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**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA**

FEDERAL TRADE COMMISSION  
Plaintiff,  
v.  
AUTOMATORS LLC, *et al.*,  
Defendants,  
PEREGRINE WORLDWIDE, LLC,  
Relief Defendant.

Case No. 23-cv-1444-BAS-LSC

**ORDER:**

- (1) GRANTING JOINT MOTION TO ENTER STIPULATED PRELIMINARY INJUNCTION (ECF No. 47); and**
- (2) VACATING PRELIMINARY INJUNCTION HEARING**

On August 8, 2023, Plaintiff, the Federal Trade Commission (“FTC”), filed its Complaint for Permanent Injunction, Monetary Relief, and Other Relief under Sections 13(b) and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b), 57b, the FTC’s Trade Regulation Rule entitled “Disclosure Requirements and Prohibitions Concerning Business Opportunities” (“Business Opportunity Rule”), 16 C.F.R. Part 437, as amended, the Consumer Review Fairness Act of 2016 (“CRFA”), 15 U.S.C. § 45b (Docket No. 1), and moved, under Fed. R. Civ. P. 65(b), for a temporary restraining order, asset freeze, other equitable relief, and an order to show cause why a preliminary injunction

1 should not issue against Defendants and Relief Defendant. (TRO App., ECF No. 5-1.) The  
2 Court issued an *ex parte* Temporary Restraining Order against Defendants and Relief  
3 Defendant on August 11, 2023, which includes an asset freeze, appointment of a temporary  
4 receiver over the Receivership Entities (as defined below), and other equitable relief  
5 (Docket No. 8).

6 On September 8, 2023, the FTC moved jointly with Automators LLC, also d/b/a  
7 Automators AI and Ecom Skool; Empire Ecommerce LLC; Onyx Distribution LLC;  
8 Stryder Holdings LLC; Pelenea Ventures LLC; Roman Cresto; John Cresto; and Andrew  
9 Chapman (referred to above, collectively, as “Defendants”); and Peregrine Worldwide,  
10 LLC (referred to above as “Relief Defendant”) for the entry of a preliminary injunction  
11 (“P.I.”) as to Defendants and Relief Defendant. (ECF No. 47.)

## 12 **LEGAL STANDARD**

13 A preliminary injunction generally is considered “an extraordinary remedy that may  
14 only be awarded upon a clear showing that the plaintiff is entitled to such relief.” *Winter*  
15 *v. Nat. Res. Def. Council, Inc.*, 555 U.S. 7, 22 (2008). To obtain a preliminary injunction,  
16 the movant must show: (1) a likelihood of success on the merits; (2) a likelihood of  
17 irreparable harm to the movant in the absence of preliminary relief; (3) that the balance of  
18 equities tips in favor of the moving party; and (4) that an injunction is in the public interest.  
19 *Winter*, 555 U.S. 7 at 20. When the government is a party, the final two factors merge into  
20 a single inquiry. *Drakes Bay Oyster Co. v. Howell*, 747 F.3d 1073, 1092 (9th Cir. 2014)  
21 (citing *Nken v. Holder*, 556 U.S. 418, 435 (2009)).

## 22 **BACKGROUND AND FINDINGS**

23 The FTC filed a substantial volume of declarations and exhibits in support of its  
24 TRO Application, in addition to detailed allegations in its Complaint. (*See* ECF Nos. 5-2  
25 to 5-24.) The Court reviewed those materials in connection with the FTC’s TRO  
26 Application, and granted the FTC’s request on that basis. (ECF No. 8.) The P.I. that the  
27 parties seek by their Joint Motion also is premised largely upon those materials. (*See* ECF  
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1 No. 47.) Based on those materials, and the Joint Motion itself, the Court makes the ensuing  
2 findings for the limited purpose of the instant P.I. only.

3 A. This Court has jurisdiction over the subject matter of this case, and there is  
4 good cause to believe that it will have jurisdiction over all parties hereto and that venue in  
5 this district is proper.

6 B. Defendants and Relief Defendant consent to the entry of this Stipulated  
7 Preliminary Injunction, but reserve all rights to contest or challenge the authority of the  
8 FTC to seek and this Court to award any further relief sought by the FTC.

9 C. The FTC alleges that there is good cause to believe that Defendants have  
10 engaged in and are likely to engage in acts or practices that violate Section 5(a) of the FTC  
11 Act, 15 U.S.C. § 45(a), the Business Opportunity Rule, and the CRFA and that the FTC is  
12 therefore likely to prevail on the merits of this action.

13 D. The FTC alleges that there is good cause to believe that immediate and  
14 irreparable harm will result from Defendants' ongoing violations of the FTC Act, the  
15 Business Opportunity Rule, and the CRFA unless Defendants continue to be restrained and  
16 enjoined by order of this Court.

17 E. The FTC alleges that there is good cause to believe that immediate and  
18 irreparable damage to the Court's ability to grant effective final relief for consumers –  
19 including monetary restitution, rescission, or refunds – will occur from the sale, transfer,  
20 destruction or other disposition or concealment by Defendants or Relief Defendants of their  
21 assets or records, unless Defendants and Relief Defendants continue to be restrained and  
22 enjoined by order of this Court.

23 F. The FTC alleges that good cause exists for the Court to order: (1) the  
24 continued appointment of a Receiver over the Receivership Entities; (2) an asset freeze  
25 over all the assets of the Defendants; and (3) the ancillary relief described below.

26 G. This Order is in the public interest.  
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1 H. This Court has authority to issue this Order pursuant to Sections 13(b) and 19  
2 of the FTC Act, 15 U.S.C. §§ 53(b) and 57b; Fed. R. Civ. P. 65; and the All Writs Act, 28  
3 U.S.C. § 1651.

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

6 **DEFINITIONS**

7 For the purpose of this Order, the following definitions shall apply:

8 A. “**Asset**” means any legal or equitable interest in, right to, or claim to, any  
9 property, wherever located and by whomever held.

