

UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

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FEDERAL TRADE COMMISSION, )  
 )  
 )  
 Plaintiff, )  
 )  
 v. )  
 )  
 SOUTHWEST MARKETING CONCEPTS, INC., )  
 a corporation d/b/a The Journal ) CIVIL ACTION NO.  
 and The Journal - The Voice of )  
 Law Enforcement, )  
 )  
 and )  
 )  
 STEPHEN T. INMON, )  
 individually and as an officer )  
 of the corporation, )  
 )  
 Defendants. )  
 )

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**EX PARTE TEMPORARY RESTRAINING ORDER, WITH ASSET FREEZE,  
ORDER APPOINTING A TEMPORARY RECEIVER, AND OTHER  
EQUITABLE RELIEF**

Plaintiff Federal Trade Commission ("Commission"), pursuant to Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b), having filed a complaint for permanent injunction and other relief, including consumer redress, and having moved ex parte for a Temporary Restraining Order pursuant to Rule 65 of the Federal Rules of Civil Procedure, and the Court having considered the pleadings, declarations, exhibits, and memoranda filed in support thereof, makes the following findings:

1. This Court has jurisdiction of the subject matter of this case, and there is good cause to believe it will have jurisdiction over all parties hereto;

2. There is good cause to believe that Defendants Southwest Marketing Concepts, Inc. and Stephen T. Inmon (collectively, "Defendants") have engaged in and are likely to engage in acts and practices that violate Section 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;

3. There is good cause to believe that immediate and irreparable damage to the Court's ability to grant effective final relief for customers in the form of monetary redress 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. There is thus good cause for relieving the Commission of the duty to provide Defendants with prior notice of the Commission's motion;

4. Good cause exists for the appointment of a temporary receiver for Defendant Southwest Marketing Concepts, Inc.;

5. Weighing the equities and considering the Commission's likelihood of success in its causes of action, this Temporary Restraining Order with asset freeze and other equitable relief is in the public interest; and

6. Fed. R. Civ. P. 65(c) does not require security of

the United States or an officer or agency thereof.

## **ORDER**

### **Definitions**

A. "Assets" means any legal or equitable interest in, right to, or claim to, any real and personal property, including but not limited to chattels, goods, instruments, equipment, fixtures, general intangibles, effects, shares of stock, contracts, leaseholds, mail or other deliveries, inventory, checks, notes, accounts, credits, receivables, and all cash, wherever located.

B. "Document" is synonymous in meaning and equal in scope to the usage of the term in Federal Rule of Civil Procedure 34(a), and includes writings, drawings, graphs, charts, internet sites, photographs, audio and video recordings, computer records, and other data compilations from which information can be obtained and translated, if necessary, through detection devices into reasonably usable form. A draft or non-identical copy is a separate document within the meaning of the term.

C. "Defendants" means Southwest Marketing Concepts, Inc. and Stephen T. Inmon, and each of them.

D. "Customer" means any person, group, unincorporated association, limited or general partnership, corporation, or other business entity to whom Defendants have sold or offered to sell advertising or from whom Defendants have attempted to collect payment for advertising.

## I. PROHIBITED BUSINESS ACTIVITIES

**IT IS THEREFORE ORDERED** that Defendants, in connection with promoting, offering for sale, or selling advertisements to businesses, are hereby temporarily restrained and enjoined from:

A. Violating Section 5 of the FTC Act by falsely representing, directly or by implication, that a business has authorized placement of advertising in Defendants' publication;

B. Violating Section 5 of the FTC Act by falsely representing, directly or by implication, that Defendants incurred the cost of printing the advertisement in Defendants' publication in reliance on the business' promise to pay for the advertisement;

C. Violating Section 5 of the FTC Act by falsely representing, directly or by implication, that the proceeds from the advertisements will be used for a law enforcement or civic purpose; and

D. Violating Section 5 of the FTC Act by falsely representing, directly or by implication, that the proceeds from the advertisements will be used for a law enforcement or civic purpose in the advertiser's community.

E. Violating Section 5 of the FTC Act by mailing invoices and demands for payment and making threats of adverse action with respect to a business' credit record, and thus falsely representing, directly or by implication, that a business has ordered advertisements billed to the business by Defendants.

