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22 **UNITED STATES DISTRICT COURT**
23 **DISTRICT OF NEVADA**

24 **Federal Trade Commission**, and
25 **State of Nevada**,
26 Plaintiffs,
27 v.
28 **American Tax Service LLC**, et al.,
Defendants.

No. 2:25-cv-1894-GMN-EJY

**Plaintiffs' Supplemental Memorandum
in Support of a Preliminary Injunction**

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SUMMARY INDEX OF EXHIBITS

Plaintiffs submit 608 exhibits in support of a Preliminary Injunction.* In accordance with LR IA 10–3(d), Plaintiffs provide this summary exhibit index (a complete and detailed exhibit list accompanies the e-filed exhibits).

Government Ex. Number(s)		Exhibit / Category Description	Page Range (FTC-ATS-____)	
Begin	End		Begin	End
IRS, BBB, J. Hill, and Cal. Bar Exhibits Filed with Pls.’ Motion for TRO				
1	310	Declaration of Mark W. Henderson, IRS, and IRS Exhibits (part 1)	0001	0732
311	316	Declaration of Rhonda Mettler, BBB, and BBB Exhibits	0733	0838
317	324	Declaration of Janette Hill, former ATS employee, and Hill Exhibits	0839	0863
325	374	Declaration of Robert Mayson, State Bar of California (“Cal. Bar”) and Cal. Bar Exhibits	0864	1248
Consumer Declarations Filed with Pls.’ Motion for TRO				
375		Declaration of Jeanette Alarid-Cusick, Consumer	1249	1260
376		Declaration of Terri and Grady Avery, Consumer	1261	1264
377		Declaration of Vicki Boser, Consumer	1265	1278
378		Declaration of Jordan Brewster, Consumer	1279	1334
379		Declaration of William Michael Cameron, Consumer	1335	1413
380		Declaration of Karen Carter, Consumer	1414	1487
381		Declaration of Betty Cheng, Consumer	1488	1489
382		Declaration of Jill Hebbe, Consumer	1490	1505
383		Declaration of Curtis Hunter, Consumer	1506	1510
384		Declaration of Timothy Lacey, Consumer	1511	1558
385		Declaration of Kim Larson, Consumer	1559	1686
386		Declaration of Rebecca Merlino, Consumer	1687	1721
387		Declaration of Stacey Meyer, Consumer	1722	1753
388		Declaration of James Meyer, Consumer	1754	1817

* Plaintiffs previously organized the exhibits in support of their Motion for TRO into ten paper volumes in compliance with L.R. IA 10–3(i). Now, pursuant to Judge Navarro’s Policies and Preferences, Plaintiffs will submit exhibits electronically, organized into thematic categories rather than paper volumes.

Government Ex. Number(s)	Exhibit / Category Description	Page Range (FTC-ATS-____)		
		Begin	End	
389	Declaration of Diana Moore, Consumer	1818	1820	
390	Declaration of Charles Morris, Consumer	1821	1832	
391	Declaration of Michael Parker, Consumer	1833	1857	
392	Declaration of Madeleine Roux, Consumer	1858	1893	
393	Declaration of Ilene Truitt, Consumer	1894	1900	
FTC and State Declarations Filed with Pls.' Motion for TRO				
394	432	Declaration of Reeve Tyndall, FTC Senior Investigator, and Investigator Exhibits	1901	2158
433		Declaration of Blanca Graham-Cordova, FTC Investigator	2159	2164
434		Declaration of Roshni Agarwal, FTC Forensic Accountant	2165	2173
435		Declaration of Elin Alm, Office of the Attorney General of North Dakota	2174	2176
436		Declaration of Wendy Phifer, Office of the Attorney General of Wisconsin	2177	2298
Immediate Access Evidence Filed Herewith				
437	528	Exhibits Collected in Paper from the Las Vegas Premises	2299	2797
529	557	Exhibits Collected in Paper from the Los Angeles Premises	2798	2976
558	561	Exhibits Collected Electronically from the Las Vegas Premises	2977	2990
562	590	Exhibits Collected Electronically from Google	2991	3084
591	593	Transcripts of Consumer Calls Collected from Paragh's Computer	3085	3102
Additional Declarations Filed Herewith				
594	605	Supplemental Declaration of Reeve Tyndall, FTC Senior Investigator (authenticating GX 437–593 and 595–605), and additional Investigator Exhibits	3103	3189
606		Declarations of James Evans, FTC Attorney	3190	3191
607		Second Declaration of Elin Alm, Office of the Attorney General of North Dakota	3192	3203
608		Declaration of Joshua H. Habetz, Consumer	3204	3214

1 **Note on exhibits:** All exhibits cited in the Motion are referenced as “GX [exhibit
2 number].” References include citations to relevant paragraphs by number, and to relevant page
3 numbers in parentheses. The 3,214 pages of exhibits are consecutively numbered.
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**PLAINTIFFS' SUPPLEMENTAL MEMORANDUM
IN SUPPORT OF A PRELIMINARY INJUNCTION**

This case is about a purported tax debt relief enterprise that: (1) generated calls to its telemarketers through mailers that impersonated government taxation authorities, and (2) made egregious misrepresentations on telemarketing calls about how Defendants would protect consumers from taxation authorities and reduce or eliminate consumers' tax debt. Defendants' promises made to consumers in desperate need of help with tax debt induced consumers to pay—or borrow—huge sums. Teams of Defendants' telemarketers specifically tasked with selling “additional services” targeted consumers from whom they could extract exorbitant fees—insight they gained in advance by reviewing consumers' financial records obtained under the guise of providing tax-related services. When Defendants inevitably did not fulfill their promises, consumers were left holding the bag as the IRS came to collect. The nightmare thousands of consumers endured started with a mailer like the one on the left, below:

Tax Investigation-2B
[County] Public Lien Records

Notice	LD470
Notice date	[Notice date]
Lien number	[Lien number]
To contact us	[Phone]
Your ID	[Your ID]

[Full Name]
[Address]
[City] [State] [Zip]

Intent to seize your assets and property
Amount due immediately: [Amount due total]

This notice is to inform you that you may be the subject of investigation by The [Plaintiff]. This investigation may involve alleged violation—including avoidance of the tax liability of [Amount] owed to The [Creditor]. Unless payment is made to The [Creditor], may take action within seven (7) days of the date of this letter, further action may be taken to collect outstanding liability.

Billing Summary	
Amount you Owed	[Amount]
Additional failure-to-pay penalty	[Additional 1]
Additional interest charges	[Additional 2]
Amount due immediately	[Amount due total]

To provide action call [Phone] by [Respond by].

Tax Investigation-2B
[County] Public Lien Records

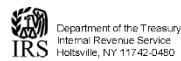
[Full Name]	Notice	LD470
[Address]	Notice date	[Notice date]
[City] [State] [Zip]	Lien number	[Lien number]

As required by law, you have been previously notified that The [plaintiff] has filed a lien in the name of [Full Name] as of [lien Date] in [County] Recorder's Office

Amount due immediately **[Amount due total]**

LP-470 [Lien ID]

(from GX 594 ¶ 7)



Department of the Treasury
Internal Revenue Service
Holtsville, NY 11742-0480

Notice Tax year	CP504 2018
Notice date	January 30, 2019
Taxpayer identification number	NNN-NN-NNNN
To contact us	800-829-1040
Your caller ID	NNNN
Page 1 of 7	

BUSINESS NAME
ADDRESS
CITY, STATE ZIP

Notice of intent to seize (levy) your property or rights to property
Amount due immediately: \$9,533.53

This is a notice of intent to levy your estate tax refund or other property. As we notified you before, our records show you have unpaid taxes for the tax year ended December 31, 2018 (Form 1040A). If you don't call us to make payment arrangements or we don't receive the amount due within 30 days from the date of this notice, we may levy your property or rights to property and apply it to the \$9,533.53 you owe.

Billing Summary	
Amount you owed	\$9,444.07
Failure-to-pay penalty	34.98
Interest charges	54.48
Amount due immediately	\$9,533.53

What you need to do immediately If you agree with the amount due and you're not working with an IRS representative:

- Pay the amount due of \$9,533.53 immediately or we may file Notice of Federal Tax Lien, the amount of interest will increase, and additional penalties may apply.
- Pay online or mail a check or money order with the attached payment stub. You can pay online now at www.irs.gov/payments

Continued on back...