10 B. “**Assisting Others**” includes the following:

- 11 1. performing customer service functions, including receiving or responding to  
12 consumer complaints;
- 13 2. formulating or providing, or arranging for the formulation or provision of, any  
14 advertising or marketing material, including any telephone sales script, direct  
15 mail solicitation, or the design, text, or use of images of any Internet website,  
16 email, or other electronic communication;
- 17 3. formulating or providing, or arranging for the formulation or provision of, any  
18 marketing support material or service, including web or Internet Protocol  
19 addresses or domain name registration for any Internet websites, affiliate  
20 marketing services, or media placement services;
- 21 4. providing names of, or assisting in the generation of, potential customers;
- 22 5. performing marketing, billing, payment processing, or payment services of  
23 any kind; or
- 24 6. acting or serving as an owner, officer, director, manager, or principal of any  
25 entity.

26 C. “**Corporate Defendants**” means Automators LLC, also d/b/a Automators AI  
27 and Ecom Skool; Empire Ecommerce LLC; Onyx Distribution LLC; Stryder Holdings  
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1 LLC; Pelenea Ventures LLC, and each of their subsidiaries, affiliates, successors, and  
2 assigns.

3 D. “**Defendants**” means the Corporate Defendants and the Individual  
4 Defendants, individually, collectively, or in any combination.

5 E. “**Defendants’ Products**” means products and services offered by Defendants,  
6 including Defendants’ own products and services, and products and services of third parties  
7 for whom Defendants advertise.

8 F. “**Document**” is synonymous in meaning and equal in scope to the usage of  
9 “document” and “electronically stored information” in Federal Rule of Civil Procedure  
10 34(a), Fed. R. Civ. P. 34(a), and includes writings, drawings, graphs, charts, photographs,  
11 sound and video recordings, images, Internet sites, web pages, websites, electronic  
12 correspondence, including e-mail and instant messages, contracts, accounting data,  
13 advertisements, FTP Logs, Server Access Logs, books, written or printed records,  
14 handwritten notes, telephone logs, telephone scripts, receipt books, ledgers, personal and  
15 business canceled checks and check registers, bank statements, appointment books,  
16 computer records, customer or sales databases and any other electronically stored  
17 information, including Documents located on remote servers or cloud computing systems,  
18 and other data or data compilations from which information can be obtained directly or, if  
19 necessary, after translation into a reasonably usable form. A draft or non-identical copy is  
20 a separate document within the meaning of the term.

21 G. “**Electronic Data Host**” means any person or entity in the business of storing,  
22 hosting, or otherwise maintaining electronically stored information. This includes, but is  
23 not limited to, any entity hosting a website or server, and any entity providing “cloud-  
24 based” electronic storage.

25 H. “**Earnings Claim(s)**” means any oral, written, or visual representation to a  
26 consumer, prospective purchaser, or investor that conveys, expressly or by implication, a  
27 specific level or range of actual or potential sales, or gross or net income or profits,  
28 revenues, financial gains, percentage gains, or return on investment. Earnings Claims

1 include, but are not limited to: (1) any chart, table, or mathematical calculation that  
2 demonstrates possible results based upon a combination of variables; (2) any statements  
3 from which a consumer, prospective purchaser, or investor can reasonably infer that he or  
4 she will earn a minimum level of income (e.g., “earn enough money to buy a Porsche,”  
5 “earn a six-figure income,” or “earn your investment back within one year”); (3) references  
6 to quitting one’s job, not having to work, or living off income from online sales; (4)  
7 references to increased purchases or savings, including a home, cars, boats, vacations, or  
8 travel; (5) any statements, claims, success stories, endorsements, or testimonials about the  
9 performance or profitability of representatives, endorsers, instructors or customers; and (6)  
10 any representation, even hypothetical, of how much money a consumer could or would  
11 earn.

12 I. **“General Media”** means all print, electronic, internet, social networking,  
13 radio, and other media outlets.

14 J. **“Individual Defendant(s)”** means Roman Cresto; John Cresto; and Andrew  
15 Chapman, individually, collectively, or in any combination.

16 K. **“Person”** means any natural person or any entity, corporation, partnership, or  
17 association of persons.

18 L. **“Receiver”** means the temporary receiver appointed in Section XI of this  
19 Order and any deputy receivers that shall be named by the temporary receiver.

20 M. **“Receivership Entities”** means Corporate Defendants and Relief Defendant,  
21 as well as any other entity that has conducted any business related to the marketing or sale  
22 of Defendants’ Products, including receipt of Assets derived from any activity that is the  
23 subject of the Complaint in this matter, and that the Receiver determines is controlled or  
24 owned by any Defendant.

25 N. **“Relief Defendant”** means Peregrine Worldwide, LLC and each of its  
26 subsidiaries, affiliates, and assigns.

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**ORDER**

**I. PROHIBITED BUSINESS ACTIVITIES**

**IT IS THEREFORE ORDERED** that Defendants, Defendants’ officers, agents, affiliate marketers, employees, and attorneys, and all other persons in active concert or participation with them, who receive actual notice of this Order by personal service or otherwise, whether acting directly or indirectly, in connection with the advertising, marketing, promoting, or offering for sale of any goods or services, are preliminarily restrained and enjoined from:

A. Making any Earnings Claims or Assisting Others in making any Earnings Claims, unless the Earnings Claim is non-misleading, and, at the time the Earnings Claims are made, Defendants (1) have a reasonable basis for the claim; (2) have in their possession written materials that substantiate the claimed earnings and that the claimed earnings are typical for consumers similarly situated to those to whom the claim is made; and (3) make the written substantiation for Earnings Claims available upon request to the consumer, potential purchaser or investor, the Receiver, and the FTC;

B. Failing to provide any consumer, potential purchaser, or investor with disclosure documents in the form and manner required by 16 C.F.R. §§ 437.2, 437.3(a)(1)-(5), and 437.4;

C. Misrepresenting or Assisting Others in misrepresenting, expressly or by implication, that Defendants’ Products:

1. will allow purchasers to earn a specific level or range of actual or potential sales, or gross or net income or profits, revenues, financial gains, percentage gains, or return on investment with little to no effort on their part; and

2. will use Artificial Intelligence (AI) machine-learning to maximize revenues;

