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**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ARIZONA**

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Federal Trade Commission,

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Plaintiff,

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v.

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Wealth Systems, Inc., a Nevada  
corporation;

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Ecommerce Network.com, LLC, a Nevada limited  
liability company;

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Martin Q. Wilson, individually and as an  
16 officer of Wealth Systems, Inc., and  
17 manager/member of Ecommerce Network.com,  
LLC;

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Shane Roach, individually and as an  
19 officer of Wealth Systems, Inc., and  
20 manager/member of Ecommerce Network.com,  
LLC;

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Defendants.

Civil No.

CV '05 0394 PHX JAT

**TEMPORARY  
RESTRAINING ORDER  
WITH ASSET FREEZE,  
APPOINTMENT OF  
TEMPORARY RECEIVER,  
IMMEDIATE ACCESS TO  
BUSINESS PREMISES,  
ORDER PERMITTING  
LIMITED EXPEDITED  
DISCOVERY, AND ORDER  
TO SHOW CAUSE WHY A  
PRELIMINARY  
INJUNCTION SHOULD  
NOT ISSUE  
(PROPOSED)**

**[FILED UNDER SEAL]**

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23 Plaintiff, the Federal Trade Commission (“FTC” or “Commission”), pursuant to

24 Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), has

25 filed a Complaint for Injunctive and Other Equitable Relief, including consumer redress,

26 and an Ex Parte Motion for Temporary Restraining Order with Asset Freeze,

27 Appointment of Temporary Receiver, Immediate Access to Business Premises, Order

28 Permitting Limited Expedited Discovery, and Order to Show Cause Why a Preliminary

1 Injunction Should Not Issue.

2 **FINDINGS OF FACT**

3 The Court has considered the Complaint, Ex Parte Motion for Temporary  
4 Restraining Order, Memorandum of Points and Authorities with supporting exhibits, and  
5 all other papers filed herein. It appears to the satisfaction of the Court that:

6 A. This Court has jurisdiction over the subject matter of the case, and there is  
7 good cause to believe it will have jurisdiction over all parties.

8 B. Venue lies properly with this Court.

9 C. There is good cause to believe that defendants Wealth Systems, Inc.,  
10 Ecommerce Network.com, LLC; Martin Q. Wilson; and Shane Roach (collectively,  
11 “defendants”) have engaged in and are likely to engage in acts and practices that violate  
12 Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and the Franchise Rule, 16 C.F.R. Part  
13 436, and that the Commission is likely to prevail on the merits of this action.

14 D. There is good cause to believe that immediate and irreparable damage to the  
15 Court’s ability to grant effective final relief for consumers in the form of monetary  
16 redress will occur from the sale, transfer, assignment, or other disposition or concealment  
17 by defendants of their assets or records unless they are immediately restrained and  
18 enjoined by Order of this Court.

19 E. There is thus good cause for issuing this Order without prior notice to the  
20 defendants of the Commission’s motion, pursuant to Federal Rule of Civil Procedure  
21 65(b) and Local Rule 65.1.1.

22 F. Good cause exists for the appointment of a temporary receiver for Wealth  
23 Systems, Inc., and Ecommerce Network.com, LLC.

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1 G. Weighing the equities and considering the Commission's likelihood of  
2 success in its causes of action, this Order is in the public interest.

3 **ORDER**

4 **Definitions**

5 A. **"Assets"** means any legal or equitable interest in, right to, or claim to any  
6 real or personal property including, but not limited to, chattel, goods, instruments,  
7 equipment, fixtures, general intangibles, effects, leaseholds, mail or other deliveries,  
8 inventory, checks, notes, accounts, credits, receivables (as those terms are defined in the  
9 Uniform Commercial Code), and all cash, wherever located.

10 B. **"Business Venture"** means any written or oral business arrangement,  
11 however denominated, which consists of the payment of any consideration for: (a) the  
12 right or means to offer, sell or distribute goods or services (whether or not identified by a  
13 trademark, service mark, trade name, advertising or other commercial symbol); and (b)  
14 assistance to any person or entity in connection with or incident to the establishment,  
15 maintenance, or operation of a new business or the entry by an existing business into a  
16 new line or type of business.

17 C. **"Consumer"** means an actual or potential purchaser, customer or licensee.

18 D. **"Defendants"** means Wealth Systems, Inc.; Ecommerce Network.com,  
19 LLC; Martin Q. Wilson; and Shane Roach, and each of them, by whatever names each  
20 might be known, as well as their successors, assigns, officers, agents, directors, servants,  
21 employees, salespersons, independent contractors, attorneys, corporations, subsidiaries,  
22 affiliates, all other persons or entities directly or indirectly under their control or under  
23 common control with them, and all other persons or entities in active concert or  
24 participation with them who receive actual notice of this Order by personal service or  
25 otherwise, including by facsimile, whether acting directly or through any corporation,  
26 subsidiary, division or other device.

