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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

ORIGINAL

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

WORLD TRADERS ASSOCIATION, INC.,

et al.,

LOGGED
CLERK, U.S. DISTRICT COURT

JAN 25 2005

Defendants.

CENTRAL DISTRICT OF CALIFORNIA
DEPUTY

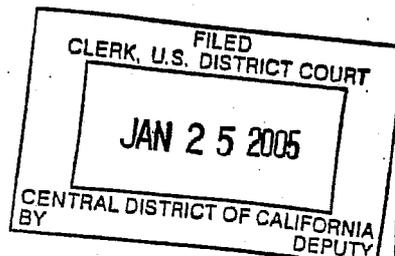
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PROPOSED
EX PARTE TEMPORARY
RESTRAINING ORDER
WITH ASSET FREEZE,
APPOINTMENT OF
RECEIVER AND OTHER
EQUITABLE RELIEF; TOGETHER
WITH RIDER A AND RIDER B
ATTACHED HERETO

(CT)

Plaintiff, the Federal Trade Commission ("FTC" or "Commission"), having filed a Complaint for a Permanent Injunction and Other Relief, including redress to consumers, pursuant to Sections 13(b) and 19(a) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b) and 57b(a), and having moved for an *Ex Parte* Temporary Restraining Order pursuant to Rule 65 of the Federal Rules of Civil Procedure, Fed. R. Civ. P. 65, and the Court having considered the Complaint, declarations, exhibits, and memorandum of law filed in support, finds that:

1. This Court has jurisdiction of the subject matter of this case and there is good cause to believe it will have jurisdiction over all parties hereto;
2. There is good cause to believe that Defendants World Traders Association, Inc., United Traders Association, Inc., International Merchandise Group, Inc., Trans-Global Connection, Inc., Musketeer Partners, Inc., Fulfillment Options, Inc., Judith Takala Fidler, Sheldon Fidler, Shannon Holden, Jaime Klotthor, Jennifer Klotthor, and Scott Rinaldo 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 the



1 Commission's Rule entitled Disclosure Requirements and Prohibitions
2 Concerning Franchise and Business Opportunity Ventures (the "Franchise Rule"),
3 16 C.F.R. Part 436, and that the Commission is therefore likely to prevail on the
4 merits of this action;

5 3. There is good cause to believe that immediate and irreparable harm will
6 result from Defendants' ongoing violations of Section 5 of the FTC Act and the
7 Franchise Rule unless Defendants are restrained and enjoined by Order of this
8 Court;

9 4. There is good cause to believe that immediate and irreparable damage to the
0 Court's ability to grant effective final relief for consumers in the form of monetary
1 restitution will occur from the sale, transfer, or other disposition or concealment
2 by Defendants of assets or records unless Defendants are immediately restrained
3 and enjoined by Order of this Court. Therefore, in accordance with Fed. R. Civ. P.
4 65(b), good cause and the interests of justice requires that this Order be granted
5 without prior notice to Defendants. Accordingly, the Commission is relieved of
6 the duty to provide Defendants with prior notice of the Commission's motion;

7 5. Good cause exists for appointing a temporary Receiver for the Corporate
8 Defendants World Traders Association, Inc., United Traders Association, Inc.,
9 International Merchandise Group, Inc., Trans-Global Connection, Inc., Musketeer
0 Partners, Inc., and Fulfillment Options;

1 6. Weighing the equities and considering the Commission's likelihood of
2 ultimate success, a Temporary Restraining Order with an asset freeze, appointment
3 of a temporary Receiver, and other equitable relief is in the public interest; and

4 7. No security is required of any agency of the United States for issuance of a
5 restraining order. Fed. R. Civ. P. 65(c).

