



UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

Federal Trade Commission,
Plaintiff(s),
v.
Lucas Law Center, Inc. et al.,
Defendant(s).

CASE NO. SACV 09-0770 DOC(ANx)

AMENDED ORDER GRANTING EX PARTE APPLICATION FOR TEMPORARY RESTRAINING ORDER AND ISSUING ORDER TO SHOW CAUSE

UNDER SEAL

Before the Court is Plaintiff Federal Trade Commission's ("FTC") Ex Parte Application for Temporary Restraining Order and Order to Show Cause Why a Preliminary Injunction Should Not Issue (the "Application"). After considering the moving papers and supporting documents, as well as the parties' oral argument, the Court hereby GRANTS, the FTC's Application IN PART, finding as follows:

I. FINDINGS OF FACT AND CONCLUSIONS OF LAW

A. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a) and 1345, and there is good cause to believe that it will have jurisdiction over all the parties hereto.

1 B. Venue in the Central District of California is proper under 15 U.S.C. §53(b) and 28 U.S.C.
2 §§ 1391(b) and (c).

3
4 C. There is good cause to believe that Defendants LucasLawCenter, “incorporated”; Future
5 Financial Services, LLC (collectively, the “Corporate Defendants”); Paul Jeffrey Lucas;
6 Christopher Francis Betts; and Frank Sullivan (collectively, the “Individual Defendants”) may be
7 engaging in, and may continue to engage in, practices that violate Sections 5 and 13 of the
8 Federal Trade Commission Act (the “FTCA”), 15 U.S.C. §15.

9
10 D. There is good cause to believe that immediate and irreparable damage to the Court’s ability
11 to grant effective final relief in the form of a permanent injunction, rescision, restitution, and
12 disgorgement might occur from the destruction, transfer, or concealment by Defendants of their
13 business assets and documents or records unless Defendants are immediately restrained and
14 enjoined by order of this Court. Therefore, under FED. R. CIV. P. 65(b), the interests of justice
15 require that this Order be granted without prior notice to the Defendants.

16
17 E. There is good cause to believe that Defendant LucasLawCenter, “incorporated”; and
18 Defendant Future Financial Services, LLC are operating as a common enterprise under *Del.*
19 *Watch Co. v. FTC*, 332 F.2d 745 (2nd Cir. 1964), in which Future Financial Services, LLC
20 provides staff and facilities to LucasLawCenter, “incorporated”.

21
22 F. There is good cause to believe that the Individual Defendants have the requisite knowledge of
23 the Corporate Defendants’ deceptive acts and practices such as to be subject to monetary liability
24 under Section 5 of the FTCA.

25
26 G. Good cause exists for the appointment of a Temporary Receiver over Corporate Defendants
27 LucasLawCenter, “incorporated” and Future Financial Services, LLC.

1 H. A temporary restraining order freezing certain of the assets of the Corporate Defendant and
2 granting other equitable relief is in the public interest.

3
4 **II. DEFINITIONS**

5 A. "Mortgage loan modification service" means any service, product, or program that is
6 represented, expressly or by implication, to assist a homeowner in any manner to: (A) obtain or
7 arrange a modification of any term of a home loan, deed of trust, or mortgage; (B) obtain or
8 arrange a refinancing, recapitalization, or reinstatement of a home loan, deed of trust, or
9 mortgage; (C) obtain or arrange a pre-foreclosure sale, short sale, or deed-in-lieu of foreclosure;
10 (D) stop, prevent, or postpone any home mortgage or deed of trust foreclosure sale; (E) obtain
11 any forbearance from any beneficiary or mortgage; (F) obtain a loan or advance of funds that is
12 connected to the consumer's home ownership; (G) avoid or ameliorate the impairment of the
13 owner's credit standing, credit rating or credit profile; (H) examine, audit or evaluate any term of
14 a home loan, deed of trust or mortgage; or (I) save the consumer's residence from foreclosure.

15
16 B. "Assisting others" means knowingly providing any of the following goods or services to
17 another person or entity: (A) performing customer service functions, including, but not limited
18 to, receiving or responding to consumer complaints; (B) formulating or providing, or arranging
19 for the formulation or provision of, any marketing material; (C) providing names of, or assisting
20 in the generation of, potential customers; or (D) performing marketing or billing services of any
21 kind.

22
23 C. "Asset" means any legal or equitable interest in, right to, or claim to, any real or personal
24 property, including, but not limited to, "goods", "instruments", "equipment", "fixtures", "general
25 intangibles", "inventory", "checks", "notes", (as these terms are defined in the Uniform
26 Commercial Code), and all chattel, leaseholds, contracts, mail or other deliveries, shares of
27 stock, lists of consumer names, accounts, credits, premises, receivables, funds, cash, cashier's
28 checks, teller's checks, money order, and merchant accounts wherever located.

