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UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

FEDERAL TRADE COMMISSION and STATE OF NEVADA,

Plaintiffs,

v.

CASH TODAY, LTD, a United Kingdom corporation; THE HEATHMILL VILLAGE, LTD., a United Kingdom corporation; LEADS GLOBAL, INC., a Nevada corporation; WATERFRONT INVESTMENTS, INC., a Nevada corporation; ACH CASH, INC., a Nevada corporation; HBS SERVICES, INC., a Nevada corporation; LOTUS LEADS, INC., a Delaware corporation; ROVINGE INTERNATIONAL, INC., a Nevada corporation; FIRST4LEADS, INC., a Delaware corporation; and THE HARRIS HOLDINGS, LTD., a Guernsey corporation, each also doing business as Cash Today, Route 66 Funding, Global Financial Services International, Ltd., Interim Cash, Ltd., and BIG-INT, Ltd.; AARON GERSHFELD, individually and as a director and officer of Cash Today, Ltd., The Heathmill Village, Ltd., and The Harris Holdings, Ltd.; IVOR GERSHFELD, individually and as an officer and/or director of Cash Today, Ltd. and The Harris Holdings, Ltd., and JIM HARRIS, individually and as an officer and director of Leads Global, Inc., Waterfront Investments, Inc., ACH Cash, Inc., HBS Services, Inc., and Rovinge International, Inc.,

Defendants.

Case No.
3:08-CV-590

**PRELIMINARY
INJUNCTION AND
ORDER FOR
OTHER
EQUITABLE
RELIEF AS TO
DEFENDANT JIM
HARRIS**

1 WHEREAS, Plaintiffs, Federal Trade Commission ("Commission" or "FTC"), and the
2 State of Nevada ("Nevada"), have filed a Motion for Preliminary Injunction and Order for Other
3 Equitable Relief against Defendants, pursuant to Rule 65 of the Federal Rules of Procedure, Fed.
4 R. Civ. P. 65, seeking preliminary relief in connection with the acts and practices alleged in the
5 Complaint filed by the FTC and the State of Nevada in this matter;

6 WHEREAS, Plaintiffs and Defendant Jim Harris, through their counsel and without any
7 admissions of any wrongdoing or violation of law, voluntarily have agreed to the entry of the
8 following Stipulated Order for Preliminary Injunction ("Order"), to remain in effect until such
9 time as this cause of action is resolved, with or without hearing or trial:

10 The Court, being advised in the premises, finds as follows:

11 **FINDINGS**

12 1. This Court has jurisdiction of the subject matter of this case, and there is good cause to
13 believe that it will have jurisdiction over all parties pursuant to 15 U.S.C. §§ 45(a) and 53(b),
14 and 28 U.S.C. §§ 1331, 1337(a), 1345, and 1367, and venue is proper as to all parties in the
15 District of Nevada pursuant to 15 U.S.C. § 53(b) and 28 U.S.C. § 1391(b), (c), and (d).

16 2. There is good cause to believe that Plaintiffs will ultimately succeed in establishing
17 Defendants have engaged in, and are likely to engage in again, acts and practices that violate
18 Section 5(a) of the FTC Act, 15 U.S.C. § 45(a); the Truth In Lending Act ("TILA"); 15 U.S.C.
19 §§ 1601-1666j, as amended, and its implementing Regulation Z, 12 C.F.R. § 226, as amended;
20 and the deceptive trade provisions of the Nevada Revised Statutes, Chapter 598; and therefore
21 there is good cause to believe Plaintiffs are likely to prevail on the merits of this action.

22 3. The activities described in Plaintiffs' Complaint are in or affecting commerce, as defined
23 in Section 4 of the FTC Act, 15 U.S.C. § 44.

24 4. Defendant Jim Harris waives all rights to seek judicial review or otherwise challenge the
25 validity of this stipulation.

26 5. Entry of this Order is in the public interest.
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1 **ORDER**

2 **Definitions**

3 For purposes of this Order, the following definitions shall apply:

4 1. **“Collection of debts”** means any activity the principal purpose of which is to collect or
5 attempt to collect, directly or indirectly, debts owed or due or asserted to be owed or due.

6 2. **“Consumer”** means an actual or potential purchaser, customer, or borrower.

7 3. **“Defendant”** means Jim Harris, by whatever name he might be known.

8 4. **“Debt”** means any obligation or alleged obligation of a consumer to pay money arising
9 out of a transaction in which the money, property, or services that are the subject of the
10 transaction are primarily for personal, family, or household purposes, whether or not such
11 obligation has been reduced to judgment.

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

18 6. **“Person”** means any individual, group, unincorporated association, limited or general
19 partnership, corporation or other business entity.

20 7. **“Regulation Z”** means the regulation the Federal Reserve Board (“FRB”) promulgated
21 to implement TILA, 12 C.F.R. Part 226, as currently promulgated or as it may hereafter be
22 amended. The term also includes the FRB Official Staff Commentary on Regulation Z, 12
23 C.F.R. Part 226, Supp. 1, as currently promulgated or as it may hereafter be amended. The terms
24 “annual percentage rate,” “consumer credit,” and “finance charge” are defined as set forth in
25 Sections 226.2, 226.4, and 226.22 of Regulation Z, 12 C.F.R. §§ 226.2, 226.4, and 226.22.

