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FEDERAL TRADE COMMISSION

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

FEDERAL TRADE COMMISSION,  
  
Plaintiff,

v.

RINCON MANAGEMENT  
SERVICES, LLC, a California limited  
liability company, also d/b/a “Rincon  
Debt Management,” “Rincon Filing  
Services,” and “Pacific Management  
Recovery”; PRIME WEST  
MANAGEMENT RECOVERY, LLC,  
a California limited liability company;  
UNION MANAGEMENT  
SERVICES, LLC, a California limited  
liability company, also d/b/a “Union  
Filing Services”; NATIONAL FILING  
SERVICES, LLC, a California limited  
liability company; CITY  
INVESTMENT SERVICES, LLC, a  
California limited liability company;  
GLOBAL FILING SERVICES, LLC,  
a California limited liability company;  
PACIFIC MANAGEMENT  
RECOVERY, LLC, a Delaware limited  
liability company; JASON R.  
BEGLEY, an individual; and WAYNE  
W. LUNSFORD, an individual,

Defendants.

Case no. EDVC 11-01623 VAP (SPx)

PRELIMINARY INJUNCTION

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1 Plaintiff Federal Trade Commission (“Commission” or “FTC”) filed a  
2 Complaint for injunctive and other equitable relief in this matter pursuant to  
3 Sections 13(b) and 19 of the Federal Trade Commission Act (“FTC Act”), 15  
4 U.S.C. §§ 53(b) and 57b, and Section 814 of the Fair Debt Collection Practices Act  
5 (“FDCPA”), 15 U.S.C. §1692l. Plaintiff concurrently applied *ex parte* for a  
6 Temporary Restraining Order (“TRO”) pursuant to Rule 65 of the Federal Rules of  
7 Civil Procedure, and for an Order to show cause why a preliminary injunction  
8 should not be granted pursuant to Rule 65 of the Federal Rules of Civil Procedure  
9 and why a permanent receiver should not be appointed.

### 10 FINDINGS OF FACT

11 This Court has considered the Complaint, Plaintiff’s *ex parte* Application for  
12 TRO, memorandum of points and authorities, and other materials filed in support  
13 thereof, and it appears to the satisfaction of the Court that:

14 1. This Court has jurisdiction over the subject matter of this case. There  
15 is also good cause to believe the Court will have jurisdiction over the parties, and  
16 that venue in this district is proper.

17 2. There is good cause to believe that Defendants Rincon Management  
18 Services, LLC also d/b/a “Rincon Debt Management,” “Rincon Filing Services,”  
19 and “Pacific Management Recovery”; Prime West Management Recovery, LLC;  
20 Union Management Services, LLC also d/b/a “Union Filing Services”; National  
21 Filing Services, LLC; City Investment Services, LLC; Global Filing Services,  
22 LLC; Pacific Management Recovery, LLC; Jason R. Begley, and Wayne W.  
23 Lunsford; have engaged in and are likely to engage in acts or practices that violate  
24 Section 5(a) of the FTC Act, 15 U.S.C. §45(a), and the FDCPA, 15 U.S.C. § 1692 -  
25 1692p, and that the Commission is likely to prevail on the merits of this action;

26 3. There is good cause to believe that immediate and irreparable harm  
27 will result from Defendants’ ongoing violations of the FTC Act and the FDCPA  
28 unless Defendants are restrained and enjoined by order of this Court.

4. There is good cause to believe that immediate and irreparable harm

1 will result from Defendants’ ongoing violations of the FTC Act and the FDCPA  
2 unless Defendants are restrained and enjoined by Order of this Court.

3 5. Good cause exists for the appointment of a Permanent Receiver over  
4 Business Entity Defendants Rincon Management Services, LLC also d/b/a “Rincon  
5 Debt Management,” “Rincon Filing Services,” and “Pacific Management  
6 Recovery”; Prime West Management Recovery, LLC; Union Management  
7 Services, LLC also d/b/a “Union Filing Services”; National Filing Services, LLC;  
8 City Investment Services, LLC; Global Filing Services, LLC; and Pacific  
9 Management Recovery, LLC.

10 6. Considering Plaintiff’s likelihood of ultimate success and weighing the  
11 equities, a Preliminary Injunction (“Order”) with an asset freeze, the appointment of  
12 a Permanent Receiver, immediate access, and other equitable relief is in the public  
13 interest.

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

## 16 ORDER

### 17 Definitions

18 For purposes of this Order, the following definitions shall apply:

- 19 1. **“Plaintiff”** means the Federal Trade Commission.
- 20 2. **“Defendants”** means Defendants Rincon Management Services, LLC  
21 also d/b/a “Rincon Debt Management,” “Rincon Filing Services,” and “Pacific  
22 Management Recovery”; Prime West Management Recovery, LLC; Union  
23 Management Services, LLC also d/b/a “Union Filing Services”; National Filing  
24 Services, LLC; City Investment Services, LLC; Global Filing Services, LLC;  
25 Pacific Management Recovery, LLC; Jason R. Begley; and Wayne W. Lunsford;  
26 and each of them by whatever names each might be known, as well as their  
27 successors and assigns, whether acting directly or through any corporation,  
28 subsidiary, division, or other device, including, but not limited to, fictitious business  
names.

1           3.     **“Business Entity Defendants”** means Defendants Rincon Management  
2 Services, LLC also d/b/a “Rincon Debt Management,” “Rincon Filing Services,” and  
3 “Pacific Management Recovery”; Prime West Management Recovery, LLC; Union  
4 Management Services, LLC also d/b/a “Union Filing Services”; National Filing  
5 Services, LLC; City Investment Services, LLC; Global Filing Services, LLC; and  
6 Pacific Management Recovery, LLC; and each of them by whatever names each  
7 might be known.

8           4.     **“Individual Defendants”** means Jason R. Begley, and Wayne W.  
9 Lunsford, and each of them by whatever names each might be known.