27 E. **"Document"** is synonymous in meaning and equal in scope to the usage of  
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1 titled in the name of any defendant, or subject to access by any defendant or under any  
2 defendant's control, without providing the Commission with prior notice and an  
3 opportunity to inspect the contents in order to determine whether they contain assets  
4 covered by this Section.

5 C. The assets affected by this Section shall include both existing assets and  
6 assets acquired after the effective date of this Order, and defendants shall hold and  
7 account for such property and assets and payments received by them including, but not  
8 limited to, borrowed property and gifts.

#### 9 IV. FINANCIAL REPORTS

10 **IT IS FURTHER ORDERED** that:

11 A. Defendants Martin Q. Wilson and Shane Roach shall each, within 72 hours  
12 after entry of this Order, prepare and deliver to counsel for the Commission a completed  
13 financial statement on the form captioned "Financial Statement of Individual Defendant,"  
14 which is attached to this Order as Attachment A;

15 B. Defendants Martin Q. Wilson and Shane Roach shall also, within 72 hours  
16 after entry of this Order, prepare and deliver to counsel for the Commission a completed  
17 financial statement on the form captioned "Financial Statement of Corporate Defendant,"  
18 which is attached to this Order as Attachment B, for Wealth Systems, Inc., for  
19 Ecommerce Network.com, LLC, and for each business entity owned, controlled or  
20 managed by either Martin Q. Wilson or Shane Roach. The financial statements shall be  
21 accurate as of the date of entry of this Order; and

22 C. The Named Defendants shall each, within 72 hours after entry of this Order,  
23 provide the Commission access to records and documents pertaining to the Named  
24 Defendants that are held by financial institutions outside the territory of the United States  
25 by signing the "Consent to Release of Financial Records," which is attached to this Order  
26 as Attachment C.

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1 B. Failing to have a reasonable basis for any earnings claim at the time such  
2 claim is made, as required by the Franchise Rule, 16 C.F.R. § 436.1(b)-(c);

3 C. Failing to disclose, in immediate conjunction with any earnings claim, and  
4 in a clear and conspicuous manner, that material that constitutes a reasonable basis for the  
5 earnings claim is available to prospective franchisees, as prescribed by the Franchise  
6 Rule, 16 C.F.R. § 436.1(b)-(c);

7 D. Failing to provide prospective franchisees with an earnings claim document,  
8 as prescribed by the Franchise Rule, 16 C.F.R. § 436.1(b)-(c); and

9 E. Failing to disclose clearly and conspicuously, in immediate conjunction  
10 with any generally disseminated earnings claim, information required by the Franchise  
11 Rule, including the percentage of prior purchasers known by the defendants to have  
12 achieved the same or better results, as prescribed by the Franchise Rule, 16 C.F.R.  
13 § 436.1(e).

### 14 III. ASSET FREEZE

15 **IT IS FURTHER ORDERED** that defendants are hereby temporarily restrained  
16 and enjoined from:

17 A. Transferring, converting, encumbering, selling, concealing, dissipating,  
18 disbursing, assigning, spending, withdrawing, or otherwise disposing of any funds,  
19 property, artwork, coins, precious metals, jewelry, contracts, shares of stock, or other  
20 assets, wherever located, that are owned or controlled by, in whole or in part, or in the  
21 actual or constructive possession of, defendants or any other entity that is directly or  
22 indirectly owned, managed or controlled by, or under common control with, defendants  
23 including, but not limited to, any assets held by or for defendants in any account at any  
24 bank or savings and loan institution, credit union, independent-service organization  
25 (“ISO”), independent credit-card processing company, or with any broker-dealer, escrow  
26 agent, title company, commodity trading company, precious metal dealer or other entity  
27 including, but not limited to, assets at Bank of America and Wells Fargo Bank; and

28 B. Opening or causing to be opened any safe deposit boxes or storage facilities

1 **V. APPOINTMENT OF TEMPORARY RECEIVER**

2 **IT IS FURTHER ORDERED** that Lawrence J. Warfield is appointed temporary  
3 receiver (hereinafter “receiver”), with the full power of an equity receiver, for the  
4 Receivership Defendants and any affiliates or subsidiaries that the Receivership  
5 Defendants control. The receiver shall be the agent of this Court and solely the agent of  
6 this Court in acting as receiver under this Order. The receiver shall be accountable  
7 directly to this Court. The receiver shall comply with all Local Rules of this Court  
8 governing receivers.

