

RECEIVED

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

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LANCE S. WILSON
CLERK

FEDERAL TRADE COMMISSION,
STATE OF HAWAII,
MARYLAND SECURITIES COMMISSIONER,
STATE OF NEVADA,
STATE OF NORTH CAROLINA,
COMMONWEALTH OF PENNSYLVANIA,
STATE OF SOUTH CAROLINA,

CV-S-99-0969-JBR-RLH

Plaintiffs,

v.

EQUINOX INTERNATIONAL CORP.,
ADVANCED MARKETING SEMINARS, INC.,
BG ENTERPRISES, INC., and
WILLIAM GOULDD,

Defendants.

~~PROPOSED~~ TEMPORARY RESTRAINING ORDER
FREEZING ASSETS, APPOINTING A TEMPORARY
RECEIVER AND PROVIDING ADDITIONAL EQUITABLE RELIEF

Plaintiff, the Federal Trade Commission ("Commission") having filed its complaint for a permanent injunction and other equitable relief in this matter pursuant to section 13(b) of the Federal Trade Commission Act ("FTC ACT"), 15 U.S.C. § 53(b), and having moved *ex parte* for a temporary restraining order and for an order to show cause why a preliminary injunction should not be granted pursuant to Rule 65(b) 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 thereof, finds that:

1. This Court has jurisdiction over the subject matter of this case, and there is good cause to believe it will have jurisdiction of all parties hereto;
2. There is good cause to believe that the defendants, Equinox International Corp., Advanced Marketing Seminars, Inc., BG Management, Inc., and William Gould, have engaged and are likely to engage in acts and practices that violate Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and that the plaintiff is therefore likely to prevail on the merits of this action;
3. There is good cause to believe that immediate and irreparable damage to the Court's ability to grant effective final relief for consumers in the form of monetary restitution will occur from the sale, transfer, or other disposition or concealment by defendants of their assets or corporate records, or those assets and corporate records under their control unless defendants are immediately restrained and enjoined by Order of this Court. There is thus good cause for relieving plaintiff of the duty to provide defendants with prior notice of the plaintiff's motion;
4. There is good cause for the Court to appoint a temporary receiver;
5. Weighing the equities and considering plaintiff's likelihood of ultimate success, a temporary restraining order with asset freeze and other equitable relief is in the public interest; and
6. Fed. R. Civ. P. 65(c) does not require security of the United States or an officer or agency thereof.

Definitions

For the purpose of this temporary restraining order, the following definitions shall apply:

- A. "Defendants" means Equinox International Corp., Advanced Marketing Seminars, Inc., BG Management, Inc., and William Gould, and each of their successors, assigns,

officers, agents, servants, employees, subsidiaries or affiliates, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, whether acting directly or through any entity, corporation, subsidiary, division, or other device, unless specified otherwise.

- B. "Equinox" means Equinox International Corp. and its subsidiaries or affiliates, including but not limited to Advanced Marketing Seminars, Inc., and BG Management, Inc.
- C. "Assets" means any legal or equitable interest in, right to, or claim to, any real and personal property, including but not limited to "goods," "instruments," "equipment," "fixtures," "general intangibles," "inventory," "checks," "notes" (as these terms are defined in the Uniform Commercial Code), and all chattel, leaseholds, contracts, mail or other deliveries, shares of stock, lists of consumer names, accounts, credits, premises, receivables, funds, and cash, wherever located.
- D. "Marketing Program" includes, but is not limited to, any multi-level marketing, sales, business investment opportunity, pyramid marketing scheme, Ponzi scheme, or chain marketing scheme marketed by the defendants.
- E. "Marketing Program Participant" means anyone who, under a condition that he or she make a payment, is granted the right to receive rewards in return for recruiting other people who are also granted a license or right to receive rewards in return for recruiting others, upon condition of making a payment, and may further perpetuate the chain of persons who are granted a right upon such conditions.

CONDUCT PROHIBITIONS

I. INJUNCTION AGAINST MISREPRESENTATIONS

IT IS FURTHER ORDERED that in connection with the offering for sale or sale of the right to participate in any Marketing Program, defendants are hereby temporarily restrained and enjoined from making or assisting in the making of, expressly or by implication, orally or in writing, any statement or representation of material fact that is false or misleading, including, but not limited to, representations that:

- A. Persons who participate in such programs will receive substantial income from the purchase of products and services by their "downline" – the participant's recruits and the recruits' successive generation of recruits – and the recruitment of additional participants;
- B. Persons who participate in such programs will or can receive compensation related to recruitment; and
- C. Consumers who participate in such programs will or can receive compensation related to the purchase or sale of goods or services, unless such compensation meets the requirements set forth in Section III of this Order.