10          5.     **“Receivership Defendants”** refers to Defendants Rincon Management  
11 Services, LLC also d/b/a “Rincon Debt Management,” “Rincon Filing Services,” and  
12 “Pacific Management Recovery”; Prime West Management Recovery, LLC; Union  
13 Management Services, LLC also d/b/a “Union Filing Services”; National Filing  
14 Services, LLC; City Investment Services, LLC; Global Filing Services, LLC; Pacific  
15 Management Recovery, LLC; Nationwide Filing Services, Inc.; Worldwide Filing  
16 Services, Inc.; Maple Filing Services, LLC; Southcoast Financial Services, Inc.;  
17 National Filing Services, LLC; Raincross Filing Services, Inc.; Pacific Management  
18 and Recovery, LLC; Prime Western Investments, LLC; Universal Filing Services,  
19 Inc.; Rockwell Management Services, LLC; Asset Filing Services, Inc.; Eagle Filing  
20 Services, LLC; Capital Filing Services, Inc.; County Filing Services, Inc.; Irvine  
21 Group & Associates; Statewide Associates Group; Superior Filing Services, Inc.;  
22 West Coast Filing Services, Inc.; Bagels Consulting Firm, Inc.; Lunsford Investment  
23 and Management Services, Inc.; Debt Marketing Solutions, LLC; Debt Tech  
24 Solutions, LLC; Heavy Hitters Investments, Inc.; Heavy Hitters Motors, Inc.; Heavy  
25 Hitters Real Estate, Inc.; Portfolio Investment Partners, LP; Portfolio Investments  
26 Partners, Inc.; Portfolio Investment Group, LP; Portfolio Investment Financial, Inc.;  
27 Skyridge Legacy Trust (Jason R. Begley, Trustee); WAL Legacy Trust (Wayne  
28 Lunsford, Trustee); Spiff Money Legacy Gift Trust (Wayne Lunsford, Trustee); JRB  
Intellect, LLC; JBEG, LLC; LAL Intellect, LLC; Heavy Hitters Spiff Money

1 Management Corp.; Spiff Management, Inc., as well as any successors, assigns,  
2 affiliates, and subsidiaries that conduct any business related to the Defendants' debt  
3 collection business and which the Receiver has reason to believe are owned or  
4 controlled in whole or in part by any of the Defendants.

5 6. **"Assets"** means any legal or equitable interest in, right to, or claim to,  
6 any real or personal property, including, without limitation, chattels, goods,  
7 instruments, equipment, fixtures, general intangibles, leaseholds, mail or other  
8 deliveries, inventory, checks, notes, accounts, credits, contracts, receivables, shares  
9 of stock, and all cash, wherever located.

10 7. **"Debt"** means any obligation or alleged obligation to pay money  
11 arising out of a transaction, whether or not such obligation has been reduced to  
12 judgment.

13 8. **"Document"** is equal in scope and synonymous in meaning to the  
14 terms "document" and "electronically stored information," as described and used in  
15 Federal Rule of Civil Procedure 34(a), and includes writings, drawings, graphs,  
16 charts, photographs, audio and video recordings, computer records, and any other  
17 data compilations from which information can be obtained. A draft or non-identical  
18 copy is a separate document within the meaning of the term.

19 9. **"Financial Institution"** means any bank, savings and loan institution,  
20 credit union, or any financial depository of any kind, including but not limited to  
21 any brokerage house, trustee, broker-dealer, escrow agent, title company, money  
22 market or mutual fund, commodity trading company, merchant account processor,  
23 payment processor, or precious metal dealer, or any entity or person that holds,  
24 controls, or maintains custody of any account or asset of any Defendant.

25 11. **"Material"** means likely to affect: (1) a person's choice of, or conduct  
26 regarding, goods or services, or (2) a person's conduct regarding payment of a debt.

27 12. **"Person"** means a natural person, organization, or other legal entity,  
28 including a corporation, partnership, proprietorship, association, cooperative, or any  
other group or combination acting as an entity.

1 13. **“Receiver”** means the Temporary Receiver appointed by the Court  
2 herein.

3 I.

4 **PROHIBITION AGAINST DEFENDANTS’ USE OF UNFAIR, DECEPTIVE,  
5 OR ABUSIVE ACTS OR PRACTICES**

6 **IT IS THEREFORE ORDERED** that in connection with the collection or  
7 attempted collection of debts, Defendants and their officers, directors, agents,  
8 servants, employees, representatives, divisions, attorneys, successors, and assigns,  
9 and all other persons or entities in active concert or participation with any of them  
10 who receive actual notice of this Order by personal service, personal delivery,  
11 facsimile, or email are hereby restrained and enjoined from, directly or indirectly  
12 violating Section 5 of the FTC Act, 15 U.S.C. § 45, and any Section of the FDCPA,  
13 15 U.S.C. §§ 1692-1692p, by engaging in unfair, deceptive, or abusive acts or  
practices, including but not limited to:

14 A. Misrepresenting, either orally or in writing, expressly or by  
15 implication:

16 1. That Defendants’ agent is a process server seeking to serve the  
17 consumer with pleadings or legal papers pertaining to a lawsuit filed, or to be filed,  
18 against the consumer;

19 2. That Defendants’ agent is an attorney, or Defendants’  
20 communication is from an attorney;

21 3. That nonpayment of a debt will result in a consumer’s  
22 imprisonment, arrest, or in the seizure, garnishment, or attachment of a consumer’s  
23 property or wages;

24 4. That Defendants have filed or intend to file a lawsuit against a  
25 consumer;

26 5. The character, amount, or legal status of a debt;

27 6. Any material fact in the collection of a debt, in the attempt to  
28 collect a debt, or in obtaining information concerning a consumer.

B. Failing to disclose or disclose adequately:

1           1.     The debt collector’s name and position, and that the purpose of  
2 the call is to collect a debt when speaking with the consumer;

3           2.     The consumer’s right to dispute his or her debt and to obtain  
4 verification of the debt, either in the initial communication with the consumer, or  
5 within five days thereafter; and

6           3.     All material information relating to a consumer’s decision to pay  
7 any alleged debt.

8           C.     Communicating with third parties for purposes other than acquiring  
9 location information about a consumer, without having obtained directly the prior  
10 consent of the consumer or the express permission of a court of competent  
11 jurisdiction.