D. Making or Assisting Others in making false or unsubstantiated testimonials about Defendants, Defendants’ Products, or companies advertised by Defendants, or failing to disclose that positive reviews of, and testimonials about, Defendants, Defendants’

1 Products, or companies advertised by Defendants, have been from Corporate Defendants’  
2 owners, officers, employees, affiliate marketers or agents;

3 E. Misrepresenting or Assisting Others in misrepresenting, expressly or by  
4 implication, any other material fact concerning Defendants’ Products, such as: the total  
5 costs; the amount of time necessary to achieve the represented results; any material  
6 restrictions, limitations, or conditions; any material aspect of their performance, efficacy,  
7 nature, or central characteristics; or any material aspect of the nature or terms of the refund,  
8 cancellation, exchange, repurchase, or remedy policies; and

9 F. Prohibiting or restricting any consumer, potential purchaser, or investor from  
10 communicating reviews, performance assessments, and similar analyses about Defendants’  
11 Products or the conduct of Defendants or companies advertised by Defendants related  
12 thereto; or that impose a penalty or fee against any consumer, potential purchaser, or  
13 investor who engages in such communications.

14 **II. PROHIBITION ON RELEASE OF CUSTOMER INFORMATION**

15 IT IS FURTHER ORDERED that Defendants, Defendants’ officers, agents, affiliate  
16 marketers, employees, and attorneys, and all other persons in active concert or participation  
17 with any of them, who receive actual notice of this Order, whether acting directly or  
18 indirectly, are hereby preliminarily restrained and enjoined from:

19 A. Selling, renting, leasing, transferring, or otherwise disclosing, the name,  
20 address, birth date, telephone number, email address, credit card number, bank account  
21 number, Social Security number, or other financial or identifying information of any Person  
22 that any Defendant obtained in connection with any activity that pertains to the subject  
23 matter of this Order; and

24 B. Benefitting from or using the name, address, birth date, telephone number,  
25 email address, credit card number, bank account number, Social Security number, or other  
26 financial or identifying information of any Person that any Defendant obtained in  
27 connection with any activity that pertains to the subject matter of this Order.  
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1 Provided, however, that Defendants may disclose such identifying information to a  
2 law enforcement agency, to their attorneys as required for their defense, as required by any  
3 law, regulation, or court order, or in any filings, pleadings or discovery in this action in the  
4 manner required by the Federal Rules of Civil Procedure and by any protective order in the  
5 case.

6 **III. ASSET FREEZE**

7 IT IS FURTHER ORDERED that Defendants and Relief Defendant, Defendants'  
8 and Relief Defendant's officers, agents, affiliate marketers, employees, and attorneys, and  
9 all other persons in active concert or participation with any of them, who receive actual  
10 notice of this Order, whether acting directly or indirectly, are hereby preliminarily  
11 restrained and enjoined from:

12 A. Transferring, liquidating, converting, encumbering, pledging, loaning, selling,  
13 concealing, dissipating, disbursing, assigning, relinquishing, spending, withdrawing,  
14 granting a lien or security interest or other interest in, or otherwise disposing of any Assets  
15 that are:

- 16 1. owned or controlled, directly or indirectly, by any Defendant or Relief  
17 Defendant;
- 18 2. held, in part or in whole, for the benefit of any Defendant or Relief  
19 Defendant;
- 20 3. in the actual or constructive possession of any Defendant or Relief  
21 Defendant; or
- 22 4. owned or controlled by, in the actual or constructive possession of, or  
23 otherwise held for the benefit of, any corporation, partnership, asset protection trust, or  
24 other entity that is directly or indirectly owned, managed or controlled by any Defendant  
25 or Relief Defendant.

26 B. Opening or causing to be opened any safe deposit boxes, commercial mail  
27 boxes, or storage facilities titled in the name of any Defendant or Relief Defendant or  
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1 subject to access by any Defendant or Relief Defendant, except as necessary to comply  
2 with written requests from the Receiver acting pursuant to its authority under this Order;

3 C. Incurring charges or cash advances on any credit, debit, or ATM card issued  
4 in the name, individually or jointly, of any Corporate Defendant or any corporation,  
5 partnership, or other entity directly or indirectly owned, managed, or controlled by any  
6 Defendant or Relief Defendant or of which any Defendant or Relief Defendant is an officer,  
7 director, member, or manager. This includes any corporate bankcard or corporate credit  
8 card account for which any Defendant or Relief Defendant is, or was on the date that this  
9 Order was signed, an authorized signor; or

10 D. Cashing any checks or depositing any money orders or cash received from  
11 consumers, clients, or customers of any Defendant or Relief Defendant related to any  
12 activity that is the subject of the Complaint in this matter or that is prohibited by this Order.

13 E. The Assets affected by this Section shall include: (1) all Assets of Defendants  
14 and Relief Defendant as of the date the Temporary Restraining Order in this matter was  
15 entered; and (2) Assets obtained by Defendants or Relief Defendant after the date the  
16 Temporary Restraining Order in this matter was entered if those Assets are derived from  
17 any activity that is the subject of the Complaint in this matter or that is prohibited by this  
18 Order. This Section does not prohibit any transfers to the Receiver or repatriation of foreign  
19 Assets specifically required by this Order.

20 F. Defendants and Relief Defendant reserve their right to petition the Court for  
21 relief from the asset freeze for reasonable living expenses.