II. INJUNCTION AGAINST MATERIAL OMISSIONS

IT IS FURTHER ORDERED that in connection with the offering for sale or sale of the right to participate in any Marketing Program, defendants are hereby temporarily restrained and enjoined from failing to disclose, clearly and conspicuously, before any consumer pays to

become a Marketing Program Participant, all information material to a consumer's decision to participate in the Marketing Program, including but not limited to:

- A. The number and percentage of current Marketing Program Participants who have made a profit through their participation in the Marketing Program, and the average amount of money made by each current participant;
- B. The number and percentage of current Marketing Program Participants who have qualified for a specific income level as the result of their participation in the Marketing Program, and the average amount of time it took for such participants to qualify for a specific income level;
- C. That the structure of the Marketing Program prevents the vast majority of Marketing Program Participants from profiting from the Marketing Program by earning substantial income or receiving something else of value.

III.

INJUNCTION AGAINST MAKING PAYMENTS RELATED TO RECRUITMENT

IT IS THEREFORE ORDERED that defendants are hereby temporarily restrained and enjoined from operating any Marketing Program that:

- A. Pays any compensation related to recruitment;
- B. Pays any compensation related to the purchase or sale of goods or services unless the majority of such compensation is derived from sales to persons who are not members of such Marketing Program; or
- C. Otherwise constitutes a pyramid marketing scheme, Ponzi scheme, or chain marketing scheme.

**IV.
INJUNCTION AGAINST PROVIDING OTHERS WITH
THE MEANS AND INSTRUMENTALITIES TO
VIOLATE SECTION 5 OF THE FTC ACT**

IT IS FURTHER ORDERED that in connection with the offering for sale or sale of the right to participate in any Marketing Program, Defendants are hereby temporarily restrained and enjoined from providing to others the means and instrumentalities with which to make, expressly or by implication, orally or in writing, any false or misleading statement or representation of material fact, including, but not limited to representations that:

- A. Anyone who participates in any Marketing Program can receive a substantial monthly income; and
- B. Anyone who participates in any Marketing Program can qualify for a specific income level, or something else of value.

TEMPORARY RECEIVERSHIP PROVISIONS

**V.
APPOINTMENT OF TEMPORARY RECEIVER**

IT IS FURTHER ORDERED that Rob Evans JAR is appointed as temporary receiver (the "Temporary Receiver"), with the full power of an equity receiver, for Equinox and of all the funds, properties, premises, accounts and other assets directly or indirectly owned, beneficially or otherwise, by Equinox, with directions and authority to accomplish the following:

- A. Assume full control of Equinox by removing Defendant William Gould and any other officer, independent contractor, employee, or agent of Equinox, from control and management of the affairs Equinox;
- B. Collect, marshal, and take custody, control and possession of all the funds, property, premises, accounts, mail and other assets of, or in the possession or under the control of Equinox, wherever situated, the income and profits therefrom, and all sums of money now or hereafter due or owing to Equinox with full power to: collect, receive and take possession of all goods, chattels, rights, credits, monies, effects, lands, leases, books and records, work papers, and records of accounts, including computer-maintained information, contracts, financial records, monies on hand in banks and other financial institutions, and other papers and documents of Equinox and affiliated entities of Equinox whose interests are now held by or under the direction, possession, custody or control of Equinox;
- C. Perform all acts necessary to conserve, hold, manage, and preserve the value of those assets, in order to prevent any irreparable loss, damage and injury to business venture purchasers, and all acts incidental thereto, including the suspension of operations;
- D. Perform all acts necessary to ensure that Equinox is in compliance with the provisions of this Order, including ceasing all advertising, marketing, offering or providing or assisting others in doing the same which contains any false or misleading statements of material fact or which fail to disclose all information material to a consumer's decision to participate in the Marketing Program;