## 12                                   II.

### 13                           **ASSET FREEZE**

14           **IT IS FURTHER ORDERED** that each of the Defendants is hereby  
15 restrained and enjoined, until further order of this Court, from:

16           A.     Transferring, encumbering, selling, concealing, pledging,  
17 hypothecating, assigning, spending, withdrawing, disbursing, conveying, giving,  
18 dissipating, or otherwise disposing of any funds, property, coins, lists of consumer  
19 names, shares of stock, or other assets, wherever located, that are:

20                   1.     owned or controlled by any of the Defendants, in whole or in  
21 part;

22                   2.     in the actual or constructive possession of any of the  
23 Defendants;

24                   3.     held by an agent of any of the Defendants, as a retainer for the  
25 agent’s provision of services to a Defendant; or

26                   4.     owned, controlled by, or in the actual or constructive possession  
27 of, or otherwise held for the benefit of, any corporation, partnership, or other entity  
28 directly or indirectly owned or controlled by any of the Defendants; including, but  
not limited to assets held by any Defendant in any account at any bank or savings

1 and loan institution, such as accounts over which the Individual Defendants, Jason  
2 R. Begley or Wayne W. Lunsford, have signatory authority, with any broker-dealer,  
3 escrow agent, title company, commodity trading company, precious metal dealer,  
4 merchant account processor, credit card processing agent, automated clearing  
5 house, transaction processor, bank debt processing agent, customer service agent,  
6 commercial mail receiving or forwarding agency, freight holding or forwarding  
7 agency, or other financial institution of any kind, including, but not limited to the  
8 following accounts:

- 9 1. Accounts in the name of Nationwide Filing Services, Inc.;
- 10 2. Accounts in the name of Maple Filing Services, Inc.;
- 11 3. Accounts in the name of Pacific Management and Recovery,  
12 LLC;
- 13 4. Accounts in the name of Prime Western Investments, LLC;
- 14 5. Accounts in the name of Rockwell Management Services, LLC;
- 15 6. Accounts in the name of Irvine Group & Associates;
- 16 7. Accounts in the name of Statewide Associates Group;
- 17 8. Accounts in the name of Debt Marketing Solutions, LLC;
- 18 9. Accounts in the name of Debt Tech Solutions, LLC;
- 19 10. Accounts in the name of Heavy Hitters Motors, Inc.;
- 20 11. Accounts in the name of Portfolio Investment Partners, LP;
- 21 12. Accounts in the name of Spiff Money Legacy Gift Trust;
- 22 13. Accounts in the name of JRB Intellect, LLC;
- 23 14. Accounts in the name of JBEG, LLC;
- 24 15. Accounts in the name of LAL Intellect, LLC;
- 25 16. Accounts in the name of Heavy Hitters Spiff Money  
26 Management Corp.;
- 27 17. Accounts in the name of Spiff Management, Inc.;
- 28 18. HSBC Account in the name of any Defendant;
19. Bank of America Account in the name of any Defendant;



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- 20. Bank of America Account #xxxxxx7915 (Rincon Management Services, LLC);
- 21. Bank of America Account #xxxxxx8122 (National Filing Services, LLC);
- 22. Bank of America Account #xxxxxx8108 (Global Filing Services, LLC);
- 23. Bank of America Account #xxxxxx8130 (Heavy Hitters Investments, Inc.);
- 24. Citibank Account # xxxxx2924 (Wayne W. Lunsford);
- 25. Citibank Account # xxxxx0762 (City Investment Services, LLC);
- 26. Citibank Account #xxxxxx1419 (Pacific Management Recovery, LLC);
- 27. Citibank Account #xxxxxx7686 (Prime West Management Recovery, LLC);
- 28. Citibank Account #xxxxxx0671 (Union Management Services, LLC);.
- 29. Citibank Account #xxxxxx4965 (Portfolio Investment Group, LP);
- 30. Citibank Account #xxxxxx7793 (Lunsford Investment and Management Services, Inc.);
- 31. Citibank Account #xxxxxx9206 (Universal Filing Services, Inc.);
- 32. Citibank Account #xxxxxx5332 (Portfolio Investment Financial, Inc.);
- 33. Citibank Account #xxxxxx8869 (Asset Filing Services, Inc.);
- 34. Citibank Account #xxxxxx5407 (Portfolio Investment Partners, Inc.);
- 35. Citibank Account #xxxxxx8653 (County Filing Services, Inc.);

- 1 36. Citibank Account #xxxxx9903 (Raincross Filing Services, Inc.);
- 2 37. Citibank Account #xxxxx9937 (Raincross Filing Services, Inc.);
- 3 38. Citibank Account #xxxxx2402 (National Filing Services, Inc.);
- 4 39. Citibank Account #xxxxx2286 (National Filing Services, Inc.);
- 5 40. Citibank Account #xxxxx7716 (Capital Filing Services, Inc.);
- 6 41. Citibank Account #xxxxx7724 (Capital Filing Services, Inc.);
- 7 42. Citibank Account #xxxxx8729 (Capital Filing Services, Inc.);
- 8 43. Citibank Account #xxxxx4068 (Worldwide Filing Services,
- 9 Inc.);
- 10 44. Citibank Account #xxxxx4076 (Worldwide Filing Services,
- 11 Inc.);
- 12 45. Citibank Account #xxxxx6732 (Asset Filing Services, Inc.);
- 13 46. Citibank Account #xxxxx2212 (County Filing Services, Inc.);
- 14 47. Citibank Account #xxxxx2204 (County Filing Services, Inc.);
- 15 48. Citibank Account #xxxxx0033 (Superior Filing Services, Inc.);
- 16 49. Citibank Account #xxxxx0041 (Superior Filing Services, Inc.);
- 17 50. Citibank Account #xxxxx0009 (Eagle Filing Services, Inc.);
- 18 51. Citibank Account #xxxxx9977 (Eagle Filing Services, Inc.);
- 19 52. Citibank Account #xxxxx2147 (Southcoast Financial Services,
- 20 Inc.);
- 21 53. Citibank Account #xxxxx2154 (Southcoast Financial Services,
- 22 Inc.);
- 23 54. Citibank Account #xxxxx1867 (West Coast Filing Services,
- 24 Inc.);
- 25 55. Citibank Account #xxxxx1883 (West Coast Filing Services,
- 26 Inc.);
- 27 56. Citibank Account #xxxxx9993 (Universal Filing Services, Inc.);
- 28 and
57. Citibank Account #xxxxx9985 (Universal Filing Services, Inc.).