22 **IV. DUTIES OF ASSET HOLDERS AND OTHER THIRD PARTIES**

23 IT IS FURTHER ORDERED that credit card processor, payment processor,  
24 merchant bank, acquiring bank, independent sales organization, third party processor,  
25 payment gateway, insurance company, third party automation fulfillment company  
26 advertised by Corporate Defendants, business entity, or Person who receives actual notice  
27 of this Order (by service or otherwise) that:  
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1 (a) has held, controlled, or maintained custody, through an account or otherwise, of  
2 any Document on behalf of any Defendant or Relief Defendant or any asset that has been  
3 owned or controlled, directly or indirectly, by any Defendant or Relief Defendant; held, in  
4 part or in whole, for the benefit of any Defendant or Relief Defendant; in the actual or  
5 constructive possession of any Defendant or Relief Defendant; or owned or controlled by,  
6 in the actual or constructive possession of, or otherwise held for the benefit of, any  
7 corporation, partnership, asset protection trust, or other entity that is directly or indirectly  
8 owned, managed or controlled by any Defendant or Relief Defendant;

9 (b) has held, controlled, or maintained custody, through an account or otherwise, of  
10 any Document or asset associated with credits, debits, or charges made on behalf of any  
11 Defendant or Relief Defendant, including reserve funds held by payment processors, credit  
12 card processors, merchant banks, acquiring banks, independent sales organizations, third  
13 party processors, payment gateways, insurance companies, or other entities; or

14 (c) has extended credit to any Defendant or Relief Defendant, including through a credit  
15 card account, shall:

16 A. Hold, preserve, and retain within its control and prohibit the withdrawal,  
17 removal, alteration, assignment, transfer, pledge, encumbrance, disbursement, dissipation,  
18 relinquishment, conversion, sale, or other disposal of any such Document or Asset, as well  
19 as all Documents or other property related to such Assets except by further order of this  
20 Court; provided, however, that this provision does not prohibit an Individual Defendant  
21 from incurring charges on a personal credit card established prior to entry of this Order;

22 B. Deny any Person, except the Receiver, access to any safe deposit box,  
23 commercial mail box, or storage facility that is titled in the name of any Defendant or Relief  
24 Defendant, either individually or jointly, or otherwise subject to access by any Defendant  
25 or Relief Defendant;

26 C. If they have not done so already, provide FTC's counsel and the Receiver,  
27 within three (3) days of receiving a copy of this Order, a sworn statement setting forth, for  
28 each asset or account covered by this Section:

1           1. The identification number of each such account or Asset;

2           2. The balance of each such account, or a description of the nature and value of  
3 each such asset as of the close of business on the day on which this Order is served,  
4 and, if the account or other Asset has been closed or removed, the date closed or  
5 removed, the total funds removed in order to close the account, and the name of the  
6 Person or entity to whom such account or other asset was remitted; and

7           3. The identification of any safe deposit box, commercial mailbox, or storage  
8 facility that is either titled in the name, individually or jointly, of any Defendant or  
9 Relief Defendant, or is otherwise subject to access by any Defendant or Relief  
10 Defendant; and

11           D. If they have not done so already, upon the request of FTC's counsel or the  
12 Receiver, promptly provide FTC's counsel and the Receiver with copies of all records or  
13 other Documents pertaining to any account or Asset covered by this Section, including  
14 originals or copies of account applications, account statements, signature cards, checks,  
15 drafts, deposit tickets, transfers to and from the accounts, including wire transfers and wire  
16 transfer instructions, all other debit and credit instruments or slips, currency transaction  
17 reports, 1099 forms, and all logs and records pertaining to safe deposit boxes, commercial  
18 mail boxes, and storage facilities. Provided, however, that this Section does not prohibit  
19 any transfers to the Receiver or repatriation of foreign Assets specifically required by this  
20 Order.

21           E. The Assets affected by this Section shall include: (1) all Assets of Defendants  
22 and Relief Defendant as of the date the Temporary Restraining Order in this matter was  
23 entered; and (2) Assets obtained by Defendants or Relief Defendant after the date the  
24 Temporary Restraining Order in this matter was entered if those Assets are derived from  
25 any activity that is the subject of the Complaint in this matter or that is prohibited by this  
26 Order. This Section does not prohibit any transfers to the Receiver or repatriation of foreign  
27 Assets specifically required by this Order.

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1 **V. FINANCIAL DISCLOSURES**

2 IT IS FURTHER ORDERED that any Defendant and Relief Defendant who has not  
3 yet provided completed financial statements to the FTC in accordance with this Section,  
4 within five (5) days of service of this Order upon them, shall prepare and deliver to FTC’s  
5 counsel and the Receiver:

6 A. completed financial statements on the forms attached to this Order as  
7 **Attachment A** (Financial Statement of Individual Defendant) for each Individual  
8 Defendant, and **Attachment B** (Financial Statement of Corporate Defendant) for each  
9 Corporate Defendant or Relief Defendant; and

10 B. completed **Attachment C** (IRS Form 4506, Request for Copy of a Tax Return)  
11 for each Individual and Corporate Defendant.

12 **VI. FOREIGN ASSET REPATRIATION**

13 IT IS FURTHER ORDERED that, to the extent not completed by the date of this  
14 Order, within five (5) days following the service of this Order, each Defendant and the  
15 Relief Defendant shall:

16 A. Provide FTC’s counsel and the Receiver with a full accounting, verified under  
17 oath and accurate as of the date of this Order, of all assets, Documents, and accounts outside  
18 of the United States which are: (1) titled in the name, individually or jointly, of any  
19 Defendant; (2) held by any Person for the benefit of any Defendant or Relief Defendant or  
20 for the benefit of any corporation, partnership, asset protection trust, or other entity that is  
21 directly or indirectly owned, managed, or controlled by any Defendant or Relief Defendant;  
22 or (3) under the direct or indirect control, whether jointly or singly, of any Defendant or  
23 Relief Defendant;

24 B. Take all steps necessary to provide FTC’s counsel and the Receiver with  
25 access to all Documents and records that may be held by third parties located outside of  
26 the territorial United States of America, including signing the Consent to Release of  
27 Financial Records appended to this Order as **Attachment D**.

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1 C. Transfer to the territory of the United States all Documents and Assets located  
2 in foreign countries which are: (1) titled in the name, individually or jointly, of any  
3 Defendant or Relief Defendant; (2) held by any Person or entity for the benefit of any  
4 Defendant or Relief Defendant or for the benefit of, any corporation, partnership, asset  
5 protection trust, or other entity that is directly or indirectly owned, managed or controlled  
6 by any Defendant or Relief Defendant; or (3) under the direct or indirect control, whether  
7 jointly or singly, of any Defendant or Relief Defendant; and

8 D. The same business day as any repatriation, (1) notify the Receiver and counsel  
9 for FTC of the name and location of the financial institution or other entity that is the  
10 recipient of such Documents or Assets; and (2) serve this Order on any such financial  
11 institution or other entity.