26 8. **“Third Party”** means any person or entity that is not a consumer including, but not
27 limited to, any parent of a non-minor consumer, or any child, relative, neighbor, coworker, or
28 employer of a consumer.

1 9. "US Corporate Defendants" means Leads Global, Inc.; Waterfront Investments, Inc.;
2 ACH Cash, Inc.; HBS Services, Inc.; and Roving International, Inc.

3 **CONDUCT PROHIBITIONS**

4 **I. Prohibition Against Deceptive Collection Practices**

5 **IT IS THEREFORE ORDERED** that in connection with the collection of a debt from
6 any consumer, Defendant, and his officers, agents, servants, employees, and attorneys, and all
7 other persons in active concert or participation with him who receive actual notice of this Order
8 by personal service or otherwise, whether acting directly or through any corporation, subsidiary,
9 division, or other device, are hereby preliminarily restrained and enjoined from making any
10 misrepresentation to any consumer or third party in violation of Section 5(a) of the FTC Act,
11 including but not limited to misrepresenting that:

- 12 A. Consumers can be arrested or imprisoned for failing to pay debts;
- 13 B. Consumers have a legal obligation to pay the full amount of a debt
14 claimed as owed; and
- 15 C. If consumers do not pay a debt, they may or will be subject to formal legal
16 action, including but not limited to, seizure or attachment of property, or garnishment of wages.

17 **II. Prohibition Against Unfair Collection Practices**

18 **IT IS FURTHER ORDERED** that in connection with the collection of a debt from any
19 consumer, Defendant, and his officers, agents, servants, employees, and attorneys, and all other
20 persons in active concert or participation with him who receive actual notice of this Order by
21 personal service or otherwise, whether acting directly or through any corporation, subsidiary,
22 division, or other device, are hereby preliminarily restrained and enjoined from engaging in any
23 unfair act or practice in violation of Section 5(a) of the FTC Act, including but not limited to:

- 24 A. Continuously and repeatedly calling consumers and third parties at
25 consumers' places of employment;
 - 26 B. Using obscene, profane, threatening, or otherwise abusive language
27 towards consumers and third parties; and
- 28

1 C. Disclosing the existence of consumers' purported debts to coworkers,
2 employers, and other third parties.

3 **III. Prohibition Against Violations of the Truth In Lending Act and Regulation Z**

4 **IT IS FURTHER ORDERED** that Defendant, and his officers, agents, servants,
5 employees, and attorneys, and all other persons in active concert or participation with him who
6 receive actual notice of this Order by personal service or otherwise, whether acting directly or
7 through any corporation, subsidiary, division, or other device, are hereby preliminarily restrained
8 and enjoined from:

9 A. In the course of extending closed-end credit to consumers, failing to make
10 the required TILA disclosures, clearly and conspicuously in writing, in a form that consumers
11 can keep, and before consummating a consumer credit transaction, including failing to disclose
12 the amount financed, itemization of the amount financed, the finance charge, the annual
13 percentage rate, the payment schedule, the total of payments, and any late payment fees, in
14 violation of Sections 121 and 128 of TILA, 15 U.S.C. §§ 1631 and 1638, as amended, and
15 Sections 226.17(a)(1), (b) and 226.18 (b)-(e), (g)-(h), and (l) of Regulation Z, 12 C.F.R.
16 §§ 226.17(a)(1), (b) and 226.18 (b)-(e), (g)-(h), and (l), as amended, and

17 B. Failing in any other manner to meet the requirements of TILA, 15 U.S.C.
18 §§ 1601-1666j, as amended, and its implementing Regulation Z, 12 C.F.R. § 226, as amended,
19 and the Regulation Z Commentary, 12 C.F.R. § 226, Supp. 1, as amended.

20 **IV. Prohibition Against Violations of Nevada State Laws**

21 **IT IS FURTHER ORDERED** that Defendant, and his officers, agents, servants,
22 employees, and attorneys, and all other persons in active concert or participation with him who
23 receive actual notice of this Order by personal service or otherwise, whether acting directly or
24 through any corporation, subsidiary, division, or other device, are hereby preliminarily restrained
25 and enjoined from violating any provision of Chapter 598 of the Nevada Revised Statutes and, in
26 particular, preliminarily restrained and enjoined from:

27 A. Conducting business from the State of Nevada or identifying the State of
28 Nevada as the source of the business transaction, or the principal place of business of the US

1 Corporate Defendants, and their officers, agents, servants, or employees, unless Defendant, and
2 his officers, agents, servants, or employees have obtained all necessary licenses, permits, and
3 authorization from the appropriate governmental agency and, in particular, those licenses and
4 authorizations identified in NRS Chapter 604A and NRS Chapter 675;

5 B. Failing to provide notice and disclosure of all material facts, pursuant to
6 NRS 598.0923(2), related to the business operations of the US Corporate Defendants and their
7 officers, agents, servants, and employees and, in particular, failing to disclose in all web sites,
8 advertisements, and communications the location, physical address, and non-toll free telephone
9 number of all locations where any of the US Corporate Defendants, and their officers, agents,
10 servants, or employees conduct business, make loans, make collection calls or conduct any kind
11 of business; and

12 C. Violating any state or federal statute or regulation relating to the sale or
13 lease of goods or services and, in particular, from violating NRS 598.0923(3) by using coercion,
14 duress, or intimidation in a transaction of any kind.