1 58. Wells Fargo Bank N.A. #xxxxxx2611 (Bagels Consulting Firm,  
2 Inc.);

3 59. Wells Fargo Bank N.A. Account #xxxxxx8664 (WAL Legacy  
4 Gift and Trust); and

5 60. Wells Fargo Bank N.A. Account in the name of Skyridge  
6 Legacy and Trust.

7 B. Opening or causing to be opened any safe deposit boxes titled in the  
8 name of any of the Defendants, or subject to access by any of the Defendants;

9 C. Incurring charges or cash advances on any credit or debit card issued in  
10 the name, singly or jointly, of any of the Defendants, or any corporation,  
11 partnership, or other entity directly or indirectly owned or controlled by any of the  
12 Defendants; and

13 D. Failing to disclose to Plaintiff, immediately upon service of this Order,  
14 information that fully identifies each asset of the Defendants, and each entity  
15 holding such asset, including, without limitation, the entity's name, address, and  
16 telephone number, the number of the account, and the name under which the  
17 account is held.

18 *Provided*, that the freeze imposed in this Section shall be construed to not  
19 apply to assets that an Individual Defendant acquires following service of this Order  
20 if the Individual Defendant can prove that such assets are not derived from activity  
21 prohibited by this Order.

### 22 III.

### 23 FINANCIAL REPORTS

24 **IT IS FURTHER ORDERED** that, if they have not already done so  
25 pursuant to the TRO, within forty-eight (48) hours after service of this Order:

26 A. Each of the Individual Defendants shall complete and deliver to  
27 Plaintiff the Financial Statement form titled "Financial Statement of Individual  
28 Defendant," a copy of which is attached as Attachment 1 to the "Financial  
Statement Forms for Section III (Financial Reports) of the Temporary Restraining

1 Order with Asset Freeze, Appointment of Temporary Receiver, Immediate Access,  
2 and Other Equitable Relief, and Order to Show Cause Why a Preliminary Injunction  
3 Should Not Issue and a Permanent Receiver Should Not Be Appointed” lodged in  
4 this action;

5 B. Each Individual Defendant shall complete and deliver to Plaintiff and  
6 the Receiver, on behalf of each Business Entity Defendant, the Financial Statement  
7 form titled “Financial Statement of Business Entity Defendant,” a copy of which is  
8 attached as Attachment 2 to the “Financial Statement Forms for Section III  
9 (Financial Reports) of the Temporary Restraining Order with Asset Freeze,  
10 Appointment of Temporary Receiver, Immediate Access, and Other Equitable  
11 Relief, and Order to Show Cause Why a Preliminary Injunction Should Not Issue  
12 and a Permanent Receiver Should Not Be Appointed” filed in this action;

13 C. Each of the Individual Defendants shall, complete and deliver to  
14 Plaintiff and the Receiver, on behalf of each business entity (whether a partnership,  
15 limited partnership, joint venture, sole proprietorship, limited liability company,  
16 corporation, or otherwise) of which he is the officer, partner, majority owner, sole  
17 proprietor, other than the Business Entity Defendants, a separate copy of the  
18 “Financial Statement of Business Entity Defendant”; and

19 D. Defendants shall provide access to records and documents pertaining  
20 to assets of any of the Defendants that are held by financial institutions outside the  
21 territory of the United States by signing a Consent to Release of Financial Records  
22 if requested by Plaintiff or the Receiver.

#### 23 IV.

### 24 PRESERVATION OF RECORDS

25 **IT IS FURTHER ORDERED** that Defendants, and their officers, agents,  
26 servants, employees, and attorneys, and all persons or entities directly or indirectly  
27 under the control of any of them, and all other persons or entities in active concert  
28 or participation with any of them who receive actual notice of this Order by  
personal service or otherwise, and each such person, are hereby restrained and

1 enjoined from destroying, erasing, mutilating, concealing, altering, transferring or  
2 otherwise disposing of, in any manner, directly or indirectly, any documents that  
3 relate to the business practices or finances of any of the Defendants, including, but  
4 not limited to, such documents as any contracts, accounting data, correspondence,  
5 advertisements, computer tapes, discs or other computerized records, books, written  
6 or printed records, handwritten notes, telephone logs, telephone scripts, receipt  
7 books, ledgers, personal and business canceled checks and check registers, bank  
8 statements, appointment books, copies of federal, state, or local business or personal  
9 income or property tax returns.

10 **V.**

11 **RECORD KEEPING**

12 **IT IS FURTHER ORDERED** that each of the Individual Defendants is  
13 hereby restrained and enjoined from failing to make and keep, and to provide to  
14 Plaintiff's counsel promptly upon request, an accounting that, in reasonable detail,  
15 accurately, fairly, and completely reflects his income (including all income resulting  
16 from any services, activity, or efforts rendered by the Individual Defendant),  
17 disbursements, transactions, and use of money, beginning immediately upon service  
18 or actual notice of this Order, and continuing daily until otherwise ordered by the  
19 Court.

20 **VI.**

21 **NOTIFICATION OF BUSINESS OPERATIONS**

22 **IT IS FURTHER ORDERED** that:

23 A. Each of the Individual Defendants is hereby restrained and enjoined  
24 from directly or indirectly creating, operating, or exercising any control over any  
25 business entity, including any partnership, limited partnership, joint venture, sole  
26 proprietorship, limited liability company, or corporation, without first serving on  
27 counsel for the Commission a written statement disclosing the following: (1) the  
28 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,

1 managers and employees; and (4) a detailed description of the business entity's  
2 intended activities; and

3 B. Each of the Individual Defendants shall notify the Commission at least  
4 seven (7) days prior to affiliating with, becoming employed by, or performing any  
5 work for any business that is not a named Defendant in this action. Each notice  
6 shall include the Defendant's new business address and a statement of the nature of  
7 the business or employment and the nature of his duties and responsibilities in  
8 connection with that business or employment.