9 **VI. RECEIVERSHIP DUTIES**

10 **IT IS FURTHER ORDERED** that the receiver is directed and authorized to  
11 accomplish the following:

12 A. Assume full control of the Receivership Defendants and all power of the  
13 Receivership Defendants’ directors, officers, and managers, and remove, as the receiver  
14 deems necessary or advisable, any director, officer, independent contractor, employee or  
15 agent of the Receivership Defendants, including any defendant, from control or  
16 management of, or participation in, the affairs of the Receivership Defendants;

17 B. Take immediate and exclusive custody, control, and possession of all  
18 properties, premises, assets and documents of, or in the possession, custody or under the  
19 control of, any Receivership Defendant, wherever situated, including but not limited to,  
20 the Receivership Defendants’ offices located at 4000 North Central Avenue, Phoenix,  
21 Arizona. The receiver shall have full power to divert mail and to sue for, collect, receive,  
22 take possession of, hold, and manage (1) all assets and documents of the Receivership  
23 Defendants and other persons or entities whose interests are now held by or under the  
24 direction, possession, custody or control of any Receivership Defendant, and (2) all sums  
25 of money now or hereafter due and owing to any Receivership Defendant. Provided,  
26 however, that the receiver shall not attempt to collect any amount from a consumer if the  
27 receiver believes the consumer was a victim of the deceptive acts or practices alleged in  
28 the Complaint in this matter. Provided further that the receiver shall immediately return

1 to consumers without further court order any funds that are identifiable as received from  
2 specific consumers following the receiver's appointment or that are received at the  
3 Receivership Defendants' premises or forwarded to the receiver after entry of this Order  
4 and that were, based upon the receiver's good faith determination, procured by use of the  
5 deceptive acts or practices alleged in the Complaint in this matter;

6 C. Take all steps necessary to secure the business premises of the Receivership  
7 Defendants including, but not limited to, all such premises located at 4000 North Central  
8 Avenue, Phoenix, Arizona. Such steps may include, but are not limited to, the following  
9 as the receiver deems necessary or advisable: (1) serving this Order on any person or  
10 entity who might be subject to it; (2) completing a written inventory of receivership  
11 assets; (3) obtaining pertinent information from all employees and other agents of the  
12 Receivership Defendants including, but not limited to, the name, home address, social  
13 security number, job description, method of compensation, and all accrued and unpaid  
14 commissions and compensation of each such employee or agent; (4) video taping all  
15 portions of the location; (5) changing the locks and disconnecting any computer modems  
16 or other means of access to the computer or other documents maintained at the location;  
17 (6) requiring any persons present on the premises at the time this Order is served to leave  
18 the premises, to provide the receiver with proof of identification, and/or to demonstrate to  
19 the satisfaction of the receiver that such persons are not removing from the premises  
20 documents or assets of the Receivership Defendants; and (7) notwithstanding any other  
21 provision of this Order, the receiver shall determine what constitutes reasonable access by  
22 other persons or entities to the business premises of the Receivership Defendants;

23 D. Perform all acts necessary or advisable to conserve, hold, manage, and  
24 preserve the value of all assets of the Receivership Defendants, in order to prevent any  
25 irreparable loss, damage or injury to consumers or to creditors of the Receivership  
26 Defendants including, but not limited to, obtaining an accounting of the assets, and  
27 preventing transfer, withdrawal or misapplication of assets;

28 E. Take such actions and enter into such agreements in connection with the

1 administration of the Receivership Defendants as the receiver deems necessary;

2 F. Prevent the inequitable distribution of assets and determine, adjust, and  
3 protect the interests of consumers and creditors who have transacted business with the  
4 Receivership Defendants;

5 G. Manage and administer the business of the Receivership Defendants until  
6 further order of this Court by performing all incidental acts that the receiver deems to be  
7 advisable or necessary, including retaining, hiring or dismissing any employees,  
8 independent contractors or agents;

9 H. Choose, engage, and employ attorneys, accountants, appraisers, and other  
10 independent contractors, and technical specialists, as the receiver deems advisable or  
11 necessary in the performance of duties and responsibilities under the authority granted by  
12 this Order;

13 I. Make payments and disbursements from the receivership estate that  
14 the receiver deems necessary or advisable for carrying out the directions of, or  
15 exercising the authority granted by, this Order;

16 J. Determine and implement the manner in which the Receivership  
17 Defendants will comply with, and prevent violations of, this Order and all other  
18 applicable laws including, but not limited to, revising sales materials and  
19 implementing monitoring procedures;

20 K. Institute, prosecute and defend, compromise, appear in, intervene in,  
21 or become party to such actions or proceedings in state, federal or foreign courts  
22 that the receiver deems necessary and advisable to preserve, protect, collect, or  
23 recover the assets of the Receivership Defendants or that the receiver deems  
24 necessary and advisable to carry out the receiver's mandate under this Order;

25 L. Defend, compromise, or otherwise dispose of any actions or  
26 proceedings instituted in the past or in the future, against the receiver in his role as  
27 receiver or against the Receivership Defendants, that the receiver deems necessary  
28 and advisable to preserve the assets of the Receivership Defendants, or that the



1 receiver deems necessary and advisable to carry out the receiver's mandate under  
2 this Order;

3 M. Continue and conduct the business of the Receivership Defendants in  
4 such manner, to such extent, and for such duration as the receiver may in good faith  
5 deem to be necessary or appropriate to operate the business profitably and lawfully,  
6 if at all; provided, however, that the continuation and conduct of the business shall  
7 be conditioned upon the receiver's good faith determination that the business can be  
8 lawfully operated at a profit using the assets of the receivership estate;

