

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

FEDERAL TRADE COMMISSION,	:		
	:		
Plaintiff,	:	Civil Action No.:	14-1479 (RC)
	:		
v.	:	Re Document No.:	4
	:		
	:		
CORNERSTONE AND COMPANY, LLC, <i>et al.</i>	:	<u>UNDER SEAL</u>	
	:		
Defendants.	:		

**TEMPORARY RESTRAINING ORDER,
AND ORDER TO SHOW CAUSE
WHY PRELIMINARY INJUNCTION SHOULD NOT ISSUE**

Plaintiff Federal Trade Commission (“FTC”) has filed a complaint seeking a permanent injunction and other equitable relief, pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), and a motion for a temporary restraining order (“TRO” or “Order”) pursuant to Rule 65(b) of the Federal Rules of Civil Procedure, against Defendants Cornerstone and Company LLC, and Brandon Lambert. *See* ECF No. 4.

The Court held a hearing on the application for a Temporary Restraining Order on August 28, 2014, at 4:00 P.M. (EST). The Court and the FTC made every effort to ensure Defendant Brandon Lambert’s participation in that hearing, including calling him on the cell phone number provided to the Court and emailing him at cornerstoneandcompany@gmail.com. The Defendant indicated via email and over the phone that he did not wish to participate. Given that the hearing was *ex parte*, and because of lack of formal service, the Court is reluctant to issue broad relief requested beyond what is necessary to prevent further public

dissemination of information. The forms of requested relief will be addressed at the Preliminary Injunction stage after Defendants have, hopefully, had an opportunity to be heard.

FINDINGS OF FACT

This Court, having considered the complaint, the TRO motion, and all attached declarations, exhibits, and memorandum of law filed in support, and having conducted a hearing, finds that:

1. This Court has jurisdiction over the subject matter of this case, there is good cause to believe it will have jurisdiction over all the parties hereto, and venue in this district is proper;
2. There is good cause to believe that Defendants Cornerstone and Company, LLC, and Brandon L. Lambert have engaged and are likely to continue to engage in acts or practices that violate Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and that Plaintiff is therefore likely to prevail on the merits of this action;
3. There is good cause to believe that consumers will suffer immediate and continuing irreparable harm from Defendants' ongoing violations of Section 5(a) of the FTC Act unless Defendants are restrained and enjoined by Order of this Court;
4. Weighing the equities and considering Plaintiff's likelihood of ultimate success, a temporary restraining order, and other equitable relief is in the public interest; and
5. No security is required of any agency of the United States for issuance of a TRO, Fed R. Civ. P. 65(c).

DEFINITIONS

- A. **“Alleged Debtor”** means any natural person obligated or allegedly obligated to pay any debt.
- B. **“Assets”** means any legal or equitable interest in, right to, or claim to, any real or personal property, including, without limitation, chattels, goods, instruments, equipment, fixtures, general intangibles, leaseholds, mail or other deliveries, inventory, checks, notes, accounts, credits, contracts, receivables, shares of stock, and all cash, wherever located.
- C. **“Consumer”** means any person.
- D. **“Corporate Defendant”** means Cornerstone and Company, LLC, and its successors, assigns, affiliates, or subsidiaries, by whatever names it might be known, including but not limited to, William Lee Management & Recovery Firm, LLC.
- E. **“Counsel for the FTC”** means Seena Gressin, Federal Trade Commission, 600 Pennsylvania Avenue, NW, Room CC-10232, Washington, DC, 20580. Email: sgressin@ftc.gov; telephone: (202) 326-2717; facsimile (202) 326-3768.
- F. **“Debt”** means any obligation or alleged obligation to pay money arising out of a transaction, whether or not such obligation has been reduced to judgment.
- G. **“Defendants”** means the Individual Defendant and the Corporate Defendant, individually, collectively, or in any combination, and each of them by whatever names each might be known.
- H. **“Document”** and **“Electronically Stored Information”** are synonymous in meaning and equal in scope to the usage of the terms in Rule 34(a) of the Federal Rules of Civil Procedure and include but are not limited to:

- i. The original or a true copy of any written, typed, printed, electronically stored, transcribed, taped, recorded, filmed, punched, or graphic matter or other data compilations of any kind, including, but not limited to, letters, email or other correspondence, messages, memoranda, interoffice communications, notes, reports, summaries, manuals, magnetic tapes or discs, tabulations, books, records, checks, invoices, work papers, journals, ledgers, statements, returns, reports, schedules, or files; and
 - ii. Any electronically stored information stored on any server, Blackberrys or any type of mobile device, flash drives, personal digital assistants ("PDAs"), desktop personal computer and workstations, laptops, notebooks, and other portable computers, or other electronic storage media, whether assigned to individuals or in pools of computers available for shared use, or personally owned but used for work-related purposes; backup disks and tapes, archive disks and tapes, and other forms of offline storage, whether stored onsite with the computer used to generate them, stored offsite in another company facility, or stored, hosted, or otherwise maintained offsite by a third-party; and computers and related offline storage used by Defendants or Defendants' participating associates, which may include persons who are not employees of the company or who do not work on company premises.
- I. **"Financial Institution"** means any bank, savings and loan institution, credit union, or any financial depository of any kind, including, but not limited to, any brokerage

house, trustee, broker-dealer, escrow agent, title company, commodity trading company, or precious metal dealer.

- J. **“Individual Defendant”** means Brandon L. Lambert.
- K. **“Person”** means a natural person, an organization or other legal entity, including a corporation, partnership, sole proprietorship, limited liability company, association, cooperative, or any other group or combination acting as an entity.
- L. **“Protected Information”** shall mean information from or about an Alleged Debtor, including but not limited to (a) first and last name; (b) home or other physical address, including street name and name of city or town; (c) email address or other online contact information, such as an instant messaging user identifier or a screen name; (d) telephone number; (e) Social Security number; (f) driver's license or other state-issued identification number; (g) financial institution account number; (h) credit or debit card information; (i) credit report information; (j) authentication credential, such as a username or password; (k) military identification number; or (l) passport number.

