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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

FEDERAL TRADE COMMISSION

Plaintiff,

vs.

**FEDERAL LOAN MODIFICATION
LAW CENTER, LLP; ANZ &
ASSOCIATES, PLC; LEGALTURN
INC., a.k.a. LEGAL TURN INC.;
FEDERAL LOAN MODIFICATION,
LLC; NABILE "BILL" ANZ; BOAZ
MINITZER, and JEFFREY
BROUGHTON**

Defendants.

Case No. SACV 9-00401-CJC(MLGx)

PRELIMINARY INJUNCTION

1 **I. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

2
3 Plaintiff Federal Trade Commission (“FTC”) has filed a Complaint seeking a
4 permanent injunction and other relief pursuant to Section 13(b) of the Federal Trade
5 Commission Act (“FTC Act”), 15 U.S.C. § 53(b), and now seeks a preliminary
6 injunction. This Court has considered the pleadings, exhibits, memoranda, and
7 declarations, and now finds and concludes that:

8
9 A. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331,
10 1337(a) and 1245, and 15 U.S.C. §§ 45(a) and 53(b), and there is good
11 cause to believe that it will have jurisdiction over all the parties hereto.

12
13 B. Venue in the Central District of California is proper under 15 U.S.C. §
14 53(b) and 28 U.S.C. § 1391(b) and (c).

15
16 C. There is good cause to believe that Defendants Federal Loan Modification
17 Center, LLP, Anz & Associates, PLC, LegalTurn, Inc., a.k.a. Legal Turn
18 Inc., Federal Loan Modification, LLC, Nabile “Bill” Anz, Boaz Minitzer
19 and Jeffrey Broughton might be engaging in, and may continue to engage
20 in, practices that violate Section 5 of the FTC Act, 15 U.S.C. § 15.

21
22 D. There is good cause to believe that immediate and irreparable damage to
23 the Court’s ability to grant effective final relief in the form of permanent
24 injunction, rescission, restitution, and disgorgement might occur from the
25 destruction, transfer, or concealment by Defendants of their business
26 assets and documents or records unless Defendants are preliminarily
27 restrained and enjoined by order of this Court.

1 E. A preliminary injunction freezing certain of the assets of the Corporate
2 Defendants (as defined in this Preliminary Injunction) and granting other
3 equitable relief is in the public interest.
4

5 **II. DEFINITIONS**

6
7 For the purposes of this Preliminary Injunction, the following definitions shall
8 apply:
9

10 A. "Plaintiff" or "FTC" means the Federal Trade Commission.
11

12 B. "Defendants" means: (1) Federal Loan Modification Law Center, LLP; (2)
13 Anz & Associates, PLC; (3) LegalTurn, Inc., a.k.a. Legal Turn, Inc.; (4)
14 Federal Loan Modification, LLC; (5) Nabile "Bill" Anz; (6) Boaz
15 Minitzer; and (7) Jeffrey Broughton.
16

17 C. "Corporate Defendants" means: (1) Federal Loan Modification Law
18 Center, LLP; (2) Anz & Associates, PLC; (3) LegalTurn, Inc., a.k.a. Legal
19 Turn, Inc.; and (4) Federal Loan Modification, LLC.
20

21 D. "Mortgage loan modification or foreclosure relief service" means any
22 service, product, or program that is represented, expressly or by
23 implication, to assist a homeowner in any manner to: (1) obtain or arrange
24 a modification of any term of a home loan, deed of trust, or mortgage; (2)
25 obtain or arrange a refinancing, recapitalization, or reinstatement of a
26 home loan, deed of trust, or mortgage; (3) obtain or arrange a pre-
27 foreclosure sale, short sale, or deed-in-lieu of foreclosure; (4) stop,
28 prevent, or postpone any home mortgage or deed of trust foreclosure sale;

1 (5) obtain any forbearance from any beneficiary or mortgagee; (6) obtain a
2 loan or advance of funds that is connected to the consumer's home
3 ownership; (7) avoid or ameliorate the impairment of the owner's credit
4 standing, credit rating or credit profile; (8) examine, audit or evaluate any
5 term of a home loan, deed of trust or mortgage; or (9) save the consumer's
6 residence from foreclosure.

7
8 E. "Assisting others" means knowingly providing any of the following goods
9 or services to another person or entity: (1) performing customer service
10 functions, including, but not limited to, receiving or responding to
11 consumer complaints; (2) formulating or providing, or arranging for the
12 formulation or provision of, any telephone sales script or any other
13 marketing material; (3) providing names of, or assisting in the generation
14 of, potential customers; or (4) performing marketing services of any kind.

15
16 F. "Assets" means any legal or equitable interest in, right to, or claim to, any
17 real or personal property, including, without limitation, chattels, goods,
18 instruments, equipment, fixtures, general intangibles, leaseholds, mail or
19 other deliveries, inventory, checks, notes, accounts, credits, contracts,
20 receivables, shares of stock, and all cash, wherever located.

21
22 G. "Person" means a natural person, organization, or other legal entity,
23 including a corporation, partnership, proprietorship, association,
24 cooperative, or any other group or combination acting as an entity.

25
26 H. The term "document" is equal in scope and synonymous in meaning to the
27 usage of the term in Federal Rule of Civil Procedure 34(a), and includes
28 writings, drawings, graphs, charts, photographs, audio and video

1 recordings, computer records, and any other data compilations from which
2 information can be obtained. A draft or non-identical copy is a separate
3 document within the meaning of the term.

