

UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
TAMPA DIVISION

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CLERK OF COURT  
MIDDLE DISTRICT OF FLORIDA  
TAMPA, FLORIDA

FEDERAL TRADE COMMISSION,

Plaintiff,

vs.

Case No. 8:00-CV-2114-T-27E

PARA-LINK INTERNATIONAL, INC.,  
a Florida Corporation, AAA FAMILY  
CENTERS, INC., a Florida Corporation,  
THE LIBERTY GROUP OF AMERICA,  
INC., a Florida Corporation, DEBORAH  
R. DOLEN, individually and as an officer  
of the PARA-LINK INTERNATIONAL,  
INC., MATTHEW SEE, individually and  
as an officer of LIBERTY GROUP OF  
AMERICA, INC. and JUDY GRAVES,  
individually and as an officer of PARA-  
LINK INTERNATIONAL, INC.,

Defendants.

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**ORDER GRANTING PLAINTIFF'S *EX PARTE***  
**MOTION FOR TEMPORARY RESTRAINING ORDER**

THIS CAUSE came on to be considered on Plaintiff's *Ex Parte* Motion for Temporary Restraining Order (Dkt. 4).<sup>1</sup> The Court having reviewed said motion and being otherwise fully advised in the premises, finds as follows:<sup>2</sup>

Plaintiff, Federal Trade Commission ("Commission") seeks entry of an *ex parte* temporary restraining order pursuant to Section 5(a) of the Federal Trade Commission Act ("FTC Act"),

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<sup>1</sup> Plaintiff has also filed a Declaration of Plaintiff's Counsel (Dkt. 5), and a Recommendation for Temporary Receiver (Dkt. 8) in support of its motion.

<sup>2</sup> This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a) and 1345 and 15 U.S.C. § 53(b) and the Court finds that there is good cause to believe it will have jurisdiction over all parties hereto.

15 U.S.C. §§ 53(b), Fed. R. Civ. P. 65(b) and M.D. Fla. Local Rule 4.05 to enjoin the Defendants, Para-Link International, Inc. ("Para-Link"), The Liberty Group of America, Inc. ("LGA"), AAA Family Centers, Inc. ("AAA"), Deborah R. Dolen, individually and as an officer of Para-Link, Matthew See, individually and as an officer of LGA, and Judy Graves, individually and as an officer of Para-Link, from engaging in deceptive acts in connection with their interstate marketing of paralegal training and employment opportunities. Plaintiff also requests certain ancillary relief. In support of its motion, the Commission has submitted three volumes of exhibits, including sixteen sworn statements<sup>3</sup> from investigators and victims and a Declaration of Plaintiff's Counsel.

### I. Applicable Standard

The purpose of a temporary restraining order, like a preliminary injunction, is to protect the movant from irreparable injury and preserve the status quo until the district court renders a meaningful decision on the merits. See Canal Authority of State of Florida v. Callaway, 489 F.2d 567, 572 (5<sup>th</sup> Cir. 1974). Section 13(b) of the FTC Act, 15 U.S.C. § 45(a) expressly provides that the Court may grant temporary and preliminary injunctive relief "[u]pon a proper showing that, weighing the equities and considering the Commission's likelihood of ultimate success, such action would be in the public interest."<sup>4</sup> The Commission, unlike private parties, is not required to prove

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<sup>3</sup> Plaintiff has filed the following sworn declarations: Kristy M. Colon (Ex. 1); Kevin L. Jackson (Ex. 2); Lisa Carlson (Ex. 3); Cristina Erdman (Ex. 4); Rabeccah Hansen (Ex. 5); Erica Jorgensen (Ex. 6); Dru Lundy (Ex. 7); Tina Newman (Ex. 8); Odette Papillon (Ex. 9); Katherine Quinn (Ex. 10); Patricia Sulezich (Ex. 11); Irma Swartz (Ex. 12); Judy Ward (Ex. 13); Diane L. Weart (Ex. 14); Deborah Wilson (Ex. 15); Dawn Wyman (Ex. 16).

<sup>4</sup> Section 13(b) of the FTC Act expressly provides:  
Temporary restraining orders; preliminary injunctions  
(b) Whenever the Commission has reason to believe --  
(1) that any person, partnership, or corporation is violating, or is about to violate any provision

irreparable harm. Federal Trade Comm'n. v. University Health, Inc., 938 F.2d 1206 (11th Cir. 1991).

## II. Factual and Legal Background

The FTC is an independent federal agency charged with enforcement of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair and deceptive acts and practices. The FTC is authorized by Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), to file federal court actions to enjoin violation of laws enforced by the FTC and obtain such equitable relief as may be appropriate in each case, including consumer redress.