BUSINESS NAME
ADDRESS
CITY, STATE ZIP

Notice	CP504
Notice date	January 30, 2019
Taxpayer ID number	NNN-NN-NNNN

Payment

INTERNAL REVENUE SERVICE
CINCINNATI, OH 45299-0149

- Make your check or money order payable to the United States Treasury.
- Write your Taxpayer ID number (NNN-NN-NNNN), the tax year (2018), and form number (1040A) on your payment.
- **Pay immediately**

\$9,533.53

(irs.gov/pub/notices/cp504_english.pdf)

One of these things is not like the other. But it's not so clear at first glance. On the right is a specimen of IRS Notice CP504—a real government notice about past due tax debt. On the

1 left is a template mailer that Greg Paragh, the Executive Vice President of Defendant ATS Tax
2 Group, emailed to a Las Vegas print shop on October 9, 2025. GX 596 ¶¶ 5, 7 (3104-05) Paragh
3 also attached an Excel file listing information pertaining to 79,719 consumers, with fields
4 corresponding to the highlighted items on the template. *Id.* ¶¶ 5-7 (2-3) (3104-05). Later that day,
5 after Paragh approved a set of exemplar mailers, the printers produced and mailed nearly 80,000
6 copies the mailer on the left, each personalized for a different taxpayer, with a version in Spanish
7 on the back. *Id.* at ¶ 9(d) (3106). These mailers threatened:

8 Unless payment is made to the Federal Tax Authorities [or a state] within
9 seven (7) days of the date of this letter, further action may be taken to
10 collect outstanding liability. To prevent action call [an 800 number
 registered to Defendant TNT Tax Associates] by 10/24/2025.

11 *Id.* at ¶ 8 (3106). With a page layout almost entirely copied from real IRS notices, and such
12 threatening language, it's no wonder that mailers like these have driven taxpayers to call in
13 droves. In 2025 alone, Defendants sent more than 3,376,000 government-impersonating
14 mailers—each batch personally approved by employees of Defendants. GX 606 ¶ 14 (3191).

15 Thankfully for the nearly 80,000 taxpayers who likely received Defendants' most recent
16 round of government-impersonating mailers, on October 10, 2025, Plaintiffs and the Receiver
17 effectuated this Court's Temporary Restraining Order—entering Defendants' business premises
18 in Las Vegas and Los Angeles, redirecting their phone lines, and sending their telemarketers
19 home. Thanks to this Court's intervention, Defendants will not be able to sell these taxpayers on
20 deceptive promises of tax debt resolution that will never come true.

21 Evidence of Defendants' pernicious use of deceptive telemarketing was abundant in
22 Defendants' business premises. For example, Paragh's computer desktop contained a folder
23 named "Upsell Calls," which included, among others, recordings of six calls between
24 Defendants' telemarketers and a then-85-year-old consumer from rural Minnesota, recorded in
25 May and June, 2024. GX 594 ¶¶ 32-33 (3118-19) On the consumer's first call, telemarketer Rick
26 Sanchez answered, "Tax Group, this is Rick," and soon after asked, "What can I help you with,
27 did you get a letter in the mail?" *Id.* at ¶ 34(1) (3119). Sanchez explained:

28 The reason you received that letter ... is a third-party marketing company

1 sent you the letter¹ to let you know that the IRS has filed a tax lien against
 2 you and recorded it in your county. Now what that means, is that they can
 3 now pursue further collection actions and wage garnishment, bank
 account levies, and, in some cases, property seizures. ...

4 [O]ur firm can usually negotiate and settle these types of tax issues for
 5 about 10-20% of what, whatever you owe. Alright? So in this case we can
 6 settle with the Internal Revenue Service for ... somewhere between \$3600
 and \$7[,000], okay, so we'll save you a lot of money. ... Now our fee to
 represent you and get the settlement is \$4,000.

7 *Id.* at ¶ 34(2)-(3) (3119). When the consumer pushed back on using a credit card, Sanchez asked:
 8 “What’s the maximum, umm, limit that you have on a credit card right now that you can use?”

9 *Id.* at ¶ 34(4) (3119) Later, Sanchez conferenced-in the consumer’s bank to verify the balance of
 10 his checking account. *Id.* at ¶ 34 (3119) Finally, more than 45 minutes into the call, the call ended
 11 with Sanchez arranging for a courier to personally bring forms to the consumer to sign. *Id.* On a
 12 June 7, 2024 call, only part of which was recorded, telemarketer Bobby Chavez told the
 13 consumer his bank account would be debited \$22,500 in additional fees. *Id.* at ¶ 35 (3120)

14 On June 19, 2024, ATS’s “Paul Franklin”² called the consumer again and said:

15 So the IRS right now are currently in the process of doing what’s called a
 16 ... substitute for return. ... [O]nce they file these returns for you, they’re
 17 also going to assess a huge fine on top of that. Right now ... the penalties
 18 alone on this are going to be somewhere around \$325,000. ... [T]hat also
 19 means that right now you’re in queue for a revenue officer. Now, a
 revenue officer carries a badge and a gun. And what they do is they
 actually pay a visit to your home and then they start asking a lot of
 financial questions to figure out how they can collect from you.³

20 GX 593 (3099). Franklin then reviewed some information about the consumer’s 2023 taxes
 21 obtained from the IRS, including a Form 1099-PATR documenting nearly half a million dollars
 22 in income from an agricultural cooperative firm, *id.*—showing that Defendants were aware that
 23 this consumer likely had substantial funds available to be expropriated. Franklin continued:

24 So we’re going to file immediately for revenue officer representation.
 25 We’re also going to combat these substitute for returns, blocking the

26 ¹ Of course, in reality, Defendants themselves sent the mailer.

27 ² “Paul Franklin” is the “sales name” of Christopher Pollok, a telemarketer for whom
 Defendants have paid rent for his personal apartment. GX 444 (2335-42).

28 ³ The IRS ended its practice of unannounced home visits in August 2023, nearly a year before
 this call. *IRS ends unannounced revenue officer visits to taxpayers*, IRS (Aug. 3, 2023),
irs.gov/newsroom/irs-ends-unannounced-revenue-officer-visits-to-taxpayers.

1 \$300,000 plus in penalties alone. ... [I]f we have to, we'll submit that to
2 tax court. ... [T]he petitions we're going to be filing and the coverage
3 we're going to be giving you, we're going to be wiping out close to a half a
4 million in penalties and interest alone. But the final billing to get us to that
5 point, we're looking at \$178,289. And that's going to get us to the finish
6 line. ... \$178,289 is going to be final attorney fees

7 *Id.* (3100). The consumer seemed confused about whether this would satisfy his tax debt: “[T]hat
8 \$180,000, does that take care of all what I owe?” *Id.* (3101). Franklin replied: “That’s going to
9 take care of what we’re handling as far as your tax -- all the petitions we need to file, ... attorney
10 fees and everything else. That’s going to get us to the finish line. ... Once we have the tax
11 returns filed, then we’re going to negotiate on that debt as well. Right? So what your final
12 number is I don’t know yet. But it’s not going to be much.” *Id.* (3101-02).

13 On two recordings dated the next day, June 20, 2024, the voice on the consumer’s end of
14 the line was clearly a different person, seemingly younger, without the hearing difficulties of the
15 original consumer—though the person did answer to the consumer’s name. GX 594 ¶ 36 (3120).
16 Perhaps detecting this, telemarketer Chris Bell asked the consumer to validate his birthday and
17 the last four digits of his Social Security Number. *Id.* The person responded: “Umm, no I can’t.
18 This, this stuff is going to end right now. You’re under investigation. You’re under investigation.
19 This transaction’s over.” *Id.* Bell asked: “Okay, so the bank called you?” And the call ended. *Id.*

20 Unfortunately, thousands of consumers have not been as lucky in evading the harm that
21 flows from Defendants’ deceptive marketing.⁴ Since February 2022, Defendants have taken in at
22 least \$77.7 million from consumers, GX 434 ¶ 10 (2172), thanks to tactics similar to those
23 deployed against this Minnesotan: sending government-impersonating mailers to generate
24 inbound calls, promising settlements for a fraction of consumers’ tax debts, catastrophizing
25 about what the IRS will do if consumers don’t buy-in, and, most pernicious of all, singling out
26 particularly vulnerable consumers with substantial savings to swindle.

27 Defendants Selb and Bennett contend that “Defendants operate a full-service tax
28 resolution and preparation business serving thousands of clients.” Opp. to Pl.’s Ex Parte Motion

⁴ For transcripts of two other horror stories from Paragh’s “Upsell Calls” folder, see GX 591 (3085) (\$54,315 upsell) and GX 592 (3091) (\$212,453 upsell).