## II. ASSET FREEZE

**IT IS FURTHER ORDERED** that Defendants are hereby temporarily restrained and enjoined from:

A. Transferring, converting, encumbering, selling, concealing, dissipating, disbursing, assigning, spending, withdrawing, or otherwise disposing of any funds, property, accounts, contracts, lists of businesses' names, shares of stock or other assets, wherever located, that are (1) owned or controlled, directly or indirectly, by Southwest Marketing Concepts, Inc. or Stephen T. Inmon, in whole or in part; or (2) in the actual or constructive possession of Southwest Marketing Concepts, Inc. or Stephen T. Inmon; or (3) owned, controlled by, or in the actual or constructive possession of any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by, or under common control with Southwest Marketing Concepts, Inc. or Stephen T. Inmon, including, but not limited to, any assets held by, for, or under the name of any Defendant at any bank or savings and loan institution, or with any broker-dealer, escrow agent, title company, commodity trading company, precious metal dealer, or other financial institution or depository of any kind;

B. Opening or causing to be opened any safe deposit boxes titled in the name of Southwest Marketing Concepts, Inc. or Stephen T. Inmon; and

C. Incurring charges on any credit card issued in the name, singly or jointly, of Southwest Marketing Concepts, Inc. or

Stephen T. Inmon.

D. Notwithstanding the provisions of this Paragraph, Defendants may make transfers as directed by any Receiver appointed by this Court, or as otherwise ordered by this Court upon proper showing and after notice to the Commission.

E. The assets affected by this Paragraph shall include both existing assets and assets acquired after the issuance of this Order. Defendants shall hold and account for such assets and payments received by them, including, but not limited to borrowed funds or property and gifts.

### **III. RECORD KEEPING/BUSINESS OPERATIONS**

**IT IS FURTHER ORDERED** that Defendants are hereby temporarily restrained and enjoined from:

A. Failing to create and maintain documents that, in reasonable detail, accurately, fairly, and completely reflect their incomes, disbursements, transactions, and use of money; and

B. Creating, operating, or exercising any control over any business entity, including any partnership, limited partnership, joint venture, sole proprietorship or corporation, without first providing the Commission with a written statement disclosing:

(1) the name of the business entity; (2) the address and telephone number of the business entity; (3) the names of the business entity's officers, directors, principals, managers and employees; and (4) a detailed description of the business entity's intended activities.

**IV. PRESERVATION OF RECORDS**

**IT IS FURTHER ORDERED** that Defendants are hereby temporarily restrained and enjoined from destroying, erasing, mutilating, concealing, altering, transferring or otherwise disposing of, in any manner, directly or indirectly, any documents that relate to the business practices or business or personal finances of the Defendants.

**V. APPOINTMENT OF TEMPORARY RECEIVER**

**IT IS FURTHER ORDERED** that \_\_\_\_\_ is appointed as Temporary Receiver, with the full power of an equity receiver, for Defendants Southwest Marketing Concepts, Inc. (hereinafter referred to as the "Receivership Defendant") and its affiliates and subsidiaries, and of all the funds, properties, premises, accounts and other assets directly or indirectly owned, beneficially or otherwise, by the Receivership Defendant. The Receiver shall be the agent of this Court in acting under this Order. The Receiver shall comply with all Local Rules of this Court governing receivers.

**VI. RECEIVERSHIP DUTIES**

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

A. Assume full control of the Receivership Defendant by removing Stephen T. Inmon, and any other officer, independent contractor, employee, or agent of any of the Receivership

Defendant, from control of, management of, and participation in the affairs of the Receivership Defendant;

B. Take exclusive custody, control and possession of all the funds, property, documents, premises, accounts, mail and other assets of, or in the possession or under the control of, the Receivership Defendant, wherever situated, the income and profits therefrom, and all sums of money now or hereafter due or owing to the Receivership Defendant, with full power to: divert mail, sue for, collect, receive, manage and take possession of all assets, goods, chattels, rights, credits, moneys, effects, lands, leases, books and records, work papers, and records of accounts, including computer-maintained information, contracts, financial records, monies on hand in banks and other financial institutions, and other papers and documents of the Receivership Defendant and customers whose interests are now held by or under the direction, possession, custody or control of the Receivership Defendant. Provided, however, the Receiver shall not attempt to collect any amount from a customer if the Receiver believes the customer was a victim of the deceptive acts or practices alleged in the Complaint in this matter;