Defendants Para-Link, AAA Family Centers, Inc. ("AAA") and LGA allegedly advertise, promote, and sell paralegal training and employment opportunities from their Sarasota, Florida offices. Defendants Dolen, See, and Graves are current or former officers or directors of one or more of the Defendant corporations. Plaintiff alleges that since June 1999, Defendants, either directly or through third parties, have used classified ads, bulk email (including unsolicited email, or spam), telephone sales pitches and Internet Web sites to entice consumers to purchase their paralegal

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of law enforced by the Federal Trade Commission, and  
(2) that the enjoining thereof pending the issuance of a complaint by the Commission and until such complaint is dismissed by the Commission or set aside by the court on review, or until the order of the Commission made thereon has become final, would be in the interest of the public -- the Commission by any of its attorneys designated by it for such purpose may bring suit in a district court of the United States to enjoin any such act or practice. Upon a proper showing that, weighing the equities and considering the Commission's likelihood of ultimate success, such action would be in the public interest, and after notice to the defendant a temporary restraining order or a preliminary injunction may be granted without bond: Provided, however, That if a complaint is not filed within such period (not exceeding 20 days) as may be specified by the court after issuance of the temporary restraining order or preliminary injunction, the order or injunction shall be dissolved by the court and be of no further force and effect: Provided further, That in proper cases the Commission may seek, and after proper proof, the court may issue, a permanent injunction. Any such suit shall be brought in the district in which such person, partnership, or corporation resides or transacts business.

training and employment opportunities. According to the evidence submitted by Plaintiff, Defendants claim in their advertisements that consumers can: “Earn \$50 an hour typing from home” or “You Can Process Simple Divorces and Bankruptcies from Home and Make over \$200 an Hour in as little as 30 Days!!!” (Sulezich Aff. ¶ 3; Colon Aff. ¶¶ 23, 25).

The ads direct consumers to call Defendants’ toll-free telephone numbers or visit their Web sites for more information. (Weart Aff. ¶ 4; Newman Aff. ¶ 2). Defendants’ Web sites explain that, for \$495, consumers will receive a work-at-home kit, training, and a steady flow of case referrals. (Ex. 1 at 96-102). Defendants claim that the kit includes everything a consumer needs to “make your computer pay for itself” working from home as a paralegal. Consumers not interested in working as paralegals can become distributors for Para-Link; however, they must purchase a work-at-home kit first. (Sulezich Aff. ¶ 8). Distributors purportedly earn commissions for selling work-at-home kits or recruiting divorce or bankruptcy customers. In support of their earnings claims, Defendants’ Web sites feature consumer testimonials, such as “I have been doing this for about two weeks and already have made about as much money as my full time job.” (Ex. 1 at 1-105). These quotes are allegedly from members of Defendants’ staff, rather than consumers. (Sulezich Aff. ¶ 7).

According to Plaintiff, Defendants’ work-at-home scheme violates Section 5 of the FTC Act, which prohibits deceptive acts or practices in or affecting commerce. Pursuant to Section 13(b) of the FTC Act, the FTC seeks an *ex parte* temporary restraining order (“TRO”): (1) ordering Defendants to cease their deceptive practices; (2) freezing Defendants’ assets; (3) appointing a temporary receiver; and (4) providing the FTC with immediate access to Defendants’ business premises and other equitable relief. Plaintiff contends that only an order including the requested relief will prevent the destruction of documents, preserve assets for consumer redress, and prevent

further injury to consumers.

### III. Findings

#### A. Substantial Likelihood of Success

Section 5 of the FTC Act, 15 U.S.C. § 45(a), forbids “unfair or deceptive acts or practices in or affecting commerce.” A representation is deceptive if it contains a material claim or omission that is likely to mislead consumers acting reasonably under the circumstances, to their detriment. Federal Trade Comm’n v. World Travel Vacation Brokers, 861 F.2d 1020, 1029 (7<sup>th</sup> Cir. 1988). A representation or omission is material if it is the kind usually relied upon by a reasonably prudent person. Federal Trade Comm’n v. Jordan Ashley, Inc., 1994-1 Trade Cas. (CCH) ¶ 70,570 at 72,096 (S.D. Fla. Apr. 5, 1994).<sup>5</sup> Thus, in order to find the Defendants liable for engaging in deceptive business practices, the Court must find that Defendants made material misrepresentations or omissions in connection with the sale of paralegal training and employment opportunities, and that consumer injury has resulted.<sup>6</sup>

#### 1. Allegedly Deceptive Practices of Defendants

The evidence submitted to the Court demonstrates that Defendants have likely engaged in a pervasive pattern of making misleading representations and omitting material information and have thereby injured consumers throughout the country. In Defendants’ advertisements, Web sites, and

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<sup>5</sup> The Commission need not prove actual reliance by each purchaser misled by Defendants. Federal Trade Comm’n v. Figgie Int’l, Inc., 994 F.2d 595, 605 (9<sup>th</sup> Cir. 1993). Rather, reliance is presumed once the Commission proves that defendants made material misrepresentations, that they were widely disseminated, and that consumers purchased the defendant’s product. Id. at 605-6.