ORDER

**PROHIBITION ON DISCLOSURE OF PROTECTED INFORMATION
WITHOUT REASONABLE SAFEGUARDS**

- I. **IT IS THEREFORE ORDERED** that Defendants and their officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any corporation, subsidiary, division, or other device, are hereby temporarily restrained and enjoined from disclosing any Protected Information without first implementing reasonable safeguards to maintain and protect the privacy, security, confidentiality, and integrity of such Protected Information.

**TEMPORARILY DISABLING ACCESS TO INTERNET CONTENT
CONTAINING PROTECTED INFORMATION**

- II. **IT IS FURTHER ORDERED** that Defendants and their officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, including any person hosting or otherwise controlling any Internet content, server, or website that contains Protected Information posted by or on behalf of any Defendant, immediately upon service of the Order upon them shall:
- A. Immediately take any necessary steps to ensure that any Protected Information posted by or on behalf of any Defendant on any website, blog, or social media service is no longer viewable or accessible to persons using the Internet;

- B. Preserve any: Internet content, servers, or websites that contain Protected Information posted by or on behalf of any Defendant, by preserving such content, servers, or websites in the format in which they were maintained as of the date of entry of this Order.
- C. Immediately implement reasonable safeguards to maintain and protect the privacy, security, confidentiality, and integrity of any Protected Information subject to Subsection II.B; and
- D. Immediately notify in writing Counsel for the FTC of any other Internet content, server, or website used, operated or controlled by, on behalf of, or for the benefit of any Defendant.

SERVICE OF THIS ORDER

III. **IT IS FURTHER ORDERED** that copies of this Order may be served by facsimile, email, personal or overnight delivery, or U.S. Express Mail, by agents and employees of the FTC or any state or federal law enforcement agency or by private process server, on Defendants or any other persons that may be subject to any provision of this Order.

CORRESPONDENCE WITH PLAINTIFF

IV. **IT IS FURTHER ORDERED** that, for the purposes of this Order, because mail addressed to the FTC is subject to delay due to heightened security screening, all correspondence and service of pleadings on Plaintiff Federal Trade Commission shall be sent either via electronic transmission or via Federal Express to: Seena Gressin,

Federal Trade Commission, 600 Pennsylvania Avenue, NW, Room CC-10232,
Washington, DC, 20580. Email: sgressin@ftc.gov; telephone: (202) 326-2717;
facsimile: (202) 326-3768.

DURATION OF ORDER

- V. **IT IS FURTHER ORDERED** that the Temporary Restraining Order granted herein shall expire on **September 10, 2014, at 4:00 P.M. (EST)**, unless within such time, the Order, for good cause shown, is extended for an additional period not to exceed fourteen (14) calendar days, or unless it is further extended pursuant to Federal Rule of Civil Procedure 65.

ORDER TO SHOW CAUSE AND PRELIMINARY INJUNCTION HEARING

- VI. **IT IS FURTHER ORDERED** that, pursuant to Federal Rule of Civil Procedure 65(b), each of the Defendants shall appear before this Court on **September 10, 2014 at 2:00 P.M. (EST)**, to show cause, if any there be, why this Court should not enter a preliminary injunction enjoining the violations of law alleged in the FTC's Complaint, and imposing such additional relief as may be appropriate.

SERVICE OF PLEADINGS, EVIDENCE, WITNESS LISTS

VII. IT IS FURTHER ORDERED that:

- A. Defendants shall file any answering affidavits, pleadings, or legal memoranda with the Court and serve the same on Counsel for the FTC no later than five (5) business days prior to the preliminary injunction hearing in this matter. Plaintiff may file responsive or supplemental pleadings, materials, affidavits, or memoranda with the Court and serve the same on counsel for Defendants no later than one (1) business day prior to the preliminary injunction hearing in this matter. *Provided that* service shall be performed by personal or overnight delivery, facsimile, or email, and documents shall be delivered so that they shall be received by the other parties no later than 4 p.m. (EST) on the appropriate dates listed in this Subsection;
- B. The question of whether this Court should enter a preliminary injunction pursuant to Rule 65 or the Federal Rules of Civil Procedure enjoining the Defendants during the pendency of this action shall be resolved on the pleadings, declarations, exhibits, and memoranda filed by, and oral argument of, the parties. Live testimony shall be heard only on further order of this Court on motion filed with the Court and served on counsel for the other parties at least five (5) business days prior to the preliminary injunction hearing in this matter. Such motion shall set forth the name, address, and telephone number of each proposed witness, a detailed summary or affidavit

disclosing the substance of each proposed witness' expected testimony, and an explanation of why the taking of live testimony would be helpful to this Court. Any papers opposing a timely motion to present live testimony or to present live testimony in response to live testimony to be presented by another party shall be filed with this Court and served on the other parties at least three (3) business days prior to the preliminary injunction hearing in this matter. *Provided that* service shall be performed by personal or overnight delivery or by facsimile or email, and documents shall be delivered so that they shall be received by the other parties no later than 4 p.m. (EST) on the appropriate dates listed in this Subsection.

JURISDICTION

VIII. **IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of this matter for all purposes.

IT IS SO ORDERED, this **28th day of August, 2014, at 7:05 p.m. (EST)**



UNITED STATES DISTRICT JUDGE

Dated: August 28, 2014

RUDOLPH CONTRERAS
United States District Judge