9 **VII.**

10 **FINANCIAL INSTITUTIONS**

11 **IT IS FURTHER ORDERED** that any financial or brokerage institution,  
12 any business entity, or any other person having possession, custody, or control of  
13 any records of any of the Defendants, or of any account, safe deposit box, or other  
14 asset titled in the name of any of the Defendants, either individually or jointly or  
15 held for the benefit of any of the Defendants, including accounts over which the  
16 Individual Defendants, Jason R. Begley and Wayne W. Lunsford, either jointly or  
17 separately, have signatory authority at any time since January 1, 2009, who is  
18 served with a copy of this Order, or who otherwise has actual knowledge of this  
19 Order, shall:

20 A. Hold and retain within its control and prohibit the transfer,  
21 encumbrance, pledge, assignment, removal, withdrawal, dissipation, sale, or other  
22 disposal of any such account or other asset, except for transfers or withdrawals  
23 authorized in writing by counsel for Plaintiff, by the Receiver, or by further order of  
24 this Court, including, but not limited to the financial accounts listed in the Asset  
25 Freeze Section II.A.4.

26 B. Deny access to any safe deposit box titled individually or jointly in the  
27 name of, or otherwise subject to access by, any of the Defendants;

28 C. Preserve and maintain all records and documentation pertaining to  
such account or asset until otherwise directed by the Court or by counsel for the

1 Commission;

2 D. Provide to Plaintiff and to the Receiver, within three (3) business days  
3 of notice of this Order, a sworn statement setting forth:

- 4 1. The identification of each account or asset;
- 5 2. The balance of each account or a description of the nature and  
6 value of each asset as of the close of business on the day  
7 notification of this Order is received, and, if the account or asset  
8 has been closed or moved, the balance or value removed and the  
9 person or entity to whom it was transferred; and
- 10 3. The identification of any safe deposit box titled in the name of  
11 or subject to access by any of the Defendants.

12 E. Upon request by counsel for Plaintiff (or by the Receiver, with respect  
13 to assets held for any of the Receivership Defendants), promptly provide Plaintiff  
14 or the Receiver with copies of all records or other documentation pertaining to  
15 such account or asset, including but not limited to originals or copies of account  
16 applications, account statements, signature cards, checks, drafts, deposit tickets,  
17 transfers to and from the accounts, all other debit and credit instruments or slips,  
18 currency transaction reports, 1099 forms, and safe deposit box logs; and

19 F. At the direction of Plaintiff (or the Receiver, with respect to assets  
20 held for any of the Receivership Defendants), and without further order of this  
21 Court, convert any stocks, bonds, options, mutual funds, or other securities to their  
22 cash equivalents.

## 23 VIII.

### 24 REPATRIATION OF ASSETS

25 **IT IS FURTHER ORDERED** that Defendants shall, within seven (7) days  
26 following service of this Order, do the following, if they have not already done so  
27 pursuant to the Temporary Restraining Order:

- 28 A. Repatriate to the United States all funds, documents, or assets in

1 foreign countries held either: (1) by them; (2) for their benefit; or (3) under their  
2 direct or indirect control, jointly or individually;

3 B. On the same business day as any repatriation under paragraph A  
4 above, (1) notify the Commission and the Receiver of the name and location of the  
5 financial institution or other entity that is the recipient of such funds, documents, or  
6 assets; and (2) serve this Order on any such financial institution or other entity;

7 C. Provide the Commission and the Receiver with a full accounting of all  
8 funds, documents and assets outside of the territory of the United States held  
9 either: (1) by them; (2) for their benefit; or (3) under their direct or indirect control,  
10 jointly or individually; and

11 D. Hold and retain all repatriated funds, documents and assets and  
12 prevent any transfer, disposition, or dissipation whatsoever of any such assets or  
13 funds in full compliance with this Order until further order of this Court.

## 14 IX.

### 15 PERMANENT RECEIVER

16 **IT IS FURTHER ORDERED** that Richard Weissman is appointed  
17 Permanent Receiver (“Receiver”) with the full power of an equity receiver, for  
18 Defendants Rincon Management Services, LLC also d/b/a “Rincon Debt  
19 Management,” “Rincon Filing Services,” and “Pacific Management Recovery”;  
20 Prime West Management Recovery, LLC; Union Management Services, LLC also  
21 d/b/a “Union Filing Services”; National Filing Services, LLC; City Investment  
22 Services, LLC; Global Filing Services, LLC; Pacific Management Recovery, LLC;  
23 Nationwide Filing Services, Inc.; Worldwide Filing Services, Inc.; Maple Filing  
24 Services, LLC; Southcoast Financial Services, Inc.; National Filing Services, LLC;  
25 Raincross Filing Services, Inc.; Pacific Management and Recovery, LLC; Prime  
26 Western Investments, LLC; Universal Filing Services, Inc.; Rockwell Management  
27 Services, LLC; Asset Filing Services, Inc.; Eagle Filing Services, LLC; Capital  
28 Filing Services, Inc.; County Filing Services, Inc.; Irvine Group & Associates;



1 Statewide Associates Group; Superior Filing Services, Inc.; West Coast Filing  
2 Services, Inc.; Bagels Consulting Firm, Inc.; Lunsford Investment and  
3 Management Services, Inc.; Debt Marketing Solutions, LLC; Debt Tech Solutions,  
4 LLC; Heavy Hitters Investments, Inc.; Heavy Hitters Motors, Inc.; Heavy Hitters  
5 Real Estate, Inc.; Portfolio Investment Partners, LP; Portfolio Investments  
6 Partners, Inc.; Portfolio Investment Group, LP; Portfolio Investment Financial,  
7 Inc.; Skyridge Legacy Trust (Jason R. Begley, Trustee); WAL Legacy Trust  
8 (Wayne Lunsford, Trustee); Spiff Money Legacy Gift Trust (Wayne Lunsford,  
9 Trustee); JRB Intellect, LLC; JBEG, LLC; LAL Intellect, LLC; Heavy Hitters  
10 Spiff Money Management Corp.; Spiff Management, Inc., as well as for any  
11 successors, assigns, affiliates, or subsidiaries that conduct any business related to  
12 Defendants' debt collection business and which the Receiver has reason to believe  
13 are owned or controlled in whole or in part by any of the Defendants. The  
14 Receiver shall be the agent of this Court and solely the agent of this Court in acting  
15 as Receiver under this Order. The Receiver shall be accountable directly to this  
16 Court. The Receiver shall comply with all Local Rules of this Court governing  
17 receivers.