<sup>6</sup>World Travel, 861 F.2d at 1029.

telephone sales pitches, Defendants represent that consumers who purchase their work-at-home paralegal kit will be referred 20 or more bankruptcy and divorce cases a week and earn \$50 to \$200 per hour. (Ex. 1 at 97; Erdman Aff. ¶¶ 4-5; Lundy Aff. ¶ 3). Defendants also represented that consumers will receive ongoing training and technical support. Id. Sworn statements from consumers show that the few consumers who pass Defendants qualifying test only receive a few case referrals, or none at all. (Erdman Aff. ¶ 14). Additionally, according to the sworn statements, consumers purchasing the paralegal kits and handling cases were either paid late, significantly less than Defendants promised or were not paid at all. (Wilson Aff. ¶¶ 16-21). Defendants also fail to provide continued support and advice: trainers are unavailable, help lines go unanswered, email messages are not returned. (Papillon Aff. ¶¶ 8-13; Swartz Aff. ¶¶ 4-14). Moreover, Defendants fail to disclose material facts concerning their work-at-home kits. For example, Defendants did not disclose that: (1) the legal forms software contains uncorrectable flaws; (2) there is a quota on the number of consumers who can “pass” the test for case referrals; and (3) the legal risks inherent for nonlawyers in preparing bankruptcy and divorce cases. Prospective kit buyers had no reason to believe that Defendants’ software would not work on their computers, nor could they know that Defendants purposely alter the test results.

Considering such evidence, it is likely that Plaintiff will succeed on the merits of its claims against Defendants. Defendants’ misrepresentations and omissions of fact are material. If consumers had knowledge of the true facts, it is likely that they would not have invested in Defendants’ business opportunity. Thus, Defendants’ failure to disclose the facts concerning its business opportunity is deceptive.

## 2. Liability of Individual Defendants

In order to obtain injunctive and monetary relief against individual Defendants for injury to consumers resulting from a company's activities, the Commission must establish that the individuals (1) participated directly in the wrongful practices, or had authority to control them, and (2) had some knowledge of the wrongful acts or practices. See Federal Trade Comm'n v. Amy Travel Serv., 875 F.2d 564, 573 (7<sup>th</sup> Cir. 1989). The Court finds that Plaintiff is likely to succeed in establishing individual liability for Defendants Dolen, See, and Graves. The evidence shows that they all directly participate in the business affairs of the corporate Defendants as managers, officers, or directors. Each has signed checks and other legal documents on behalf of Para-Link, AAA, and LGA. As officers of the corporations, they have authority to control the practices of the businesses. Dolen is the president of AAA and Para-Link; See is the president of LGA; and Graves is the vice-president of AAA.

To meet the knowledge standard, the Commission need not establish that a defendant has actual knowledge of the misrepresentations; rather, reckless indifference to the truth or falsity of the representations, or awareness of a high probability of fraud, coupled with an intentional avoidance of truth is sufficient. Federal Trade Comm'n v. Atlantex Assocs., 1987-2 Trade Cas. (CCH) ¶ 67,788 at 59,253. The Court finds that the evidence in the record is sufficient to establish that Plaintiff will likely succeed on its claims against the individual Defendants.

### B. Balancing of Harm

Consumers have suffered substantial monetary loss as a result of Defendants' unlawful acts. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers and

harm the public interest. Defendants' past conduct is highly suggestive of the likelihood of future violations, especially where as here, there is a likely pattern of misrepresentations. This Court must give public equities far greater weight than private equities in a consumer fraud case brought under section 13(b). World Travel, 861 F.2d at 1029; Federal Trade Comm'n v. World Wide Factors, 882 F.2d 344, 347 (9th Cir. 1989). As such, weighing the equities and considering the Commission's likelihood of ultimate success, a temporary restraining order would be in the public's interest.

C. Ex Parte Relief

Plaintiff requests that this Court enter an *ex parte* temporary restraining order to preserve the *status quo* pending a hearing on preliminary injunctive relief. Rule 65(b) of the Federal Rules of Civil Procedure provides that a court may enter a temporary restraining order without notice to the opposing party where it appears that “immediate and irreparable injury, loss or damage will result to the applicant before the adverse party or his attorney can be heard in opposition.” Granny Goose Foods v. Teamsters, 415 U.S. 423, 439 (1974).

Consumer fraud cases like this one fit squarely into the narrow category of situations where *ex parte* relief is appropriate and necessary to make possible full and effective final relief. Where, as here, the Defendants' business operations are alleged to be permeated by fraud, there is a strong likelihood that Defendants will attempt to dissipate their assets or destroy documents during the pendency of this action. Mindful of this, courts have issued *ex parte* temporary restraining orders in circumstances similar to those found here.<sup>7</sup> Providing notice of this action would likely impair

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<sup>7</sup> FTC v. Hart Marketing Enterprises Ltd., No. 98-222-CIV-T-23E (M.D. Fla. 1998) (*ex parte* TRO with asset freeze and expedited discovery); FTC v. Licensed Products U.S.A., Inc., No. 97-938-CIV-ORL-22 (M.D. Fla. 1997) (*ex parte* TRO with asset freeze, appointing receiver,



the Commission's ability to secure relief for consumers by prompting concealment of assets or destruction of documents, a result that would cause immediate and irreparable harm. Therefore, the Court finds that is appropriate for the Court to grant the requested relief *ex parte*.