## 12 VII. NON-INTERFERENCE WITH REPATRIATION

13 IT IS FURTHER ORDERED that Defendants and Relief Defendant, Defendants'  
14 and Relief Defendant's agents, affiliate marketers, employees, and attorneys, and all other  
15 Persons in active concert or participation with any of them, who receive actual notice of  
16 this Order, whether acting directly or indirectly, are hereby preliminarily restrained and  
17 enjoined from taking any action, directly or indirectly, which may result in the  
18 encumbrance or dissipation of foreign assets, or in the hindrance of the repatriation  
19 required by this Order, including, but not limited to:

20 A. Sending any communication or engaging in any other act, directly or  
21 indirectly, that results in a determination by a foreign trustee or other entity that a "duress"  
22 event has occurred under the terms of a foreign trust agreement until such time that  
23 Defendants' and Relief Defendant's Assets have been fully repatriated pursuant to this  
24 Order; or

25 B. Notifying any trustee, protector or other agent of any foreign trust or other  
26 related entities of either the existence of this Order, or of the fact that repatriation is required  
27 pursuant to a court order, until such time that Defendants' and Relief Defendant's Assets  
28 have been fully repatriated pursuant to this Order.

1 **VIII. CONSUMER CREDIT REPORTS**

2 IT IS FURTHER ORDERED that the FTC and the Receiver may obtain credit  
3 reports concerning any Defendants pursuant to Section 604(a)(1) of the Fair Credit  
4 Reporting Act, 15 U.S.C. § 1681b(a)(1), and that, upon written request, any credit reporting  
5 agency from which such reports are requested shall provide them to the FTC.

6 **IX. PRESERVATION OF RECORDS**

7 IT IS FURTHER ORDERED that Defendants and the Relief Defendant,  
8 Defendants' and the Relief Defendant's officers, agents, affiliate marketers, employees,  
9 and attorneys, and all other persons in active concert or participation with any of them, who  
10 receive actual notice of this Order, whether acting directly or indirectly, are hereby  
11 preliminarily restrained and enjoined from:

12 A. Destroying, erasing, falsifying, writing over, mutilating, concealing, altering,  
13 transferring, or otherwise disposing of, in any manner, directly or indirectly, Documents  
14 that relate to: (1) the business, business practices, Assets, or business or personal finances  
15 of any Defendant or Relief Defendant; (2) the business practices or finances of entities  
16 directly or indirectly under the control of any Defendant or Relief Defendant; or (3) the  
17 business practices or finances of entities directly or indirectly under common control with  
18 any other Defendant or Relief Defendant; and

19 B. Failing to create and maintain Documents that, in reasonable detail,  
20 accurately, fairly, and completely reflect Defendants' or Relief Defendant's incomes,  
21 disbursements, transactions, and use of Defendants' or Relief Defendant's Assets.

22 **X. REPORT OF NEW BUSINESS ACTIVITY**

23 IT IS FURTHER ORDERED that Defendants, Defendants' officers, agents, affiliate  
24 marketers, employees, and attorneys, and all other persons in active concert or participation  
25 with any of them, who receive actual notice of this Order, whether acting directly or  
26 indirectly, are hereby preliminarily restrained and enjoined from creating, operating, or  
27 exercising any control over any business entity, whether newly formed or previously  
28 inactive, including any partnership, limited partnership, joint venture, sole proprietorship,

1 limited liability company, or corporation, without first providing the FTC’s counsel and  
2 the Receiver with a written statement disclosing: (1) the name of the business entity; (2)  
3 the address and telephone number of the business entity; (3) the names of the business  
4 entity’s officers, directors, principals, managers, and employees; and (4) a detailed  
5 description of the business entity’s intended activities.

6 **XI. APPOINTMENT OF RECEIVER**

7 IT IS FURTHER ORDERED that Stapleton Group, Inc. is appointed as Receiver of  
8 the Receivership Entities with full powers of an equity receiver. The Receiver shall be  
9 solely the agent of this Court in acting as Receiver under this Order.

10 **XII. DUTIES AND AUTHORITY OF RECEIVER**

11 IT IS FURTHER ORDERED that the Receiver is directed and authorized to  
12 accomplish the following:

13 A. Assume full control of Receivership Entities by removing, as the Receiver  
14 deems necessary or advisable, any director, officer, independent contractor, employee,  
15 attorney, or agent of any Receivership Entity from control of, management of, or  
16 participation in, the affairs of the Receivership Entity;

17 B. Take exclusive custody, control, and possession of all Assets and Documents  
18 of, or in the possession, custody, or under the control of, any Receivership Entity, wherever  
19 situated;

20 C. Take exclusive custody, control, and possession of all Documents or Assets  
21 associated with credits, debits, or charges made on behalf of any Receivership Entity,  
22 wherever situated, including reserve funds held by payment processors, credit card  
23 processors, merchant banks, acquiring banks, independent sales organizations, third party  
24 processors, payment gateways, insurance companies, or other entities;

25 D. Conserve, hold, manage, and prevent the loss of all Assets of the Receivership  
26 Entities, and perform all acts necessary or advisable to preserve the value of those Assets.  
27 The Receiver shall assume control over the income and profits therefrom and all sums of  
28 money now or hereafter due or owing to the Receivership Entities. The Receiver shall



1 have full power to sue for, collect, and receive, all Assets of the Receivership Entities and  
2 of other persons or entities whose interests are now under the direction, possession,  
3 custody, or control of, the Receivership Entities. *Provided*, however, that the Receiver shall  
4 not attempt to collect any amount from a consumer if the Receiver believes the consumer's  
5 debt to the Receivership Entities has resulted from the deceptive acts or practices or other  
6 violations of law alleged in the Complaint in this matter, without prior Court approval;