18 **X.**

19 **RECEIVERSHIP DUTIES**

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

22 A. Assume full control of the Receivership Defendants by removing, as  
23 the Receiver deems necessary or advisable, any director, officer, manager,  
24 independent contractor, employee, or agent of the Receivership Defendants,  
25 including any Individual Defendant, from control of, management of, or  
26 participation in, the affairs of the Receivership Defendants;

27 B. Take exclusive custody, control and possession of all assets and  
28 documents of, or in the possession, custody, or under the control of, the

1 Receivership Defendants, wherever situated. The Receiver shall have full power to  
2 divert mail and to sue for, collect, receive, take in possession, hold, and manage all  
3 assets and documents of the Receivership Defendants and other persons or entities  
4 whose interests are now held by or under the direction, possession, custody, or  
5 control of the Receivership Defendants;

6 C. Take all steps necessary to secure all premises owned, rented, leased,  
7 or otherwise controlled by the Receivership Defendants, including but not limited  
8 to all such premises located at:

9 980 Montecito Drive, Suite 205, Corona, CA 92879

10 495 E. Rincon St., Suites 201 & 204, Corona, CA 92879

11 268 N. Lincoln Ave., #9, Corona, CA 92882

12 109 N. Maple St., Suite C, Corona, CA 92880

13 1191 Magnolia Ave., ##D-381 & D-396, Corona, CA 92879

14 Such steps may include, but are not limited to, the following, as the Receiver  
15 deems necessary or advisable: (1) serving and filing this Order; (2) completing a  
16 written inventory of all receivership assets; (3) obtaining pertinent information  
17 from all employees and other agents of the Receivership Defendants, including, but  
18 not limited to, the name, home address, social security number, job description,  
19 method of compensation, and all accrued and unpaid commissions and  
20 compensation of each such employee or agent; (4) photographing and video taping  
21 all portions of the location; (5) securing the location by changing the locks and  
22 disconnecting any computer modems or other means of access to the computer or  
23 other records maintained at that location; or (6) requiring any persons present on  
24 the premises at the time this Order is served to leave the premises, to provide the  
25 Receiver with proof of identification, or to demonstrate to the satisfaction of the  
26 Receiver that such persons are not removing from the premises documents or  
27 assets of the Receivership Defendants. Law enforcement officers may assist the  
28 Receiver in implementing these provisions to keep the peace and maintain security;

1 D. Continue to conduct the business, or cease operation of the business,  
2 of the Receivership Defendants in such manner, to such extent, and for such  
3 duration as the Receiver may in good faith deem to be necessary or appropriate to  
4 operate the businesses profitably and lawfully;

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

10 F. Enter into contracts and purchase insurance as advisable or necessary;

11 G. Prevent the inequitable distribution of assets and to determine, adjust,  
12 and protect the interests of consumers and creditors who have transacted business  
13 with the Receivership Defendants;

14 H. Manage and administer the business of the Receivership Defendants  
15 until further order of this Court by performing all incidental acts that the Receiver  
16 deems to be advisable or necessary, which includes retaining, hiring, or dismissing  
17 any employees, independent contractors, or agents;

18 I. Choose, engage, and employ attorneys, accountants, appraisers, and  
19 other independent contractors and technical specialists, as the Receiver deems  
20 advisable or necessary in the performance of duties and responsibilities under the  
21 authority granted by this Order;

22 J. Make payments and disbursements from the receivership estate that  
23 are necessary or advisable for carrying out the directions of, or exercising the  
24 authority granted by, this Order. The Receiver shall apply to the Court for prior  
25 approval of any payment of any debt or obligation incurred by the Receivership  
26 Defendants prior to the date of entry of this Order, except payments that the  
27 Receiver deems necessary or advisable to secure assets of the Receivership  
28 Defendants, such as rental payments;

1 K. Determine and implement the manner in which the Receivership  
2 Defendants will comply with, and prevent violations of, this Order and all other  
3 applicable laws;

4 L. Institute, compromise, adjust, appear in, intervene in, or become party  
5 to such actions or proceedings in state, federal or foreign courts that the Receiver  
6 deems necessary and advisable to preserve or recover the assets of the  
7 Receivership Defendants or that the Receiver deems necessary and advisable to  
8 carry out the Receiver's mandate under this Order;

9 M. Defend, compromise, adjust, or otherwise dispose of any or all actions  
10 or proceedings instituted in the past or in the future against the Receiver in his role  
11 as Receiver, or against the Receivership Defendants that the Receiver deems  
12 necessary and advisable to preserve the assets of the Receivership Defendants or  
13 that the Receiver deems necessary and advisable to carry out the Receiver's  
14 mandate under this Order;

15 N. Issue subpoenas to obtain documents and records pertaining to the  
16 receivership, and conduct discovery in this action on behalf of the receivership  
17 estate;

18 O. Open one or more bank accounts as designated depositories for funds  
19 of the Receivership Defendants. The Receiver shall deposit all funds of the  
20 Receivership Defendants in such designated accounts and shall make all payments  
21 and disbursements from the receivership estate from such accounts;

22 P. Maintain accurate records of all receipts and expenditures that he  
23 makes as Receiver; and

24 Q. Cooperate with reasonable requests for information or assistance from  
25 any state or federal law enforcement agency.