9 N. Issue subpoenas to obtain documents and records pertaining to the  
10 receivership, and conduct discovery in this action on behalf of the receivership  
11 estate;

12 O. Open one or more bank accounts in the District of Arizona as  
13 designated depositories for funds of the Receivership Defendants. The receiver  
14 shall deposit all funds of the Receivership Defendants in such designated accounts  
15 and shall make all payments and disbursements from the receivership estate from  
16 such accounts;

17 P. Maintain accurate records of all receipts and expenditures that he  
18 makes as receiver;

19 Q. Cooperate with reasonable requests for information or assistance from  
20 any state or federal law enforcement agency; and

21 R. Allow representatives of the Commission and the defendants  
22 reasonable access to inspect the Receivership Defendants' books, records, accounts,  
23 premises, and other property, wherever located.

## 24 VII. COOPERATION WITH THE RECEIVER

25 **IT IS FURTHER ORDERED** that defendants shall fully cooperate with  
26 and assist the receiver. Such cooperation and assistance shall include, but not be  
27 limited to, providing any information to the receiver that the receiver deems  
28 necessary to exercising the authority and discharging the responsibilities of the

1 receiver under this Order; providing any password required to access any computer,  
2 electronic file or telephonic data in any medium; or advising all persons who owe  
3 money to any of the Receivership Defendants that all debts should be paid directly  
4 to the receiver. Defendants are hereby temporarily restrained and enjoined from  
5 directly or indirectly:

6 A. Transacting any of the business of the Receivership Defendants;

7 B. Destroying, secreting, defacing, transferring, or otherwise altering or  
8 disposing of any documents of any Receivership Defendant including, but not  
9 limited to, books, records, accounts, writings, drawings, graphs, charts,  
10 photographs, audio and video recordings, computer records, and other data  
11 compilations, electronically-stored records, or any other papers of any kind or  
12 nature;

13 C. Transferring, receiving, altering, selling, encumbering, pledging,  
14 assigning, liquidating, or otherwise disposing of any assets owned, controlled, or in  
15 the possession or custody of, or in which an interest is held or claimed by, any of  
16 the Receivership Defendants or the receiver;

17 D. Drawing on any existing line of credit available to any of the  
18 Receivership Defendants;

19 E. Excusing debts owed to any of the Receivership Defendants;

20 F. Failing to notify the receiver of any asset, including accounts, of any  
21 Receivership Defendant, whether held in the name of any Receivership Defendant  
22 or in any other name, and whether held by any Receivership Defendant or by any  
23 other person or entity, or failing to provide any assistance or information requested  
24 by the receiver in connection with obtaining possession, custody or control of such  
25 assets;

26 G. Doing any act or refraining from any act whatsoever to interfere with  
27 the receiver's taking custody, control, or possession of, or managing, the assets or  
28 documents subject to this receivership; or to harass or interfere with the receiver in

1 any way; or to interfere in any manner with the exclusive jurisdiction of this Court  
2 over the assets or documents of the Receivership Defendants; or to refuse to  
3 cooperate with the receiver or the receiver's duly authorized agents in the exercise  
4 of their duties or authority under any Order of this Court; and

5 H. Filing, or causing to be filed, any petition on behalf of any of the  
6 Receivership Defendants for relief under the United States Bankruptcy Code, 11  
7 U.S.C. §§ 101-1330 (2002), without prior permission from this Court.

### 8 VIII. DELIVERY OF RECEIVERSHIP PROPERTY

9 IT IS FURTHER ORDERED that:

10 A. Immediately upon service of this Order upon them, or within such  
11 period as may be permitted by the receiver, defendants or any other person or entity  
12 shall transfer or deliver possession, custody, and control of the following to the  
13 receiver:

14 1. All assets of the Receivership Defendants;

15 2. All documents of the Receivership Defendants including, but  
16 not limited to, books and records of accounts, all financial and accounting  
17 records, balance sheets, income statements, bank records (including monthly  
18 statements, canceled checks, records of wire transfers, and check registers),  
19 client or customer lists, title documents, and other papers;

20 3. All of the Receivership Defendants' accounting records, tax  
21 records, and tax returns controlled by, or in the possession of, any  
22 bookkeeper, accountant, enrolled agent, licensed tax preparer or certified  
23 public accountant;

24 4. All loan applications made by or on behalf of either of the  
25 Receivership Defendants and supporting documents held by any type of  
26 lender including, but not limited to, banks, savings and loans, thrifts or credit  
27 unions;

28 5. All assets belonging to members of the public now held by

1 either of the Receivership Defendants; and

2 6. All keys, lock combinations, passwords, and codes necessary  
3 to gain or secure access to any assets or documents of either of the  
4 Receivership Defendants including, but not limited to, access to their  
5 business premises, telephone or other communication systems, accounts,  
6 computer systems or files, or other property.

