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**UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA**

Case No. 04-22431-CIV-MARTINEZ

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

**AMERICAN ENTERTAINMENT
DISTRIBUTORS, INC. et al.,**

Defendants.

**STIPULATED
PRELIMINARY
INJUNCTION WITH
ASSET FREEZE,
APPOINTMENT OF
RECEIVER AND OTHER
EQUITABLE RELIEF AS
TO DEFENDANTS
UNIVERSAL
CYBERCOM CORP. and
MAURICIO PAZ**

This matter comes before the Court on stipulation of Plaintiff Federal Trade Commission ("Commission") and Defendants Universal Cybercom Corporation and Mauricio Paz. On September 28, 2004, the Commission filed a Complaint for a Permanent Injunction and Other Relief, including redress to consumers, pursuant to Sections 13(b) and 19(a) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b) and 57b(a), and moved *ex parte* for a Temporary Restraining Order ("TRO") pursuant to Rule 65 of the Federal Rules of Civil Procedure, Fed. R. Civ. P. 65. On September 29, 2004, this Court, having considered the Complaint, declarations, exhibits, and memorandum of law filed in support of Plaintiff's motion, issued a TRO with an asset freeze, appointed Gerald Wald as Receiver for the Corporate Defendants, and ordered other ancillary equitable relief.

The Court makes the following findings of fact and conclusions of law:

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 Universal Cybercom Corporation ("UCC") and Mauricio Paz ("Paz") have engaged 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 the Commission's Rule entitled Disclosure Requirements and Prohibitions Concerning Franchise and Business Opportunity

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Ventures (the "Franchise Rule"), 16 C.F.R. Part 436, and that the Commission is therefore likely to prevail on the merits of this action;

3. There is good cause to believe that irreparable harm will result from UCC's and Paz's alleged violations of Section 5 of the FTC Act and the Franchise Rule unless UCC and Paz are restrained and enjoined by Order of this Court;

4. There is good cause to believe that 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, or other disposition or concealment by UCC and Paz of assets or records unless UCC and Paz are restrained and enjoined by Order of this Court;

5. Good cause exists for continuing the appointment of a Receiver for the Corporate Defendant UCC;

6. Weighing the equities and considering the Commission's likelihood of ultimate success, a Preliminary Injunction with an asset freeze, appointment of a Receiver, and other equitable relief is in the public interest;

7. UCC and Paz, by agreeing to this Order, make no admissions as to the truth of Plaintiff's allegations. In addition, the stipulation and entry of this Order is not to be construed or deemed a waiver of any claims or defenses that may be raised in this action; and

8. As an agency of the United States, no security is required of the Commission for issuance of a restraining order. Fed. R. Civ. P. 65(c).

DEFINITIONS

1. "Assets" means any legal or equitable interest in, right to, or claim to, any real and personal property, including, but not limited to chattel, goods, instruments, equipment, fixtures, general intangibles, inventory, checks, notes, leaseholds, effects, contracts, mail or other deliveries, shares of stock, lists of consumer names, accounts, credits, lines of credit, premises, receivables, funds, and cash, wherever located, whether in the United States or abroad;

2. "Business venture" means any written or oral business arrangement, however denominated, regardless of whether covered by the Franchise Rule, which consists of the payment of any consideration for:

- a. the right or means to offer, sell, or distribute goods or services (regardless of whether identified by a trademark, service mark, trade name, advertising, or other commercial symbol); and
- b. more than nominal assistance to any person or entity in connection with or incident to the establishment, maintenance, or operation of a new business or the entry by an existing business into a new line or type of business;

2. "Corporate Defendants" means AED, AED II, UTS, and UCC, and their successors, assigns, affiliates or subsidiaries;

3. "Individual Defendants" means Russell G. MacArthur, Jr., Anthony Rocco Andreoni, James R. MacArthur, Mauricio Paz, and Miriam Smolyansky a.k.a Masha Tango;

4. "Defendants" means (a) UCC; (b) Paz; (c) any person insofar as he or she is acting in the capacity of an officer, agent, servant, employee or attorney of UCC or Paz; and (d) any person acting in active concert or participation with any of the foregoing who receives actual notice of this Order by personal service or otherwise. See Fed. R. Civ. P. 65(d);

5. "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, 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;

6. "Receiver" shall mean the receiver appointed in Section X of this Order and any deputy receivers that may be named by the receiver;

7. "Receivership Defendant" shall mean UCC.