DEFINITIONS

1. "Assets" means any legal or equitable interest in, right to, or claim to, any real and personal property, including, but not limited to chattel, goods, instruments, equipment, fixtures, general intangibles, inventory, checks, notes, leaseholds, effects, contracts, mail or other deliveries, shares of stock, lists of consumer names, accounts, credits, premises, receivables, funds, and cash, wherever located, whether in the United States or abroad;
2. "Business venture" means any written or oral business arrangement, however denominated, regardless of whether covered by the Franchise Rule, which consists of the payment of any consideration for:
 - a. the right or means to offer, sell, or distribute goods or services (regardless of whether identified by a trademark, service mark, trade name, advertising, or other commercial symbol); and
 - b. more than nominal assistance to any person or entity in connection with or incident to the establishment, maintenance, or operation of a new business or the entry by an existing business into a new line or type of business;
2. "Corporate Defendants" means World Traders Association, Inc., United Traders Association, Inc., International Merchandise Group, Inc., Trans-Global Connection, Inc., Musketeer Partners, Inc., Fulfillment Options, Inc., and any affiliates, fictitious names, d/b/a's, subsidiaries, successors, or assigns of the aforementioned entities.
3. "Individual Defendants" means Judith Takala Fidler, Sheldon Fidler, Shannon Holden, Jaime Klotthor, Jennifer Klotthor, and Scott Rinaldo;
4. "Defendants" means (a) each Corporate Defendant; (b) each Individual

1 Defendant; (c) any person insofar as he or she is acting in the capacity of an
2 officer, agent, servant, employee or attorney of any Corporate Defendant or any
3 Individual Defendant; and (d) any persons or entities in active concert or
4 participation with any of the foregoing who receives actual notice of this Order by
5 personal service or otherwise, whether these persons or entities are acting directly
6 or through a trust, corporation, subsidiary, division, or other device.

7 5. "Document" is synonymous in meaning and equal in scope to the usage of
8 the term in Fed. R. Civ. P. 34(a), and includes writings, drawings, graphs, charts,
9 photographs, audio and video recordings, computer records, and other data
0 compilations from which information can be obtained and translated, if necessary,
1 through detection devices into reasonably usable form. A draft or non-identical
2 copy is a separate document within the meaning of the term;

3 6. "Receiver" shall mean the temporary receiver appointed in Section X of this
4 Order and any deputy receivers that may be named by the temporary receiver;

5 7. "Receivership Defendants" shall mean the Corporate Defendants and any
6 other entities in active concert or participation with the Corporate Defendants who
7 receive actual notice of this Order by personal service or otherwise, whether these
8 entities are acting directly or through a trust, corporation, subsidiary, division, or
9 other device.

ORDER

I. PROHIBITION AGAINST VIOLATION OF SECTION 5 OF THE FEDERAL TRADE COMMISSION ACT

IT IS THEREFORE ORDERED that, in connection with the offering for
sale or selling of any business venture, including franchises, defendants are hereby
temporarily restrained and enjoined from making any material misrepresentation
or assisting others in making any material misrepresentation, either expressly or by
implication, to any prospective purchaser of a business venture, including but not

1 limited to, the following:

- 2 1. That consumers who purchase defendants' business ventures are likely to
3 earn substantial income;
- 4 2. That consumers who purchase defendants' business ventures will be
5 provided with names and contact information of buyers who have been previously
6 contacted by defendants and are interested in purchasing defendants' products;
- 7 3. That consumers who purchase defendants' business ventures will acquire
8 accounts of buyers who are interested in purchasing defendants' products;
- 9 4. That company-selected references have purchased the defendants' business
0 ventures or will provide reliable descriptions of experiences with the business
1 ventures;
- 2 5. That defendants will provide consumers who purchase their business
3 ventures with training and continuous support for the operation of the consumers'
4 businesses; or
- 5 6. That defendants will provide consumers who purchase their business
6 ventures with hundreds of discounted, surplus products for shipment to
7 purchasers, including but not limited to numerous name brand items.

8 **II. PROHIBITION AGAINST VIOLATION OF THE FRANCHISE 9 RULE**

10 **IT IS FURTHER ORDERED** that defendants are hereby temporarily
11 restrained and enjoined from violating or assisting others to violate any provisions
12 of the Franchise Rule, 16 C.F.R. Part 436, including but not limited to:

- 13 1. Failing to provide a prospective purchaser with a complete and accurate
14 disclosure document as prescribed by the Franchise Rule, 16 C.F.R. § 436.1(a);
- 15 2. Failing to provide a prospective purchaser with an earnings claim document
16 as prescribed by the Franchise Rule, 16 C.F.R. § 436.1(b)-(e);
- 17 3. Failing to have a reasonable basis for any earnings claim at the time such