4
5 **III. PRELIMINARY INJUNCTION**

6
7 PENDING TRIAL, Defendants, and each of them, and their agents, servants,
8 employees and attorneys and all those in active concert and preparation with any of
9 them, ARE HEREBY RESTRAINED AND ENJOINED from:

10
11 A. Outside the ordinary course of business, transferring, selling, alienating,
12 liquidating, encumbering, pledging, leasing, loaning, assigning,
13 concealing, dissipating, converting, withdrawing, or otherwise disposing,
14 of any assets of Corporate Defendants, wherever located, including assets
15 held outside the United States, or incurring charges or cash advances on
16 any credit or debit card issued in the name of the Corporate Defendants.
17 The assets affected by this paragraph shall include both existing assets and
18 assets acquired after the effective date of this Preliminary Injunction
19 wherever located. Provided that Defendants shall produce, within ten (10)
20 business days of the close of any calendar month, an accounting of all
21 transfers made in that month in the ordinary course of business, and upon
22 request of the FTC, provide within a reasonable period of time, copies of
23 documents showing such expenses (e.g., books and records of accounts,
24 financial and accounting records, balance sheets, income statements and
25 bank records (including monthly statements, cancelled checks, records of
26 wire transfers and check registers)).

27
28 B. Representing, guaranteeing, or estimating, or from assisting others who are

1 representing, guaranteeing, or estimating, the likelihood, expressly or by
2 implication, that any of the Defendants or any other person will:

- 3
- 4 1. obtain a modification of any term of a consumer's home loan, deed
5 of trust, or mortgage, including any recapitalization or reinstatement
6 agreement;
 - 7
 - 8 2. obtain a pre-foreclosure sale, short sale, or deed-in-lieu of
9 foreclosure;
 - 10
 - 11 3. stop, prevent, or postpone any home mortgage foreclosure sale;
 - 12
 - 13 4. save any consumer's residence from foreclosure;
 - 14
 - 15 5. obtain or arrange lower or affordable monthly mortgage payments
16 for any consumer;
 - 17
 - 18 6. obtain or arrange lower interest rates on any home loan, deed of
19 trust, or mortgage for any consumer; or
 - 20
 - 21 7. negotiate the terms that any beneficiary, mortgagor, or other home-
22 loan holder will or is likely to offer or accept to cure any
23 delinquency or default on, or to reinstate, any mortgage, deed of
24 trust, or other home loan.

25

26 C. Guaranteeing or estimating, or from assisting others who are guaranteeing
27 or estimating, the terms that:

28

- 1 1. any beneficiary, mortgagor, or other home-loan holder will, or is
2 likely to, order or accept or cure any delinquency or default on, or to
3 reinstate, any mortgage, deed of trust, or other home loan; or
4
- 5 2. the amount of time it is likely to take for any of the Defendants or
6 any other person to, obtain or arrange a modification of a
7 consumer's home loan, deed of trust, or mortgage, including any
8 recapitalization or reinstatement agreement, provided however that
9 Federal Loan Modification Law Center LLP and its agents and
10 representatives shall be allowed to provide substantiated estimates
11 of the time it will take it to internally process client documentation
12 and submit loan modification proposals to lenders and disclose that
13 they are unable to provide estimates concerning any final
14 determination by the lender.

15
16 D. Representing that any of the Defendants is affiliated with, endorsed or
17 approved by, or otherwise connected to, the United States government,
18 any governmental homeowner assistance plan, or any government agency,
19 unit or department, including, but not limited to, the U.S. Department of
20 Housing and Urban Development, the Federal Housing Administration, or
21 the Department of the Treasury.

22
23 E. Marketing or advertising without disclaiming that any of the Defendants,
24 or any person affiliated with Defendants, or Defendants' agents, are not
25 affiliated with, endorsed or approved by, or otherwise connected to, the
26 United States government, any governmental homeowner assistance plan,
27 or any government agency, unit or department, including, but not limited
28 to, the U.S. Department of Housing and Urban Development, the Federal

1 Housing Administration, or the Department of the Treasury.

2
3 F. Destroying, erasing, mutilating, concealing, altering, transferring, or
4 otherwise disposing of, in any manner, directly or indirectly, any
5 documents or records that relate to the business practices, or business or
6 personal finances, of any of the Defendants, or other entity directly or
7 indirectly under the control of any of the Defendants.

8
9 G. Failing to create and maintain books, records, and accounts which, in
10 reasonable detail, accurately, fairly, and completely reflect the incomes,
11 assets, disbursements, transactions and use of monies by any of the
12 Defendants or other entity directly or indirectly under the control of any of
13 the Defendants.

14
15 H. Selling, renting, leasing, transferring, or otherwise disclosing the name,
16 address, telephone number, credit card number, bank account number, e-
17 mail address, or other identifying information of any person who paid
18 money to any of the Defendants for a mortgage loan modification or
19 foreclosure relief service or who were contacted or are on a list to be
20 contacted by any of the Defendants; provided that any of the Defendants
21 may disclose such identifying information to a law enforcement agency or
22 as required by any law, regulation, or court order.

23
24 I. Requesting or receiving payment of any fee or consideration in advance of
25 performing each and every loan modification or foreclosure relief service
26 that any of the Defendants contracted to perform or represented would be
27 performed for the party from whom payment is requested.
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J. Refusing to refund any fees paid by a customer if a mortgage loan modification is not obtained or a foreclosure relief service is not performed.

IT IS FURTHER ORDRED that agents or representatives of the FTC may contact Federal Loan Modification Law Center LLP or its agents or representatives directly and anonymously for the purpose of monitoring compliance with this Order, provided that any recordings made by the FTC of such communications that occur in the course of such contacts are provided to counsel of record for Federal Loan Modification Law Center LLP within a reasonable period of time.

No security is required of the FTC for issuance of this Preliminary Injunction. FED. R. CIV. P. 65(c).

IT IS SO ORDERED, this 24th day of April, 2009.



CORMAC J. CARNEY
UNITED STATES DISTRICT JUDGE