

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

FEDERAL TRADE COMMISSION,
Plaintiff,

v.

WILLIAM SCOTT DION, individually
and d/b/a PT RESOURCE CENTER
and PTRC, a/k/a DON GLESSNER,
Defendants.

CIVIL ACTION NO. 03-40005-NMG

EX PARTE TEMPORARY RESTRAINING ORDER

January 9, 2003

Saris, U.S.D.J.

INTRODUCTION

Plaintiff, the Federal Trade Commission ("FTC" or "Commission"), pursuant to Section 13(b) of the Federal Trade Commission Act, 15 U.S.C. § 53(b), has filed a Complaint for Injunctive and Other Equitable Relief, including consumer redress, and an Ex Parte Application for Temporary Restraining Order with Asset Freeze, an Accounting, Equitable Discovery, and Other Equitable Relief. After a review of the submissions, the Court ALLOWS the Ex Parte Application for a Temporary Restraining Order with Asset Freeze, but DENIES without prejudice much of the relief sought by the Commission. These requests may be renewed at the hearing on the motion for preliminary injunction.

FINDINGS OF FACT

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

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

B. Venue lies properly with this Court.

C. There is good cause to believe that defendant, William Scott Don, individually and d/b/a PT Resource Center and PTRC, has engaged in and is 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.

D. There is good cause to believe that immediate and irreparable damage to the FTC's ability to secure effective final relief for consumers in the form of monetary redress will occur, from the sale, transfer, or other disposition or concealment by defendant of assets or records, before said defendant can be heard in opposition.

E. There is good cause for issuing this Ex Parte order pursuant to Fed. R. Civ. P. 65(b) and for relieving the Plaintiff of the duty to provide the plaintiff with prior notice of the Plaintiff's motion.

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

I. PROHIBITED REPRESENTATIONS

IT IS THEREFORE ORDERED that defendant, in connection with the advertising, promotion, offering for sale or sale of any purported driver's license, identification documents, or other program, product or service, is hereby temporarily restrained and enjoined from making any of the following statements, expressly or by implication:

- A. Representing that his purported driver's license enables consumers to legally drive a vehicle in the United States or elsewhere;
- B. Representing that the use of his purported driver's license will prevent traffic violation points or other sanctions from being recorded on and attributed to consumers' driving records;
- C. Representing that his purported driver's license enables consumers to legally drive even when their government issue driver's licenses have been suspended or revoked;
- D. Representing that his purported driver's license can legally be used as, or in the same manner as, a government-issued identification document;

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- D. Representing that his purported driver's license can legally be used as, or in the same manner as, a government-issued identification document;

- E. Advising consumers to alter their true name or identity when entering the same on documents or submitting the information to public or private entities;
- F. Representing that use of his purported driver's license will enable consumers to establish new or unblemished driving histories;
- G. Misrepresenting that the products or services sold by defendant comply with the laws or regulations that pertain to those products or services
- H. Representing that use of his purported driver's license may enable consumers to buy insurance at a lower cost.

II. DISABLEMENT OF DEFENDANT'S WEBSITE AND DOMAIN NAME

IT IS FURTHER ORDERED that, pending determination of the Commission's request for a preliminary injunction, any party hosting any Web page or Web site for defendant, including but not limited to BH1 Webhosting and Consulting Services, Suite 329, 975 McKeown Avenue, Unit 5A, North Bay, Ontario, P1B-9P2, Canada, and any domain registrar, including but not limited to Network Solutions, Inc./VeriSign, Inc., 21355 Ridgetop Circle, Dulles, Virginia, 20166, shall:

- A. Immediately take whatever steps may be necessary to ensure that Web pages or Web sites operated, in whole or in part, by or on behalf of defendant, including but not limited to the Web site under the name

www.ptrc.net, cannot be accessed by the public;

- B. Prevent the destruction or erasure of Web pages or Web sites operated, in whole or in part, by or on behalf of defendant, including but not limited to the Web site under the name **www.ptrc.net** by preserving such Web pages or Web sites in the format in which they are currently maintained;
- C. Immediately suspend the registration and prevent the transfer of the following domain name: **ptrc.net** by any and all means, including by removing name server records for the domain names from the registry root file; and
- D. Immediately notify counsel for the FTC of any other Web pages or Web site operated or controlled, in whole or in part, by defendant.