D. Appropriate Temporary Relief

Courts have routinely interpreted Section 13(b) of the FTC Act as granting district courts the authority to issue any equitable relief necessary when there is evidence of persistent and ongoing deception, including an asset freeze and appointment of a receiver.<sup>8</sup> The Eleventh Circuit has reaffirmed that, “[a] request for equitable relief invokes the district court’s inherent equitable powers to order preliminary relief, including an asset freeze, in order to assure the availability of permanent relief.”<sup>9</sup> The Court finds that freezing the assets of the individual and corporate Defendants, and appointing a receiver for the corporate Defendants, will preserve the Court’s ability to grant redress to victims of the Defendants’ deceptive work-at-home scheme. Under such circumstances, an asset freeze is warranted.

The Court also finds that expedited discovery, including immediate access to Defendants’ business premises and records, and allowing the Commission to obtain information from third

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permitting access to premises, expediting discovery); FTC v. Regency Services, Inc., No. 96-643-CIV-ORL-22 (M.D. Fla. 1996) (*ex parte* TRO); FTC v. Linc II, Inc., No. 96-642-CIV-ORL-18 (M.D. Fla. 1996) (*ex parte* TRO with asset freeze, accounting, expedited asset discovery, and immediate access); FTC v. Telecommunications of America, Inc., No. 95-693-CIV-ORL-22 (M.D. Fla.1995) (*ex parte* TRO); FTC v. Chase McNulty Group, Inc., No. 95-524-CIV-T-25E (M.D. Fla.1995) (*ex parte* TRO with asset freeze, temporary receiver, immediate access, and expedited discovery).

<sup>8</sup> See, e.g., U.S. Oil & Gas, 748 F.2d at 1434 (asset freeze and receiver); H.N. Singer, 668 F.2d at 1113 (preliminary injunction, corporate and personal asset freeze).

<sup>9</sup> Levi Strauss & Co. v. Sunrise Int’l Trading, 51 F.3d 982, 987 (11<sup>th</sup> Cir. 1995).

parties on an expedited basis, is warranted under the circumstances herein. See Fed. R. Civ. P. 1, 26, and 34.

Having considered the Complaint, declarations, exhibits, and memorandum of law filed in support thereof, and now being advised in the premises, the Court finds:

1. There is good cause to believe that Defendants Para-Link International, Inc., AAA Family Centers, Inc., The Liberty Group of America, Inc., Deborah R. Dolen, Matthew See, and Judy Graves, 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 that the Commission is therefore likely to prevail on the merits of this action;
2. There is good cause to believe that immediate and irreparable harm will result from Defendants' ongoing violations of Section 5 of the FTC Act unless Defendants are restrained and enjoined by Order of this Court;
3. There is good cause to believe that immediate and 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 Defendants of assets or records unless Defendants are immediately restrained and enjoined by Order of this Court, and that in accordance with Fed. R. Civ. P. 65(b), the interests of justice require that this Order be granted without prior notice to Defendants. There is 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 appointing a temporary receiver for the corporate Defendants Para-Link International, Inc., AAA Family Centers, Inc., and the Liberty Group of America, Inc;

5. Weighing the equities and considering the Commission's likelihood of ultimate success, a Temporary Restraining Order with asset freeze, appointment of a temporary receiver, and other equitable relief is in the public interest; and
6. No security is required of any agency of the United States for issuance of a restraining order.  
Fed. R. Civ. P. 65(c).

## **ORDERS BY THE COURT**

### **PROHIBITED BUSINESS ACTIVITIES**

#### **I**

**IT IS THEREFORE ORDERED**, that Defendants Para-Link, AAA, LGA, Deborah R. Dolen, Matthew See, and Judy Graves, and each of them, and their officers, directors, agents, servants, employees, salespersons, corporations, subsidiaries, affiliates, successors, assigns or entities in active concert or participation with them who receive actual notice of this Order by personal service, facsimile or otherwise, are hereby temporarily restrained and enjoined from the promotion, advertising, marketing, offering for sale or sale of any goods or services related to paralegal training or paralegal employment opportunities.

### **ASSET FREEZE**

#### **II.**

**IT IS FURTHER ORDERED** that Defendants Para-Link, AAA, LGA, Deborah R. Dolen, Matthew See, and Judy Graves, and each of them, and their officers, directors, agents, servants, employees, salespersons, corporations, subsidiaries, affiliates, successors, assigns, and other entities or persons directly or indirectly under their control, and all persons in active

concert or participation with them who receive actual notice of this Order by personal service, facsimile or otherwise, are hereby temporarily restrained and enjoined from, directly or indirectly:

- A. 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 Defendants Para-Link, AAA, LGA, Deborah R. Dolen, Matthew See, or Judy Graves, or held, in whole or in part, for the benefit of Defendants; (2) in the actual or constructive possession of Defendants; or (3) owned, controlled by, or in the actual constructive possession of any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by any Defendant, including, but not limited to any assets held by or for Para-Link, AAA, LGA, Deborah R. Dolen, Matthew See, or Judy Graves, 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;
- B. Opening or causing to be opened any safe deposit boxes or storage facilities titled in the name of Para-Link, AAA, LGA, Deborah R. Dolen, Matthew See, or Judy Graves, or subject to access by Para-Link, AAA, LGA, Deborah R. Dolen, Matthew See, or Judy Graves;
- C. Incurring charges or obtaining cash advances on any credit card issued in the name,

singly or jointly, of Para-Link, AAA, LGA, Deborah R. Dolen, Matthew See, or Judy Graves; and

- D. Transferring any funds or other assets subject to this Order for attorneys' fees or living expenses, except from accounts or other assets identified by prior written notice to the Commission and upon Court Order approving the same.
- E. Notwithstanding the above, Defendants Deborah R. Dolen, Matthew See, and Judy Graves may pay from their personal funds reasonable, usual, ordinary, and necessary living expenses, not to exceed \$1,000, pending further Court Order. No such living expenses, however, shall be paid from funds subject to this Order or held by or on behalf of any corporate Defendant.

**IT IS FURTHER ORDERED** that the funds, property and assets affected by this Paragraph II shall include both existing assets and assets acquired after the effective date of this Order, other than those acquired by loan or gift to the individual Defendants. Each Defendant shall hold and account for any property and assets and payments received by them after service of this Order, including without limitation, payments, loans, and gifts.

Accounts or assets subject to this Paragraph II include, but are not limited to, all accounts in the name of any of the Defendants at: First Union National Bank; Bank of America; PayPal; Bankers Trust Plaza; and FBD National Investor Services Corp.

### **PRESERVATION OF RECORDS**

#### **III.**

**IT IS FURTHER ORDERED** that Defendants Para-Link, AAA, LGA, Deborah R.

Dolen, Matthew See, and Judy Graves, and each of them, and their officers, directors, agents, servants, employees, salespersons, corporations, subsidiaries, affiliates, successors, assigns, and other entities or persons directly or indirectly under their control, and all persons in active concert or participation with them who receive actual notice of this Order by personal service, facsimile or otherwise, are hereby temporarily restrained and enjoined from:

- A. Failing to maintain books, records, and accounts which reflect the incomes, disbursements, transactions, and the use of monies by any of the Defendants from any source;
- B. Destroying, erasing, mutilating, concealing, altering, transferring, or otherwise disposing of, in any manner, directly or indirectly, any contracts, accounting data, correspondence, advertisements, brochures, customer lists, mailing lists, telemarketer lists, computer tapes, computer disks, Web sites, Web pages, or other computerized records, books, written or printed records, handwritten notes, telephone logs, telemarketing scripts, sales presentations, audio or videotape recordings, receipt books, invoices, postal receipts, ledgers, personal and business canceled checks and check registers, bank statements, appointment books, copies of federal, state or local business or personal income or property tax returns, and any other documents or records of any kind that relate to the business practices or business or personal finances of any of the Defendants.

#### **DUTIES OF ASSET HOLDERS**

#### **IV.**

**IT IS FURTHER ORDERED** that, pending determination of Plaintiff's request for a

preliminary injunction, any bank, savings and loan institution, credit union, financial institution, brokerage house, escrow agent, IRA custodian, money market or mutual fund, title company, commodity trading company, storage company, trustee, commercial mail receiving agency, mailing holding or forwarding company, or any other business entity or person served with a copy of this Order, or who otherwise has actual knowledge of this Order, and having custody or control of any account, asset or documents of Defendants Para-Link, AAA, LGA, Deborah R. Dolen, Matthew See, or Judy Graves, or any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled, or under common control with any Defendant, or that at any time since January 1, 1998, has maintained or had custody of such account, asset, or documents, shall:

- A. Hold and retain within such entity's or person's control, and prohibit the withdrawal, removal, assignment, transfer, pledge, hypothecation, encumbrance, disbursement, dissipation, conversion, sale, liquidation, or other disposal of any funds, documents, property, or other assets held by or under such entity's or person's control:
  - 1. On behalf of or for the benefit of, Defendants Para-Link, AAA, LGA, Deborah R. Dolen, Matthew See, or Judy Graves;
  - 2. In any account maintained in the name of, or subject to withdrawal by, Defendants Para-Link, AAA, LGA, Deborah R. Dolen, Matthew See, or Judy Graves; or
  - 3. That is subject to access or use by Defendants Para-Link, AAA, LGA, Deborah R. Dolen, Matthew See, or Judy Graves.
- B. Deny Defendants access to any safe deposit box that is:

1. Titled in the name of Defendants Para-Link, AAA, LGA, Deborah R. Dolen, Matthew See, or Judy Graves, either individually or jointly; or
2. Otherwise subject to access by Para-Link, AAA, LGA, Deborah R. Dolen, Matthew See, or Judy Graves.