- E. Make best efforts to notify Equinox's Marketing Program Participants about this Order, such efforts can include posting this Order on Equinox's world wide web page, and providing information to Participants through Equinox's meetings, conference calls, and seminars.
- F. Enter into agreements in connection with administration of the receivership, including, but not limited to: (1) the retention and employment of investigators, attorneys or accountants of the Temporary Receiver's choice, including, without limitation, members and employees of the Temporary Receiver's firm, to assist, advise, and represent the receiver, and (2) the movement and storage of any equipment, furniture, records, files or other physical property of Equinox;
- G. Institute, prosecute, compromise, adjust, intervene in or become party to such actions or proceedings in state, federal or foreign courts that the Temporary Receiver deems necessary and advisable to preserve the value of the properties of Equinox or that the Temporary Receiver deems necessary and advisable to carry out the Temporary Receiver's mandate under this Order, and likewise to defend, compromise or adjust or otherwise dispose of any or all actions or proceedings instituted against the Temporary Receiver or Equinox that the Temporary Receiver deems necessary and advisable to preserve the properties of Equinox or that the Temporary Receiver deems necessary and advisable to carry out the Temporary Receiver's mandate under this Order.
- II. Prepare and submit a Report to this Court and to the parties, not less than three (3) days prior to the scheduled Preliminary Injunction Hearing, describing Equinox's business activities, including, but not limited to, the number of consumers participating in

Equinox's Marketing Program (including a breakdown by category of participation: distributors, managers, supervisors, director, executive director, and international marketing director), the amount of money received by Equinox from the Marketing Program Participants, the amount of money distributed to Marketing Program Participants by Equinox, the number and percentage of Marketing Program Participants who have made money through their participation in the Marketing Program, and the average amount of money made by such participants, the number and percent of Equinox participants who have achieved specific income levels through participation in the Marketing Program, and the role of William Gould and any other officers or directors of Equinox.

- I. Conduct expedited discovery in order to prepare the Receiver's Report, referenced above, prior to the Preliminary Injunction Hearing. Such expedited discovery can, at the Receiver's sole discretion, include oral depositions on three business days notice to the deponent and expedited interrogatories, requests for admission, or requests for production of documents requiring responses within 3 business days after service of the discovery requests.

The Temporary Receiver and all personnel hired by the Temporary Receiver as herein authorized, including counsel to the Temporary Receiver and accountants, are entitled to reasonable compensation for the performance of duties pursuant to this Order and for the cost of actual out-of-pocket expenses incurred by them, from the assets now held by or in the possession or control of, or which may be received by, Equinox. The Temporary Receiver shall file with the Court and serve on the parties periodic requests for the payment of such reasonable

compensation, with the first such request due prior to sixty days after the date of this Order. The Temporary Receiver shall not increase the Temporary Receiver's fee rate billed to the receivership estate without prior approval of the Court.

The Temporary Receiver shall file with the Clerk of this Court a bond in the sum of \$ 50,000.00 ^{08/12} with sureties to be approved by the Court, conditioned that the Temporary Receiver will well and truly perform the duties of the office and abide by and perform all acts the Court directs.

**VI.
ACCESS TO BUSINESS RECORDS**

IT IS FURTHER ORDERED that Defendants shall allow the Temporary Receiver appointed herein and his/her representatives, agents, and assistants, immediate access to Equinox's business premises and any other location where Equinox's property or business records are located. Such locations specifically include, but are not limited to, Equinox's offices at 10190 Covington Cross, Las Vegas, Nevada. The Temporary Receiver is authorized to employ the assistance of law enforcement officers as he or she deems necessary, to effect service and to implement peacefully the provisions of this Order. The purpose of access shall be to inspect and inventory all of Equinox's property, assets, and documents and inspect and copy any documents relevant to this action. The Temporary Receiver its agents, and assistants, shall have the right to remove documents from Equinox's premises in order that they may be inspected, inventoried, and copied.

If any business records or property relating to Equinox is located in the personal residence of a Defendant and request to enter such residence is denied, then such Defendant shall, within forty eight (48) hours of service of this Order:

- A. Produce to the Temporary Receiver, at a location designated by the Temporary Receiver, all contracts, accounting data, written or electronic correspondence, advertisements, computer tapes, discs, or other computerized or electronic records, books, written or printed records, handwritten notes, telephone logs, telephone scripts, telephone bills, receipt books, ledgers, membership records and lists, refund records, receipts, ledgers, bank records (including personal and business monthly statements, canceled checks, records of wire transfers, and check registers) appointment books, copies of federal, state or local business or personal income or property tax returns, 1099 forms, title records and other documents or records of any kind that relate to Defendants' business practices; and
- B. Produce to the Temporary Receiver, at a location designated by the Temporary Receiver, all computers and data in whatever form, used by Defendants, in whole or in part, relating to Defendants' business practices.