III. ASSET FREEZE

IT IS FURTHER ORDERED that defendant, and his successors, assigns, officers, agents, directors, servants, employees, salespersons, independent contractors, attorneys, corporations, subsidiaries, affiliates, all other persons or entities directly or indirectly under his control or under common control with him, and all other persons or entities in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, whether acting directly or through

any corporation, subsidiary, division or other device, are hereby temporarily restrained from:

- A. Except as otherwise provided herein, transferring, converting, encumbering, selling, concealing, dissipating, disbursing, assigning, spending, withdrawing, or otherwise disposing of any funds, property, artwork, coins, precious metals, jewelry, contracts, shares of stock, or other assets, wherever located, that are owned or controlled by, in whole or in part, or in the actual or constructive possession of, defendant or any other entity that is directly or indirectly owned, managed or controlled by, or under common control with, defendant including, but not limited to, any assets held by or for defendant in any account at any bank or savings and loan institution, credit union, independent service organization ("ISO"), independent credit-card processing company, or with any broker-dealer, escrow agent, title company, commodity trading company, precious metal dealer or other entity; and

- B. Opening or causing to be opened any safe deposit boxes or storage facilities titled in the name of defendant, or subject to access by defendant or under his control, without providing the Commission with prior notice and

an opportunity to inspect the contents in order to determine whether they contain assets covered by this Section.

- C. This Order is without prejudice to a motion by defendant to use funds for daily living expenses, mortgage payments, and other necessary and proper items.

IT IS FURTHER ORDERED that:

- A. Defendant shall be restrained and enjoined from collecting mail, including without limitation income or revenue, received by defendant or his agents and addressed to PTRC, PT Resource Center, or any other purported driver's license or identification document company, program, or service, including but not limited to such mail sent to the following addresses: 44 Depot Street, #5, Uxbridge, Massachusetts, 01569; 15 Granite Street, Uxbridge, Massachusetts, 01569; and Post Office Box 9, Mendon, Massachusetts, 01756.
- B. This Order does not apply to mail addressed solely to William Scott Don at 15 Granite Street, Uxbridge, Massachusetts, 01569.
- C. United States Postal Inspectors and other law enforcement personnel shall collect this mail, unopened, until further order of the Court.

IV. PRESERVATION OF RECORDS

IT IS FURTHER ORDERED that defendant is 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 defendant, or to the business practices or finances of entities directly or indirectly under the control, in whole or in part, of defendant.

V. REQUIRED DISTRIBUTION OF ORDER BY DEFENDANT

IT IS FURTHER ORDERED that defendant shall immediately provide a copy of this Order to each affiliate, partner, division, sales entity, successor, assign, employee, independent contractor, agent, attorney, and representative of defendant.

VI. RETENTION OF ASSETS AND RECORDS

IT IS FURTHER ORDERED that, effective immediately upon notification of this Order, and pending determination of plaintiff's request for a preliminary injunction, any bank, savings and loan institution, credit union, financial institution, brokerage house, escrow agent, money market or mutual fund, title company, commodity trading company, common carrier, storage company, trustee, commercial mail receiving agency, mail holding or forwarding company, or any other person, partnership, corporation, legal or business entity, that holds,

controls or maintains custody of any account, asset, or contractual right belonging to, derived from, or titled in the name of defendant, or any corporation, partnership or other entity directly or indirectly owned, managed or controlled by, in whole or in part, defendant, or to which he is a signatory, or which is held on behalf of, or for the benefit of, defendant, or any corporation, partnership or other entity directly or indirectly owned, managed or controlled by, in whole or in part, defendant, or that has held, controlled or maintained custody of any such account, asset, or contractual right at any time since January 1, 1999, including but not limited to Citizens Bank of Rhode Island:

- A. Prohibit defendant and his agents, servants, employees, attorneys and all persons or entities directly or indirectly under his control, or in common control with him, from withdrawing, removing, transferring, pledging, encumbering, disbursing, dissipating, converting, selling, or otherwise disposing of any such account or asset, except:


1. As directed by further Order of this Court; or
2. By written agreement of the Commission and the parties claiming an interest in such account or asset;

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

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

C. Deny defendant and his agents, servants, employees, attorneys, and all persons or entities directly or indirectly under his control or in common control with him, unless accompanied by counsel for the Federal Trade Commission, access to any safe deposit box that is:

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



PATTI B. SARIS
United States District Judge