1 D. "Person" means a natural person, organization, or other legal entity, including a corporation,
2 partnership, proprietorship, association, cooperative, or any other group or combination acting as
3 an entity.

4
5 E. The term "document" is equal in scope and synonymous in meaning to the usage of the term
6 in Federal Rule of Civil Procedure 34(a), and includes writings, drawings, graphs, charts,
7 photographs, audio and video recordings, computer records, and any other data compilations
8 from which information can be obtained and translated, if necessary, through detection devices
9 into reasonably usable form. A draft or non-identical copy is a separate document within the
10 meaning of the term.

11
12 F. "Defendants" means LucasLawCenter "incorporated," Future Financial Services, LLC; Paul
13 Jeffrey Lucas; Christopher Francis Betts; and Frank Sullivan; and each of them, by whatever
14 names each might be known by, as well as their successors and assigns, whether acting directly
15 or through any corporation, subsidiary, division, or other device, including, but not limited to,
16 fictitious business names.

17
18 G. "Material fact" means any fact that is likely to affect a person's choice of, or conduct
19 regarding, goods or services.

20
21 H. "Plaintiff" means the Federal Trade Commission.

22
23 I. "Receivership Defendants" refers to Defendants LucasLawCenter "incorporated" (hereinafter
24 "Lucas Law Center") and Future Financial Services, LLC, as well as any successors, assigns,
25 affiliates, and subsidiaries that conduct any business related to Lucas Law Center's or Future
26 Financial Service's mortgage loan modification and which the Temporary Receiver has reason to
27 believe are owned or controlled in whole or in part by any of the Defendants.

1 J. "Temporary Receiver" refers to the receiver identified in Paragraph XVIII.
2

3 **III. ORDER TO SHOW CAUSE**

4 All Defendants are HEREBY ORDERED TO SHOW CAUSE on Thursday, July 16th,
5 2009 at 8:30 a.m. at the United States Courthouse, Courtroom 9C, Santa Ana, California, why
6 the Court should not issue a preliminary injunction against you in this matter on the same or
7 similar terms as those of the Temporary Restraining Order provided herein. If all parties so
8 stipulate, the hearing may be moved back to August 4, 2009 at 8:30 a.m.
9

10 **IV. TEMPORARY RESTRAINING ORDER**

11 Pending a hearing on the above Order to Show Cause, Defendants, their
12 successors, assigns, members, officers, agents, servants, employees, and attorneys and all those
13 in active concert or preparation with them who receive actual notice of this Order by personal
14 service, facsimile transmission, email or otherwise, whether acting directly or through any
15 corporation, subsidiary, division or other device, in connection with the advertising, marketing,
16 promotion, offering for sale or sale of any mortgage loan modification service, are HEREBY
17 TEMPORARILY RESTRAINED AND ENJOINED FROM falsely representing, expressly or by
18 implication, any of the following:

19 **I. INJUNCTION AGAINST MISREPRESENTATIONS**

20 **IT IS THEREFORE ORDERED** that Defendants and their successors, assigns,
21 members, officers, agents, servants, employees, and attorneys, and those persons or
22 entities in active concert or participation with them who receive actual notice of this
23 Order by personal service, facsimile transmission, email, or otherwise, whether acting
24 directly or through any corporation, subsidiary, division, or other device, in connection
25 with the advertising, marketing, promotion, offering for sale or sale of any mortgage loan
26 modification service, are temporarily restrained and enjoined from falsely representing,
27 or from assisting others who are falsely representing, expressly or by implication, any of
28 the following:

1 A. That any Defendant or any other person will

- 2 1. Obtain or arrange a modification of any term of a consumer's home
3 loan, deed of trust, or mortgage, including any recapitalization or
4 reinstatement agreement;
- 5 2. Obtain or arrange a pre-foreclosure sale, short sale, or deed-in-lieu of
6 foreclosure;
- 7 3. Stop, prevent, or postpone any home mortgage foreclosure sale;
- 8 4. Save any consumer's residence from foreclosure;
- 9 5. Obtain or arrange lower or affordable monthly mortgage payments for
10 any consumer;
- 11 6. Obtain or arrange lower or affordable interest rates on any home loan,
12 deed of trust, or mortgage for any consumer;
- 13 7. Obtain or arrange a reduction of the principle balance on any home
14 loan, deed of trust, or mortgage for any consumer;
- 15 8. Give a full or partial refund of any fees paid if the Defendant or other
16 person fails to provide a mortgage loan modification service;

17 B. The terms that any beneficiary, mortgagee, or other home-loan holder will
18 or is likely to offer or accept to cure any delinquency or default on, or to reinstate or
19 modify, any mortgage, deed of trust, or other home loan;