**VII.
TURN OVER TO RECEIVER**

IT IS FURTHER ORDERED that, immediately upon service of this Order upon them, Defendants, and any other person or entity served with a copy of this Order, shall forthwith or within such time as permitted by the Temporary Receiver in writing, deliver over to the Temporary Receiver:

- A. Possession and custody of all assets including, but not limited to, funds and property owned beneficially or otherwise, wherever situated, of Equinox;
- B. Possession and custody of all books and records of accounts, all financial and accounting records, balance sheets, income statements, bank records (including monthly statements, canceled checks, records of wire transfers, and check registers), client lists, title document, and other papers of Equinox;
- C. Possession and custody of all funds and other assets belonging to members of the public now held by Equinox;
- D. All keys, computer passwords, entry codes, combinations to locks required to open or gain access to any of the property or effects, and all monies in any bank deposited to the credit of Equinox, wherever situated; and
- E. Information identifying the accounts, employees, properties, or other assets or obligations of Equinox.

VIII.

PLAINTIFF'S ACCESS TO BUSINESS RECORDS

IT IS FURTHER ORDERED that Defendants and the Temporary Receiver shall allow plaintiff's representatives, agents, and assistants immediate access to the defendants' business premises to inspect and copy documents so the Commission may prepare for the preliminary injunction hearing. The receiver shall have discretion to regulate the time, place, and manner of such access consistent with this purpose. The Commission may remove materials from Defendants' business premises so they may be inspected, inventoried, and copied. The Commission shall return materials so removed within three (3) business days of completing said

inventory and copying. To the extent Defendants or third parties turn over to the Receiver records relating to Defendants business, but not kept at Defendants' business premises, Defendants and the Temporary Receiver shall also allow plaintiff's representatives, agents and assistants access to those additional records. The Temporary Receiver shall have discretion to regulate the time, place, and manner of such access consistent with this purpose. The Commission may remove those additional materials so they may be inspected, inventoried, and copied. The Commission shall return materials so removed within three (3) business days of completing said inventory and copying.

**IX.
STAY OF OTHER ACTIONS**

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

- JBF*
- ~~A. Commencing, prosecuting, continuing or enforcing any suit or proceeding against Equinox, or any of its subsidiaries or affiliates, except that such actions may be filed to toll any applicable statute of limitations;~~
 - ~~B. Commencing, prosecuting, continuing or entering any suit or proceeding in the name or on behalf of Equinox;~~

- C. Accelerating the due date of any obligation or claimed obligation, enforcing any lien upon, or taking or attempting to take possession of, or retaining possession of property of Equinox, or any property claimed by Equinox, or attempting to foreclose, forfeit, alter or terminate any of Equinox's interests in property, including, without limitation, the establishment, granting, or perfection of any security interest, whether such acts are part of a judicial proceeding or otherwise;
- D. Using self-help or executing or issuing, or causing the execution or issuance of any court attachment, subpoena, replevin, execution or other process for the purpose of impounding or taking possession of or interfering with, or creating or enforcing a lien upon any property, wheresoever located, owned by or in the possession of the Equinox, or any of its subsidiaries or affiliates, or the Temporary Receiver appointed pursuant to this Order or any agent appointed by said Temporary Receiver; and
- E. Doing any act or thing whatsoever to interfere with the Temporary Receiver taking control, possession or management of the property subject to this receivership, or to in any way interfere with the Temporary Receiver, or to harass or interfere with the duties of the Temporary Receiver, or to interfere in any manner with the exclusive jurisdiction of this Court over the property and assets of Equinox, including the filing by the individual Defendants of a petition for relief under the United States Bankruptcy Code, 11 U.S.C. § 101 et seq., as to Equinox.

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

ASSET & RECORD RETENTION

X. ASSET FREEZE

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

- A. Transferring, converting, encumbering, selling, concealing, dissipating, disbursing, assigning, spending, withdrawing, perfecting a security interest in, or otherwise disposing of any funds, property, accounts, contracts, shares of stock, lists of consumer names, or other assets, wherever located, including outside the United States, other than to make transfers to the Temporary Receiver appointed herein, that are (1) owned or controlled, directly or indirectly, by any Defendant, in whole or in part; (2) in the actual or constructive possession of any Defendant; or (3) owned, controlled by, or in the actual or constructive possession of any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by, or under common control with any Defendant, including but not limited to, any assets held by, for, or under the name of any Defendant at any bank or savings and loan institution, or with any broker-dealer, escrow agent, title company, commodity trading company, precious metal dealer, or other financial institution or depository of any kind;
- B. Opening or causing to be opened any safe deposit boxes titled in the name of any Defendant, or subject to access by any Defendant; and
- C. Incurring charges or cash advances on any credit card issued in the name, singly or jointly, of any Defendant.