26 **XI.**

27 **COOPERATION WITH THE RECEIVER**

28 **IT IS FURTHER ORDERED** that Defendants, and their officers, agents,

1 servants, employees, and attorneys, and all persons or entities directly or indirectly  
2 under the control of any of them, and all other persons or entities in active concert  
3 or participation with any of them who receive actual notice of this Order by  
4 personal service or otherwise, and each such person, shall fully cooperate with and  
5 assist the Receiver. Such cooperation and assistance shall include, but not be  
6 limited to, providing any information to the Receiver that the Receiver deems  
7 necessary to exercising the authority and discharging the responsibilities of the  
8 Receiver under this Order; providing any password required to access any  
9 computer or electronic files in any medium; or advising all persons who owe  
10 money to the Receivership Defendants that all debts should be paid directly to the  
11 Receiver. Defendants are hereby restrained and enjoined from directly or  
12 indirectly:

13       A.     Transacting any of the business of the Receivership Defendants, or  
14 transacting business under the name Rincon Management Services, Rincon Debt  
15 Management, Rincon Filing Services, Pacific Management Recovery, Prime West  
16 Management Recovery, Union Management Services, Union Filing Services,  
17 National Filing Services, City Investment Services, Global Filing Services, Pacific  
18 Management Recovery, or any substantially similar name;

19       B.     Destroying, secreting, defacing, transferring, or otherwise altering or  
20 disposing of any documents of the Receivership Defendants, including, but not  
21 limited to, books, records, accounts, or any other papers of any kind or nature;

22       C.     Transferring, receiving, altering, selling, encumbering, pledging,  
23 assigning, liquidating, or otherwise disposing of any assets owned, controlled, or in  
24 the possession or custody of, or in which an interest is held or claimed by, the  
25 Receivership Defendants, or the Receiver;

26       D.     Excusing debts owed to the Receivership Defendants;

27       E.     Failing to notify the Receiver of any asset, including accounts, of any  
28 Receivership Defendant held in any name other than the name of any Receivership  
Defendant, or by any person or entity other than the Receivership Defendants, or

1 failing to provide any assistance or information requested by the Receiver in  
2 connection with obtaining possession, custody, or control of such assets; or

3 F. Doing any act or refraining from any act whatsoever to interfere with  
4 the Receiver's taking custody, control, possession, or managing of the assets or  
5 documents subject to this receivership; or to harass or interfere with the Receiver  
6 in any way; or to interfere in any manner with the exclusive jurisdiction of this  
7 Court over the assets or documents of the Receivership Defendants; or to refuse to  
8 cooperate with the Receiver or the Receiver's duly authorized agents in the  
9 exercise of their duties or authority under any Order of this Court.

10 **XII.**

11 **DELIVERY OF RECEIVERSHIP PROPERTY**

12 **IT IS FURTHER ORDERED** that:

13 A. Immediately upon service of this Order upon them, or within a period  
14 permitted by the Receiver, Defendants and all other persons in possession, custody,  
15 and control of assets or documents of the Receivership Defendants shall transfer or  
16 deliver possession, custody, and control of the following to the Receiver:

- 17 1. All assets of the Receivership Defendants;
- 18 2. All documents of the Receivership Defendants, including, but  
19 not limited to, books and records of accounts, all financial and  
20 accounting records, balance sheets, income statements, bank  
21 records (including monthly statements, canceled checks,  
22 records of wire transfers, and check registers), client lists, title  
23 documents and other papers;
- 24 3. All assets belonging to members of the public now held by the  
25 Receivership Defendants; and
- 26 4. All keys and codes necessary to gain or to secure access to any  
27 assets or documents of the Receivership Defendants, including,  
28 but not limited to, access to their business premises, means of

1 communication, accounts, computer systems, or other property.

2 B. In the event any person or entity fails to deliver or transfer any asset  
3 or otherwise fails to comply with any provision of this Section, the Receiver may  
4 file, on an *ex parte* basis, an Affidavit of Non-Compliance regarding the failure.  
5 Upon filing of the affidavit, the Court may authorize, without additional process or  
6 demand, Writs of Possession or Sequestration or other equitable writs requested by  
7 the Receiver. The writs shall authorize and direct the United States Marshal or any  
8 sheriff or deputy sheriff of any county to seize the asset, document, or other thing  
9 and to deliver it to the Receiver.

10 **XIII.**

11 **TRANSFER OF FUNDS TO THE RECEIVER**

12 **IT IS FURTHER ORDERED** that, upon service of a copy of this Order, all  
13 banks, broker-dealers, savings and loans, escrow agents, title companies,  
14 commodity trading companies, or other financial institutions shall cooperate with  
15 all reasonable requests of the Receiver relating to implementation of this Order,  
16 including transferring funds at the Receiver's direction and producing records  
17 related to the assets of the Receivership Defendants.

18 **XIV.**

19 **STAY OF ACTIONS**

20 **IT IS FURTHER ORDERED** that:

21 A. Except by leave of this Court, during pendency of the receivership  
22 ordered herein, Defendants and all other persons and entities (except for Plaintiff)  
23 are hereby stayed from taking any action to establish or enforce any claim, right, or  
24 interest for, against, on behalf of, in, or in the name of: a) any of the Business  
25 Entity Defendants, or b) any of their assets, or c) the Receiver or the Receiver's  
26 duly authorized agents acting in their capacities as such, including, but not limited  
27 to, the following actions:

28 1. Commencing, prosecuting, continuing, entering, or enforcing

1 any suit or proceeding, except that such actions may be filed to toll any applicable  
2 statute of limitations;

3           2. Accelerating the due date of any obligation or claimed  
4 obligation; filing or enforcing any lien; taking or attempting to take possession,  
5 custody, or control of any asset; attempting to foreclose, forfeit, alter, or terminate  
6 any interest in any asset, whether such acts are part of a judicial proceeding, are  
7 acts of self-help, or otherwise;

8           3. Executing, issuing, serving, or causing the execution, issuance  
9 or service of, any legal process, including, but not limited to, attachments,  
10 garnishments, subpoenas, writs of replevin, writs of execution, or any other form  
11 of process whether specified in this Order or not; or

12           4. Doing any act or thing whatsoever to interfere with the  
13 Receiver taking custody, control, possession, or management of the assets or  
14 documents subject to this receivership, or to harass or interfere with the Receiver in  
15 any way, or to interfere in any manner with the exclusive jurisdiction of this Court  
16 over the assets or documents of the Receivership Defendants.