15 **V. Prohibition Against Disclosure of Consumer Information**

16 **IT IS FURTHER ORDERED** that Defendant, as well as his officers, agents, servants,
17 employees, and attorneys, and all other persons in active concert or participation with him who
18 receive actual notice of this Order by personal service or otherwise, whether acting directly or
19 through any person, trust, corporation, subsidiary, division or other entity, is hereby
20 preliminarily restrained and enjoined from selling, renting, leasing, transferring, or otherwise
21 disclosing the name, address, telephone number, Social Security number, credit card number,
22 bank account number, e-mail address, or other identifying information of any person who
23 applied for and/or obtained a loan from any Defendant named in the Complaint. Defendant may,
24 however, disclose such identifying information to a law enforcement agency or as required by
25 any law, regulation, or other court order.

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1 **DEFENDANT'S REPORTING AND RELATED OBLIGATIONS**

2 **VI. Record Keeping/Business Operations**

3 **IT IS FURTHER ORDERED** that in connection with any activities in or originating
4 from the United States involving the extension of consumer credit, as defined in Section
5 226.2(a)(12) of Regulation Z, 12 C.F.R. § 226.2(a)(12), or activities in or originating from the
6 United States involving the collection of debts, Defendant is hereby preliminarily restrained and
7 enjoined from:

8 A. Failing to create and maintain documents that, in reasonable detail,
9 accurately, fairly, and completely reflect his income, disbursements, transactions, and use of
10 money, beginning as of the date and time of effective service of this Order;

11 B. Failing to make and keep books, records, accounts, bank statements,
12 current accountants' reports, general ledgers, general journals, cash receipt ledgers, cash
13 disbursement ledgers and source documents, documents indicating title to real or personal
14 property, and any other data which, in reasonable detail, accurately and fairly reflect the
15 transactions and dispositions of the assets of Defendant;

16 C. Destroying, mutilating, concealing, altering, transferring, or otherwise
17 disposing of, in any manner, any books, records, tapes, discs, accounting data, checks (fronts and
18 backs), correspondence, forms, advertisements, brochures, manuals, electronically stored data,
19 banking records, customer lists, customer files, invoices, telephone records, ledgers, payroll
20 records, or other documents of any kind, including information stored in computer-maintained
21 form, in his possession, custody or control; and

22 D. Creating, operating, or exercising any control over any business entity
23 related to or in connection with the acts and practices alleged in Plaintiffs' Complaint and
24 Motion for Preliminary Injunction, including any partnership, limited partnership, joint venture,
25 sole proprietorship, or corporation, without first providing the Plaintiffs with a written statement
26 disclosing: (1) the name of the business entity; (2) the address and telephone number of the
27 business entity; (3) the names of the business entity's officers, directors, principals, managers,
28 and employees; and (4) a detailed description of the business entity's intended activities.

1 **VII. Distribution of Order by Defendant**

2 **IT IS FURTHER ORDERED** that Defendant shall immediately provide a copy of this
3 Order to each affiliate, partner, division, sales entity, successor, assign, employee, independent
4 contractor, web site host, agent, payment processor, attorney, and representative of Defendant to
5 the extent they relate to activities in or originating from the U.S. involving the extension of
6 consumer credit, as defined in Section 226.2(a)(12) of Regulation Z, 12 C.F.R. § 226.2(a)(12), or
7 to activities in or originating from the U.S. involving the collection of debts, and Defendant
8 shall, within ten days from the date of entry of this Order, serve upon counsel for the Plaintiffs a
9 sworn statement that he has complied with this provision of the Order, which statement shall
10 include the names, titles, addresses, and telephone numbers of each such person or entity who
11 received a copy of the Order.

12 **MISCELLANEOUS PROVISION**

13 **VIII. Retention of Jurisdiction**

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

16 **IT IS SO ORDERED** this 12th day of January, 2009.

17
18 
19 **THE HONORABLE BRIAN E. SANDOVAL**
UNITED STATES DISTRICT JUDGE

20 **SO STIPULATED**
FOR PLAINTIFFS:


21 /s/Nadine S. Samter
22 Nadine S. Samter
23 Julie K. Mayer
Attorneys for Plaintiff
Federal Trade Commission

24 CATHERINE CORTEZ MASTO
25 Attorney General of Nevada


26 /s/John R. McGlamery
27 By: John R. McGlamery
Senior Deputy Attorney General
Bureau of Consumer Protection, Office of the Attorney General
28 Attorney for Plaintiff State of Nevada

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FOR DEFENDANT JIM HARRIS:



JIM HARRIS, individually



/s/Daniel G. Bogden
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