The accounts subject to this Paragraph IV include existing assets and assets deposited after the effective date of this Order. Provided further, that this Paragraph IV shall not prohibit transfers in accordance with any provision of this Order, or any further Order of the Court, or with respect to assets held in the name or for the benefit of the Receivership Defendants, as directed by the Receiver appointed herein.

#### **APPOINTMENT OF TEMPORARY RECEIVER**

##### **V.**

**IT IS FURTHER ORDERED** that Gwynne A. Young of Carlton, Fields, Post Office Box 3239, Tampa, Florida 33601-3239, is appointed as Temporary Receiver ("Receiver"), with the full power of an equity receiver, for corporate Defendants Para-Link, AAA, and LGA, and their affiliates and subsidiaries (hereinafter referred to as "the Receivership Defendants"), and of all funds, properties, premises, accounts, and other assets directly or indirectly owned, beneficially or otherwise, by the Receivership Defendants, with directions and authority to accomplish the following:

- A. Assume full control of the Receivership Defendants by removing Defendants Deborah R. Dolen, Matthew See, Judy Graves, and any other officer, independent contractor, employee, or agent of any of the Receivership Defendants, from control and management



of the affairs of the Receivership Defendants;

- B. Take custody, control and possession of all assets, funds, property (real or personal), premises, accounts, and mail in the possession of or under the control of the Receivership Defendants, wherever situated, including but not limited to the offices located at 205 Montgomery Ave., Bldg. 1, Sarasota FL 34243. The Receiver shall also assume control over the income and profits therefrom, and all sums of money now or hereafter due or owing to the Receivership Defendants with full power to: collect, receive and take possession of all goods, chattels, rights, credits, monies, effects, lands, leases, books and records, work papers, records of accounts, computer-maintained information, contracts, financial records, monies on hand in banks and other financial institutions, and all other papers, documents, or assets of the Receivership Defendants, wherever situated;
- C. Preserve, hold, and manage all receivership assets, and perform all acts necessary to preserve the value of those assets, in order to prevent any irreparable loss, damage, and injury to prospective and existing franchise or business opportunity purchasers or investors and to preserve and prevent the withdrawal or misapplication of funds entrusted to the Receivership Defendants or entities under their control; to obtain an accounting thereof; and to perform all acts incidental thereto, including the suspension of operations and the termination of employees, independent contractors, and agents;
- D. Perform all acts necessary to ensure that the Receivership Defendants are in compliance with the provisions of this Order, including ceasing all advertising, marketing, or sales efforts that contain any false or misleading representations or omissions of material fact;
- E. Continue and conduct the business of the Receivership Defendants in such manner, and to

such extent, and for such duration as the Receiver may, in good faith, deem to be necessary or appropriate, if at all;

- F. Enter into such agreements in connection with the administration of the receivership, including, but not limited to: (1) the retention and employment of investigators, attorneys, accountants, and technical specialists of the Receiver's choice, including, upon motion and Order of the Court, 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 Defendants;
- G. Disburse funds that the Receiver deems necessary and advisable to preserve the assets of the Receivership Defendants or that the Receiver deems necessary and advisable to carry out the Receiver's mandate under this Order;
- H. Institute, prosecute, defend, 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 assets of the Receivership Defendants or that the Receiver deems necessary and advisable to carry out the Receiver's mandate under this Order;
- I. Establish reasonable procedures for control over, and access to, original documents of the Receivership Defendants in the Receiver's custody, possession, and control; and
- J. 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. The Receiver shall prepare and submit a Report to this Court and to the parties, not less than three (3) days prior to the scheduled Preliminary Injunction

Hearing, describing the Receiver's activities in connection with carrying out the Receiver's obligations and responsibilities under this Order, the Receivership Defendants' business activities, sales volume and/or number of purchasers, and assets and liabilities, to the extent such information is known to or has been provided to the Receiver, and any other information the Receiver believes is relevant to the Court.

## **DELIVERY OF RECEIVERSHIP PROPERTY**

### **VI.**

**IT IS FURTHER ORDERED** that, immediately upon service of this Order upon them, Defendants Para-Link, AAA, LGA, Deborah R. Dolen, Matthew See, and Judy Graves, and each of them, and their successors, assigns, officers, agents, servants, employees, subsidiaries or affiliates, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any entity, corporation, subsidiary, division, or other device, shall immediately or within such time as permitted by the Receiver in writing, deliver to the Receiver:

- A. Possession and custody of all assets of the Receivership Defendants, including but not limited to all funds and property owned beneficially or otherwise, and all monies in any bank deposited by or to the credit of the Receivership Defendants, wherever situated;
- B. Possession and custody of all books and records of or relating to the Receivership Defendants, including all 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), computer files (including all

- backup tapes), title documents, scripts, sales manuals or instructions, marketing materials or solicitations, customer lists, mailing lists, other customer records, correspondence, title documents, and other papers of the Receivership Defendants;
- C. Possession and custody of all funds or other assets belonging to members of the public now held by the Receivership Defendants;
- D. All keys, computer passwords, identification numbers, entry codes, combinations to locks required to open, acquire, or gain access to any of the assets, documents, records, property or effects of the Receivership Defendants, including but not limited to access to business premises, means of communication, computer systems, or accounts of the Receivership Defendants; and
- E. Information identifying the accounts, customers, references, telemarketers, employees, properties, or other assets or obligations of the Receivership Defendants.