17           B. This paragraph does not stay:

18           1. The commencement or continuation of a criminal action or  
19 proceeding;

20           2. The commencement or continuation of an action or proceeding  
21 by a governmental unit to enforce such governmental unit's police or regulatory  
22 power;

23           3. The enforcement of a judgment, other than a money judgment,  
24 obtained in an action or proceeding by a governmental unit to enforce such  
25 governmental unit's police or regulatory power;

26           4. The commencement of any action by the Secretary of the  
27 United States Department of Housing and Urban Development to foreclose a  
28 mortgage or deed of trust in any case in which the mortgage or deed of trust held



1 by the Secretary is insured or was formerly insured under the National Housing  
2 Act and covers property, or combinations of property, consisting of five or more  
3 living units; or

4 5. The issuance to a Receivership Defendants of a notice of tax  
5 deficiency.

6 C. Except as otherwise provided in this Order, all persons and entities in  
7 need of documentation from the Receiver shall in all instances first attempt to  
8 secure such information by submitting a formal written request to the Receiver,  
9 and, if such request has not been responded to within thirty (30) days of receipt by  
10 the Receiver, any such person or entity may thereafter seek an Order of this Court  
11 with regard to the relief requested.

## 12 XV.

### 13 COMPENSATION OF RECEIVER

14 **IT IS FURTHER ORDERED** that the Receiver and all personnel hired by  
15 the Receiver as herein authorized, including counsel to the Receiver and  
16 accountants, are entitled to reasonable compensation for the performance of duties  
17 pursuant to this Order and for the cost of actual out-of-pocket expenses incurred by  
18 them, from the assets now held by or in the possession or control of or which may  
19 be received by the Receivership Defendants. The Receiver shall file with the Court  
20 and serve on the parties periodic requests for the payment of such reasonable  
21 compensation, with the first such request filed no more than sixty days after the  
22 date of this Order. The Receiver shall not increase the hourly rates used as the  
23 bases for such fee applications without prior approval of the Court.

## 24 XVI.

### 25 RECEIVER'S BOND

26 **IT IS FURTHER ORDERED** that the Receiver shall file with the Clerk of  
27 this Court a bond in the sum of \$100,000, with sureties to be approved by the  
28 Court, conditioned that the Receiver will well and truly perform the duties of the  
office and abide by and perform all acts the Court directs.

1 **XVII.**

2 **DISTRIBUTION OF ORDER TO THIRD PARTIES**

3 **IT IS FURTHER ORDERED** that Defendants shall immediately provide a  
4 copy of this Order to each of the Business Entity Defendants' affiliates, franchises,  
5 subsidiaries, divisions, successors, assigns, directors, officers, managing agents,  
6 employees, representatives, and independent contractors and shall, within three (3)  
7 business days from the date of service of this Order, serve on Plaintiff affidavits  
8 identifying the names, titles, addresses, and telephone numbers of the persons and  
9 entities whom they have served pursuant to this provision. The Receiver has no  
10 obligation under this provision.

11 **XVIII.**

12 **CREDIT REPORTS**

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

18 **XIX.**

19 **LIMITED EXPEDITED DISCOVERY**

20 **IT IS FURTHER ORDERED** that the Commission is granted leave at any  
21 time after service of this Order to:

22 A. Take the deposition of any person or entity, without limitation, for the  
23 purpose of:

- 24 1. discovering the nature, location, status, and extent of assets of  
25 any of the Defendants, including Receivership Defendants, or  
26 of their affiliates or of their subsidiaries,  
27 2. discovering the nature, location, status and extent of documents

1 reflecting the business transactions of any of the Defendants;  
2 and

3 3. discovering the nature and extent of Defendants' business  
4 activities.

5 B. Demand the production of documents from any person or entity  
6 relating to the nature, status, location and extent of any of the Defendants' assets,  
7 and the location of any documents reflecting the Defendants' business transactions  
8 or the nature and extent of Defendants' business operations.

9 Thirty-six (36) hours notice shall be deemed sufficient for any such  
10 deposition and forty-eight (48) hours notice shall be deemed sufficient for the  
11 production of any such documents. The limitations and conditions set forth in Fed.  
12 R. Civ. P. 30(a)(2) and 31(a)(2) shall not apply to depositions taken pursuant to  
13 this Section. Any such depositions taken pursuant to this Section shall not be  
14 counted toward the ten-deposition limit set forth in Fed. R. Civ. P. 30(a)(2)(A) and  
15 31(a)(2)(A). Service of discovery taken pursuant to this Section shall be sufficient  
16 if made by facsimile or by overnight delivery.

17 **XX.**

18 **CORRESPONDENCE**

19 **IT IS FURTHER ORDERED** that, for the purposes of this Order, all  
20 correspondence and service of pleadings on Plaintiff shall be addressed to:

21 Maricela Segura and Raymond E. McKown  
22 Federal Trade Commission  
23 10877 Wilshire Blvd., Suite 700  
24 Los Angeles, CA 90024  
25 Fax: (310) 824-4380  
26 E-mail: [msegura@ftc.gov](mailto:msegura@ftc.gov) and [rmckown@ftc.gov](mailto:rmckown@ftc.gov)

27 **XXI.**

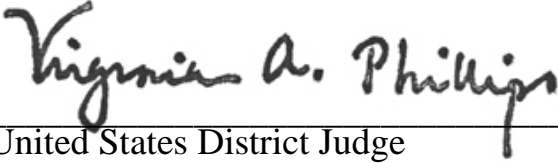
28 **SERVICE OF THIS ORDER ON THIRD PARTIES**

**IT IS FURTHER ORDERED** that copies of this Order may be served by

1 personal service, facsimile transmission, or email upon any financial institution or  
2 other entity or person that may have possession, custody, or control of any  
3 documents or assets of any Defendant, or that may be subject to any provision of  
4 this Order.

5  
6 **SO ORDERED.**

7  
8 Dated: November 10, 2011

  
United States District Judge

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