20 C. The amount of time it will take or is likely to take for any Defendant or any
21 other person to obtain or arrange a modification of any term of a consumer's home loan,
22 deed of trust, or mortgage, including any recapitalization or reinstatement agreement;

23 D. The refund policy of any Defendant or any other person, including but not
24 limited to the likelihood of a consumer obtaining a full or partial refund, or the
25 circumstances in which a full or partial refund will be granted to the consumer; or

26 E. Any other material fact.

27 **II. RESTRICTION ON COLLECTION OF ADVANCE FEES**

28 **IT IS FURTHER ORDERED** that Defendants and their successors, assigns,

1 members, officers, agents, servants, employees, and attorneys, and those persons or
2 entities in active concert or participation with them who receive actual notice of this
3 Order by personal service, facsimile transmission, email, or otherwise, whether acting
4 directly or through any corporation, subsidiary, division, or other device, in connection
5 with the advertising, marketing, promotion, offering for sale or sale of any mortgage loan
6 modification service, are temporarily restrained and enjoined from requesting or
7 receiving payment of any fee or consideration in advance of performing each and every
8 mortgage loan modification or foreclosure relief service that Defendants contracted to
9 perform or represented would be performed.

10 **III. DISABLEMENT OF DEFENDANTS' WEB SITES**

11 **IT IS FURTHER ORDERED** that, immediately upon service of this Order upon
12 them, Defendants and their successors, assigns, members, officers, agents, servants,
13 employees, and attorneys, and those persons or entities in active concert or participation
14 with them who receive actual notice of this Order by personal service, facsimile
15 transmission, email, or otherwise, whether acting directly or through any corporation,
16 subsidiary, division, or other device, in connection with the advertising, marketing,
17 promotion, offering for sale or sale of any mortgage loan modification service, shall:

- 18 A. Immediately do whatever is necessary to ensure that any Web site used by
19 Defendants for the advertising, marketing, promotion, offering for sale, sale,
20 or provision of any mortgage loan modification services, and containing
21 statements or representations prohibited by Paragraph I. of this Order,
22 including, but not limited to, www.lucaslawcenter.com or
23 www.oclawoffices.us, cannot be accessed by the public;
- 24 B. Prevent the destruction or erasure of any Web site used by Defendants for
25 the advertising, marketing, promotion, offering for sale, sale, or provision of
26 any mortgage loan modification services, including, but not limited to,
27 www.lucaslawcenter.com or www.oclawoffices.us, by preserving such Web
28 sites in the format in which they are maintained currently; and

1 C. Immediately notify counsel for the FTC of any other Web sites operated or
2 controlled by Defendants.

3 **IV. POSTING NOTICE OF LAWSUIT ON WEB SITES**

4 **IT IS FURTHER ORDERED** that Defendants and their successors, assigns,
5 members, officers, agents, servants, employees, and attorneys, and those persons or
6 entities in active concert or participation with them who receive actual notice of this
7 Order by personal service, facsimile transmission, email, or otherwise, whether acting
8 directly or through any corporation, subsidiary, division, or other device, in connection
9 with the advertising, marketing, promotion, offering for sale or sale of any mortgage loan
10 modification service, shall immediately take whatever action is necessary to ensure that
11 any Web site disabled as ordered by Paragraph IIIA of this Order, shall prominently
12 display only the following statement:

13 The Federal Trade Commission (“FTC”) has filed a lawsuit against
14 LucasLawCenter “incorporated”, Future Financial Services, LLC,
15 Paul Jeffrey Lucas, Christopher Francis Betts, and Frank Sullivan,
16 doing business as **Lucas Law Center**, alleging that they have
17 engaged in deceptive practices relating to the advertising, marketing,
18 promotion, offering for sale, sale, or provision of mortgage loan
19 modification services. The United States District Court for the
20 Central District of California has issued a Temporary Restraining
21 Order prohibiting the alleged practices. You may obtain additional
22 information directly from the Temporary Receiver, Robb Evans, or
23 the Federal Trade Commission.

24 Each Web site carrying this message shall also provide a hypertext link to the
25 FTC’s Web page at www.ftc.gov, or other Web page designated by counsel for the FTC.

26 **V. FREEZING DOMAIN NAME REGISTRATION**

27 **IT IS FURTHER ORDERED** that pending determination of Plaintiff’s request
28 for a Preliminary Injunction, Register.com, Inc., headquartered in New York, New York,
and GoDaddy.com, Inc., headquartered in Scottsdale, Arizona, and any other domain
name registrar shall:

A. Immediately freeze and place a hold on, to prevent the change, modification,
assignment, sale, lapse, or expiration of, the domain name registration of
www.lucaslawcenter.com or www.oclawoffices.us, and any other domain

