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ENTERED
CLERK, U.S. DISTRICT COURT
DEC 19 2000
CENTRAL DISTRICT OF CALIFORNIA
DEPUTY

ENT- NO 356
FILED
CLERK, U.S. DISTRICT COURT
DEC 15 2000
CENTRAL DISTRICT OF CALIFORNIA
DEPUTY

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11 UNITED STATES DISTRICT COURT
12 CENTRAL DISTRICT OF CALIFORNIA
13 WESTERN DIVISION

14 FEDERAL TRADE COMMISSION,

15 Plaintiff,

16 v.

17 JEREMY MARTINEZ, individually
18 and d/b/a Info World,

19 Defendant.

No. 00-0012701 CAS

STIPULATED
PRELIMINARY
INJUNCTION

20 Plaintiff, the Federal Trade Commission ("Commission"),
21 commenced this action by filing its Complaint for permanent
22 injunction and other relief pursuant to Sections 5(a) and 13(b)
23 of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§
24 45(a) and 53(b), charging that defendant Jeremy Martinez,
25 individually and doing business as Info World, engaged in unfair
26 business practices in violation of Section 5 of the FTC Act, 15
27 U.S.C. § 45, in connection with the sale of false identification

28 Docketed
Copies / NIC Sent

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DEC 19 2000

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1 templates and related material over the Internet.

2 The Court issued an ex parte Temporary Restraining Order,
3 pursuant to Fed. R. Civ. P. 65, on December 5, 2000. Defendant
4 was served with a copy of the Complaint in this matter, as well
5 as the TRO and Order to Show Cause and all attendant documents on
6 December 6, 2000. The Commission and Defendant Martinez have
7 agreed and stipulated to the entry of a preliminary injunction in
8 this case.

9 Therefore, the Court finds that:

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

13 2. Since approximately October 1999, Defendant Jeremy
14 Martinez ("Martinez") has operated Web sites on the Internet
15 located at <http://newid.ultramailweb.com> and
16 <http://newid.vsub.com>;

17 3. Since approximately October 1999, through his Web
18 sites, the Defendant has sold computerized templates for the
19 creation of false identification documents and programs for
20 generating false personal information;

21 4. False identification templates, such as those sold
22 on the Defendant's Web sites, are used to facilitate fraudulent
23 activity, including identity theft and underage drinking;

24 5. There is good cause to believe that the Defendant,
25 Jeremy Martinez, has engaged in unfair acts or practices, and has
26 provided others with the means and instrumentalities to engage in
27 deceptive acts or practices, and is likely to continue to engage

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1 in these acts or practices, in violation of Section 5 of the FTC
2 Act, 15 U.S.C. § 45;

3 6. There is good cause to believe that immediate and
4 irreparable damage to the Court's ability to grant effective
5 final relief will occur from the sale, transfer, or other
6 disposition or concealment by the Defendant of his assets or
7 corporate records unless defendant is enjoined by Order of this
8 Court. The evidence set forth in the Commission's Memorandum of
9 Points and Authorities in Support of its Ex Parte Application for
10 a TRO ("Memorandum"), and in the accompanying declarations and
11 exhibits, shows that there is good cause to believe that the
12 Defendant has engaged in a concerted course of activity in
13 connection with the sale of false identification templates on the
14 Internet designed and marketed to be used for fraudulent
15 purposes, in violation of Section 5(a) of the FTC Act, 15 U.S.C.
16 45(a);

17 7. Weighing the equities and finding that the Plaintiff is
18 likely to succeed on the merits in this case, a preliminary
19 injunction with asset freeze and other equitable relief is in the
20 public interest; and

21 8. Fed. R. Civ. P. 65(c) does not require security of the
22 United States or an officer or agency thereof for issuance of a
23 preliminary injunction.

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Definitions

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For the purpose of this temporary restraining order, the
following definitions shall apply:

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- 1 A. "Defendant" means Jeremy Martinez individually and d/b/a
2 Info World as well as his assigns, agents, servants,
3 employees, or affiliates, and those persons in active
4 concert or participation with them who receive actual notice
5 of this Order by personal service or otherwise, whether
6 acting directly or through any entity, corporation,
7 subsidiary, division, or other device, unless specified
8 otherwise.
- 9 B. "Assets" means any legal or equitable interest in, right to,
10 or claim to any real or personal property of any Defendant,
11 or held for the benefit of any Defendant, including, but not
12 limited to "goods," "instruments," "equipment," "fixtures,"
13 "general intangibles," "inventory," "checks," or "notes" (as
14 these terms are defined in the Uniform Commercial Code), and
15 all chattels, leaseholds, contracts, mails or other
16 deliveries, shares of stock, lists of consumers, accounts,
17 credits, receivables and cash, wherever located.
- 18 C. "Identification document" means a document made or issued by
19 or under the authority fo the United States Government, a
20 State, political subdivision of a State, a foreign
21 government, political subdivision of a foreign government,
22 an international governmental or international quasi
23 governmental organization which, when completed with
24 information concerning a particular individual, is of a type
25 intended or commonly accepted for the purposed of
26 identification of individuals, including but not limited to,
27 driver's licenses, birth certificates, social security

1 cards, work permits, diplomas, school transcripts, and
2 identification cards.