1 claim is made, as required by the Franchise Rule, 16 C.F.R. § 436.1(b)-(e);

2 4. Failing to disclose, in immediate conjunction with any earnings claim, and
3 in a clear and conspicuous manner, that material which constitutes a reasonable
4 basis for the earnings claim is available to the prospective purchasers;

5 5. Failing to provide material which constitutes a reasonable basis for any
6 earnings claim to prospective purchasers, the Commission, or its staff upon
7 reasonable demand; or

8 6. Making any statement that contradicts information required to be disclosed
9 in the disclosure document, as required by the Franchise Rule, 16 C.F.R.
0 § 436.1(f).

1 III. ASSET FREEZE

2 **IT IS FURTHER ORDERED** that Defendants are hereby temporarily
3 restrained and enjoined from:

4 1. Transferring, liquidating, converting, encumbering, pledging, loaning,
5 selling, concealing, dissipating, disbursing, assigning, spending, withdrawing,
6 granting a lien or security interest or other interest in, or otherwise disposing of
7 any funds, real or personal property, accounts, contracts, consumer lists, shares of
8 stock, or other assets, or any interest therein, wherever located, whether within the
9 United States or within a jurisdiction outside the United States, that are: (1)
0 owned or controlled by any of the Corporate Defendants or Individual Defendants,
1 in whole or in part, for the benefit of any Corporate Defendant or Individual
2 Defendant; (2) in the actual or constructive possession of any Corporate Defendant
3 or Individual Defendant; or (3) owned, controlled by, or in the actual or
4 constructive possession of any corporation, partnership, or other entity directly or
5 indirectly owned, managed, or controlled by any Corporate Defendant or
6 Individual Defendant, including, but not limited to, any assets held by or for, or

1 subject to access by, any of the Defendants, at any bank or savings and loan
2 institution, or with any broker-dealer, escrow agent, title company, commodity
3 trading company, precious metals dealer, or other financial institution or
4 depository of any kind;

5 2. Opening or causing to be opened any safe deposit boxes titled in the name
6 of any Corporate Defendant or Individual Defendant, or subject to access by any
7 of them;

8 3. Incurring charges or cash advances on any credit card issued in the name,
9 singly or jointly, of any Corporate Defendant;

0 4. Obtaining a personal or secured loan encumbering the assets of any
Corporate Defendant or Individual Defendant; and

1 5. Incurring liens or other encumbrances on real property, personal property or
2 other assets in the name, singly or jointly, of any Corporate Defendant or
3 Individual Defendant.

*For paragraphs III 6 and 7, see the attached Riders
A, which is incorporated herein, by reference. All M*

The assets affected by this Section include: (1) all assets of any of the Corporate
Defendants or Individual Defendants as of the time this Order was entered; and (2)
assets obtained after the time this Order was entered if the assets are derived from
the conduct alleged in the Commission's Complaint.

IV. RETENTION OF ASSETS AND RECORDS BY FINANCIAL INSTITUTIONS

IT IS FURTHER ORDERED that, pending determination of the

Commission's request for a preliminary injunction, any financial or brokerage
institution, business entity, or person served with a copy of this Order that holds,
controls or maintains custody of any account or asset of any Corporate Defendant
or Individual Defendant shall:

1. Hold and retain within its control and prohibit the withdrawal, removal,
assignment, transfer, pledge, encumbrance, disbursement, dissipation, conversion,

- 1 sale, or other disposal of any such asset, except by further order of the Court;
- 2 2. Deny Defendants access to any safe deposit box that is titled in the name,
3 individually or jointly or otherwise subject to access by any Corporate Defendant
4 or Individual Defendant;
- 5 3. Provide the Commission's counsel, within five (5) days of receiving a copy
6 of this Order, a sworn statement setting forth:
 - 7 a. the identification number of each such account or asset titled in the
8 name, individually or jointly, of any Corporate Defendant or
9 Individual Defendant, or held on behalf of, or for the benefit of any
0 Corporate Defendant or Individual Defendant;
 - 1 b. the balance of each such account, or a description of the nature and
2 value of such asset as of the close of business on the day on which
3 this Order is served, and, if the account or other asset has been closed
4 or removed, the date closed or removed, the total funds removed in
5 order to close the account, and the name of the person or entity to
6 whom such account or other asset was remitted; and
 - 7 c. the identification of any safe deposit box that is titled in the name,
8 individually or jointly, of any Corporate Defendant or Individual
9 Defendant, or is otherwise subject to access by any Corporate
0 Defendant or Individual Defendant; and
- 1 4. Upon request by the Commission, promptly provide the Commission with
2 copies of all records or other documentation pertaining to each such account or
3 asset, including but not limited to originals or copies of account applications,
4 account statements, signature cards, checks, drafts, deposit tickets, transfers to and
5 from the accounts, all other debit and credit instruments or slips, currency
6 transaction reports, 1099 forms, and safe deposit box logs.