## **COOPERATION WITH THE RECEIVER**

### **VII.**

**IT IS FURTHER ORDERED** that Defendants Para-Link, AAA, LGA, Deborah R. Dolen, Matthew See, and Judy Graves, and each of them, and their successors, assigns, officers, agents, servants, employees, subsidiaries or affiliates, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any entity, corporation, subsidiary, division, or other device, are enjoined and restrained from interfering in any way with the functions and duties of the Receiver and shall take no action, directly or indirectly, to hinder or obstruct the Receiver in the

conduct of her duties or to interfere in any manner, directly or indirectly, with the custody, possession, management, or control by the Receiver of the Receivership Defendants.

**IT IS FURTHER ORDERED** that the Defendants in this action, whether acting by themselves or by or through others, are enjoined from transacting any of the business of the Receivership Defendant, excusing debts to the Receivership Defendants, taking, using, concealing, or diverting the Receivership Defendants' assets or documents, or otherwise impairing or disposing of the assets or documents of the Receivership Defendants.

### **RECEIVER'S COMPENSATION**

#### **VIII.**

**IT IS FURTHER ORDERED** that the Receiver and all personnel hired by the Receiver as herein authorized, including counsel to the Receiver and accountants, shall be entitled to reasonable compensation as determined by the Court, for the performance of duties pursuant to this Order and for the reimbursement of actual out-of-pocket expenses incurred by them. The Receiver shall file with the Court, and serve on the parties, periodic accountings and requests for the payment of such reasonable compensation. The Receiver shall not increase the Receiver's fee rate billed to the receivership estate without prior approval of the Court.

### **RECEIVER'S BOND**

#### **IX.**

**IT IS FURTHER ORDERED** that the Receiver shall file with the Clerk of this Court a bond in the sum of \$ 5, 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.

## STAY OF OTHER ACTIONS

### X.

**IT IS FURTHER ORDERED** that, except by leave of this Court, during the pendency of the receivership ordered herein, the Defendants and all customers, principals, investors, creditors, stockholders, lessors, and other persons, seeking to establish or enforce any claim, right or interest against or on behalf of the Receivership Defendants, or any of its subsidiaries or affiliates, and all others acting for or on behalf of such persons, including attorneys, trustees, agents, sheriffs, constables, marshals, and other officers and their deputies, and their respective attorneys, servants, agents, and employees be, and hereby are, stayed from:

- A. Commencing, prosecuting, continuing or enforcing any suit or proceeding against the Receivership Defendants, or 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 Defendants, 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, any property of the Receivership Defendants, or its subsidiaries or affiliates, or any property claimed by any of them, or attempting to foreclose, forfeit, alter or terminate the Receivership Defendants' interests in any 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, replevin, execution or other process for the purpose of impounding or taking possession of, interfering with, or creating or enforcing a lien upon, any property, wheresoever located, owned by or in the possession of the Receivership Defendants, or the Receiver appointed pursuant to this Order 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 Defendants, or its subsidiaries or affiliates, including the filing by the individual Defendant, the Receivership Defendants, or any creditor of the Receivership Defendants of a petition for relief under the United States Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, as to the Receivership Defendants, without obtaining a Court Order approving such action.

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

## ACCESS TO BUSINESS RECORDS AND PREMISES

### XI.

**IT IS FURTHER ORDERED** that Defendants Para-Link, AAA, LGA, Deborah R. Dolen, Matthew See, and Judy Graves, and each of them, and their officers, directors, agents, servants, employees, salespersons, corporations, subsidiaries, affiliates, successors, assigns or entities in active concert or participation with them who receive actual notice of this Order by personal service, facsimile or otherwise, shall allow the Receiver appointed herein and his/her representatives, agents, or assistants, immediate access to Para-Link's, AAA's, and LGA's business premises and any other location where Para-Link's, AAA's, or LGA's property, assets, or business records are located. Such locations specifically include, but are not limited to, Para-Link's and LGA's offices at 205 Montgomery Avenue, Bldg. 1, Sarasota, FL 34243. The Receiver, his agents, and assistants, shall have the right to remove documents from the Receivership Defendants' premises in order that they may be inspected, inventoried, copied, and preserved or as otherwise necessary to perform the Receiver's duties and responsibilities pursuant to this Order.