C. Perform all acts necessary to preserve the value of the receivership assets and prevent any irreparable loss, damage and injury to customers, including such acts as suspension of operations; preventing the withdrawal or misapplication of funds entrusted to the Receivership Defendant; determining, adjusting, and protecting the interests of members of the public who have



transacted business with the Receivership Defendant; and reporting to this Court and the Commission any violations of this Order of which the Receiver may become aware;

D. Hold, preserve, and administer the business of the Receivership Defendant until further order of this Court, with full authority to perform all acts necessary or incidental thereto, including the power to terminate employees and independent contractors, make such payments and disbursements as may be necessary and advisable for the preservation of the Receivership Defendant or to discharge the receivership duties, and enter into contracts and purchase insurance as advisable or necessary;

E. Take all steps necessary to secure the business premises of the Receivership Defendant. Such steps may include, but are not limited to, the following as the Receiver deems necessary or advisable: (1) serving and filing this Order, (2) completing a written inventory of all receivership assets, (3) obtaining pertinent information from all employees and other agents of the Receivership Defendant, including, but not limited to, the name, home address, social security number, job description, method of compensation, and all accrued and unpaid commissions and compensation of each such employee or agent, (4) video taping all portions of the location, (5) securing the location by changing the locks and disconnecting any computer modems or other means of access to the computer or other records maintained at that location, or (6) requiring any persons present

on the premises at the time this Order is served to leave the premises, to provide the Receiver with proof of identification, or to demonstrate to the satisfaction of the Receiver that such persons are not removing from the premises documents or assets of the Receivership Defendant;

F. Continue and conduct the business of the Receivership Defendants in such manner, to such extent, and for such duration as the Receiver may in good faith deem to be necessary or appropriate to lawfully operate said business consistent with prudent business practices, if at all; provided that the continuation and conduct of said business shall be conditioned upon the Receiver's good faith satisfaction that said business can be lawfully operated consistent with prudent business practices using the funds and other assets of the receivership estate;

G. Determine and, if possible, implement the manner in which the Receivership Defendant will comply with, and prevent violations of, this Order and all other applicable laws, including but not limited to, revising sales materials and implementing monitoring procedures;

H. Make payments and disbursements from the receivership estate that are necessary or advisable for carrying out the directions of, or exercising the authority granted by, this Order. The Receiver shall apply to the Court for prior approval of any payment of any debt or obligation incurred by the Receivership Defendants prior to the date of entry of this Order,

except payments that the Receiver deems necessary or advisable to secure assets of the Receivership Defendant, such as rental payments;

I. Enter into such agreements in connection with administration of the receivership, including, but not limited to: (1) the retention and employment of investigators, attorneys, accountants, consultants, appraisers, and other independent contractors and technical specialists of the Receiver's choice, including without limitation members and employees of the Receiver's firm, to assist, advise, and represent the Receiver, and (2) the movement and storage of any equipment, furniture, records, files or other physical property of the Receivership Defendant;

J. Institute, prosecute, compromise, adjust, intervene in or become party to such actions or proceedings in state, federal or foreign courts that the Receiver deems necessary and advisable to preserve the value of the properties of the Receivership Defendant or that the Receiver deems necessary and advisable to carry out the Receiver's mandate under this Order, and likewise to defend, compromise or adjust or otherwise dispose of any or all actions or proceedings instituted in the past or in the future against the Receiver in his role as Receiver or against the Receivership Defendant that the Receiver deems necessary and advisable to preserve the assets of the Receivership Defendant or that the Receiver deems necessary and advisable to carry out the Receiver's mandate under this Order;

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

L. Open one or more bank accounts, as the Receiver deems necessary, in Harris County or other appropriate location, as designated depositories for funds of the Receivership Defendant. The Receiver shall deposit all funds of the Receivership Defendant in such a designated account and shall make all payments and disbursements from the receivership estate from such an account; and

M. Maintain accurate records of all receipts and expenditures that the Receiver makes.

## VII. COOPERATION WITH THE RECEIVER

**IT IS FURTHER ORDERED** that:

A. Immediately upon service of this Order upon them, Defendants, and any other person or entity served with a copy of this Order, shall forthwith or within such time as permitted by the Receiver in writing, deliver over to the Receiver:

(1) possession and custody of all funds, property owned beneficially or otherwise, and all other assets, wherever situated, of the Receivership Defendant; (2) possession and custody of all books and records of accounts, all financial and accounting records, balance sheets, income statements, bank records (including monthly statements, canceled checks, records of wire transfers, and check registers), client lists, title documents and other documents of the Receivership Defendant; (3) possession and custody of all funds and other assets belonging to members of the public now held by the Receivership Defendant; (4) all keys, computer passwords, entry codes, combinations to locks required to open or gain access to any of the property, documents or effects, including, but not limited to, access to the business premises, means of communication, accounts, computer systems, or other property; (5) all monies in any bank deposited to the credit of the Receivership Defendant, wherever situated; (6) information identifying the accounts, employees, properties, or other assets or obligations of the Receivership Defendant; (7) a statement providing the total number of copies printed and the name and address of each

subscriber or recipient of Defendants' publication; and (8) a statement providing the total number of customers and the name, address and phone number of each customer who purchased advertising from Defendants, whether directly or through any other entity, and the total dollar amount of money received from each customer.

B. Defendants shall fully cooperate with and assist the Receiver. Defendants' cooperation and assistance shall include, but not be limited to, providing any information to the Receiver that the Receiver deems necessary to exercising the authority and discharging the responsibilities of the Receiver under this Order; providing any password required to access any computer or electronic files in any medium; or advising all persons who owe money to the Receivership Defendant that all debts should be paid directly to the Receiver. Defendants are hereby restrained and enjoined from directly or indirectly: (1) transacting any of the business of the Receivership Defendant; (2) destroying, secreting, defacing, transferring, or otherwise altering or disposing of any documents of the Receivership Defendant, including, but not limited to, books, records, accounts, or any other papers of any kind or nature; (3) transferring, receiving, altering, selling, encumbering, pledging, assigning, liquidating, or otherwise disposing of any assets owned, controlled, or in the possession or custody of, or in which an interest is held or claimed by, the Receivership Defendant, or the Receiver; (4) excusing debts owed to the Receivership Defendant; (5) failing to

notify the Receiver of any asset, including accounts of the Receivership Defendant held in any name other than the name of the Receivership Defendant, or by any person or entity other than the Receivership Defendant, or failing to provide any assistance or information requested by the Receiver in connection with obtaining possession, custody, or control of assets; and (6) doing any act or refraining from any act whatsoever to interfere with the Receiver's taking custody, control, possession, or management of the assets or documents subject to this receivership; or to harass or interfere with the Receiver in any way; or to interfere in any manner with the exclusive jurisdiction of this Court over the assets or documents of the Receivership Defendant; or to refuse to cooperate with the Receiver or the Receiver's duly authorized agents in the exercise of their duties or authority under any Order of this Court.

#### **VIII. STAY OF ACTIONS**

**IT IS FURTHER ORDERED** that except by leave of this Court, during the pendency of the receivership ordered herein, Defendants and all other persons and entities be and hereby are stayed from taking any action to establish or enforce any claim, right or interest for, against, on behalf of, in, or in the name of, any of the Receivership Defendant, or any of its subsidiaries, affiliates, partnerships, assets, documents, or the Receiver or the Receiver's duly authorized agents acting in their capacities as such, including, but not limited to, the following actions:

A. Commencing, prosecuting, continuing or enforcing any suit or proceeding against the Receivership Defendant, or any of its subsidiaries or affiliates, except that such actions may be filed to toll any applicable statute of limitations;

B. Commencing, prosecuting, continuing or entering any suit or proceeding in the name or on behalf of the Receivership Defendant, or any of its subsidiaries or affiliates;

C. Accelerating the due date of any obligation or claimed obligation, enforcing any lien upon, or taking or attempting to take possession of, or retaining possession of, a property of the Receivership Defendant, or any of its subsidiaries or affiliates or any property claimed by any of them, or attempting to foreclose, forfeit, alter or terminate any of the Receivership Defendant's interests in property, including without limitation, the establishment, granting, or perfection of any security interest, whether such acts are part of a judicial proceeding or otherwise;

D. Using self-help or executing or issuing, or causing the execution or issuance of any court attachment, subpoena, garnishment, replevin, execution or other process for the purpose of impounding or taking possession of or interfering with, or creating or enforcing a lien upon, any property, wheresoever located, owned by or in the possession of the Receivership Defendant, or the Receiver or any agent appointed by said Receiver; and

E. Doing any act or thing whatsoever to interfere with the



Receiver taking control, possession or management of the property subject to this receivership, or to in any way interfere with the Receiver, or to harass or interfere with the duties of the Receiver; or to interfere in any manner with the exclusive jurisdiction of this Court over the property and assets of the Receivership Defendant, or its subsidiaries or affiliates, including the filing by the Receivership Defendant of a petition for relief under the United States Bankruptcy Code, 11 U.S.C. § 101 et seq., without notice to the Commission and prior permission from this Court.