3 D. "False identification document" means any document that
4 could reasonably be confused for an identification document.

5 E. "Identification template" means any implement, impression,
6 electronic device or computer hardware or software that is
7 specifically configured or primarily used for making an
8 identification document, false identification document or
9 other identification template.

10
11 **CONDUCT PROHIBITIONS**

12 **I.**

13 **INJUNCTION AGAINST FALSE IDENTIFICATION**

14 **IT IS THEREFORE ORDERED** that Defendant is hereby restrained
15 and enjoined, from engaging, participating or assisting in any
16 manner or capacity whatsoever, directly, or in concert with
17 others, individually or through any business entity or other
18 device, in the sale, advertisement, promotion, marketing,
19 offering, or provision of any identification document, false
20 identification document or identification template or related
21 material or information.

1 II.

2 INJUNCTION AGAINST PROVIDING OTHERS WITH
3 THE MEANS AND INSTRUMENTALITIES TO
4 VIOLATE SECTION 5 OF THE FTC ACT

5 IT IS FURTHER ORDERED that the Defendant is hereby
6 restrained and enjoined from engaging, participating or assisting
7 in any manner or capacity whatsoever, directly, or in concert
8 with others, individually or through any business entity or other
9 device, in providing to others the means and instrumentalities
10 with which to make, expressly or by implication, in hard copy or
11 electronic form, any false or misleading statement or
12 representation of material fact, including, but not limited to
13 representations that:

- 14 A. conceal or alter any person's actual identity; and
15 B. indicate that a false identification document was issued by
16 a government agency.

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18 ASSET AND RECORD RETENTION

19 III.

20 ASSET FREEZE

21 IT IS FURTHER ORDERED that the Defendant is restrained and
22 enjoined from:

- 23 A. Transferring, converting, encumbering, selling, concealing,
24 dissipating, disbursing, assigning, spending, withdrawing,
25 perfecting a security interest in, or otherwise disposing of
26 any funds, property, accounts, contracts, shares of stock,
27 lists of consumer names, or other assets, wherever located,

1 including outside the United States, that are (1) owned or
2 controlled, directly or indirectly, by the Defendant, in
3 whole or in part; (2) in the actual or constructive
4 possession of any Defendant; or (3) owned, controlled by, or
5 in the actual or constructive possession of any corporation,
6 partnership, or other entity directly or indirectly owned,
7 managed, or controlled by the Defendant, including but not
8 limited to, any assets held by, for, or under the name of
9 the Defendant at any bank or savings and loan institution,
10 or with any broker-dealer, escrow agent, title company,
11 commodity trading company, precious metal dealer, or other
12 financial institution or depository of any kind; provided,
13 however, that any moneys earned after the issuance of the
14 Temporary Restraining Order in this matter from any source
15 other than sources related to Defendant's sale or offer of
16 false identification templates and related goods or services
17 shall be exempted from this provision;

18 B. Opening or causing to be opened any safe deposit boxes
19 titled in the name of the Defendant, or subject to access by
20 the Defendant;

21 C. Transferring any funds or other assets subject to this Order
22 for attorneys' fees or living expenses, except from accounts
23 or other assets identified by prior written notice to the
24 Commission and prior approval by the Court, provided,
25 however, that \$5,000 may be transferred from such funds to
26 the escrow account of an attorney of Defendant's choosing
27 for purposes of providing a retainer for representation in

1 this matter. Defendant or his attorney shall notify the
2 Commission of the transfer of the retainer. Neither the
3 retainer nor any portion of the retainer shall be used for
4 any purpose other than the payment of legal fees for, and
5 costs related to, representation of Defendant in this
6 matter.