7 B. In the event any person or entity fails to deliver or transfer any asset  
8 or otherwise fails to comply with any provision of this Section, the receiver may file  
9 ex parte an Affidavit of Non-Compliance regarding the failure. Upon filing of the  
10 affidavit, the Court may authorize, without additional process or demand, Writs of  
11 Possession or Sequestration or other equitable writs requested by the receiver. The  
12 writs shall authorize and direct the United States Marshal or any sheriff or deputy  
13 sheriff of any county, or any other federal or state law enforcement officer, to seize  
14 the asset, document or other thing and to deliver it to the receiver.

15 **IX. TRANSFER OF FUNDS TO THE RECEIVER**

16 **IT IS FURTHER ORDERED** that, upon receiving actual notice of a copy  
17 of this Order by personal service or otherwise, including by facsimile, all banks,  
18 broker-dealers, savings and loans, escrow agents, title companies, leasing  
19 companies, landlords, ISOs, credit-card processing companies, insurance agents,  
20 insurance companies, commodity trading companies, other financial institutions, or  
21 any other person, including relatives, business associates or friends of the Named  
22 Defendants, holding assets of the Named Defendants in their own name or in trust  
23 for Named Defendants shall cooperate with all reasonable requests of the receiver  
24 relating to implementation of this Order, including transferring funds at his  
25 direction and producing records related to the assets of any of the Receivership  
26 Defendants.

1 **X. STAY OF ACTIONS**

2 **IT IS FURTHER ORDERED** that:

3 A. Except by leave of this Court, during pendency of the receivership  
4 ordered herein, Named Defendants and all other persons and entities are hereby  
5 stayed from taking any action to establish or enforce any claim, right or interest for,  
6 against, on behalf of, in, or in the name of, any of the Receivership Defendants, any  
7 of their subsidiaries, affiliates, partnerships, assets, documents, or the receiver or  
8 the receiver's duly authorized agents acting in their capacities as such including, but  
9 not limited to, the following actions:

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

13 2. Accelerating the due date of any obligation or claimed  
14 obligation; filing or enforcing any lien; taking or attempting to take  
15 possession, custody or control of any asset; attempting to foreclose, forfeit,  
16 alter or terminate any interest in any asset, whether such acts are part of a  
17 judicial proceeding, are acts of self-help or otherwise;

18 3. Executing, issuing, serving or causing the execution, issuance  
19 or service of, any legal process including, but not limited to, attachments,  
20 garnishments, subpoenas, writs of replevin, writs of execution, or any other  
21 form of process whether specified in this Order or not; and

22 4. Committing any act or doing anything whatsoever to interfere  
23 with the receiver taking custody, control, possession, or management of the  
24 assets or documents subject to this receivership, or to harass or interfere with  
25 the receiver in any way, or to interfere in any manner with the exclusive  
26 jurisdiction of this Court over the assets or documents of the Receivership  
27 Defendants.

28 B. This Section does not stay:

- 1           1.       The commencement or continuation of a criminal action or  
2 proceeding;
- 3           2.       The commencement or continuation of an action or proceeding  
4 by a governmental unit to enforce such governmental unit's police or  
5 regulatory power;
- 6           3.       The enforcement of a judgment, other than a money judgment,  
7 obtained in an action or proceeding by a governmental unit to enforce such  
8 governmental unit's police or regulatory power;
- 9           4.       The commencement of any action by the Secretary of the  
10 United States Department of Housing and Urban Development to foreclose a  
11 mortgage or deed of trust in any case in which the mortgage or deed of trust  
12 held by the Secretary is insured or was formerly insured under the National  
13 Housing Act and covers property, or combinations of property, consisting of  
14 five or more living units; and
- 15           5.       The issuance to the Receivership Defendants of a notice of tax  
16 deficiency.

17       C.       Except as otherwise provided in this Order, all persons and entities in  
18 need of documentation from the receiver shall in all instances first attempt to secure  
19 such information by submitting a formal written request to the receiver, and, if such  
20 request has not been responded to within 30 days of receipt by the receiver, any  
21 such person or entity may thereafter seek an Order of this Court with regard to the  
22 relief requested.

#### 23                   **XI. COMPENSATION OF TEMPORARY RECEIVER**

24           **IT IS FURTHER ORDERED** that the receiver and all personnel hired by  
25 the receiver as herein authorized, including counsel to the receiver and accountants,  
26 are entitled to reasonable compensation for the performance of duties pursuant to  
27 this Order and for the cost of actual out-of-pocket expenses incurred by them, from  
28 the assets now held by, or in the possession or control of, or which may be received

1 the term in Federal Rule of Civil Procedure 34(a), and includes writings, drawings,  
2 graphs, charts, photographs, audio and video recordings, computer records, and other data  
3 compilations from which information can be obtained and translated, if necessary,  
4 through detection devices into reasonably usable form. A draft or non-identical copy is a  
5 separate document within the meaning of the term.

