuit _____ Date of Judgment _____ Amount \$ _____

Item 27. Government Orders and Settlements

List all existing orders and settlements between the corporation and any federal or state government entities.

Name of Agency _____ Contact Person _____

Address _____ Telephone No. _____

Agreement Date _____ Nature of Agreement _____

Item 28. Credit Cards

List all of the corporation's credit cards and store charge accounts and the individuals authorized to use them.

Name of Credit Card or Store Names of Authorized Users and Positions Held

Item 29. Compensation of Employees

List all compensation and other benefits received from the corporation by the five most highly compensated employees, independent contractors, and consultants (other than those individuals listed in Items 5 and 6 above), for the two previous fiscal years and current fiscal year-to-date. "Compensation" includes, but is not limited to, salaries, commissions, consulting fees, bonuses, dividends, distributions, royalties, pensions, and profit sharing plans. "Other benefits" include, but are not limited to, loans, loan payments, rent, car payments, and insurance premiums, whether paid directly to the individuals, or paid to others on their behalf.

<u>Name/Position</u>	<u>Current Fiscal Year-to-Date</u>	<u>1 Year Ago</u>	<u>2 Years Ago</u>	<u>Compensation or Type of Benefits</u>
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	

Item 30. Compensation of Board Members and Officers

List all compensation and other benefits received from the corporation by each person listed in Items 5 and 6, for the current fiscal year-to-date and the two previous fiscal years. "Compensation" includes, but is not limited to, salaries, commissions, consulting fees, dividends, distributions, royalties, pensions, and profit sharing plans. "Other benefits" include, but are not limited to, loans, loan payments, rent, car payments, and insurance premiums, whether paid directly to the individuals, or paid to others on their behalf.

<u>Name/Position</u>	<u>Current Fiscal Year-to-Date</u>	<u>1 Year Ago</u>	<u>2 Years Ago</u>	<u>Compensation or Type of Benefits</u>
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	
	\$ _____	\$ _____	\$ _____	

Item 31. Transfers of Assets Including Cash and Property

List all transfers of assets over \$2,500 made by the corporation, other than in the ordinary course of business, during the previous three years, by loan, gift, sale, or other transfer.

<u>Transferee's Name, Address, & Relationship</u>	<u>Property Transferred</u>	<u>Aggregate Value</u>	<u>Transfer Date</u>	<u>Type of Transfer (e.g., Loan, Gift)</u>
		\$ _____		
		\$ _____		
		\$ _____		
		\$ _____		
		\$ _____		

Item 32. Documents Attached to the Financial Statement

List all documents that are being submitted with the financial statement.

<u>Item No. Document Relates To</u>	<u>Description of Document</u>

I am submitting this financial statement with the understanding that it may affect action by the Federal Trade Commission or a federal court. I have used my best efforts to obtain the information requested in this statement. The responses I have provided to the items above are true and contain all the requested facts and information of which I have notice or knowledge. I have provided all requested documents in my custody, possession, or control. I know of the penalties for false statements under 18 U.S.C. § 1001, 18 U.S.C. § 1621, and 18 U.S.C. § 1623 (five years imprisonment and/or fines). I certify under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed on:

(Date)

Signature

Corporate Position