1 for Temporary Restraining Order (“Opp.,” Docket No. 44), at 9. This argument ignores long-
2 standing law holding that “[t]he fraud in the selling, not the value of the thing sold, is what
3 entitles consumers in this case to full refunds.” *FTC v. Figgie Int’l, Inc.*, 994 F.2d 595, 606 (9th Cir.
4 1993). Every dollar that consumers paid Defendants after being induced through government-
5 impersonating mailers and deceptive telemarketing should be returned to them.

6 Plaintiffs ask this Court to enter the proposed Preliminary Injunction to ensure that no
7 one else will be hurt by Defendants’ practices during the remainder of this litigation.

8 **I. ATS Deceives Consumers for the Benefit of Selb and Bennett**

9 Defendants’ promise of significant relief from tax debt is a lie. Indeed, one of the first
10 things Defendants’ telemarketers tell consumers is the quintessence of Defendants’ deception:
11 “We are a firm of tax attorneys, CPAs, & Enrolled Agents.⁵ We get taxes reduced and help
12 people like you in this situation.” GX 492 (2612); *accord* GX 538 (2855). But at its core, the ATS
13 Enterprise is not a tax firm; it’s a telemarketing company.⁶ Defendants Selb and Bennett have
14 structured the ATS Enterprise to extract money from consumers through deception for their
15 own enrichment. Government-impersonating mailers target people with tax liens recorded
16 against them. Telemarketers promise impossible outcomes to people desperate to find a way out
17 of tax trouble, and the telemarketers charge whatever they can get. Then an undersized and
18 overwhelmed staff responsible for fulfillment is left to try to live up to the telemarketers’
19 representations—a mission that the evidence shows has been almost entirely unsuccessful.

20 Flow charts of the client experience show that everything at ATS centers (literally on the
21 chart) around the “Upsell.” GX 451 (2360). After the initial sale, filing of a power of attorney
22 and “Case Analysis” in “Onboarding,” and a “Welcome Call” in “Client Services,” customers are
23 then contacted by the “Deal Desk” for an “Upsell Consultation.” *Id.* (ATS provided staff with
24 advice on what to say when asked “Why do I need to speak to a Compliance Analyst/Upsells?”
25 GX 455 (2370).) Next, after an “Intro Call” and the collection of supporting documents in

26 ⁵ But by Defendants’ own count, only 9 of its 113 employees—just under 8% of its
27 employees—actually match that description. *See* Opp. at 4.

28 ⁶ The “ATS Enterprise” refers to the Corporate Defendants, which share liability for each
other’s violations of law as a common enterprise. *See* TRO Motion Part II.B.3. Selb and Bennett
do not contest the existence of a common enterprise in their opposition.

1 “Case Management,” followed by “Prep Tax Returns,” customers once again land at the “Deal
 2 Desk” for another “Upsell Consultation.” GX 451 (2360). And this time, the telemarketers have
 3 access to customers’ financial information, so they know exactly how much money they can try
 4 to extract. (ATS price lists only display *minimum* prices. *See* GX 454 (2368-69), GX 479 (2485); *see*
 5 *also* GX 552 (2969); GX 556 (2975); *accord* GX 317 ¶ 9 (840). The “Deal Desk” “usually brings in
 6 about **\$2M-\$3M each month.**” GX 490 (2604) (emphasis in original.) Finally, only after two
 7 attempts at upselling comes “File Tax Returns,” and then the supposed tax resolution services
 8 that the telemarketers overhyped to consumers at the outset. After that, it’s time for an “Upsell
 9 Review.” GX 451 (2360); *see also* GX 450 (2359); GX 489 (2603).⁷

10 Employee lists also show that ATS is structured principally to make sales. A list found in
 11 the Accounts Receivable office names 34 “Settlement Officer[s],” with six more people on the
 12 “Leadership Team” above them. GX 527 (2789-90).⁸ Despite sounding like a professional who
 13 might settle one’s tax debt, at ATS, a “Settlement Officer” is in Sales. *Id.*; GX 452 (2365). These
 14 individuals “[t]ak[e] inbound leads and follow[] up with prospects to convert them to paying
 15 clients.” GX 452 (2365). The employee list notes that those 40 people report to Selb and
 16 Bennett. GX 527 (2789-91). Another 18 people on the employee list appear under “Additional
 17 Services” with titles involving the “Deal Desk,” or “Retention,” or are simply listed as
 18 “Upseller.” *Id.* (at 2791).⁹ Meanwhile, only seven employees work in “Tax Prep.” *Id.* (at 2787);
 19 *accord* GX 470 (2405). Defendants’ also claim to employ four attorneys, four IRS enrolled agents,
 20 and one CPA. *Opp.* at 9. ATS did employ “Case Management,” “Onboarding,” and “Customer
 21 Service,” staff, but they did not do substantive tax work. *See* GX 478 (2484); GX 471 (2406-07);
 22 GX 472 (2408-11); GX 473 (2412); GX 474 (2413-14); GX 476 (2416-21); GX 477 (2422-81).¹⁰

23
 24 ⁷ Selb and Bennett claim that Plaintiffs “misunderstand[] and misstate[] the Defendants’
 25 business to this Court.” *Opp.* at 3. On the contrary Selb and Bennett misstate their own business
 26 to the Court. Part II.B of their Opposition describes a “customer process” with a glaring
 27 omission: the constant upsells. Defendants’ own documents tell a fuller story.

28 ⁸ The employee list was undated, but it must have been generated some time between May
 2024 and May 2025 because it lists Pricila Gallegos as the “Corporate Controller,” and she only
 worked at ATS during that time span. GX 594 ¶ 37 (3120).

⁹ Twenty employees listed are a “Sales Opener” or “Sales Opener Manager.” GX 527 (2790-
 91). ATS outsourced “openers” to a call center in Tijuana earlier this year. GX 594 ¶ 37 (3120).

¹⁰ A document titled “American Tax Service Business Models” drafted by Paragh in October
 2024 lays out a plan “to generate \$4 million in monthly revenue.” GX 449 (2353). It calls for “8-

1 Another sign of ATS’s central focus on sales is its complicated sales and commission
 2 rules. For example, the “Sales Compensation Structure” incentivizes telemarketers to sell at least
 3 \$15,001 per pay period to qualify for a 20% commission, a boost from 15% for those who sell
 4 less. GX 437 (2299). (Though a sales roster with “Legal Name,” “Sales Name,” total sales, and
 5 commissions suggests that most earn 20%, regardless. GX 438 (2307).) Salespeople have “48-
 6 hour ownership of any prospective client,” before the “Yellowline Team” can try to close a sale.
 7 GX 437 (2229). If a customer misses a payment, the “Retention Department” may “pursue
 8 collection” under the “Redline Rules.” *Id.* Though “[t]he Retention team will not take over the
 9 customer service of the captured Redline case,” and “will not be responsible for answering
 10 questions from dissatisfied or angry clients.” *Id.* (at 2302-03). A rule on splitting commissions
 11 states that the “purpose of this rule is to incentivize providing additional services to
 12 longstanding cases and to proactively encourage phone engagement with older clients.” GX 437
 13 (2304). Similar policies are spelled out in the “Upsell Rules,” GX 441 (2322-24), which were
 14 printed out and taped to the wall near the “Deal Desk” in Las Vegas, GX 594 ¶ 21 (3114-16).
 15 Other evidence shows how these rules have changed over time. *See* GX 505 (2659).¹¹

16 Far beyond incentive payments to telemarketers, however, the bucks truly stop with Selb
 17 and Bennett. Millions in bank transfers and hundreds of thousands in payroll payments have
 18 already been documented. *See* GX 434 ¶ 11 (2173), GX 394 ¶ 67 (1922). New evidence further
 19 demonstrates how Selb and Bennett use the ATS Enterprise as a personal piggy bank. A profit
 20 and loss statement for 2024 shows a total of \$815,289 for personal “TNT Expenses” (Tyler ‘n’
 21 Terry), including their mortgage payments, automobile expenses, and entertainment. GX 526
 22 (2786); *see also* (2784) (A profit and loss statement for January to February 2025 shows \$169,449

23 _____
 24 12 tax attorneys, CPAs, and enrolled agents to handle 600+ clients per month”—at least 50 to
 25 75 clients per professional—as well as “30-40 sales representatives ... responsible for converting
 26 20-30 clients per month [each].” *Id.* (at 2356-57). Even accepting the unlikely proposition that so
 27 few professionals could handle that case load, compared to the recent employee list, GX 527
 28 (2787-93), ATS is short three to six professionals, while overstaffed on the sales side by at least
 18 to 28. *See also* GX 555 (2973) (discussing dealing with increased tax return burden).