6 F. **“Named Defendants”** means Wealth Systems, Inc.; Ecommerce  
7 Network.com, LLC; Martin Q. Wilson; and Shane Roach, and each of them, by whatever  
8 names each might be known.

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

11 H. **“Receivership Defendants”** means Wealth Systems, Inc., and Ecommerce  
12 Network.com, LLC.

### 13 I. PROHIBITED REPRESENTATIONS

14 **IT IS THEREFORE ORDERED** that defendants, in connection with the  
15 advertising, promotion, offering for sale or sale of any employment opportunity, business  
16 venture, or work-at-home product or service, are hereby temporarily restrained and  
17 enjoined from making, or assisting in the making of, expressly or by implication, orally or  
18 in writing, any statement or representation of material fact that is false or misleading  
19 including, but not limited to, any false representation that consumers who purchase  
20 defendants’ Internet-based business ventures are likely to earn substantial income.

### 21 II. VIOLATIONS OF THE FRANCHISE RULE PROHIBITED

22 **IT IS FURTHER ORDERED** that defendants are hereby restrained and enjoined  
23 from violating or assisting others to violate any provisions of the Franchise Rule, 16  
24 C.F.R. Part 436, including but not limited to:

25 A. Failing to provide a prospective franchisee with an accurate and complete  
26 disclosure document as prescribed by the Franchise Rule, 16 C.F.R. § 436.1(a);

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1 by, the Receivership Defendants. The receiver shall file with the Court and serve  
2 on the parties statements on a monthly basis, which shall include a description of all  
3 services provided and expenses incurred, with the first such statement filed no more  
4 than 60 days after the date of entry of this Order. If no objection to the fees and  
5 expenses in the statements is filed with the Court by any party within 14 days of  
6 service of the statements, then the receiver shall be authorized to pay such  
7 statements on an interim basis, with final approval thereof to be reserved until the  
8 closing of the case. The receiver shall not increase the hourly rates used as the  
9 bases for such fee applications without prior approval of the Court.

10 **XII. TEMPORARY RECEIVER'S BOND**

11 **IT IS FURTHER ORDERED** that the receiver shall file with the Clerk of  
12 this Court a bond in the sum of \$10,000, with sureties to be approved by the Court,  
13 conditioned that the receiver will well and truly perform the duties of the office and  
14 abide by and perform all acts the Court directs.

15 **XIII. PRESERVATION OF RECORDS**

16 **IT IS FURTHER ORDERED** that defendants are hereby temporarily  
17 restrained and enjoined from destroying, erasing, mutilating, concealing, altering,  
18 transferring, or otherwise disposing of, in any manner, directly or indirectly, any  
19 documents that relate to the business practices or business or personal finances of  
20 defendants, or to the business practices or finances of entities directly or indirectly  
21 under the control, in whole or in part, of defendants.

22 **XIV. RECORD KEEPING/BUSINESS OPERATIONS**

23 **IT IS FURTHER ORDERED** that defendants are hereby temporarily  
24 restrained and enjoined from:

25 A. Failing to create and maintain documents that, in reasonable detail,  
26 accurately, fairly, and completely reflect their incomes, disbursements, transactions,  
27 and use of money, beginning as of the time of effective service of this Order;

28 B. Failing to make and keep books, records, accounts, bank statements,



1 current accountants' reports, general ledgers, general journals, cash receipt ledgers,  
2 cash disbursement ledgers and source documents, documents indicating title to real  
3 or personal property, and any other data which, in reasonable detail, accurately and  
4 fairly reflect the transactions and dispositions of the assets of defendants;

5 C. Destroying, mutilating, concealing, altering, transferring, or otherwise  
6 disposing of, in any manner, any books, records, tapes, discs, accounting data,  
7 checks (fronts and backs), correspondence, forms, advertisements, brochures,  
8 manuals, electronically stored data, banking records, customer lists, customer files,  
9 invoices, telephone records, ledgers, payroll records, or other documents of any  
10 kind, including information stored in computer-maintained form, in their  
11 possession, custody or control; and

12 D. Creating, operating or exercising any control over any business entity,  
13 including any partnership, limited partnership, joint venture, sole proprietorship or  
14 corporation, without first providing the Commission with a written statement  
15 disclosing: (1) the name of the business entity; (2) the address and telephone  
16 number of the business entity; (3) the names of the business entity's officers,  
17 directors, principals, managers and employees; and (4) a detailed description of the  
18 business entity's intended activities.

19 **XV. REQUIRED DISTRIBUTION OF ORDER BY DEFENDANTS**

20 **IT IS FURTHER ORDERED** that Named Defendants shall, upon service  
21 of this Order, immediately provide a copy of this Order to each affiliate, partner,  
22 division, sales entity, successor, assign, employee, independent contractor, agent,  
23 attorney, and representative of the Named Defendants and shall, within ten days  
24 from the date of entry of this Order, serve upon counsel for the Commission a  
25 sworn statement that they have complied with this provision of the Order, which  
26 statement shall include the names and addresses of each such person or entity who  
27 received a copy of the Order.