ORDER

I. BAN AGAINST ANY INVOLVEMENT WITH BUSINESS VENTURES

IT IS THEREFORE ORDERED that Defendants, whether acting directly or through any corporation, limited liability company, subsidiary, division, or other device, are hereby enjoined from:

1. Advertising, marketing, promoting, offering for sale, or selling any business venture; and
2. Receiving any remuneration of any kind whatsoever from, holding any ownership interest, share, or stock in, or serving as an employee, officer, director, trustee, general manager of, or consultant or advisor to, any business entity engaged in or assisting in the advertising, marketing, promoting, offering for sale, or sale of any business venture.

II. PROHIBITION AGAINST VIOLATION OF THE FRANCHISE RULE

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

1. failing to provide a prospective purchaser with a complete and accurate disclosure document as prescribed by the Franchise Rule, 16 C.F.R. § 436.1(a);
2. failing to provide a prospective purchaser with an earnings claim document as prescribed by the Franchise Rule, 16 C.F.R. § 436.1(b)-(e);
3. failing to disclose, in immediate conjunction with any generally disseminated ("advertised") earnings claim, information required by the Franchise Rule including the number and percentage of prior purchasers known by the Defendants to have achieved the same or better results, as required by the Franchise Rule, 16 C.F.R. § 436.1(e)(3)-(4);
4. failing to have a reasonable basis for any earnings claim at the time such claim is made, as required by the Franchise Rule, 16 C.F.R. § 436.1(b)-(e);
5. failing to disclose, in immediate conjunction with any earnings claim, and in a clear and conspicuous manner, that material which constitutes a reasonable basis for the earnings claim is available to the prospective purchasers;
6. failing to provide material which constitutes a reasonable basis for any earnings claim to prospective purchasers, the Commission, or its staff upon reasonable demand; or
7. making any statement that contradicts information required to be disclosed in the disclosure document. 16 C.F.R. § 436.1(f).

III. ASSET FREEZE

IT IS FURTHER ORDERED that Defendants are hereby enjoined from:

1. Transferring, liquidating, converting, encumbering, pledging, loaning, selling, concealing, dissipating, disbursing, assigning, spending, withdrawing, granting a lien or security interest or other interest in, or otherwise disposing of any funds, real or personal property, accounts, contracts, consumer lists, shares of stock, or other assets, or any interest therein, wherever located, that are: (1) owned or controlled by UCC or Paz, in whole or in part, for the benefit of UCC or Paz; (2) in the actual or constructive possession of UCC or Paz; 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 UCC or Paz, including, but not limited to, any assets held by or for, or subject to access by, UCC or Paz, at any bank or savings and loan institution, or with any broker-dealer, escrow agent, title company, commodity trading company, precious metals dealer, or other financial institution or depository of any kind;
2. Opening or causing to be opened any safe deposit boxes titled in the name of any UCC or Paz, or subject to access by any of them;
3. Obtaining a personal or secured loan encumbering the assets of UCC or Paz; and
4. Incurring liens or other encumbrances on real property, personal property or other assets in the name, singly or jointly, of UCC or Paz.

The assets affected by this Section shall include: (1) all assets of any of UCC or Paz as of the time this Order was entered; and (2) assets obtained after the time this Order was entered if the assets are derived from the conduct alleged in the Commission's Complaint.

IV. RETENTION OF ASSETS AND RECORDS BY FINANCIAL INSTITUTIONS

IT IS FURTHER ORDERED that any financial or brokerage institution, business entity, or person served with a copy of this Order that holds, controls or maintains custody of any account or asset of UCC or Paz shall:

1. Hold and retain within its control and prohibit the withdrawal, removal, assignment, transfer, pledge, encumbrance, disbursement, dissipation, conversion, sale, or other disposal of any such asset, except by further order of the Court;