**XI.
REPATRIATION OF ASSETS AND DOCUMENTS
LOCATED IN FOREIGN COUNTRIES**

IT IS FURTHER ORDERED that Defendants, whether acting through any trust, corporation, subsidiary, division, or other device, shall:

- A. Within three (3) business days following the service of this Order, take such steps as are necessary to transfer to the territory of the United States of America all documents and assets that are located outside of such territory and are held by or for Defendants or are under Defendants' direct or indirect control, jointly, severally, or individually; and
- B. Within three (3) business days following service of this Order, provide the plaintiff and Temporary Receiver with a full accounting of all documents and assets that are located outside of the territory of the United States of America and are held by or for Defendants or are under Defendants' direct or indirect control, jointly, severally, or individually; and
- C. Hold and retain all transferred documents and assets and prevent any transfer, disposition, or dissipation whatsoever of any such assets or funds, except for transfers to the Temporary Receiver; and
- D. Provide plaintiff access to Defendants' records and documents held by financial institutions outside the territorial United States, by signing the Consent to Release of Financial Records attached hereto as Attachment A.

**XII.
FINANCIAL STATEMENTS**

IT IS FURTHER ORDERED that not less than three (3) days prior to the scheduled date and time for the hearing on a preliminary injunction in this matter, but in no event later than

ten (10) days after entry of this Order, each Defendant shall provide the Commission and Temporary Receiver with a completed financial statement, on the forms attached to this Order as Attachments B and C, for each Defendant individually and for each corporation of which such Defendant is an officer, as of the date of service of this Order upon such Defendant.

**XIII.
CONSUMER CREDIT REPORTS**

IT IS FURTHER ORDERED that pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C. § 1681b(1), any consumer reporting agency may furnish a consumer report concerning any of the Defendants to the Commission.

**XIV.
PRESERVATION OF RECORDS**

IT IS FURTHER ORDERED that Defendants are hereby temporarily restrained and enjoined from destroying, erasing, mutilating, concealing, altering, transferring, or otherwise disposing of, in any manner, directly or indirectly, any contracts, accounting data, correspondence, advertisements, computer tapes, discs, or other computerized records, books, written or printed records, handwritten notes, telephone logs, telephone scripts, receipt books, ledgers, personal and business canceled checks and check registers, bank statements, appointment books, copies of federal, state or local business or personal income or property tax returns, and other documents or records of any kind that relate to the business practices or business or personal finances of the Defendants, individually and jointly.

XV.
MAINTENANCE OF CURRENT BUSINESS RECORDS

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

- A. Failing to create and maintain documents that, in reasonable detail, accurately, fairly, and completely reflect their incomes, disbursements, transactions, and use of money; and
- B. Creating, operating, or exercising any control over any business entity, including any partnership, limited partnership, joint venture, sole proprietorship or corporation, without first providing the Commission with a written statement disclosing: (1) the name of the business entity; (2) the address and telephone number of the business entity; (3) the names of the business entity's officers, directors, principals, managers and employees; and (4) a detailed description of the business entity's intended activities.

XVI.
RETENTION OF ASSETS AND RECORDS

IT IS FURTHER ORDERED that, pending determination of the Plaintiff'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 the Defendants, or has held, controlled or maintained custody of any such account or asset at any time since the date of entry of this Order shall

- A. Hold and retain within its control and prohibit the withdrawal, removal, assignment, transfer, pledge, encumbrance, disbursement, dissipation, conversion, sale, or other disposal of any such asset except by further order of the Court;
- B. Deny Defendants access to any safe deposit box that is:
 - 1. titled in the name of any Defendant, either individually or jointly; or
 - 2. otherwise subject to access by any Defendant;
- C. Provide the Commission's counsel and the Temporary Receiver appointed herein, within five (5) business days of receiving a copy of this Order, a sworn statement setting forth:
 - 1. the identification number of each such account or asset titled in the name, individually or jointly, of any of the Defendants, or held on behalf of, or for the benefit of, any of the Defendants;
 - 2. the balance of each such account, or a description of the nature and value of such asset as of the close of business on the day on which this Order is served, and, if the account or other asset has been closed or removed, the date closed or removed, the total funds removed in order to close the account, and the name of the person or entity to whom such account or other asset was remitted; and
 - 3. the identification of any safe deposit box that is either titled in the name, individually or jointly, of any Defendant, or is otherwise subject to access by any Defendant; and

D. Upon the request by the Commission or the Temporary Receiver, promptly provide the Commission with copies of all records or other documentation pertaining to such account or asset, including but not limited to originals or copies of account applications, account statements, signature cards, checks, drafts, deposit tickets, transfers to and from the accounts, all other debit and credit instruments or slips, currency transaction reports, 1099 forms, and safe deposit box logs. Any such financial institution, account custodian, or other aforementioned entity may arrange for the Commission to obtain copies of any such records which the Commission seeks.