¹¹ Aside from formal commissions, ATS also pays “spiffs” to telemarketers as on-the-spot
 rewards for sales. *See* GX 547 (2906-43) (listing more than 1,000 spiffs paid in just over one
 year); GX 549 (2963) (recent spiffs); GX 496 (2632); GX 495 (2631); GX 486 (2594). A “spiff”
 is an award for a sale. *See* dictionary.cambridge.org/us/dictionary/english/spiff. ATS touts its
 high pay for salespeople in job postings. GX 506 (2660); GX 546 (2905); *see also* GX 490 (2604).

1 in “TNT” expenses); GX 557 (2976). Selb and Bennett are the only people empowered to make
 2 decisions for the ATS Enterprise. GX 594 ¶ 28 (3118). They set up the ATS Enterprise to enrich
 3 themselves through deception, and did not stop until this Court entered the TRO. One of their
 4 own employees labeled them a “fraud operator” in an email to them. GX 586 (3066). But they
 5 have persisted for years—and the bank transfers, payroll, and “TNT Expenses” illustrate why:
 6 Swindling desperate taxpayers for their last dollar has simply been too lucrative to stop.

7 **A. Further Evidence of the ATS Enterprise’s Tax Debt Relief Scam**

8 **1. Defendants’ Government-Impersonating Mailers**

9 Defendants anticipated this enforcement action. In an email to Bennett and others on
 10 March 26, 2023, Selb declared: “We have been informed that the FTC is going to become
 11 involved in direct mail not later than August 1[,] 2023. It is absolutely imperative that [ATS]
 12 immediately launch a series of test mailers that shall not violate the FTC Rules[.]” GX 584
 13 (3063).¹² Selb emphasized, “We have exactly 4 months to segway [sic] into lawful mailers.” *Id.*
 14 But Defendants never transitioned to lawful mailers; they continued weekly shipments of
 15 government-impersonating mailers to consumers. From January to October 2025, Defendants
 16 sent more than 3.3 million government-impersonating mailers, *see* GX 606 ¶ 14 (3191),
 17 “[t]arget[ing] individuals and businesses with tax liens, levies, or garnishments.” GX 449 (2356).

18 Contrary to what Defendants’ telemarketers say, the mailers aren’t sent by third-parties.
 19 *See* GX 410, 4:3-10 (2018); GX 412 7:21-8:2 (2026); GX 524 (2742); GX 536 (2832). From the
 20 contents to the packaging, Defendants are wholly responsible for the mailers. *See* GX 583
 21 (3053); *see also* GX 513 (2710-15). During Plaintiffs’ immediate access to Defendants’ offices,
 22 Plaintiffs found that certain offices littered with draft mailers, confirming in-house control. *E.g.*,
 23 GX 443 (2331-34); GX 446 (2347-48); GX 483 (2585-89); GX 510 (2682); GX 511 (2683); GX
 24 515 (2717-18); GX 517 (2724-28); GX 518 (2729-32).

25 Material found in Defendants’ offices also confirmed that Defendants intentionally

26 _____
 27 ¹² Selb’s email came just four days after the FTC announced that it would hold an informal
 28 hearing on its proposed rule prohibiting government impersonation. *FTC To Hold Informal
 Hearing on Proposed Impersonation Rule*, FTC (Mar. 22, 2023), [ftc.gov/news-events/news/press-releases/2023/03/ftc-hold-informal-hearing-proposed-impersonation-rule](https://www.ftc.gov/news-events/news/press-releases/2023/03/ftc-hold-informal-hearing-proposed-impersonation-rule); *cf.* Compl. ¶¶ 73–80
 (alleging violations of that Rule, as finalized).

1 design their mailers to look like real government notices. Plaintiffs discovered real government
2 forms that Defendants had marked up by hand alongside drafts of “Distrain Warrants” and
3 “Final Demands for Payment” that Defendants have sent to consumers for years. One such
4 markup was on real correspondence from the Social Security Administration to Defendant Selb.
5 GX 512 (2709); *see also* GX 514 (2716); GX 516 (2719). And, in an email to a third-party graphic
6 designer, one ATS employee described the government-impersonating mailers as, “our ‘bad cop’
7 mailers that scare people into calling and having their tax issues addressed.” GX 566 (3000).

8 Defendants’ mailers have received significant and sustained attention from government
9 authorities. In addition to actions discussed in Plaintiffs’ *Ex Parte* Motion for a Temporary
10 Restraining Order (“TRO Motion,” Docket No. 4), evidence collected at Defendants’ offices
11 revealed additional warnings to Defendants about their illegal mailers. The following is a
12 chronology of government inquiries that Plaintiffs are now aware of:

13 **Arkansas.** In August 2019, the Arkansas Attorney Generals’ Office wrote to ATS
14 regarding a “solicitation addressed to an Arkansas business that is likely in violation of the
15 Arkansas Deceptive Trade Practices Act[.] ... This solicitation is concerning in a number of
16 ways due to the indicia of an official government document, bill, or notice.” GX 568 (3006).
17 The letter demanded that ATS “cease any solicitation” in Arkansas. *Id.* (at 3007).¹³

18 **TIGTA.** In March 2020, the U.S. Treasury Inspector General for Tax Administration
19 contacted Selb and requested that he describe “the action [Selb’s] company has taken regarding
20 the advertisements as it relates to the use of IRS/Treasury seals, symbols and signs (**or any
21 other language that might mislead an individual in believing the advertisement is from
22 the IRS/Treasury**).”¹⁴ GX 574 (3027) (emphasis added). In his response on March 23, 2020,
23 Selb claimed, “[i]n the coming months, we expect direct mail to represent only a very small
24 portion of our advertising budget due to our transition into tv/radio.” *Id.* (3029). This turned
25 out to be false. Although ATS did go on to run some TV and radio ads, direct mail has

26 ¹³ The Arkansas Attorney General’s Office sent another letter to Defendants on August 30,
27 2019, following up on a conversation with “Chris Baker.” GX 569 (3009).

28 ¹⁴ This email directly refutes Paragh’s claim that TIGTA’s only concern was with the exact
words “IRS,” or “symbolism that the IRS, Federal government, or state governments used such
as eagles, birds, olive trees, seals, or anything resembling those things.” Opp. Ex. 6 ¶ 3.

1 continued to account for the majority of its advertising and marketing budget. *See* GX 394 ¶ 62
2 (1919-20). Indeed, in a March 10, 2024 document titled “revised marketing plan.docx,” found on
3 Selb’s hard drive and authored by the user “terry selb,” Selb described mail as a “core vertical” in
4 ATS’s marketing, and admitted that: “Mail has lawys [sic] been our backbone of the business for
5 better or worse.” GX 558 (2977). In the document, Selb further asks:

6 Why don’t we have a fulltime professional who does nothing but mail? We
7 have fulltime ‘professionals’ in [pay-per-click] (which is peanuts compared
8 to 3-4 MILLION dollars a year in mail) we gladly hire SEO professionals
9 who produce very little if anything and we don’t hesitate to hire full time
 individuals to monitor OTHER verticals but not the one that we rely on
 the most.” *Id.* (2978).

10 **Maryland.** In November 2020, the State of Maryland issued an administrative subpoena
11 to Defendant TNT Tax Associates, regarding a mailer, toll-free numbers controlled by TNT, and
12 “potential violations of the Maryland Consumer Protection Act.” GX 588 (3076). Selb
13 responded: “The mailer that you have included has nothing to do with our operation as
14 Responsible Organization for Toll Free numbers. Our company holds and controls routing for
15 tollfree numbers only and has no responsibility for how they are used.” GX 588 (3078).¹⁵

16 **North Dakota.** In 2021, TNT Tax Associates accepted a marketing ban in North
17 Dakota. TRO Motion at 2–3, 9. GX 418 (2057-63). Defendants have flouted the North Dakota
18 ban on multiple occasions. On March 25, 2022, the North Dakota Attorney General’s office
19 notified Defendants that it had received another complaint regarding one of their government-
20 impersonating mailers. GX 607 ¶ 6, Att. B (3192-93, 3198). Bennett replied, stating, in part: “I
21 don’t recognize the underlying advertisement as one that has ever been sent by American Tax
22 Solutions and when we called the number on the advertisement, it appears to be for another
23 company.” GX 435 (2176). This response was a bald-faced lie. Plaintiffs have discovered
24 multiple emails and spreadsheets belonging to Paragh, showing that Defendants had used the
25 phone number on mailers in February 2022, the month before the letter. And, on May 2022, an
26 ATS employee noted that the number “was used on a previous campaign (2/22/2022) that still

27 ¹⁵ In a direct message to Selb in the same thread, Bennett said: “How many times do we need
28 to learn do not talk to the government. . . . You shouldn’t have gave dude ur email, we may have
to change that info. I am not giving these f---s anything.” GX 588 (3076) (expletive omitted).