2. Deny Defendants access to any safe deposit box that is titled in the name, individually or jointly or otherwise subject to access by UCC or Paz;
3. Provide the Commission's counsel and the Receiver, within five (5) business days of receiving a copy of this Order, a sworn statement setting forth:
 - a. the identification number of each such account or asset titled in the name, individually or jointly, of UCC or Paz, or held on behalf of, or for the benefit of UCC or Paz;
 - b. 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
 - c. the identification of any safe deposit box that is titled in the name, individually or jointly, of UCC or Paz, or is otherwise subject to access by UCC or Paz; and
4. Upon request by the Commission or the Receiver, promptly provide the Commission and the Receiver with copies of all records or other documentation pertaining to each 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.
5. Cooperate with all reasonable requests of the Receiver relating to implementation of this Order, including transferring funds to the Receiver.

V. PRESERVATION OF RECORDS

IT IS FURTHER ORDERED that Defendants are hereby 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, business practices, assets, or business or personal finances of any Corporate Defendant or Individual Defendant.

IT IS FURTHER ORDERED that Defendants are hereby enjoined from failing to create and maintain documents that, in reasonable detail, accurately, fairly, and completely reflect the incomes, disbursements, transactions, and use of money of or by UCC or Paz.

VI. FINANCIAL DISCLOSURES

IT IS FURTHER ORDERED that UCC and Paz, within forty-eight (48) hours of a request by the Commission, shall prepare and deliver to counsel for the Commission and to the Receiver supplemental information required to be provided by the financial statements forms attached to the Order of the Court of September 29, 2004 as Attachment A (Financial Statement of Individual Defendant) and Attachment B (Financial Statement of Corporate Defendant), for themselves individually and for each business entity under which they conduct business or of which they are an officer, and for each trust for which UCC or Paz is a trustee. The financial statements shall be accurate as of the date of entry of this Order. UCC and Paz shall include in the financial statements a full accounting of all funds and assets, whether located inside or outside of the United States; that are: (a) titled in the name of UCC or Paz, jointly, severally or individually; (b) held by any person or entity for the benefit of UCC or Paz; or (c) under the direct or indirect control of UCC or Paz.

VII. 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 UCC or Paz to the Commission.

VIII. FOREIGN ASSET REPATRIATION

IT IS FURTHER ORDERED that within five (5) business days following the entry of this Order, UCC and Paz shall:

1. Provide the Commission and the Receiver with a full accounting of all funds, documents, and assets outside of the United States which are: (1) titled in the name, individually or jointly, of UCC or Paz; or (2) held by any person or entity for the benefit of UCC or Paz; or (3) under the direct or indirect control, whether jointly or singly, of UCC or Paz.
2. Transfer to the territory of the United States and deliver to the Receiver all funds, documents, and assets located in foreign countries which are: (1) titled in the name individually

or jointly of UCC or Paz; or (2) held by any person or entity, for the benefit of UCC or Paz; or (3) under UCC's or Paz's direct or indirect control, whether jointly or singly;

3. Provide the Commission access to all records of accounts or assets of UCC and Paz held by financial institutions located outside the territorial United States by signing the Consent to Release of Financial Records attached to this Order as Attachment C.

IX. INTERFERENCE WITH REPATRIATION

IT IS FURTHER ORDERED that the Defendants are hereby enjoined from taking any action, directly or indirectly, which may result in the encumbrance or dissipation of foreign assets, or in the hindrance of the repatriation required by the preceding Section of this Order, including but not limited to:

1. Sending any statement, letter, fax, e-mail or wire transmission, telephoning or engaging in any other act, directly or indirectly, that results in a determination by a foreign trustee or other entity that a "duress" event has occurred under the terms of a foreign trust agreement until such time that all assets have been fully repatriated pursuant to the preceding Section of this Order;

2. Notifying any trustee, protector or other agent of any foreign trust or other related entities of either the existence of this Order, or of the fact that repatriation is required pursuant to a Court Order, until such time that all assets have been fully repatriated pursuant to the preceding Section of this Order.

X. APPOINTMENT OF RECEIVER

IT IS FURTHER ORDERED that Gerald Wald, Esq., is appointed as Receiver for the UCC. The Receiver shall be the agent of this Court, and solely the agent of this Court, in acting as Receiver under this Order. The Receiver shall be accountable directly to this Court.