28

1 **XVI. SERVICE OF ORDER**

2 **IT IS FURTHER ORDERED** that copies of this Order may be served by  
3 any means, including facsimile transmission, upon any financial institution, or other  
4 entity or person that may have possession, custody, control or knowledge of any  
5 documents or assets of any Named Defendant or any other entity or person that may  
6 otherwise be subject to any provision of this Order. Service upon any branch or  
7 office of any financial institution shall effect service upon the entire financial  
8 institution.

9 **XVII. ACCESS TO DEFENDANTS' BUSINESS PREMISES**

10 **IT IS FURTHER ORDERED** that the Commission's representatives,  
11 agents, and assistants, as well as Named Defendants' representatives, and Named  
12 Defendants themselves, shall have reasonable access to the premises of the  
13 Receivership Defendants including, but not limited to, all such premises at 4000  
14 North Central Avenue, Phoenix, Arizona. The purpose of this access shall be to  
15 inspect and copy any and all books, records, accounts, and other property owned by  
16 or in the possession of the Receivership Defendants.

17 **XVIII. CONSUMER CREDIT REPORT**

18 **IT IS FURTHER ORDERED** that pursuant to Section 604(a)(1) of the Fair  
19 Credit Reporting Act, 15 U.S.C. § 1681b(a)(1), any consumer reporting agency  
20 served with this Order shall promptly furnish consumer reports concerning  
21 defendants Martin Q. Wilson and Shane Roach to counsel for the Commission.

22 **XIX. RETENTION OF ASSETS AND RECORDS**

23 **IT IS FURTHER ORDERED** that, effective immediately upon notification  
24 of this Order, and pending determination of plaintiff's request for a preliminary  
25 injunction, any bank, savings and loan institution, credit union, financial institution,  
26 brokerage house, escrow agent, money market or mutual fund, title company,  
27 commodity trading company, common carrier, storage company, trustee,  
28 commercial mail receiving agency, mail holding or forwarding company, or any

1 other person, partnership, corporation, legal or business entity, or person that holds,  
2 controls or maintains custody of any account or asset belonging to, or titled in the  
3 name of, any Named Defendant or belonging to, or titled in the name of, any  
4 corporation, partnership or other entity directly or indirectly owned, managed or  
5 controlled by, in whole or in part, any Named Defendant, or to which they are a  
6 signatory, or which is held on behalf of, or for the benefit of, any Named  
7 Defendant, individually or jointly, or that has held, controlled or maintained  
8 custody of any such account or asset at any time since January 1, 2001, shall:

9       A.     Prohibit Named Defendants and their agents, servants, employees,  
10 attorneys, and all persons or entities directly or indirectly under their control, or in  
11 common control with them, from withdrawing, removing, assigning, transferring,  
12 pledging, encumbering, disbursing, dissipating, converting, selling, or otherwise  
13 disposing of any such account or asset except:

- 14             1.     As directed by further order of the Court; or
- 15             2.     By written agreement of the Commission and the parties  
16             claiming an interest in such account or asset;

17       B.     Maintain the status quo of any such account or asset and shall not  
18 withdraw, remove, assign, transfer, pledge, encumber, disburse, dissipate, convert,  
19 sell, or otherwise dispose of any such account or asset except:

- 20             1.     As directed by further order of the Court; or
- 21             2.     By written agreement of the Commission and the parties  
22             claiming an interest in such account or asset;

23       C.     Deny Named Defendants and their agents, servants, employees,  
24 attorneys, and all persons or entities directly or indirectly under their control or in  
25 common control with them, unless accompanied by counsel for the Federal Trade  
26 Commission, access to any safe deposit box that is:

- 27             1.     Titled in the name of any Named Defendant or their affiliates  
28             or subsidiaries, either individually or jointly; or



1 written notice, of any person, whether or not a party, for the purpose of discovering  
2 the nature, location, status, and extent of assets of any of the Named Defendants or  
3 of their affiliates or subsidiaries; the nature and location of documents reflecting the  
4 business transactions of any of the Named Defendants; the whereabouts of the  
5 Named Defendants; and the applicability of any evidentiary privileges to this  
6 action. The limitations and conditions set forth in Fed. R. Civ. P. 30(a)(2)(B) and  
7 31(a)(2)(B) regarding subsequent depositions of an individual shall not apply to  
8 depositions taken pursuant to this Section. Any such depositions taken pursuant to  
9 this Section shall not be counted toward the ten-deposition limit set forth in Fed. R.  
10 Civ. P. 30(a)(2)(A) and 31(a)(2)(A). Service of discovery upon a party, taken  
11 pursuant to this Section, shall be sufficient if made by facsimile or by overnight  
12 delivery; and

13       B. Demand the production of documents, on five days' notice, from any  
14 person, whether or not a party, relating to the nature, status or extent of assets of  
15 Named Defendants or of their affiliates or subsidiaries; the location of documents  
16 reflecting the business transactions of Named Defendants; the whereabouts of  
17 Named Defendants; and the applicability of any evidentiary privileges to this  
18 action; provided that 24 hours' notice shall be deemed sufficient for the production  
19 of any such documents that are maintained or stored as electronic data.