Provided, however, nothing in this Paragraph shall prohibit any federal, state or local law enforcement or regulatory authority from commencing or prosecuting an action against the Receivership Defendant.

#### **IX. COMPENSATION OF TEMPORARY RECEIVER**

**IT IS FURTHER ORDERED** that the Receiver and all personnel hired by the Receiver as herein authorized, including counsel to the Receiver and accountants, are entitled to reasonable compensation for the performance of duties pursuant to this Order and for the cost of actual out-of-pocket expenses incurred by them, from the assets now held by or in the possession or control of or which may be received by the Receivership Defendant. The Receiver shall file with the court and serve on the parties periodic requests for the payment of such reasonable compensation, with the first such request filed prior to sixty (60) days after the date of this Order. The Receiver shall not

increase the Receiver's fee rate billed to the receivership estate without prior approval of the Court.

**X. RECEIVER'S BOND**

**IT IS FURTHER ORDERED** that the Receiver shall file with the Clerk of this Court a bond in the sum of \$ \_\_\_\_\_, if such bond is not already filed with the Court, with sureties to be approved by the Court, conditioned that the Receiver will well and truly perform the duties of the office and abide by and perform all acts the Court directs.

**XI. RETENTION OF ASSETS AND RECORDS**

**IT IS FURTHER ORDERED** that, pending determination of the Commission's request for a preliminary injunction, any financial or brokerage institution, business entity, or person that holds, controls or maintains custody of any account or asset of the Defendants, or any of their affiliates or subsidiaries, or has held, controlled or maintained custody at any time since December 31, 1991, of any account or asset of the Defendants shall:

A. Prohibit the withdrawal, removal, assignment, transfer, pledge, encumbrance, disbursal, dissipation, conversion, sale, or other disposition of any such asset except:

1. as directed by further order of the Court;
2. for specific transfers authorized in writing by counsel for the Commission; or
3. as directed by the Receiver (regarding assets held in the name or for the benefit of the Receivership

Defendant);

B. Deny Defendants access to any safe deposit box that is:

1. titled in the name of any of the Defendants, or their affiliates or subsidiaries, either individually or jointly; or
2. otherwise subject to access by any of the Defendants, or their affiliates or subsidiaries;

C. Provide counsel for the Commission and the Receiver, within three (3) business days of receiving a copy of this Order, a certified statement setting forth:

1. the identification number of each such account or asset titled in the name, individually or jointly, of any of the Defendants or their affiliates or subsidiaries, or held on behalf of, or for the benefit of, any of the Defendants or their affiliates or subsidiaries;
2. the balance of each such account, or a description of the nature and value of such asset as of the close of business on the day on which this Order is served, and, if the account or other asset has been closed or removed, the date closed or removed, the total funds removed in order to close the account, and the name of the person or entity to whom such account or other asset was remitted; and
3. the identification of any safe deposit box that is either titled in the name, individually or jointly, of

any of the Defendants, or their affiliates or subsidiaries, or is otherwise subject to access by any of the Defendants;

D. Upon request, promptly provide the Commission and the Receiver with copies of all records or other documentation pertaining to such account or asset, including but not limited to originals or copies of account applications, account statements, signature cards, checks, drafts, deposit tickets, transfers to and from the accounts, all other debit and credit instruments or slips, currency transaction reports, 1099 forms, and safe deposit box logs; provided that such institution or custodian may charge a reasonable fee not to exceed fifteen cents per page copied; and

E. Cooperate with all reasonable requests of the Receiver relating to implementation of this Order, including transferring funds at the Receiver's direction and producing records related to the Defendants' accounts.

## **XII. SERVICE OF ORDER**

**IT IS FURTHER ORDERED** that copies of this Order may be served by any means, including facsimile transmission, upon any financial institution or other entity or person that may have possession, custody, or control of any documents or assets of any Defendant, or that may be subject to any provision of this Order.