XI. RECEIVER'S DUTIES

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

1. Assume full control of the Receivership Defendant by removing, as the Receiver deems necessary or advisable, any director, officer, independent contractor, employee, or agent of

the Receivership Defendant, including any Individual Defendant, from control of, management of, or participation in, the affairs of the Receivership Defendant;

2. Take exclusive custody, control, and possession of all assets and documents of, or in the possession, custody, or under the control of, the Receivership Defendant, wherever situated. The Receiver shall have full power to divert mail and to sue for, collect, receive, take in possession, hold, and manage all assets and documents of the Receivership Defendant and other persons or entities whose interests are now under the direction, possession, custody, or control of, the Receivership Defendant. The Receiver shall assume control over the income and profits therefrom and all sums of money now or hereafter due or owing to the Receivership Defendant. *Provided, however,* that the Receiver shall not attempt to collect any amount from a consumer if the Receiver believes the consumer was a victim of the unfair or deceptive acts or practices or other violations of law alleged in the Complaint in this matter, without prior Court approval;

3. Take all steps necessary to secure each location from which the Receivership Defendant operates its business. Such steps may include, but are not limited to, any of the following, as the Receiver deems necessary or advisable: (1) serving 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, passwords or access codes, method of compensation, and all accrued and unpaid commissions and compensation of each such employee or agent; (4) photographing and video taping any or 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; and (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. Law enforcement personnel, including, but not limited to, police or sheriffs, may assist the Receiver in implementing these provisions in order to keep the peace and maintain security. If requested by the Receiver, the United States Marshall will provide appropriate and necessary assistance to the Receiver to implement this Order;

4. Conserve, hold, and manage all assets of the Receivership Defendant, and perform all acts necessary or advisable to preserve the value of those assets in order to prevent any irreparable loss, damage, or injury to consumers or creditors of the Receivership Defendant, including, but not limited to, obtaining an accounting of the assets and preventing the unauthorized transfer, withdrawal, or misapplication of assets;

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

6. Prevent the inequitable distribution of assets and determine, adjust, and protect the interests of consumers and creditors who have transacted business with the Receivership Defendant;

7. Manage and administer the business of the Receivership Defendant until further order of this Court by performing all incidental acts that the Receiver deems to be advisable or necessary, which includes retaining, hiring, or dismissing any employees, independent contractors, or agents;

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

9. 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 Defendant 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;

10. Suspend business operations of the Receivership Defendant if in the judgment of the Receiver such operations cannot be continued legally and profitably;

11. Institute, compromise, adjust, appear in, intervene in, or become party to such actions or proceedings in state, federal or foreign courts or arbitration proceedings as the Receiver deems necessary and advisable to preserve or recover the assets of the Receivership Defendant, or that the Receiver deems necessary and advisable to carry out the Receiver's

mandate under this Order, including but not limited to, actions challenging fraudulent or voidable transfers;

12. Defend, compromise, 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, as the Receiver deems necessary and advisable to preserve the assets of the Receivership Defendant, or as the Receiver deems necessary and advisable to carry out the Receiver's mandate under this Order;

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

14. Open one or more bank accounts 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. The Receiver shall serve copies of monthly account statements on UCC, Paz, and the Federal Trade Commission;

15. Maintain accurate records of all receipts and expenditures that he makes as Receiver;

16. Cooperate with reasonable requests for information or assistance from any state or federal law enforcement agency;

17. Liquidate all assets of the Receivership Defendant and hold such assets pending further of the Court;

18. Vacate the business premises occupied by the Receivership Defendant and consolidate all records and other assets by moving assets and records currently located outside of this District to a secure facility maintained within this District; and

19. Make periodic reports, observations, and recommendations to this Court, upon reasonable notice to the parties, and seek guidance and instructions from this Court, if the Receiver deems it necessary. Such reports may include the following information regarding UCC: (1) a description of the business and of the Individual Defendants' roles in the business; (2) an enumeration and/or detailed description of revenues and expenditures; (3) identification of all earnings claims made in the course of offering for sale of Defendants' business ventures,

including franchises; (4) any substantiation for such earnings claims; (5) the number of purchasers of Defendants' business ventures, including franchises, and the amount they paid for Defendants' business ventures, and (6) any additional information that the Receiver deems useful to the Court.