1 has calls coming in.” GX 564 (2994). So, if Bennett *had* called the number on the advertisement
2 as he claimed to have done, he would have reached his own employees, not another company.¹⁶

3 **Wisconsin.** In 2022, American Tax Solutions paid over \$328,000 to Wisconsin and was
4 banned from marketing in the state. TRO Motion at 2–3, 7, 22–23; GX 417 (2046-56)

5 **California.** In January 2024, Bennett and GetATaxLawyer.com received a letter from the
6 State Bar of California Office of Chief Trial Counsel ordering them to cease and desist their
7 unauthorized practice of law. TRO Motion at 8, 24; GX 356 (1100-04).

8 **Minnesota.** In October 2024, the
9 Minnesota Attorney General’s Office issued a
10 civil investigative demand (“CID”) to
11 American Tax Solutions. GX 594 ¶ 22 (3116);
12 GX 603 (3141). The CID requested exemplars
13 of each different mailer ATS had sent to
14 Minnesotans. GX 603 (3152). ATS provided
15 the mailer on the right, a seemingly cleaned-
16 up mailer, as its sole exemplar in reply. GX
17 594 ¶ 23 (3116-17); GX 605 (3189). In its
18 written response, ATS stated that it was
19 “consistent with ATS’s general marketing
20 approach.” GX 594 ¶ 23 (3116-17); GX 604
21 (3178). But there is no evidence that

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[first name], you are right to be concerned. You have an unresolved [\$DEBT.00] tax lien with the [CREDITOR], evidenced by a judgment issued in [county] on [filing date]. Ignoring this could lead to:

- Asset or property seizures
- Levy of your bank accounts or retirement funds by authorities
- Escalation to legal or criminal repercussions

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Tax relief programs and regulations shift on a regular basis. The opportunities for settlement can change or expire without warning. It is best to have an experienced advisor, a solid plan, and the ability to move quickly to secure any special benefits available and reduce your liabilities.

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Ralph Kind
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ATS00005

22 Defendants ever sent substantial numbers of the mailer above. And ATS’s response to
23 Minnesota failed to include exemplars of the millions of government-impersonating mailers that
24 Defendants have used to deceive consumers for years.

25 **IRS.** In November 2024, Bennett provided the same cleaned-up “exemplar mailer” in

26 ¹⁶ Bennett and his co-Defendants persist in the contempt of the North Dakota settlement.
27 Evidence produced by Defendants’ printing contractor pursuant to the TRO shows that in 2025,
28 Defendants shipped hundreds of government-impersonating mailers to North Dakota each month. GX 594, ¶ 9(c) (3106), and a supplemental AAG declaration attests to receiving a consumer complaint regarding two ATS mailers just last month. GX 607 ¶ 7 (3193).

1 response to an IRS inquiry. GX 481 (2498). In September 2024, the IRS’s Office of Professional
2 Responsibility sent Bennett a letter informing him that he was suspected of misconduct and
3 requesting information. GX 480 (2486). In addition to Bennett’s misleading mailer submission,
4 Bennett’s response contained the false statement: “ATS is currently no longer taking new clients
5 as it is winding down its operations.” GX 481 (2501).¹⁷

6 Ignoring more than five years of state attorney general enforcement, Defendants simply
7 embraced purported guidance from TIGTA. First, TIGTA did not give Defendants a green light
8 to send any mailers; it merely provided clear red lights. Second, it is no defense to say: “On these
9 mailers, Defendants do not explicitly represent themselves as affiliated with the IRS or any
10 government agency,” and that once consumers call in, Defendants disclose that they are a private
11 company. Opp. at 9–10. In evaluating deception, “the Court considers the overall net impression
12 the representation creates.” *FTC v. Publishers Bus. Servs., Inc.*, 821 F. Supp. 2d 1205, 1223 (D. Nev.
13 2010). The mailers themselves, corroborated by consumer declarations and complaints to the
14 FTC and IRS, make clear that the net impression was government sponsorship or affiliation.
15 That a telemarketer might suggest otherwise cannot cure the deception. The harm has been
16 done. “The FTC Act is violated if the first contact or interview is secured by deception, even
17 though the true facts are made known to the buyer before he enters into the contract of
18 purchase.” *FTC v. E.M.A. Nationwide, Inc.*, 767 F.3d 611, 632 (6th Cir. 2014).

19 Given the mountain of evidence that Defendants are wholly responsible for sending
20 millions of government-impersonating mailers to consumers and have brazenly defied and
21 misled state and federal law enforcement at every turn, the Court should enter a preliminary
22 injunction to prevent them from injuring more consumers as this case proceeds.

23 2. Defendants’ Deceptive Sales Calls

24 Plaintiffs have also uncovered more evidence that Defendants’ telemarketers rely heavily
25 on misrepresentations to sell Defendants’ tax resolution services. Although Defendants claim
26 their mission is “to deliver comprehensive tax resolution and trust services specifically tailored
27

28 ¹⁷ In a separate incident, after receiving an email from the IRS official who provided
declaration GX 1, Bennett wrote: “This a----- again.” GX 580 (3047).

1 to the distinct needs of individuals, families, and businesses,” GX 475 (2415), the scripts used by
2 their telemarketers tell a different story. Throughout Defendants’ office, Plaintiffs found scores
3 of telemarketing scripts with a clear throughline also displayed on a screen on the sales floor:

4 “GET THEM DEALS AND GET THAT MONEY!!!” GX 486 (2594); *see also* GX 534 (2812).

5 As shown in consumer declarations, Defendants’ telemarketers promise to resolve
6 consumers’ tax debt for significantly less than what they owe. *See* TRO Motion at 3. Defendants’
7 telemarketing scripts confirm these claims. *See* Appendix A—Telemarketing Script Excerpts; GX
8 502 (2651-54); GX 509 (2680-81); GX 524 (2757); GX 508 (2671); GX 536 (2832).

9 Defendants’ scripts instruct telemarketers to tell consumers they are eligible for
10 forgiveness programs or an Offer in Compromise (“OIC”)—astonishingly—before any attorney,
11 CPA, or enrolled agent has reviewed their information. *See* Appendix A—Telemarketing Script
12 Excerpts; GX 492 (2614); *see also* GX 493 (2621); GX 533 (2807); GX 534 (2819); *cf.* GX 491
13 (2608); GX 534 (2812); GX 548 (2944). However, gauging a taxpayer’s OIC eligibility requires
14 careful analysis of their income, expenses (actual and under IRS-allowed expense standards),
15 assets (including equity in homes and vehicles), and liabilities. *See generally* [IRS Form 656](#).

16 Defendants told many consumer declarants that they would protect them from levies
17 and garnishments. *See* TRO Motion at 3. This promise also appears often in Defendants’
18 telemarketing scripts. *See* Appendix A—Telemarketing Script Excerpts; GX 500 (2647); GX 524
19 (2742-66); GX 504 (2657); GX 530 (2802); GX 531 (2805); GX 533 (2807); GX 534 (2812); GX
20 536 (2832). For some consumers, these false assurances left them blindsided by IRS
21 garnishments and levies. *See* GX 388 ¶¶ 23-24 (1757); GX 393 ¶¶ 7-8 (1895).

22 Defendants also gained consumer declarants’ trust by inflating their credentials and
23 misrepresenting themselves as tax attorneys. GX 608 ¶ 4 (3204); *see also* TRO Motion at 3–4.
24 These misrepresentations appear in their telemarketing scripts. *See* Appendix A—Telemarketing
25 Script Excerpts; GX 524 (2743); GX 533 (2807); GX 491 (2607-11); GX 536 (2832).

26 Consumer declarants have also reported that Defendants’ telemarketers use high-
27 pressure tactics and intimidation to close sales. *See* TRO Motion at 4. This is reflected in
28 Defendants’ telemarketing scripts. *See* Appendix A—Telemarketing Script Excerpts; GX 530

1 (2802); GX 532 (2806); GX 534 (2812); GX 503 (2656); GX 536 (2839). Plaintiffs have also
2 found these tactics reflected in handwritten notes on telemarketers' desks. *E.g.*, GX 488 (2599-
3 2602); GX 487 (2597); GX 529 (2798). Some scripts even have stage directions explaining that
4 certain parts of the script are to increase the consumer's anxiety. GX 524 (2754-55, 2761).