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8 **IV.**

9 **REPATRIATION OF ASSETS AND DOCUMENTS**

10 **LOCATED IN FOREIGN COUNTRIES**

11 **IT IS FURTHER ORDERED** that the Defendant, whether acting
12 through any trust, corporation, subsidiary, division, or other
13 device:

- 14 A. To the extent he has not already done so, immediately take
15 such steps as are necessary to transfer to the territory of
16 the United States of America all documents and assets that
17 are located outside of such territory and are held by or for
18 the Defendant or are under the Defendant's direct or
19 indirect control, jointly, severally, or individually;
- 20 B. To the extent they have not already done so, immediately,
21 provide the Plaintiff with a full accounting of all
22 documents and assets that are located outside of the
23 territory of the United States of America and are held by or
24 for the Defendant or are under Defendant's direct or
25 indirect control, jointly, severally, or individually; and
- 26 C. Hold and retain all transferred documents and assets and
27 prevent any transfer, disposition, or dissipation whatsoever

1 of any such assets or funds; and

2 D. If he has not already done so, provide Plaintiff access to
3 Defendant's records and documents held by financial
4 institutions outside the territorial United States, by
5 signing the Consent to Release of Financial Records attached
6 to the Temporary Restraining Order as Attachment A.

7
8 V.

9 FINANCIAL STATEMENTS

10 IT IS FURTHER ORDERED that the Defendant shall have a
11 continuing duty to provide the Commission with updated financial
12 statements, on the forms attached to the Temporary Restraining
13 Order as Attachments B and C, for the Defendant individually and
14 for each company owned or operated by the Defendant.

15
16 VI.

17 CONSUMER CREDIT REPORTS

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

22
23 VII.

24 PRESERVATION OF RECORDS

25 IT IS FURTHER ORDERED that the Defendant is hereby restrained
26 and enjoined from destroying, erasing, mutilating, concealing,
27 altering, transferring, or otherwise disposing of, in any manner,

1 directly or indirectly, any identification templates, false
2 identification documents, computers, computerized files, storage
3 media (including but not limited to floppy disks, hard drives,
4 cd-roms, zip disks, punch cards, magnetic tape, backup tapes and
5 computer chips) on which information has been saved, any and all
6 equipment needed to read any such material, contracts, accounting
7 data, correspondence (including, but not limited to, electronic
8 correspondence), advertisements (including, but not limited to,
9 advertisements placed on the World Wide Web), USENET Newsgroup
10 postings, World Wide Web pages, books, written or printed
11 records, handwritten notes, telephone logs, telephone scripts,
12 receipt books, ledgers, personal and business canceled checks and
13 check registers, bank statements, appointment books, copies of
14 federal, state or local business or personal income or property
15 tax returns, 1099 forms, and other documents or records of any
16 kind that relate to the business practices or business or
17 personal finances of the Defendant.

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VIII.

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MAINTENANCE OF CURRENT BUSINESS RECORDS

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IT IS FURTHER ORDERED that the Defendant is hereby restrained
22 and enjoined from:

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

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1 B. Creating, operating, or exercising any control over any
2 business entity, including any partnership, limited
3 partnership, joint venture, sole proprietorship or
4 corporation, without first providing the Commission with
5 a written statement disclosing: (1) the name of the
6 business entity; (2) the address and telephone number of
7 the business entity; (3) the names of the business
8 entity's officers, directors, principals, managers and
9 employees; and (4) a detailed description of the business
10 entity's intended activities.

11
12 IX.

13 RETENTION OF ASSETS AND RECORDS

14 BY FINANCIAL INSTITUTIONS

15 IT IS FURTHER ORDERED that, pending final resolution of this
16 case, or further order of this Court, any financial or brokerage
17 institution, business entity, or person served with a copy of
18 this Order that holds, controls or maintains custody of any
19 account or asset of the Defendant, or has held, controlled or
20 maintained custody of any such account or asset at any time since
21 the date of entry of this Order shall:

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

27 B. Deny the Defendant access to any safe deposit box that is:

1 1. titled in the name of the Defendant, either
2 individually or jointly; or

3 2. otherwise subject to access by the Defendant; and

4 C. If they have not already done so, provide the Commission's
5 counsel, within five (5) business days of receiving a copy of
6 this Order, a sworn statement setting forth:

7 1. the identification number of each such account or
8 asset titled in the name, individually or jointly,
9 of the Defendant, or held on behalf of, or for the
10 benefit of, the Defendant, or upon which Defendant
11 is a signatory;

12 2. the balance of each such account, or a description
13 of the nature and value of such asset as of the
14 close of business on the day on which this Order is
15 served, and, if the account or other asset has been
16 closed or removed, the date closed or removed, the
17 total funds removed in order to close the account,
18 and the name of the person or entity to whom such
19 account or other asset was remitted; and

20 3. the identification of any safe deposit box that is
21 either titled in the name, individually or jointly,
22 of the Defendant, or is otherwise subject to access
23 by the Defendant; and

24
25 D. Upon the request by the Commission, promptly provide the
26 Commission with copies of all records or other documentation
27 pertaining to such account or asset, including but not limited
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1 to originals or copies of account applications, account
2 statements, signature cards, checks, drafts, deposit tickets,
3 transfers to and from the accounts, all other debit and credit
4 instruments or slips, currency transaction reports, 1099
5 forms, and safe deposit box logs. Any such financial
6 institution, account custodian, or other aforementioned entity
7 may arrange for the Commission to obtain copies of any such
8 records which the Commission seeks.