XII. TRANSFER OF RECEIVERSHIP PROPERTY TO RECEIVER

IT IS FURTHER ORDERED that Defendants and any other person or entity with possession, custody or control of property of or records relating to the Receivership Defendant shall upon notice of this order by personal service or otherwise immediately notify the Receiver of, and, immediately upon receiving a request from the Receiver, immediately transfer or deliver to the Receiver possession, custody, and control of, the following:

1. All assets of the Receivership Defendant;
2. All documents of the Receivership Defendant, including, but not limited to, 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 papers;
3. All computers and data in whatever form used to conduct the business of the Receivership Defendant;
4. All assets belonging to other persons or entities whose interests are now under the direction, possession, custody, or control of, the Receivership Defendant; and
5. All keys, codes, and passwords necessary to gain or to secure access to any assets or documents of the Receivership Defendant, including, but not limited to, access to their business premises, means of communication, accounts, computer systems, or other property.

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

XIII. PROVISION OF INFORMATION TO RECEIVER

IT IS FURTHER ORDERED that Defendants shall provide to the Receiver, immediately upon request, the following:

1. A list of all assets and property, including accounts, of the Receivership Defendant that are held in any name other than the name of the Receivership Defendant, or by any person or entity other than a Receivership Defendant; and
2. A list of all agents, employees, officers, servants or those persons in active concert and participation with the Individual Defendants and Receivership Defendants, who have been associated or done business with the Receivership Defendant.

XIV. COOPERATION WITH THE RECEIVER

IT IS FURTHER ORDERED that Defendants and all other persons or entities served with a copy of this Order shall fully cooperate with and assist the Receiver in taking and maintaining possession, custody, or control of the assets of the Receivership Defendant. This cooperation and assistance shall include, but not be limited to: providing information to the Receiver that the Receiver deems necessary in order to exercise the authority and discharge the responsibilities of the Receiver under this Order; providing any password required to access any computer, electronic file, or telephonic data in any medium; and advising all persons who owe money to the Receivership Defendant that all debts should be paid directly to the Receiver; transferring funds at the Receivers' direction and producing records related to the assets and sales of the Receivership Defendant. The entities obligated to cooperate with the Receiver under this provision include, but are not limited to, banks, broker-dealers, savings and loans, escrow agents, title companies, commodity trading companies, precious metals dealers and other financial institutions and depositories of any kind, and all third-party billing agents, common carriers, and other telecommunications companies, that have transacted business with the Receivership Defendant.

XV. INTERFERENCE WITH THE RECEIVER

IT IS FURTHER ORDERED that Defendants are hereby enjoined from directly or indirectly:

1. Interfering with the Receiver managing, or taking custody, control, or possession of, the assets or documents subject to this receivership;
2. Transacting any of the business of the Receivership Defendant;
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; and
4. Refusing 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.

XVI. STAY OF ACTIONS AGAINST RECEIVERSHIP DEFENDANT

IT IS FURTHER ORDERED that, except by leave of this Court, during pendency of the receivership ordered herein, Defendants, and all investors, creditors, stockholders, lessors, customers and other persons seeking to establish or enforce any claim, right, or interest against or on behalf of Defendants, and all others acting for or on behalf of such persons, are hereby enjoined from taking action that would interfere with the exclusive jurisdiction of this Court over the assets or documents of the Receivership Defendant, including, but not limited to:

1. Petitioning, or assisting in the filing of a petition, that would cause the Receivership Defendant to be placed in bankruptcy;
2. Commencing, prosecuting, or continuing a judicial, administrative, or other action or proceeding against the Receivership Defendant, including the issuance or employment of process against the Receivership Defendant, *except* that such actions may be commenced if necessary to toll any applicable statute of limitations;
3. Filing or enforcing any lien on any asset of the Receivership Defendant, taking or attempting to take possession, custody, or control of any asset of the Receivership Defendant; or attempting to foreclose, forfeit, alter, or terminate any interest in any asset of the Receivership Defendant, whether such acts are part of a judicial proceeding, are acts of self-help, or otherwise;
4. Initiating any other process or proceeding that would interfere with the Receiver managing or taking custody, control, or possession of, the assets or documents subject to this receivership.