5 **3. Defendants Fail to Deliver on Tax Debt Relief Promises**

6 On September 25, 2025, ATS's Director of Retention and Client Services, Winston
7 Parker, emailed senior ATS staff members, including Selb and Bennett, saying: "we have 3165
8 unassigned cases. This is a nightmare about to awaken." GX 575 (3031). In a follow-up email to
9 only Bennett, he clarified: "in any event, i [sic] am not refunding a dime." *Id.* These messages
10 epitomize ATS's approach to customer service and validate consumer complaints.

11 Defendants' practices drove dissatisfaction with their businesses. Defendants' offices
12 were replete with evidence of angry consumers including cancellation and refund requests. *See*
13 Appendix B—Complaint Letter Experts; GX 447 (2349-50); GX 448 (2351); GX 457 (2373); GX
14 459 (2378); GX 460 (2379); GX 461 (2380); GX 462 (2381); GX 463 (2385-86); GX 464 (2387); GX 465
15 (2388); GX 466 (2390); GX 468 (1-2) (2394-95); GX 469 (2403); GX 499 (2646); GX 550 (2964); GX
16 576 (4) (3035-36); GX 579 (4) (3044-45); GX 572 (1, 8) (3020); GX 582 (3051); GX 585 (3064-65).

17 Corroborating these complaints, one ATS employee noted: "Since February / outta a lot
18 Millions and Millions, because I get asked 20-30 times per week for refunds. Easily 250k per
19 week." GX 458 (2377). ATS's ACH payment processor also repeatedly warned ATS for months
20 that its "unauthorized" ACH return rate was too high. GX 440 (2310-2321).

21 Winston Parker predicted "a nightmare about to awaken." GX 575 (3031). Unfortunately,
22 the evidence shows that the real nightmare was consumers' experience with ATS. Defendants
23 were in possession of consumers' complaints about being misled, and ATS failing to provide the
24 services promised by ATS's telemarketers; yet Defendants did not right the ship and end their
25 illegal deceptive practices. As noted above, it was too lucrative to stop.

26 **B. Further Evidence of Selb and Bennett's Individual Liability**

27 Selb and Bennett dismiss Plaintiffs' evidence of their individual liability as mere
28 "generalities," Opp. at 10, despite admissions from both that they "run" ATS. Answers of Selb /

1 Bennett ¶¶ 9, *Nationwide Tax Experts, Inc. v. Selb*, No. 20-cv-10090 (C.D. Cal. July 7, 2021), ECF
2 Nos. 96 & 97. Nevertheless, much additional evidence lends specificity to these admissions.
3 According to Geoff Plourde, a CPA and attorney who worked at ATS from 2018 until he was
4 fired in January 2024: “The only people who could make decisions in the company were Terry
5 and Tyler.” GX 594 ¶ 28 (3118). Plourde reported directly to Bennett and Selb during most of
6 his time at ATS. *Id.* In the “Reports To” column on ATS’s employee list, everyone eventually
7 reports to Selb and Bennett—who report to no one. GX 527 (2787-93). Employment offers
8 state that new salespeople “will be reporting to Terrance Selb and Tyler Bennett, our company
9 Founders and CEOs.” GX 535 (2831). Selb and Bennett personally sign off on ATS expenses,
10 including consumer refunds and printing mailers. GX 443 (2331) (paying two invoices for 80,000
11 total mailers); GX 445 (2343, 2345) (“A wire MUST be sent no later than tomorrow or the client
12 will be going to the [DOJ].”).¹⁸ Defendants’ telemarketing scripts instruct telemarketers to
13 “Place the client on hold and see Terry or Tyler,” before quoting a price to a consumer. GX 492
14 (2614); GX 493 (2621). They also make workplace policies and communicate them to their staff.
15 GX 551 (2967-68). Bennett’s business cards identify him as an officer of multiple Defendants.
16 GX 439 (2309). When Plaintiffs and the Receiver entered Selb’s office, the monitor on his
17 desktop displayed a Google Account screen reading “Welcome, Chris Baker” (Selb’s consumer-
18 facing alias)¹⁹ and the monitor on the wall displayed a spreadsheet listing data on mailers from
19 July and August 2025, including the number of calls generated and the response rate. GX 594
20 ¶ 20 (3113-14). Emails document consumers’ conversations with “Chris Baker,” including
21 allegations of fraud. GX 590 (3082); GX 573 (3026). Selb and Bennett also communicated
22 directly with state and federal law enforcers. *See supra* Part I.A.1. The evidence is clear that Selb
23 and Bennett “participated directly in the acts or practices [of ATS and] had authority to control
24 them,” and they have at least “awareness of a high probability of fraud along with an intentional
25 avoidance of the truth.” *FTC v. Publ’g Clearing House, Inc.*, 104 F.3d 1168, 1170–71 (9th Cir. 1997).
26 Thus, they are individually liable for the ATS Enterprise’s violations of law.

27 ¹⁸ This consumer is also discussed in GX 577 (3039). In an email to Bennett and Selb, Winston
28 Parker stated: “we keep 72 k for no work done and an[] interest free 200k for years.”

¹⁹ GX 317 ¶ 23 (844–45); *see also* GX 436 ¶ 9–10 (2178–79)

1 **II. Argument: Entering a Preliminary Injunction is Necessary and Proper**

2 Under Section 13(b) of the [FTC Act], the Court may grant the FTC a
3 preliminary injunction upon a proper showing that, weighing the equities
4 and considering the Commission's likelihood of ultimate success, such
5 action would be in the public interest. Section 13(b) of the FTC Act,
therefore, places a lighter burden on the Commission than that imposed
on private litigants by the traditional equity standard.

6 *FTC v. AMG Servs., Inc.*, No. 2:12-cv-536, 2016 WL 1275612, at *2 (D. Nev. Mar. 31, 2016)
7 (Navarro, J.) (cleaned up). As discussed below and in Plaintiffs' TRO Motion, Plaintiffs are likely
8 to succeed on the merits of their claims, the balance of the equities strongly favors the public
9 interest, and the additional equitable relief of an asset freeze and permanent receiver are
10 necessary and appropriate. *See* TRO Motion Part II.

11 **A. Plaintiffs Are Likely to Succeed on the Merits and the Balance of the**
12 **Equities Strongly Favors the Public Interest**

13 Substantial evidence supported Plaintiffs' request for a TRO, and the evidence has only
14 become more overwhelming since. The evidence shows that Defendants' business was
15 permeated with deception and that ATS employees made constant misrepresentations to
16 consumers. Specifically, the ATS Enterprise made the following material representations:
17 (a) Defendants are a government entity responsible for tax collection; (b) Defendants are
18 affiliated with a government entity responsible for tax collection, including the IRS;
19 (c) Defendants will protect consumers from levies and garnishments; (d) Defendants will reduce
20 or eliminate consumers' tax debt; (e) Defendants will work for consumers in furtherance of
21 items (c) and (d); (f) Defendants have resolved tax debts for thousands of clients; and (g)
22 Defendants will forward some or all of consumers' payments to the IRS or relevant state tax
23 authority.²⁰ These representations were false and misleading. *See* TRO Motion Parts I.A.3 & I.B,
24 *supra* Part I.A.3; *see also* Compl. ¶¶ 59–103. Therefore, they are likely to mislead consumers acting
25 reasonably under the circumstances in a way that is material.

26 Selb and Bennett claim: (1) their company had positive reviews, (2) their telemarketers

27 ²⁰ *See* TRO Motion Part I.A.1 and *supra* at 1-2 & Part I.A.1 regarding items (a)–(b), and TRO
28 Motion Part I.A.2 and *supra* at 2-4 & Part I.A.2 regarding items (c)–(g).

1 disclosed that Defendants are a private company, and (3) they have saved their clients between
2 \$10-30 million and filed tax returns. Each of these arguments fails as a matter of law. First,
3 notwithstanding that Selb and Bennett submitted purported “Copies of Positive Reviews from
4 Customers” in support of their Opposition (Opp. Ex. 10), Plaintiffs caution that the reviews
5 may not be genuine.²¹ Also, the fact that some consumers were satisfied or that few consumers
6 complained does not mean reasonable consumers were not misled, and thus does not constitute
7 a valid defense. *FTC v. Johnson*, 96 F. Supp. 3d 1110, 1119 (9th Cir. 2015) (“The FTC is not
8 required to show that all consumers were deceived, and the existence of satisfied consumers
9 does not constitute a defense.”) (citing *FTC v. Stefanchik*, 559 F.3d 924, 929 (9th Cir. 2009)); *Basic*
10 *Books, Inc. v. F.T.C.*, 276 F.2d 718, 721 (7th Cir. 1960) (the presence of satisfied customers, even
11 in large numbers, cannot insulate a defendant from FTC action for deceptive practices).