9
10 **NOTIFICATION PROVISIONS**

11 **X.**

12 **DISTRIBUTION OF ORDER BY DEFENDANT**

13 **IT IS FURTHER ORDERED** that the Defendant shall immediately
14 provide a copy of this Order to each affiliate, subsidiary,
15 division, sales entity, successor, assign, officer, director,
16 employee, independent contractor, agent, attorney, and
17 representative of the Defendant, and shall, within ten (10) days
18 from the date of entry of this Order, provide the Commission with
19 a sworn statement that Defendant has complied with this provision
20 of the Order, which statement shall include the names and
21 addresses of each such person or entity who received a copy of
22 the Order.

23
24 **XI.**

25 **SERVICE OF ORDER**

26 **IT IS FURTHER ORDERED** that copies of this Injunction may be
27 served by any means, including facsimile transmission, upon any

1 financial institution or other entity or person that may have
2 possession, custody, or control of any documents or assets of the
3 Defendants, or that may be subject to any provision of this
4 Order. Pursuant to Fed. R. Civ. P. 4(c)(2), this Injunction and
5 the initial papers filed in this matter may be served on the
6 Defendant by any law enforcement officer, by any agent of the
7 Plaintiff, or by any agent of any process service retained by
8 Plaintiff.

9
10 **XII.**

11 **NONWAIVER OF RIGHT TO PETITION COURT**

12 **IT IS FURTHER ORDERED** that the Defendant has not waived any
13 right to petition this Court for a modification of the provisions
14 of this Order that pertain to the freezing of assets, nor has the
15 Defendant waived any right to challenge any findings of fact set
16 forth in this Order at a trial on the merits of this action.

1 forth in this Order at a trial on the merits of this action.

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XIII.

RETENTION OF JURISDICTION

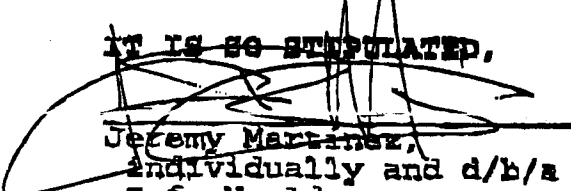
IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for all purposes.

SO ORDERED, this ___ day of _____, 2000, at ___M.

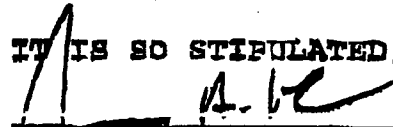
United States District Judge
Central District of California

Solely to avoid the expense of litigation, Defendant Martinez is stipulating to this Preliminary Injunction. By such stipulation, however, Defendant Martinez is in no way conceding the validity of Plaintiff's claims, or the factual assertions and legal conclusions made in papers filed before this Court.

~~IT IS SO STIPULATED,~~


Jeremy Martinez,
individually and d/b/a
Info World
21740 Los Alimos Street
Chatsworth, CA 91311

IT IS SO STIPULATED,


James A. Kohn
Karen Leonard
Trial Counsel
Federal Trade Commission
600 Pennsylvania Ave., N.W.
Washington, DC 20550
202) 326-2640

Dated: 13 DEC, 2000

Dated: _____, 2000

1 forth in this Order at a trial on the merits of this action.

2 XIII.

3 RETENTION OF JURISDICTION

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

6
7 SO ORDERED, this 14th day of December, 2000, at 11:55 a.m.

8
9 Christina A. Surpho
10 United States District Judge
11 Central District of California

12 Solely to avoid the
13 expense of litigation,
14 Defendant Martinez is
15 stipulating to this
16 Preliminary Injunction.
17 By such stipulation,
18 however, Defendant
19 Martinez is in no way
20 conceding the validity
21 of Plaintiff's claims,
22 or the factual assertions
23 and legal conclusions
24 made in papers filed
25 before this Court.

26 IT IS SO STIPULATED,

27 Jeremy Martinez,
28 individually and d/b/a
Info World
21740 Los Alimos Street
Chatsworth, CA 91311

IT IS SO STIPULATED,

A. Kohn
James A. Kohn
Karen Leonard
Trial Counsel
Federal Trade Commission
600 Pennsylvania Ave., N.W.
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202) 326-2640

Dated: _____, 2000

Dated: _____, 2000