7 E. Obtain, conserve, hold, manage, and prevent the loss of all Documents of the  
8 Receivership Entities, and perform all acts necessary or advisable to preserve such  
9 Documents. The Receiver shall: divert mail; preserve all Documents of the Receivership  
10 Entities that are accessible via electronic means (such as online access to financial accounts  
11 and access to electronic documents held onsite or by Electronic Data Hosts, by changing  
12 usernames, passwords, or other log-in credentials); take possession of all electronic  
13 Documents of the Receivership Entities stored onsite or remotely; take whatever steps  
14 necessary to preserve all such Documents; and obtain the assistance of the FTC's Digital  
15 Forensic Unit for the purpose of obtaining electronic documents stored onsite or remotely;

16 F. Choose, engage, and employ attorneys, accountants, appraisers, and other  
17 independent contractors and technical specialists without further order of the Court, as the  
18 Receiver deems advisable or necessary in the performance of duties and responsibilities  
19 under the authority granted by this Order;

20 G. Make payments and disbursements from the Receivership Entities that are  
21 necessary or advisable for carrying out the directions of, or exercising the authority granted  
22 by, this Order, and to incur, or authorize the making of, such agreements as may be  
23 necessary and advisable in discharging his or her duties as Receiver. The Receiver shall  
24 apply to the Court for prior approval of any payment of any debt or obligation incurred by  
25 the Receivership Entities prior to the date of entry of this Order, except payments that the  
26 Receiver deems necessary or advisable to secure Assets of the Receivership Entities, such  
27 as rental payments;

28

1           H.     Take all steps necessary to secure and take exclusive custody of each location  
2 from which the Receivership Entities operate their businesses. Such steps may include, but  
3 are not limited to, any of the following, as the Receiver deems necessary or advisable: (1)  
4 securing the location by changing the locks and alarm codes and disconnecting any internet  
5 access or other means of access to the computers, servers, internal networks, or other  
6 records maintained at that location; and (2) requiring any persons present at the location to  
7 leave the premises, to provide the Receiver with proof of identification, and/or to  
8 demonstrate to the satisfaction of the Receiver that such persons are not removing from the  
9 premises Documents or Assets of the Receivership Entities. Law enforcement personnel,  
10 including, but not limited to, police or sheriffs, may assist the Receiver in implementing  
11 these provisions in order to keep the peace and maintain security. If requested by the  
12 Receiver, the United States Marshal will provide appropriate and necessary assistance to  
13 the Receiver to implement this Order and is authorized to use any necessary and reasonable  
14 force to do so;

15           I.     Take all steps necessary to prevent the modification, destruction, or erasure of  
16 any web page or website registered to and operated, in whole or in part, by any Defendant,  
17 related to any activity that is the subject of the Complaint in this matter or that is prohibited  
18 by this Order, and to provide access to all such web page or websites to the FTC's  
19 representatives, agents, and assistants, as well as Defendants and their representatives;

20           J.     Enter into and cancel contracts and purchase insurance as advisable or  
21 necessary;

22           K.     Prevent the inequitable distribution of Assets and determine, adjust, and  
23 protect the interests of consumers who have transacted business with the Receivership  
24 Entities;

25           L.     Make an accounting, as soon as practicable, of the Assets and financial  
26 condition of the Receivership Entities and file the accounting with the Court and deliver  
27 copies thereof to all parties;  
28

1 M. Institute, compromise, adjust, appear in, intervene in, defend, dispose of, or  
2 otherwise become party to any legal action in state, federal or foreign courts or arbitration  
3 proceedings as the Receiver deems necessary and advisable to preserve or recover the  
4 Assets of the Receivership Entities, or to carry out the Receiver's mandate under this Order,  
5 including but not limited to, actions challenging fraudulent or voidable transfers;

6 N. Issue subpoenas to obtain Documents and records pertaining to the  
7 Receivership Entities, and conduct discovery in this action on behalf of the Receivership  
8 Entities, in addition to obtaining other discovery as set forth in this Order;

9 O. Open one or more bank accounts at designated depositories for funds of the  
10 Receivership Entities. The Receiver shall deposit all funds of the Receivership Entities in  
11 such designated accounts and shall make all payments and disbursements from the  
12 receivership estate from such accounts. The Receiver shall serve copies of monthly  
13 account statements on all parties;

14 P. Maintain accurate records of all receipts and expenditures incurred as  
15 Receiver;

16 Q. Allow the FTC's representatives, agents, and assistants, as well as  
17 Defendants' representatives and Defendants themselves, reasonable access to the premises  
18 of the Receivership Entities, or any other premises where the Receivership Entities conduct  
19 business. The purpose of this access shall be to inspect and copy any and all books, records,  
20 Documents, accounts, and other property owned by, or in the possession of, the  
21 Receivership Entities or their agents. The Receiver shall have the discretion to determine  
22 the time, manner, and reasonable conditions of such access;

23 R. Allow the FTC's representatives, agents, and assistants, as well as Defendants  
24 and their representatives, reasonable access to all Documents in the possession, custody, or  
25 control of the Receivership Entities;

26 S. Cooperate with reasonable requests for information or assistance from any  
27 state or federal civil or criminal law enforcement agency;

28

1 T. Suspend business operations of the Receivership Entities if in the judgment  
2 of the Receiver such operations cannot be continued legally and profitably;

3 U. If the Receiver identifies a nonparty entity as a Receivership Entity, promptly  
4 notify the entity as well as the parties, and inform the entity that it can challenge the  
5 Receiver's determination by filing a motion with the Court. *Provided*, however, that the  
6 Receiver may delay providing such notice until the Receiver has established control of the  
7 nonparty entity and its assets and records, if the Receiver determines that notice to the  
8 entity or the parties before the Receiver establishes control over the entity may result in the  
9 destruction of records, dissipation of assets, or any other obstruction of the Receiver's  
10 control of the entity;

11 V. If in the Receiver's judgment the business operations cannot be continued  
12 legally and profitably, take all steps necessary to ensure that any of the Receivership  
13 Entities' web pages or websites relating to the activities alleged in the Complaint cannot be  
14 accessed by the public, or are modified for consumer education and/or informational  
15 purposes, and take all steps necessary to ensure that any telephone numbers associated with  
16 the Receivership Entities cannot be accessed by the public, or are answered solely to  
17 provide consumer education or information regarding the status of operations; and

18 W. Prepare a written report at or before any hearing described in Paragraph  
19 XXVI, that describes (1) the steps taken by the Receiver to implement the terms of the  
20 Order; (2) the value of all assets and sum of all liabilities of the Receivership Entities; (3)  
21 the steps the Receiver intends to take in the future to protect receivership assets, recover  
22 receivership assets from third parties, and adjust receivership liabilities; (4) the Receiver's  
23 opinion on whether any portion of the business of any of the Receivership Entities can  
24 continue to operate legally and profitably; and (5) any other matters which the Receiver  
25 believes should be brought to the Court's attention.