Provided that, this Order does not stay: (i) the commencement or continuation of a criminal action or proceeding; (ii) the commencement or continuation of an action or proceeding by a governmental unit to enforce such governmental unit's police or regulatory power; or (iii) the enforcement of a judgment, other than a money judgment, obtained in an action or proceeding by a governmental unit to enforce such governmental unit's police or regulatory power.

XVII. COMPENSATION OF 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, 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 no more than sixty (60) days after the date of entry of this Order. The Receiver shall not increase the hourly rates used as the bases for such fee applications without prior approval of the Court.

XVIII. RECEIVER'S BOND

IT IS FURTHER ORDERED that the Receiver shall maintain with the Clerk of this Court a bond in the sum of \$25,000 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.

XIX. ACCESS TO BUSINESS OFFICES AND RECORDS

IT IS FURTHER ORDERED that the Receiver and the Defendants shall allow representatives of the Commission reasonable access to all premises where the Defendants are conducting or have conducted business and to all premises where any of Defendants' business records may be located, so that the representatives of the Commission may inspect all documents of the Defendants and may copy such documents either on or off the premises.

Furthermore, the Receiver shall allow the Defendants reasonable access to the business records of the Receivership Defendant within his possession for the purpose of inspecting and

copying materials relevant to this action. The Receiver shall have the discretion to determine the time, manner, and reasonable conditions of such access.

XX. EXPEDITED DISCOVERY

IT IS FURTHER ORDERED that, pursuant to Fed. R. Civ. P. 26(d), discovery may commence at any time after the entry of this Order.

XXI. SERVICE BY FACSIMILE AUTHORIZED

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 UCC or Paz, or that may otherwise be subject to any provision of this Order. Service upon any branch or office of any financial institution shall effect service upon the entire financial institution.

XXII. DEFENDANTS' DUTY TO DISTRIBUTE ORDER

IT IS FURTHER ORDERED that UCC and Paz shall immediately provide a copy of this Order to each affiliate, subsidiary, division, sales entity, successor, assign, officer, director, employee, independent contractor, client company, agent, attorney, spouse and representative of Defendants, and shall, within ten (10) days from the date of entry of this Order, provide the Commission with a sworn statement that (A) confirms that Defendants have provided copies of the Order as required by this paragraph; and (B) lists the names and addresses of each entity or person to whom Defendants provided a copy of the Order. Furthermore, UCC and Paz shall not take any action that would encourage officers, agents, directors, employees, salespersons, independent contractors, attorneys, subsidiaries, affiliates, successors, assigns or other persons or entities in active concert or participation with Defendants to disregard this Order or believe that they are not bound by its provisions.

XXIII. SERVICE UPON PLAINTIFF

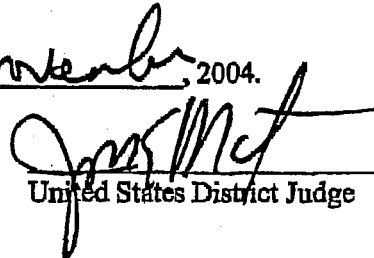
IT IS FURTHER ORDERED that Defendants shall serve all pleadings, memoranda, correspondence, affidavits, declarations, or other documents related to this case by facsimile transmission to (202) 326-3395, by hand delivery to the offices of the Federal Trade Commission, at 600 Pennsylvania Avenue, NW, Room H-238, Washington, DC 20580, and

addressed to the attention of Deborah J. Matties, or by overnight shipment through a third-party commercial carrier for delivery at this address.

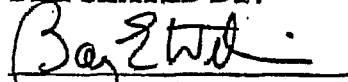
XXIV. RETENTION OF JURISDICTION

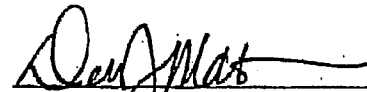
IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for all purposes.

SO ORDERED, this 24 day of November, 2004.


United States District Judge


STIPULATED BY:


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Date: November 17, 2004

Date: November 17, 2004


Mauricio Paz
Individually and as President of
Universal Cybercom Corporation

Date: November 17, 2004