12 Second, Selb and Bennett claim that their telemarketers “disclose that they are a private
13 company ... not government representatives”—but even if true, this is legally irrelevant. Opp.
14 at 10. It is well-settled law that a defendant is still liable for deception even if misrepresentations
15 in the initial contact are disclaimed before purchase. *Resort Car Rental System, Inc., v. FTC*, 518
16 F.2d 962, 964 (9th Cir. 1975) (defendant is liable if “it induces the first contact through
17 deception, even if the buyer later becomes fully informed before entering the contract”).

18 Third, Selb and Bennett claim Defendants have “served approximately 15,000 clients and
19 saved them approximately \$10 to \$30 million dollars,” Opp. at 6²²—but this ignores the evidence

21 ²¹ Defendants have paid clients for positive BBB reviews. GX 565 (2995) (email receipt for
22 “Visa gift cards for BBB reviews per Greg”); GX 567 (3005) (requesting that a gift card be sent
23 to a client that left a positive BBB review). Additionally, in June 2025, Trustpilot Content
24 Integrity contacted Bennett to inform him that Trustpilot’s fraud detection software “has
25 detected and removed some reviews of americantaxservice.com that seem to be fake.” GX 560
26 (2982). Plaintiffs also discovered a PDF on Paragh’s desktop titled “Trustpilot-Verified-Method-
27 proces-1 (1).pdf.” The document contains annotated screenshots of a TrustPilot account with
28 crude instructions for obtaining an email address to invite others to leave a verified review. At
the bottom of the page, the document’s author concludes, “Just Send to me, I will create verified
review and the review [will] remain stick [sic] a long time thanks.” *Id.* (at 2985). This document
suggests Defendants may have been harvesting fake “verified” reviews to evade Trustpilot’s
fraud detection software.

²² Selb and Bennett’s assertions are not supported by any evidence beyond self-serving
declarations from a few of Defendants’ employees. Selb and Bennett could have requested that
the Receiver give them or their representatives access to Defendants’ business premises and any
documents in the possession, custody or control of the Receivership Entities. *See* TRO § 12(Q)
& (R). Apparently Selb and Bennett did not choose to avail themselves of that option.

1 that many consumers received nothing at all from Defendants, *see, e.g.*, Supp. Dec. of Receiver,
2 Stephen J. Donell ¶¶ 4–6 (Docket No. 45), and in any event, averages out to meager savings per
3 consumer compared to what Defendants promise they will do, what they charge for their
4 services, and the amount of tax debt their target clients have.²³ It’s also a losing return on
5 investment considering the \$77.7 million that Defendants have taken from consumers since
6 February 2022. GX 434 ¶ 10 (2172). Defendants further claim to have filed 1,200 tax returns for
7 consumers over the last year. Opp. at 9. This is irrelevant to the deception at hand. Consumers
8 were sold on promises of tax debt relief, and they paid Defendants thousands, sometimes tens
9 of thousands—and in at least a handful of cases, hundreds of thousands of dollars—toward
10 that end. That consumers may have received something of relatively nominal value, the filing of
11 tax returns, is very much beside the point. “The fraud in the selling, not the value of the thing
12 sold, is what entitles consumers in this case to full refunds.” *Figgie Int’l*, 994 F.2d at 606.

13 Given the substantial evidence in support of the TRO Motion,²⁴ and additional evidence
14 discussed above, *supra* Sections I.A.1-3, Plaintiffs have amply demonstrated a likelihood of
15 success on the merits of proving that Defendants’ business practices violate Section 5(a) of the
16 FTC Act, 15 U.S.C. § 45(a), Section 521(a) of the Gramm-Leach-Bliley Act (“GLB Act”), 15
17 U.S.C. § 6821(a), Sections 461.2(a) & (b) of the Trade Regulation Rule on Impersonation of
18 Government and Businesses (“Impersonation Rule”), 16 C.F.R. § 461.2(a) & (b), Section
19 310.3(a)(2)(iii) of the Telemarketing Sales Rule (“TSR”), 16 C.F.R. § 310.3(a)(2)(iii), and Nevada
20 Revised Statutes (“NRS”) §§ 598.0915(5), (9), and 598.0923(1)(c). *See* TRO Motion Part II.B.1.

21 In balancing the equities, “the public interest should receive greater weight” than any
22 private interest. *FTC v. World Wide Factors, Ltd.*, 882 F.2d 344, 346–47 (9th Cir. 1989); *see* TRO
23 Motion Part II.B.2. Selb and Bennett raise three potentially cognizable categories of private

24 ²³ Defendants target consumers who already have tax liens. The IRS’s criteria for filing a
25 Notice of Federal Tax Lien is when the debt exceeds \$10,000. Internal Revenue Manual, Part 5,
5.12.2.6 (1), https://www.irs.gov/irm/part5/irm_05-012-002.

26 ²⁴ Defendants incorrectly claim that Plaintiffs’ factual support for their TRO Motion was
27 limited to 19 consumer declarations, 29 BBB complaints, and one former employee declaration.
28 Opp. at 7. Among other substantial evidence, this claim ignores FTC investigator Tyndall’s
declaration attesting to the 507 consumer complaints—including two from former employees—
the Commission has received regarding Defendants’ conduct, GX 394 ¶ 59-61 (1918-19), and
the more than 300 complaints received by the IRS, GX 5-309 (18-731).

1 equities: (1) ATS customers, (2) ATS employees, and (3) themselves. Because ATS was
2 permeated with fraud, as discussed above, it should remain shuttered during the pendency of
3 the litigation. To the extent to which ATS was poised to actually perform services on behalf of
4 its customers, Plaintiffs recognize this may impose a hardship on those customers. However, one
5 of the Receiver's services has been to help those customers find alternatives. *See* Dec. of
6 Receiver, Stephen J. Donell (Docket No. 34). To date, consumer feedback to the Receiver has
7 mostly been complaints about ATS's work, or lack thereof. *See* Supp. Dec. of Receiver, Stephen
8 J. Donell (Docket No. 45). The Receiver can also work with Defendants' employees on issues
9 relating to salary and property. Selb and Bennett, on the other hand, masterminded a years-long
10 fraud that extracted tens of millions from consumers for their own enrichment. Through skilled
11 counsel, they have "meaningfully oppose[d] the Motion and the relief sought." Opp. at 11.
12 Beyond that, their private equities deserve little to no weight. Consider, for example, the 85-year-
13 old Minnesotan discussed above when weighing the public equities versus those of Selb and
14 Bennett. Going forward, they can secure legitimate employment and/or borrow funds.

15 For the reasons discussed in Part II.A of the TRO Motion and herein, the Court should
16 enter the proposed Preliminary Injunction to prevent Defendants from further harming
17 consumers during the remainder of this litigation.

18 **B. Continuing Conduct Relief is Necessary to Prevent Further Consumer Harm**

19 The evidence cited in the TRO Motion and above demonstrates how Defendants'
20 government-impersonating deceptive mailers and pernicious telemarketing misrepresentations
21 have harmed consumers. *See* TRO Motion Parts I.A.3 & I.B, *supra* Part I.A.3. To prevent
22 ongoing consumer injury, the proposed preliminary injunction continues prohibitions on making
23 misrepresentations about Defendants' purported tax debt relief services. This measure simply
24 requires Defendants to comply with the law and is squarely within the Court's injunctive
25 authority under Section 13(b) of the FTC Act, 15 U.S.C. § 53(b).

26 **C. Continuing the Asset Freeze is Necessary and Proper**

27 Since February 2022, Defendants have deceived consumers out of at least \$77.7 million.
28 GX 434 ¶ 10 (2172). Plaintiffs and the Receiver have identified only a fraction of that in assets

1 frozen under the TRO. GX 594 ¶ 6 (3105). Plaintiffs are likely to succeed on the merits, and at
 2 that point, consumer redress would be an appropriate remedy. Keeping Defendants' assets
 3 frozen so they will be available for such a remedy is necessary and appropriate.