26  
27  
28

1           **XIII. TRANSFER OF RECEIVERSHIP PROPERTY TO RECEIVER**

2           IT IS FURTHER ORDERED that Defendants and the Relief Defendant and any  
3 other person, with possession, custody or control of property of, or records relating to, the  
4 Receivership Entities shall, upon notice of this Order by personal service or otherwise,  
5 fully cooperate with and assist the Receiver in taking and maintaining possession, custody,  
6 or control of the Assets and Documents of the Receivership Entities and immediately  
7 transfer or deliver to the Receiver possession, custody, and control of, the following:

8           A. All Assets held by or for the benefit of the Receivership Entities;

9           B. All Documents or Assets associated with credits, debits, or charges made on  
10 behalf of any Receivership Entity, wherever situated, including reserve funds held by  
11 payment processors, credit card processors, merchant banks, acquiring banks, independent  
12 sales organizations, third party processors, payment gateways, insurance companies, or  
13 other entities, and commission payments and funds held by third party Amazon Automation  
14 companies;

15           C. All Documents of or pertaining to the Receivership Entities; including all  
16 communications occurring via electronic mail, electronic messaging service, or encrypted  
17 messaging service (including but not limited to Signal, Discord, Slack, or WhatsApp);

18           D. All computers, electronic devices, mobile devices and machines used to  
19 conduct the business of the Receivership Entities; even if such computers, electronic  
20 devices, mobile devices, and machines are also used for non-business purposes;

21           E. All Assets and Documents belonging to other persons or entities whose  
22 interests are under the direction, possession, custody, or control of the Receivership  
23 Entities, including third party automation fulfillment companies; and

24           F. All keys, codes, user names, and passwords necessary to gain or to secure  
25 access to any Assets or Documents of or pertaining to the Receivership Entities, including  
26 access to their business premises, means of communication, accounts, computer systems  
27 (onsite and remote), Electronic Data Hosts, encrypted messaging services, or other  
28 property.

1 In the event that any person or entity fails to deliver or transfer any Asset or  
2 Document, or otherwise fails to comply with any provision of this Section, the Receiver  
3 may file an Affidavit of Non-Compliance regarding the failure and a motion seeking  
4 compliance or a contempt citation.

5 **XIV. PROVISION OF INFORMATION TO RECEIVER**

6 IT IS FURTHER ORDERED that Defendants and the Relief Defendant shall  
7 immediately provide to the Receiver:

8 A. A list of all Documents pertaining to the Receivership Entities' Earnings  
9 Claims and other representations related to the marketing, advertising, promotion, offer for  
10 sale, or sale of Defendants' Products, including any such Documents belonging to other  
11 persons or entities whose interests are under the direction, custody, or control, or in the  
12 possession, of the Receivership Entities;

13 B. A list of all Assets and accounts of the Receivership Entities that are held in  
14 any name other than the name of a Receivership Entity, or by any person or entity other  
15 than a Receivership Entity;

16 C. A list of all agents, affiliate marketers, employees, officers, attorneys,  
17 servants, and those persons in active concert and participation with the Receivership  
18 Entities, or who have been associated or done business with the Receivership Entities; and

19 D. A description of any documents covered by attorney-client privilege or  
20 attorney work product, including files where such documents are likely to be located,  
21 authors or recipients of such documents, and search terms likely to identify such electronic  
22 documents.

23 **XV. COOPERATION WITH THE RECEIVER**

24 IT IS FURTHER ORDERED that Defendants; Receivership Entities; Defendants'  
25 or Receivership Entities' officers, agents, affiliate marketers, employees, and attorneys, all  
26 other persons in active concert or participation with any of them, and any other person with  
27 possession, custody, or control of property or records relating to the Receivership Entities  
28 who receive actual notice of this Order shall fully cooperate with and assist the Receiver.

1 This cooperation and assistance shall include, but is not limited to, providing information  
2 to the Receiver that the Receiver deems necessary to exercise the authority and discharge  
3 the responsibilities of the Receiver under this Order; providing any keys, codes, user  
4 names, and passwords required to access any computers, electronic devices, mobile  
5 devices, and machines (onsite or remotely) and any cloud account (including specific  
6 method to access account) or electronic file in any medium; advising all persons who owe  
7 money to any Receivership Entity (including third party automation fulfillment companies)  
8 that all debts should be paid directly to the Receiver; and transferring funds at the  
9 Receiver's direction and producing records related to the Assets, sales, and refunds of the  
10 Receivership Entities.

## 11 **XVI. NON-INTERFERENCE WITH THE RECEIVER**

12 **IT IS FURTHER ORDERED** that Defendants, Receivership Entities, Defendants' or  
13 Receivership Entities' officers, agents, affiliate marketers, employees, attorneys, and all  
14 other persons in active concert or participation with any of them, who receive actual notice  
15 of this Order, and any other person served with a copy of this Order, are hereby restrained  
16 and enjoined from directly or indirectly:

17 **A.** Interfering with the Receiver's efforts to manage, or take custody, control, or  
18 possession of, the Assets or Documents subject to the receivership;

19 **B.** Transacting any of the business of the Receivership Entities;

20 **C.** Transferring, receiving, altering, selling, encumbering, pledging, assigning,  
21 liquidating, or otherwise disposing of any Assets owned, controlled, or in the possession  
22 or custody of, or in which an interest is held or claimed by, the Receivership Entities; or

23 **D.** Refusing to cooperate with the Receiver or the Receiver's duly authorized  
24 agents in the exercise of their duties or authority under any order of this Court.  
25