NOTIFICATION PROVISIONS

XVII.

DISTRIBUTION OF ORDER BY DEFENDANTS

IT IS FURTHER ORDERED that Defendants shall immediately provide a copy of this Order to each affiliate, subsidiary, division, sales entity, successor, assign, officer, director, employee, agent, attorney, and representative of any Defendant, and shall, within ten (10) days from the date of entry of this Order, provide the Commission with a sworn statement that Defendants have complied with this provision of the Order, which statement shall include the names and addresses of each such person or entity who received a copy of the Order.

XVIII.

SERVICE OF ORDER

IT IS FURTHER ORDERED that copies of this Order may be served by any means, including facsimile transmission, upon any financial institution or other entity or person that may have possession, custody, or control of any documents or assets of the Defendants, or that may

be subject to any provision of this Order. Pursuant to Fed. R. Civ. P. 4(c)(2), this Order and the initial papers filed in this matter may be served on Defendants by any law enforcement officer, by any agent of plaintiff or of the Temporary Receiver, or by any agent of any process service retained by plaintiff or the Temporary Receiver.

PRELIMINARY INJUNCTION PROCEEDINGS

XIX. SERVICE OF PLEADINGS

IT IS FURTHER ORDERED that the parties shall serve all memoranda, affidavits and other evidence on which they intend to rely at the preliminary injunction hearing set in this matter not later than 4:00 p.m. (EST) of the second day prior to the hearing date. Service on the Commission shall be performed by delivery to the attention of counsel at the Federal Trade Commission, 600 Pennsylvania Ave., N.W., Room H-238, Washington, DC 20580, or by facsimile transmission to (202) 326-3395.

XX. WITNESS IDENTIFICATION

IT IS FURTHER ORDERED that, if any party to this action intends to present the testimony of any witness at the hearing on a preliminary injunction in this matter, that party shall, at least forty-eight (48) hours prior to the scheduled date and time of hearing, file with this Court and serve on all other parties 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 revealing the substance of such witness's expected testimony. Service on the Commission shall be performed by personal delivery to the attention of counsel at the Federal

Trade Commission, 600 Pennsylvania Ave., NW, Room H-238, Washington, DC 20580, or by facsimile transmission to (202) 326-3395.

**XXI.
EXPEDITED ASSET DISCOVERY**

IT IS FURTHER ORDERED that in anticipation of the preliminary injunction hearing in this matter, the parties and are granted leave to conduct expedited discovery regarding defendants' assets. The parties may depose any witness regarding defendants' assets at any time after the date of this Order upon three (3) business days' notice. The parties shall respond to any asset related interrogatories, requests for admissions, or requests for production of documents within four (4) business days after service of the discovery request.

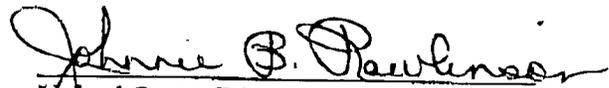
**XXII.
PRELIMINARY INJUNCTION HEARING**

IT IS FURTHER ORDERED, pursuant to Fed. R.Civ. P. 65(b), that defendants shall appear before this Court on the 16th day of August, 1999 at 4:00 o'clock p.m., at the United States Courthouse, Room 1 to show cause, if there is any, why this Court should not enter a preliminary injunction, pending final ruling on the Complaint against Defendants, enjoining them from further violations of Section 5(a) of the Federal Trade Commission Act, 15 U.S.C. § 45(a), continuing the freeze of their assets, and imposing such additional relief as may be appropriate.

**XXIII.
RETENTION OF JURISDICTION**

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

SO ORDERED, this 4th day of August, 1999, at 3:30 p.m.


United States District Judge
District of Nevada

I hereby attest and certify on 8/5/99
that the foregoing document is a full, true and correct
copy of the original on file in my office, and in my
legal custody.

CLERK, U.S. DISTRICT COURT
DISTRICT OF NEVADA

By  Deputy