1 restrained and enjoined from taking any action, directly or indirectly, which may
2 result in the encumbrance or dissipation of foreign assets, or in the hindrance of
3 the repatriation required by the Section VIII of this Order, including but not
4 limited to:

5 1. Sending any statement, letter, fax, e-mail or wire transmission, telephoning
6 or engaging in any other act, directly or indirectly, that results in a determination
7 by a foreign trustee or other entity that a "duress" event has occurred under the
8 terms of a foreign trust agreement until such time that all assets have been fully
9 repatriated pursuant to Section VIII of this Order;

0 2. Notifying any trustee, protector or other agent of any foreign trust or other
1 related entities of either the existence of this Order, or of the fact that repatriation
2 is required pursuant to a Court Order, until such time that all assets have been
3 fully repatriated pursuant to Section VIII of this Order.

4 **X. APPOINTMENT OF TEMPORARY RECEIVER**

5 **IT IS FURTHER ORDERED** that Robb Evans and Associates, LLC is 
6 appointed temporary receiver for the Receivership Defendants. The Receiver shall
7 be the agent of this Court, and solely the agent of this Court, in acting as Receiver
8 under this Order. The Receiver shall be accountable directly to this Court.

9 **XI. RECEIVER'S DUTIES**

0 **IT IS FURTHER ORDERED** that the Receiver is authorized and directed
1 to accomplish the following:

2 1. Assume full control of the Receivership Defendants by removing, as the
3 Receiver deems necessary or advisable, any director, officer, independent
4 contractor, employee, or agent of any of the Receivership Defendants, including
5 any Defendant, from control of, management of, or participation in, the affairs of
6 the Receivership Defendants;

1 2. Take exclusive custody, control, and possession of all assets and documents
2 of, or in the possession, custody, or under the control of, the Receivership
3 Defendants, wherever situated. The Receiver shall have full power to divert mail
4 and to sue for, collect, receive, take in possession, hold, and manage all assets and
5 documents of the Receivership Defendants and other persons or entities whose
6 interests are now under the direction, possession, custody, or control of, the
7 Receivership Defendants. The Receiver shall assume control over the income and
8 profits therefrom and all sums of money now or hereafter due or owing to the
9 Receivership Defendants. *Provided, however,* that the Receiver shall not attempt
0 to collect any amount from a consumer if the Receiver believes the consumer was
1 a victim of the unfair or deceptive acts or practices or other violations of law
2 alleged in the Complaint in this matter, without prior Court approval;

3 3. Take all steps necessary to secure each location from which the
4 Receivership Defendants operate their business. Such steps may include, but are
5 not limited to, any of the following, as the Receiver deems necessary or advisable:
6 (1) serving this Order; (2) completing a written inventory of all receivership
7 assets; (3) obtaining pertinent information from all employees and other agents of
8 the Receivership Defendants, including, but not limited to, the name, home
9 address, social security number, job description, passwords or access codes,
0 method of compensation, and all accrued and unpaid commissions and
1 compensation of each such employee or agent; (4) photographing and video taping
2 any or all portions of the location; (5) securing the location by changing the locks
3 and disconnecting any computer modems or other means of access to the computer
4 or other records maintained at that location; and (6) requiring any persons present
5 on the premises at the time this Order is served to leave the premises, to provide
6 the Receiver with proof of identification, or to demonstrate to the satisfaction of
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1 the Receiver that such persons are not removing from the premises documents or
2 assets of the Receivership Defendants. Law enforcement personnel, including, but
3 not limited to, police or sheriffs, may assist the Receiver in implementing these
4 provisions in order to keep the peace and maintain security. If requested by the
5 Receiver, the United States Marshall will provide appropriate and necessary
6 assistance to the Receiver to implement this Order;