**IT IS FURTHER ORDERED** that Defendants Para-Link, AAA, LGA, Deborah R. Dolen, Matthew See, and Judy Graves, and each of them, and their officers, directors, agents, servants, employees, salespersons, corporations, subsidiaries, affiliates, successors, assigns or entities in active concert or participation with them who receive actual notice of this Order by personal service, facsimile or otherwise, and the Receiver shall allow Plaintiff's representatives, agents, and assistants immediate access to the Defendants' business premises to inspect, inventory, and copy documents in preparation for the preliminary injunction hearing. The



Receiver shall have discretion to regulate the time, place, and manner of such access consistent with this purpose. The Receiver shall provide Plaintiff with copies of the Receivership Defendants' documents or shall allow Plaintiff to copy documents at the Receivership Defendants' location or the Receiver's offices or otherwise enable Plaintiff to obtain copies of such documents. To the extent Defendants or third parties turn over to the Receiver records relating to Defendants' business, but not kept at Defendants' business premises, Defendants and the Receiver shall also allow Plaintiff's representatives, agents and assistants access to those additional records for inspection, inventory, and photocopying. Defendants shall have the same right to inspect, inventory and copy any such documents in preparation for the preliminary injunction hearing.

## **EXPEDITED DISCOVERY**

### **XII.**

**IT IS FURTHER ORDERED** that in anticipation of the preliminary injunction hearing in this matter Plaintiff and the Receiver are granted leave at any time after service of this Order, and pursuant to Fed. R. Civ. P. 30, to take the deposition of any person or entity for the purpose of discovering the nature, location, status, and extent of the Defendants' assets and documents relating to Defendants' business transactions and Defendants' compliance with this Order at any time after the date of this Order upon three (3) business days' notice. Defendants shall respond to any requests for admissions, pursuant to Fed. R. Civ. P. 36, or requests for production of documents, pursuant to Fed. R. Civ. P. 34, relating to Defendants' assets, documents, or business transactions within five (5) business days after service of the discovery request. This

Paragraph XII shall not be construed in any manner to preclude the right of Plaintiff to take subsequent depositions of the same witnesses on the merits of the action.

### **SERVICE OF THIS ORDER**

#### **XIII.**

**IT IS FURTHER ORDERED** that copies of this Order may be served by first-class mail, overnight delivery, facsimile, or personally, by employees or agents of the Plaintiff or the Receiver, upon any Defendant, person or entity that may be subject to any provision of this Order, including any bank, savings and loan institution, credit union, financial institution, brokerage house, escrow agent, IRA custodian, money market or mutual fund, title company, commodity trading company, storage company, trustee, commercial mail receiving agency, mailing holding or forwarding company, or any other person, partnership, corporation, or entity that may be in possession of any assets, documents, property, or property right of any of the Defendants.

### **IDENTIFICATION OF WITNESSES, EVIDENCE, AND PLEADINGS FOR PRELIMINARY INJUNCTION HEARING**

#### **XIV.**

**IT IS FURTHER ORDERED** that the parties shall serve witness lists, declarations, affidavits, and other evidence and memoranda on which they intend to rely at the preliminary injunction hearing set in this matter, not less than two (2) business days before any preliminary injunction hearing in this matter. Any witness list shall include the name, address, and telephone

number of any witness, and either a summary of the witness' expected testimony, or the witness' affidavit or declaration revealing the substance of such witness' expected testimony. Defendants shall serve copies of all such materials on counsel for the Commission by personal or facsimile delivery to the attention of Michael Mora and Jennifer Mandigo, Counsel for the Commission, at the Federal Trade Commission, 600 Pennsylvania Ave., N.W., Room 238, Washington, DC 20580, facsimile number (202) 326-3395, prior to 5:00 p.m. (Eastern Time) of that day.

#### **DURATION OF TEMPORARY RESTRAINING ORDER**

##### **XV.**

**IT IS FURTHER ORDERED** that pursuant to Rule 65, Federal Rules of Civil Procedure, this Temporary Restraining Order shall remain in force only until the hearing and determination of the application for a preliminary injunctive order and shall expire within 10 days after its entry, unless within this time it is extended for a like period for good cause shown or unless the Defendant consents that it may be extended for a longer period.

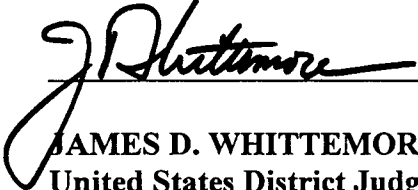
#### **PRELIMINARY INJUNCTION HEARING**

##### **XVI.**

**IT IS FURTHER ORDERED** that each of the Defendants shall appear before this Court on the **9th day of November, 2000, at 11:30 A.M.** at the United States Courthouse, Courtroom 13B, to show cause, if any there be, why this Court should not enter a preliminary injunction, pending final ruling on the Complaint, against said 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, appointing a Permanent Receiver, and imposing such additional relief as may be appropriate.

**DONE AND ORDERED** in chambers this 17<sup>th</sup> day of October, 2000, at 5:36 o'clock p. m.

  
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**JAMES D. WHITTEMORE**  
United States District Judge

Copies to:  
Plaintiff's Counsel  
Law Clerk

~~U.S. District Court  
District of Columbia  
Case No. 00-1000  
Filed 10/17/00  
James D. Whittemore  
United States District Judge~~  
Court Clerk