## **XIII. ACCESS TO DEFENDANTS' BUSINESS PREMISES**

**IT IS FURTHER ORDERED** that Defendants and the Receiver shall allow the Commission's representatives, agents, and assistants

immediate access to Defendants' business premises, wherever located. The purpose of this access shall be to inspect and copy any materials relevant to this action and to inventory Defendants' assets. The Commission's representatives may remove materials from Defendants' business premises so they may be inspected, inventoried, and copied. The Commission's representatives shall return materials so removed within four (4) business days of completing said inventory and copying. In no event shall the Commission's representatives retain the materials longer than eight (8) business days. The Receiver shall have the discretion to determine the time and manner of access.

#### **XIV. FINANCIAL REPORTS**

**IT IS FURTHER ORDERED** that Defendants Southwest Marketing Concepts, Inc. and Stephen T. shall each, within forty-eight (48) hours after entry of this Order, prepare and deliver to this Court and to counsel for the Commission:

A. A schedule, verified under oath, identifying the nature, location, source, and dollar value, estimated if necessary and including any encumbrances, of each asset or piece of property with an estimated value of \$1,000 or more, and each piece of real property without regard to its estimated value, that is owned or held directly or indirectly, of record or beneficially, by Defendants, the spouse of Defendant Inmon, and their children, in whole or in part; and

B. A schedule, verified under oath, identifying all transfers or assignments by each Defendant of assets or property

worth \$1,000 or more, and each piece of real property without regard to its estimated value, since December 31, 1991, including the name of each transferee or assignee, the nature and value of the asset or property involved, the date of the assignment or transfer, and the nature and amount of any consideration provided to the Defendants.

C. Each schedule shall specify the name and address of each financial institution and brokerage firm at which any Defendant has accounts or safe deposit boxes. Said schedules shall include assets held in foreign countries as well as domestically.

#### **XV. FOREIGN ASSETS**

**IT IS FURTHER ORDERED** that Defendants shall:

A. Provide the Commission and the Receiver, within forty-eight (48) hours following the service of this Order, with a full accounting of all funds, documents and assets outside of the territory of the United States which are held either: (1) by them; (2) for their benefit; or (3) under their direct or indirect control, jointly or singly;

B. Transfer, within five (5) business days following the service of this Order, to the territory of the United States all funds, documents and assets in foreign countries held either: (1) by them; (2) for their benefit; or (3) under their direct or indirect control, jointly or singly;

C. Hold and retain all repatriated funds, documents and assets and prevent any transfer, disposition, or dissipation

whatsoever of any such assets or funds, except as required by Paragraph VII. of this Order; and

D. Provide, within forty-eight (48) hours following the service of this Order, the Commission and the Receiver access to Defendants' records and documents held by financial institutions outside the territorial United States, by signing the Consent to Release of Financial Records attached to this Order.

#### **XVI. CONSUMER CREDIT REPORTS**

**IT IS FURTHER ORDERED** that pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C. § 1681b(1), any consumer reporting agency may furnish a consumer report concerning any Defendant to the Commission.

#### **XVII. SERVICE OF ORDER BY DEFENDANTS**

**IT IS FURTHER ORDERED** that the Defendants shall immediately provide a copy of this Order to each affiliate, subsidiary, division, sales entity, successor, assign, officer, director, employee, independent contractor, agent, attorney, and representative, and shall, within ten (10) days from the date of entry of this Order, provide the Commission with a sworn statement that Defendants have complied with this provision of the Order, which statement shall include the names and addresses of each such person or entity who received a copy of the Order. A Receiver has no obligations under this paragraph.

### **XVIII. WITNESS IDENTIFICATION**

**IT IS FURTHER ORDERED** that, if any party to this action intends to present the testimony of any witness at the hearing on a preliminary injunction in this matter, that party shall, at least three (3) business days prior to the scheduled date and time of hearing, file with this Court and serve on counsel for the other parties, a statement of the name, address, and telephone number of any such witness, and either a summary of the witness' expected testimony, or the witness' affidavit revealing the substance of such witness' expected testimony; and that, after the service of such statement, the served parties thereafter shall have forty-eight (48) hours from the time of service of such witness information to provide information to the Court and to the serving party for any witness whose testimony the served party intends to present. Service on the Commission shall be performed by personal delivery to the Federal Trade Commission, 1999 Bryan Street, Suite 2150, Dallas, Texas 75201 (or by facsimile transmission to (214) 953-3079).