7 4. Conserve, hold, and manage all assets of the Receivership Defendants, and
8 perform all acts necessary or advisable to preserve the value of those assets in
9 order to prevent any irreparable loss, damage, or injury to consumers or creditors
0 of the Receivership Defendants, including, but not limited to, obtaining an
1 accounting of the assets and preventing the unauthorized transfer, withdrawal, or
2 misapplication of assets;

3 5. Enter into contracts and purchase insurance as advisable or necessary;

4 6. Prevent the inequitable distribution of assets and determine, adjust, and
5 protect the interests of consumers and creditors who have transacted business with
6 the Receivership Defendants;

7 7. Manage and administer the business of the Receivership Defendants until
8 further order of this Court by performing all incidental acts that the Receiver
9 deems to be advisable or necessary, which includes but is not limited to retaining,
0 hiring, or dismissing any employees, independent contractors, or agents;

1 8. Choose, engage, and employ attorneys, accountants, appraisers, and other
2 independent contractors and technical specialists, as the Receiver deems advisable
3 or necessary in the performance of duties and responsibilities under the authority
4 granted by this Order;

5 9. Make payments and disbursements from the receivership estate that are
6 necessary or advisable for carrying out the directions of, or exercising the
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1 authority granted by, this Order. The Receiver shall apply to the Court for prior
2 approval of any payment of any debt or obligation incurred by the Receivership
3 Defendants prior to the date of entry of this Order, except payments that the
4 Receiver deems necessary or advisable to secure assets of the Receivership
5 Defendants, such as rental payments;

6 10. Suspend business operations of the Receivership Defendants if in the
7 judgment of the Receiver such operations cannot be continued legally and
8 profitably;

9 11. Institute, compromise, adjust, appear in, intervene in, or become party to
0 such actions or proceedings in state, federal or foreign courts or arbitration
1 proceedings as the Receiver deems necessary and advisable to preserve or recover
2 the assets of the Receivership Defendants, or that the Receiver deems necessary
3 and advisable to carry out the Receiver's mandate under this Order, including but
4 not limited to, actions challenging fraudulent or voidable transfers;

5 12. Defend, compromise, adjust, or otherwise dispose of any or all actions or
6 proceedings instituted in the past or in the future against the Receiver in his role as
7 Receiver, or against the Receivership Defendants, as the Receiver deems
8 necessary and advisable to preserve the assets of the Receivership Defendants, or
9 as the Receiver deems necessary and advisable to carry out the Receiver's mandate
0 under this Order, including any actions or proceedings against consumers who
1 pursue defendants' business ventures;

2 13. Issue subpoenas to obtain documents and records pertaining to the
3 receivership, and conduct discovery in this action on behalf of the receivership
4 estate;

5 14. Open one or more bank accounts as designated depositories for funds of the
6 Receivership Defendants. The Receiver shall deposit all funds of the Receivership
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1 Defendants in such a designated account and shall make all payments and
2 disbursements from the receivership estate from such an account. The Receiver
3 shall serve copies of monthly account statements on all parties;

4 15. Maintain accurate records of all receipts and expenditures that he makes as
5 Receiver; and

6 16. Cooperate with reasonable requests for information or assistance from any
7 state or federal law enforcement agency.

8 **XII. TRANSFER OF RECEIVERSHIP PROPERTY TO RECEIVER**

9 **IT IS FURTHER ORDERED** that Defendants and any other person or
0 entity with possession, custody or control of property of or records relating to the
1 Receivership Defendants shall upon notice of this order by personal service or
2 otherwise immediately notify the Receiver of, and immediately upon receiving a
3 request from the Receiver, immediately transfer or deliver to the Receiver
4 possession, custody, and control of, the following:

- 5 1. All assets of the Receivership Defendants;
- 6 2. All documents of the Receivership Defendants, including, but not limited to,
7 books and records of accounts, all financial and accounting records, balance
8 sheets, income statements, bank records (including monthly statements, canceled
9 checks, records of wire transfers, and check registers), client lists, title documents
0 and other papers;
- 1 3. All computers and data in whatever form used to conduct the business of the
2 Receivership Defendants;
- 3 4. All assets belonging to other persons or entities whose interests are now
4 under the direction, possession, custody, or control of, the Receivership
5 Defendants; and
- 6 5. All keys, codes, and passwords necessary to gain or to secure access to any
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1 assets or documents of the Receivership Defendants, including, but not limited to,
2 access to their business premises, means of communication, accounts, computer
3 systems, or other property.