## 26 **XVII. STAY OF ACTIONS**

27 **IT IS FURTHER ORDERED** that, except by leave of this Court, during the  
28 pendency of the receivership ordered herein, Defendants and Relief Defendant,

1 Defendants' and Relief Defendants' officers, agents, affiliate marketers, employees,  
2 attorneys, and all other persons in active concert or participation with any of them, who  
3 receive actual notice of this Order, and their corporations, subsidiaries, divisions, or  
4 affiliates, and all investors, creditors, stockholders, lessors, customers and other persons  
5 seeking to establish or enforce any claim, right, or interest against or on behalf of  
6 Defendants or Relief Defendant, and all others acting for or on behalf of such persons, are  
7 hereby enjoined from taking action that would interfere with the exclusive jurisdiction of  
8 this Court over the Assets or Documents of the Receivership Entities, including, but not  
9 limited to:

10 A. Filing or assisting in the filing of a petition for relief under the Bankruptcy  
11 Code, 11 U.S.C. § 101 *et seq.*, or of any similar insolvency proceeding on behalf of the  
12 Receivership Entities;

13 B. Commencing, prosecuting, or continuing a judicial, administrative, or other  
14 action or proceeding against the Receivership Entities, including the issuance or  
15 employment of process against the Receivership Entities, except that such actions may be  
16 commenced if necessary to toll any applicable statute of limitations; or

17 C. Filing or enforcing any lien on any asset of the Receivership Entities, taking  
18 or attempting to take possession, custody, or control of any Asset of the Receivership  
19 Entities; or attempting to foreclose, forfeit, alter, or terminate any interest in any Asset of  
20 the Receivership Entities, whether such acts are part of a judicial proceeding, are acts of  
21 self-help, or otherwise.

22 *Provided*, however, that this Order does not stay: (1) the commencement or  
23 continuation of a criminal action or proceeding; (2) the commencement or continuation of  
24 an action or proceeding by a governmental unit to enforce such governmental unit's police  
25 or regulatory power; or (3) the enforcement of a judgment, other than a money judgment,  
26 obtained in an action or proceeding by a governmental unit to enforce such governmental  
27 unit's police or regulatory power.  
28



1 **XVIII. COMPENSATION OF RECEIVER**

2 IT IS FURTHER ORDERED that the Receiver and all personnel hired by the  
3 Receiver as herein authorized, including counsel to the Receiver and accountants, are  
4 entitled to reasonable compensation for the performance of duties pursuant to this Order  
5 and for the cost of actual out-of-pocket expenses incurred by them, from the Assets now  
6 held by, in the possession or control of, or which may be received by, the Receivership  
7 Entities. The Receiver shall file with the Court and serve on the parties periodic requests  
8 for the payment of such reasonable compensation, with the first such request filed no more  
9 than sixty (60) days after the date of entry of this Order. The Receiver shall not increase  
10 the hourly rates used as the bases for such fee applications without prior approval of the  
11 Court.

12 **XIX. RECEIVER'S BOND**

13 IT IS FURTHER ORDERED that the Receiver shall file with the Clerk of this Court  
14 a bond in the sum of \$25,000 with sureties to be approved by the Court, conditioned that  
15 the Receiver will well and truly perform the duties of the office and abide by and perform  
16 all acts the Court directs.

17 **XX. DISTRIBUTION OF ORDER BY DEFENDANTS**

18 IT IS FURTHER ORDERED that Defendants shall immediately provide a copy of  
19 this Order to each affiliate, telemarketer, marketer, sales entity, successor, assign, member,  
20 officer, director, employee, agent, independent contractor, client, attorney, spouse,  
21 subsidiary, division, and representative of any Defendant, and shall, within ten (10) days  
22 from the date of entry of this Order, and provide the FTC and the Receiver with a sworn  
23 statement that this provision of the Order has been satisfied, which statement shall include  
24 the names, physical addresses, phone numbers, and email addresses of each such person or  
25 entity who received a copy of the Order. Furthermore, Defendants shall not take any action  
26 that would encourage officers, agents, members, directors, employees, salespersons,  
27 independent contractors, attorneys, subsidiaries, affiliates, successors, assigns or other  
28

1 persons or entities in active concert or participation with them to disregard this Order or  
2 believe that they are not bound by its provisions.

3 **XXI. SERVICE OF THIS ORDER**

4 IT IS FURTHER ORDERED that copies of this Order as well as the Motion for  
5 Temporary Restraining Order and all other pleadings, Documents, and exhibits filed  
6 contemporaneously with that Motion (other than the complaint and summons), may be  
7 served by any means, including facsimile transmission, electronic mail or other electronic  
8 messaging, personal or overnight delivery, U.S. Mail or FedEx, by agents and employees  
9 of the FTC, by any law enforcement agency, or by private process server, upon any  
10 Defendant, Relief Defendant, or any Person (including any financial institution) that may  
11 have possession, custody or control of any Asset or Document of any Defendant or Relief  
12 Defendant, or that may be subject to any provision of this Order pursuant to Rule 65(d)(2)  
13 of the Federal Rules of Civil Procedure. For purposes of this Section, service upon any  
14 branch, subsidiary, affiliate, or office of any entity shall effect service upon the entire  
15 entity.

16 **XXII. CORRESPONDENCE AND SERVICE ON FTC**

17 IT IS FURTHER ORDERED that, for the purpose of this Order, all correspondence  
18 and service of pleadings on the FTC shall be done via email to: Colleen Robbins at  
19 [crobbins@ftc.gov](mailto:crobbins@ftc.gov) Christopher E. Brown at [cbrown3@ftc.gov](mailto:cbrown3@ftc.gov).

20 **XXIII. DURATION OF THE ORDER**

21 This Order shall remain in effect until further order of the Court.

22 **XXIV. SEPTEMBER 19, 2023 HEARING**

23 The issue of whether a P.I. should be instituted having been resolved, the Court  
24 **VACATES** the Hearing scheduled for September 19, 2023.

25 **IT IS SO ORDERED.**

26 **DATED: September 8, 2023**

27   
28 **Hon. Cynthia Bashant**  
**United States District Judge**