### **XIX. EXPEDITED DISCOVERY**

**IT IS FURTHER ORDERED** that the Commission and the Receiver are granted leave, at any time after service of this Order to (1) take the deposition of any person or entity for the purpose of discovering the nature, location, status, and extent of assets of the Defendants, or their affiliates or subsidiaries, and the location of documents reflecting the business transactions of



these Defendants, and the applicability of any evidentiary privileges to this action, and (2) to demand the production of documents from any person or entity relating to the nature, status, and extent of these Defendants' assets and the location of documents reflecting the business transactions of these Defendants and the application of any evidentiary privileges to this action; forty-eight (48) hours notice shall be sufficient for any such deposition and five (5) days notice shall be sufficient for the production of any such documents. The limitations and conditions set forth in Fed. R. Civ. P. 30(a)(2)(B) regarding subsequent depositions of an individual shall not apply to depositions taken pursuant to this paragraph, nor shall any depositions taken pursuant to this paragraph count towards the ten deposition limit set forth in Fed. R. Civ. P. 30(a)(2)(A).

**XX. SERVICE OF PLEADINGS**

**IT IS FURTHER ORDERED** that the parties shall serve all memoranda, affidavits and other evidence on which they intend to rely not later than 4:00 p.m.(CST) of the third business day prior to the preliminary injunction hearing set in this matter. Service on the Commission shall be performed by personal delivery to the Federal Trade Commission, 1999 Bryan Street, Suite 2150, Dallas, Texas 75201 (or by facsimile transmission to (214) 953-3079).

**XXI. DURATION OF TEMPORARY RESTRAINING ORDER**

**IT IS FURTHER ORDERED** that the Temporary Restraining Order granted herein shall expire on \_\_\_\_\_, 1997, unless within such time, the Order, for good cause shown, is extended for an additional period not to exceed ten (10) days, or unless it is further extended with the consent of the parties.

**XXII. ORDER TO SHOW CAUSE RE PRELIMINARY INJUNCTION**

**IT IS FURTHER ORDERED**, pursuant to Federal Rule of Civil Procedure 65(b), that each of the Defendants shall appear before this Court on the \_\_\_\_ day of \_\_\_\_\_, 1997, at \_\_\_\_\_ o'clock \_\_.m., to show cause, if there is any, why this Court should not appoint a permanent receiver and enter a preliminary injunction, pending final ruling on the Complaint against Defendants, enjoining them from further violations of Section 5(a) of the Federal Trade Commission Act, 15 U.S.C. § 45(a), continuing the freeze of their assets, and imposing such

additional relief as may be appropriate. The creditors of Defendants Southwest Marketing Concepts, Inc. and Stephen T. Inmon may also appear at that time and show cause, if there is any, why a permanent receiver should not be appointed.

**XXIII. RETENTION OF JURISDICTION**

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

**SO ORDERED**, this \_\_\_\_ day of \_\_\_\_\_, 1997,  
at \_\_\_\_\_.m.

\_\_\_\_\_  
United States District Court Judge

Presented by:

\_\_\_\_\_  
Judith A. Shepherd  
Attorney for Plaintiff  
Federal Trade Commission

I, \_\_\_\_\_, of the State of Texas in the United States of America, do hereby direct any bank or trust company at which I have a bank account of any kind or at which a corporation has a bank account of any kind upon which I am authorized to draw, and its officers, employees and agents, to disclose all information and deliver copies of all documents of every nature in your possession or control which relate to the said bank accounts to any attorney of the Federal Trade Commission of the United States of America and any Receiver appointed in the matter referenced below, and to give evidence relevant thereto, in the matter of the Federal Trade Commission v. Southwest Marketing Concepts, Inc. and Stephen T. Inmon, now pending in the United States District Court for the Southern District of Texas, and this shall be irrevocable authority for so doing. This direction is intended to apply to the laws of countries other than the United States which restrict or prohibit the disclosure of bank information without the consent of the holder of the account, and shall be construed as consent with respect thereto, and the same shall apply to any of the bank accounts for which I may be a relevant principal.

Dated: \_\_\_\_\_, 1997

\_\_\_\_\_  
Signature