4 In the event that any person or entity fails to deliver or transfer any asset or
5 otherwise fails to comply with any provision of this Paragraph, the Receiver may
6 file *ex parte* an Affidavit of Non-Compliance regarding the failure. Upon filing of
7 the affidavit, the Court may authorize, without additional process or demand,
8 Writs of Possession or Sequestration or other equitable writs requested by the
9 Receiver. The writs shall authorize and direct the United States Marshal or any
0 sheriff or deputy sheriff of any county, or any other federal or state law
1 enforcement officer, to seize the asset, document, or any other item covered by this
2 section, and to deliver it to the Receiver.

3 **XIII. PROVISION OF INFORMATION TO RECEIVER**

4 **IT IS FURTHER ORDERED** that Defendants shall provide to the
5 Receiver, immediately upon request, the following:

- 6 1. A list of all assets and property, including accounts, of the Receivership
7 Defendants that are held in any name other than the name of a Receivership
8 Defendant, or by any person or entity other than a Receivership Defendant; and
- 9 2. A list of all agents, employees, officers, servants or those persons in active
0 concert and participation with the Individual Defendants and Receivership
1 Defendants, who have been associated or done business with the Receivership
2 Defendants.

3 **XIV. COOPERATION WITH THE RECEIVER**

4 **IT IS FURTHER ORDERED** that Defendants and all other persons or
5 entities served with a copy of this Order shall fully cooperate with and assist the
6 Receiver in taking and maintaining possession, custody, or control of the assets of
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1 the Receivership Defendants. This cooperation and assistance shall include, but
2 not be limited to: providing information to the Receiver that the Receiver deems
3 necessary in order to exercise the authority and discharge the responsibilities of
4 the Receiver under this Order; providing any password required to access any
5 computer, electronic file, or telephonic data in any medium; advising all persons
6 who owe money to the Receivership Defendants that all debts should be paid
7 directly to the Receiver; transferring funds at the Receivers' direction; and
8 producing records related to the assets and sales of the Receivership Defendants.
9 The entities obligated to cooperate with the Receiver under this provision include,
10 but are not limited to, banks, broker-dealers, savings and loans, escrow agents,
11 title companies, commodity trading companies, precious metals dealers and other
12 financial institutions and depositories of any kind, and all third-party billing
13 agents, common carriers, and other telecommunications companies, that have
14 transacted business with the Receivership Defendants.

5 **XV. INTERFERENCE WITH THE RECEIVER**

6 **IT IS FURTHER ORDERED** that Defendants are hereby restrained and
7 enjoined from directly or indirectly:

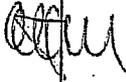
- 8 1. Interfering with the Receiver managing, or taking custody, control, or
9 possession of, the assets or documents subject to this receivership;
- 0 2. Transacting any of the business of the Receivership Defendants;
- 1 3. Transferring, receiving, altering, selling, encumbering, pledging, assigning,
2 liquidating, or otherwise disposing of any assets owned, controlled, or in the
3 possession or custody of, or in which an interest is held or claimed by, the
4 Receivership Defendants, or the Receiver; and
- 5 4. Refusing to cooperate with the Receiver or the Receiver's duly authorized
6 agents in the exercise of their duties or authority under any order of this Court.