## 20                                   **XXI. REPATRIATION OF ASSETS**

21           **IT IS FURTHER ORDERED** that within five business days following  
22 service of this Order, Named Defendants shall:

23       A. Repatriate to the United States all funds, documents or assets in  
24 foreign countries held: (1) by them; (2) for their benefit; or (3) under their direct or  
25 indirect control, jointly or singly;

26       B. The same business day as any repatriation under Section XXI.A.  
27 above: (1) notify counsel for the Commission of the name and location of the  
28 financial institution or other entity that is the recipient of such funds, documents or

1 assets; and (2) serve this Order on any such financial institution or other entity;

2 C. Provide plaintiff with a full accounting of all funds, documents, and  
3 assets outside of the territory of the United States held: (1) by them; (2) for their  
4 benefit; or (3) under their direct or indirect control, jointly or singly; and

5 D. Hold and retain all repatriated funds, documents, and assets and  
6 prevent any transfer, disposition or dissipation whatsoever of any such assets or  
7 funds.

8 **XXII. DURATION OF TEMPORARY RESTRAINING ORDER**

9 **IT IS FURTHER ORDERED** that this Order shall expire on  
10 16 FEBRUARY <sup>at 10:00 Am</sup>, 2005, unless within such time the Order, for good  
11 cause shown, is extended for an additional period not to exceed ten days, or unless  
12 it is further extended with the consent of the parties.

13 **XXIII. ORDER TO SHOW CAUSE**

14 **IT IS FURTHER ORDERED** pursuant to Federal Rule of Civil Procedure  
15 65(b) that Named Defendants shall appear before this Court, Courtroom 503,  
16 Sandra Day O'Connor U.S. District Court, District of Arizona, 401 W. Washington  
17 Street, Phoenix, AZ 85003-2118, on the 15<sup>th</sup> day of FEBRUARY, 2005, at  
18 9:00 o'clock A.m. (MST), to show cause, if there is any, why this Court  
19 should not enter a preliminary injunction, pending final ruling on the Complaint  
20 against Named Defendants, enjoining them from further violations of Section 5(a)  
21 of the FTC Act, 15 U.S.C. § 45(a), continuing the freeze of their assets, continuing  
22 the receivership, and imposing such additional relief as may be appropriate.

23 **XXIV. SERVICE OF DOCUMENTS AND EVIDENCE**

24 **IT IS FURTHER ORDERED** that Named Defendants, in responding to  
25 this Court's Order to Show Cause, shall serve all memoranda, affidavits, and other  
26 evidence on which they intend to rely not later than 4:00 p.m. (PST) of the fourth  
27 day prior to the preliminary injunction hearing set in this matter. Service on the  
28 Commission shall be performed by personal delivery, or confirmed facsimile

1 delivery, to Mary Benfield and Kial Young, at the following address: Federal  
2 Trade Commission, 915 Second Ave., Suite 2896, Seattle, WA 98174, (206) 220-  
3 6366 (fax number). The Commission may serve and file a supplemental  
4 memorandum of points and authorities based on evidence discovered subsequent to  
5 the filing of its Complaint by no later than 4:00 p.m. (PST) of the fourth day prior  
6 to the preliminary injunction hearing, and may serve and file a reply to Named  
7 Defendants' opposition by no later than 4:00 p.m. (PST) on the day prior to the  
8 preliminary injunction hearing.

9 **XXV. NO EXAMINATION OF WITNESSES**

10 **IT IS FURTHER ORDERED** that there will be no direct examination of  
11 witnesses at the preliminary injunction hearing in this matter.

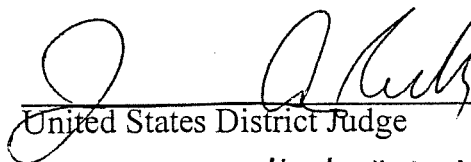
12 **XXVI. RETENTION OF JURISDICTION**

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

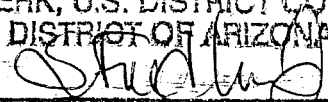
15  
16 No security is required of any agency of the United States for the issuance of  
17 a restraining order. Fed. R. Civ. P. 65(c).

18  
19 **SO ORDERED.**

20  
21 DATED this 2 day of FEB, 2005.

22  
23  
24   
United States District Judge

25 I hereby attest and certify on 2/2/05  
26 that the foregoing document is a full, true and correct  
27 copy of the original on file in my office and in my cus-  
28 tody.

CLERK, U.S. DISTRICT COURT  
DISTRICT OF ARIZONA  
By  Deputy