XVI. STAY OF ACTIONS AGAINST RECEIVERSHIP DEFENDANTS

IT IS FURTHER ORDERED that, except by leave of this Court, during pendency of the receivership ordered herein, Defendants, and all investors, creditors, stockholders, lessors, customers and other persons seeking to establish or enforce any claim, right, or interest against or on behalf of Defendants, and all others acting for or on behalf of such persons, are hereby enjoined from taking action that would interfere with the exclusive jurisdiction of this Court over the assets or documents of the Receivership Defendants, including, but not limited to:

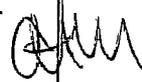
1. Petitioning, or assisting in the filing of a petition, that would cause any Receivership Defendant to be placed in bankruptcy;
2. Commencing, prosecuting, or continuing a judicial, administrative, or other action or proceeding against the Receivership Defendants, including the issuance or employment of process against the Receivership Defendants, *except* that such actions may be commenced if necessary to toll any applicable statute of limitations;
3. Filing or enforcing any lien on any asset of the Receivership Defendants, taking or attempting to take possession, custody, or control of any asset of the Receivership Defendants; or attempting to foreclose, forfeit, alter, or terminate any interest in any asset of the Receivership Defendants, whether such acts are part of a judicial proceeding, are acts of self-help, or otherwise;
4. Initiating any other process or proceeding that would interfere with the Receiver managing or taking custody, control, or possession of, the assets or documents subject to this receivership.

Provided that, this Order does not stay: (i) the commencement or continuation of a criminal action or proceeding; (ii) the commencement or continuation of an action or proceeding by a governmental unit to enforce such governmental unit's

1 Lima Street, Burbank, CA 91505; (2) 7950 E. Acoma Drive, Scottsdale, AZ
2 85254; (3) 2950 E. Flamingo Rd., Las Vegas, NV 89121-5208; (4) 1600
3 Broadway, Ste. 2400, Denver, CO 80202-4921; (5) 2620 Regatta Drive, Suite 102,
4 Las Vegas, NV 89128. The Commission and the Receiver, and their
5 representatives, agents, and assistants, are authorized to employ the assistance of
6 law enforcement officers as they deem necessary to effect service and to
7 implement peacefully the provisions of this Order. The Commission and the
8 Receiver, and their representatives, agents, and assistants, are authorized to
9 remove documents from the Receiver Defendants' premises in order that they may
0 be inspected, inventoried, and copied for the purpose of preserving discoverable
1 material in connection with this action. Furthermore, the Receiver shall allow the
2 Corporate Defendants and Individual Defendants reasonable access to the
3 premises and business records of the Receivership Defendants within the
4 Receiver's possession for the purpose of inspecting and copying materials relevant
5 to this action. The Receiver shall have the discretion to determine the time,
6 manner, and reasonable conditions of such access. *See Rider B, which is* 
7 *incorporated herein by*
8 *reference.*

XX. EXPEDITED DISCOVERY

IT IS FURTHER ORDERED that, in anticipation of the preliminary
injunction hearing in this matter, the Commission and the Receiver are authorized
to conduct expedited discovery concerning Defendants' assets and business
practices in accordance with the following provisions:

1. The Commission and the Receiver may take the depositions of parties and
non-parties. *Ninety-six hours (96) actual*
~~Forty-eight hours (48)~~ notice shall be sufficient notice for such
depositions; 
2. The Commission and the Receiver may serve upon parties requests for
production of documents or inspection that require production or inspection within

that Defendants have provided copies of the Order as required by this paragraph; and (B) lists the names and addresses of each entity or person to whom Defendants provided a copy of the Order. Furthermore, the Corporate Defendants and Individual Defendants shall not take any action that would encourage officers, agents, directors, employees, salespersons, independent contractors, attorneys, subsidiaries, affiliates, successors, assigns or other persons or entities in active concert or participation with Defendants to disregard this Order or believe that they are not bound by its provisions.

XXIII. DURATION OF TEMPORARY RESTRAINING ORDER

IT IS FURTHER ORDERED that the Temporary Restraining Order granted herein shall expire ten (10) days from the date of entry noted below unless, within such time, the Order is extended for an additional period not to exceed ten (10) days for good cause shown, or unless, as to any Corporate Defendant or Individual Defendant, such Defendant consents to an extension for a longer period.

XXIV. ORDER TO SHOW CAUSE REGARDING PRELIMINARY INJUNCTION

IT IS FURTHER ORDERED, pursuant to Federal Rule of Civil Procedure 65(b), that each of the Defendants shall appear before this Court on the 7th day of February, 2005, at 11:30 o'clock a.m., to show cause, if there is any, why this Court should not enter a Preliminary Injunction enjoining the violations of law alleged in the Commission's Complaint, continuing the freeze of their assets, continuing the Receivership and imposing such additional relief as may be appropriate.

**XXV. BRIEFS AND AFFIDAVITS CONCERNING PRELIMINARY
INJUNCTION**

IT IS FURTHER ORDERED that Defendants must file with the Clerk's Office and deliver to the counsel for the Commission any brief responding to the order to show cause why a preliminary injunction should not be entered no later 72 hours before the time scheduled for the hearing. The parties must file with the Court and deliver to counsel that have entered an appearance any affidavits and other evidence upon which they intend to rely in connection with the Commission's request for a preliminary injunction no later than 24 hours before the time scheduled for the preliminary injunction hearing. If any party intends to present the testimony of any witness at the hearing on a preliminary injunction, that party shall file with the Court and deliver to counsel that have entered an appearance a statement disclosing the name, address and telephone number of any such witness, and either a summary of the witness's expected testimony, or the witness's affidavit or declaration revealing the substance of the witness's testimony, no later than 24 hours before the time scheduled for the preliminary injunction hearing.

XXVI. SERVICE UPON PLAINTIFF

IT IS FURTHER ORDERED that Defendants shall serve all pleadings, memoranda, correspondence, affidavits, declarations, or other documents related to this Order or Plaintiff's motion for a preliminary injunction by facsimile transmission to (202) 326-3395, by hand delivery to the offices of the Federal Trade Commission, at 600 Pennsylvania Avenue, NW, Room H-238, Washington, DC 20580, and addressed to the attention of Laura Kim, or by overnight shipment through a third-party commercial carrier for delivery at this address.

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

FEDERAL TRADE COMMISSION,
Plaintiff,
v.
WORLD TRADERS
ASSOCIATION, Inc., et al.,
Defendants.

CASE NO. CV 05-0591AHM(CTx)

RIDER A TO *EX PARTE*
TEMPORARY RESTRAINING
ORDER WITH ASSET FREEZE,
APPOINTMENT OF RECEIVER,
AND OTHER EQUITABLE
RELIEF

III. Asset Freeze

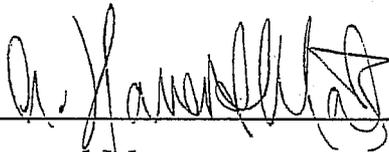
6. Notwithstanding the above provisions, and notwithstanding any provisions in the next Section IV to the contrary, the Individual Defendants may pay from their respective personal funds or accounts reasonable, usual, ordinary and necessary living expenses (including for housing) and attorneys' fees, not to exceed in the aggregate \$5,000 per Defendant. If two Individual Defendants are spouses of each other,

1 those Individual Defendants collectively may pay not more than \$7,500
2 total.

3 7. This Section III, including this Rider, shall remain in effect until the
4 earlier of the following dates: (1) the expiration of this temporary
5 restraining order or (2) February 28, 2005.

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7 IT IS SO ORDERED.

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9 DATE: January 25, 2005



A. Howard Matz

United States District Judge

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

FEDERAL TRADE COMMISSION,
Plaintiff,
v.
WORLD TRADERS
ASSOCIATION, Inc., et al.,
Defendants.

CASE NO. CV 05-0591AHM (CTx)

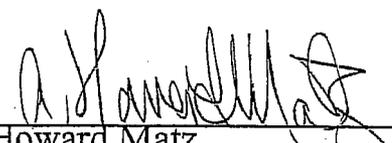
RIDER B TO *EX PARTE*
TEMPORARY RESTRAINING
ORDER WITH ASSET FREEZE,
APPOINTMENT OF RECEIVER,
AND OTHER EQUITABLE
RELIEF

XIX. Access to Business Office and Records

The FTC shall be allowed to remove all documents produced pursuant to this Section XIX for a period not to exceed twenty-four (24) hours for the purposes of copying such documents. The FTC shall return the originals of the documents within twenty-four (24) hours of their removal, along with an inventory of what had been removed.

IT IS SO ORDERED.

DATE: January 25, 2005


A. Howard Matz
United States District Judge