4 **1. The Court Has the Authority to Sustain the Asset Freeze**

5 The Court's authority to order the asset freeze in the TRO, and to sustain it in a
 6 preliminary injunction, is well-established. "Congress thereby [in § 19 of the FTC Act] gave the
 7 district court power to order rescission of contracts. Hence § 13(b) [of the FTC Act] provides a
 8 basis for an order freezing assets." *FTC v. H. N. Singer, Inc.*, 668 F.2d 1107, 1113 (9th Cir. 1982);
 9 *see Republic of the Philippines v. Marcos*, 862 F.2d 1355, 1364 (9th Cir. 1988) (citing *H. N. Singer*);
 10 *Reebok Int'l, Ltd. v. Marnatech Enters., Inc.*, 970 F.2d 552, 559 (9th Cir. 1992) ("[an asset freeze] is
 11 authorized by the district court's inherent equitable power to issue provisional remedies ancillary
 12 to its authority to provide final equitable relief"); *FTC v. Noland*, No. 20-cv-47, 2021 WL
 13 4318466, at *4 (D. Ariz. Sept. 23, 2021); *AMG Servs., Inc.*, 2016 WL 1275612, at *5 (Navarro, J.).

14 Selb and Bennett's invocation of *Grupo Mexicano de Desarrollo S.A. v. Alliance Bond Fund,*
 15 *Inc.*, 527 U.S. 308 (1999), is puzzling. That case "present[ed] the question whether, *in an action for*
 16 *money damages*, a ... Court has the power to issue a preliminary injunction preventing the
 17 defendant from transferring assets in which no lien or equitable interest is claimed." *Id.* at 310
 18 (emphasis added). But this is *not* an action for money damages. To be clear—Plaintiffs assert two
 19 theories for equitable monetary relief: (1) Defendants' violations of the GLB Act, the
 20 Impersonation Rule, and the TSR trigger equitable monetary relief under § 19 of the FTC Act,
 21 15 U.S.C. § 57b—specifically, "rescission or reformation of contracts [and] the refund of money
 22 or return of property," and (2) Defendants' violations of NRS §§ 598.0915(5) and (9), and
 23 598.0923(1)(c), trigger equitable monetary relief under NRS § 598.0963(3)—specifically,
 24 "disgorgement [or] restitution."²⁵ Plaintiffs do not seek legal damages in this action. The only
 25 remedies sought are equitable remedies.²⁶ Thus, *Grupo Mexicano* has no application to this case.

26
 27 ²⁵ The FTC's claim is subject to a three-year statute of limitations. 15 U.S.C. § 57b. The State
 of Nevada's claim has no time limitation. NRS § 11.245.

28 ²⁶ Selb and Bennett appear to agree. They state: "[§ 19] encompasses the already-existing
 equitable remedies at the District Courts' disposal. ... That is, the applicable statute merely

1 If *Grupo Mexicano* was not clear enough, Selb and Bennett cite cases that further support
2 the conclusion that Plaintiffs’ requested remedies fall outside of *Grupo Mexicano*, namely: *Johnson*
3 *v. Couturier*, 572 F.3d 1067, 1083–85 (9th Cir. 2009) (“[B]y its very terms, the holding of *Grupo*
4 *Mexicano* is limited to cases in which only monetary damages are sought. The Supreme Court
5 expressly stated that a preliminary injunction barring asset transfer is available where the suit
6 seeks equitable relief.”); and *In re Focus Media Inc.*, 387 F.3d 1077, 1087 (9th Cir. 2004) (“*Grupo*
7 *Mexicano* exempts from its proscription on preliminary injunctions freezing assets cases involving
8 ... equitable causes of action.”). Selb and Bennett state: “In both cases ... there were sufficient
9 independent legal foundations that sustained the District Courts’ equitable authority to freeze
10 unencumbered assets, beyond merely the plaintiff pleading equitable relief.” Opp. at 13. Even if
11 that is a correct observation, neither case *required* “independent legal foundations” for an asset
12 freeze, and both expressly acknowledge that *Grupo Mexicano* simply does not apply to cases
13 seeking equitable relief.²⁷ See also *FTC v. Strano*, 528 F. App’x 47, 49 n.2 (2d Cir. 2013); *FTC v.*
14 *NHS Sys., Inc.*, 708 F. Supp. 2d 456, 465 n.12 (E.D. Pa. 2009); *FTC v. Verity Int’l, Ltd.*, No. 00-cv-
15 7422, 2001 WL 504849, at *2 (S.D.N.Y. May 14, 2001); *FTC v. Windermere Big Win Int’l, Inc.*, No.
16 98-cv-8066, 1999 WL 608715, at *3 n.2 (N.D. Ill. Aug. 5, 1999) (all distinguishing *Grupo Mexicano*
17 from FTC cases seeking equitable monetary relief).

18 2. The Asset Freeze is Necessary

19 Unfortunately, it is already evident that an appropriate equitable monetary judgment for
20 consumer redress in this matter will exceed Defendants’ ability to pay, based on the current
21 amount frozen and the value of other identifiable assets. Because Defendants induced
22 consumers to pay through deception, the appropriate figure representing “rescission or
23 reformation of contracts [and] the refund of money or return of property” under § 19 of the
24 FTC Act and “disgorgement [or] restitution” under NRS § 598.0963(3) is the entire amount of
25 money Defendants brought in through that deception, less refunds already provided (a current
26 estimate is the \$77.7 million that Defendants have taken from consumers since February 2022,

27

restates the District Courts’ existing authority to grant equitable relief.” Opp. at 13.

28 ²⁷ If more were needed: the frozen funds should be considered subject to a constructive trust for Defendants’ victims. See *infra* Part II.C.2.

1 GX 434 ¶ 10 (2172)). *Figgie Int'l*, 994 F.2d at 606; *FTC v. Consumer Def., LLC*, No. 2:18-cv-30,
2 2022 WL 18106047, at *4 (D. Nev. Dec. 30, 2022) (“[T]he proper monetary award here is ...
3 defendants’ net revenues.”); *FTC v. OMICS Grp. Inc.*, 374 F. Supp. 3d 994, 1014 (D. Nev. 2019)
4 (Navarro, J.), *aff’d*, 827 F. App’x 653 (9th Cir. 2020). Selb and Bennett are mistaken that
5 Defendants retain any right to “actual earnings for services provided to paying customers” when
6 those customers were deceived at the outset of their relationship with Defendants. *Figgie Int'l*,
7 994 F.2d at 606; *FTC v. Dayton Fam. Prods.*, No. 2:97-cv-750, 2016 WL 1047353, at *10 (D. Nev.
8 Mar. 16, 2016) (Navarro, J.) (“no offset is warranted for any ‘value’ in the sweepstakes booklets
9 or de minimis checks sent to some consumers, as the victims paid based on false promises about
10 valuable monetary prizes”), *aff’d sub nom. FTC v. Burke*, 699 F. App’x 669 (9th Cir. 2017). Every
11 dollar consumers paid Defendants after being induced to pay through government-
12 impersonating mailers and deceptive telemarketing should be returned to them. With continued
13 investigation, the current estimate of consumer harm is likely to go up.

14 Despite being “presumably more than capable of placing assets in [their] personal
15 possession beyond the reach of a judgment” because of the sheer amount of money Selb and
16 Bennett have extracted from the ATS Enterprise, *Johnson*, 572 F.3d at 1085; *see* GX 434 ¶ 11
17 (2173), GX 394 ¶ 67 (1922), Selb and Bennett argue that Plaintiffs have not offered evidence of
18 a likelihood of dissipation specific to them. That is not correct. The pipeline of money from
19 consumers to ATS to Selb and Bennett to fund their lavish lifestyles *is* dissipation. This Court
20 found evidence of dissipation when defendants “wr[ote] thousands of checks to their wholly
21 owned companies and us[ed] corporate assets for personal expenditures.” *AMG Servs.*, 2016 WL
22 1275612, at *5. Selb and Bennett are different only in that they skipped the wholly owned
23 companies and paid themselves directly. GX 434 ¶ 11 (2173), GX 394 ¶ 67 (1922). The risk of
24 dissipation is obvious: If the assets are unfrozen, Defendants will spend them, as they have done
25 with much of the rest of the consumer money they’ve paid themselves over the years. Selb and
26 Bennett’s Opposition itself requests funds be unfrozen to pay expenses and legal fees—thereby
27 dissipating the funds available for redress. Given that Defendants extracted tens of millions
28 from consumers through deception, and only a fraction of that is still available to help return

1 consumers to the status quo ante before they were deceived, the asset freeze is absolutely
2 necessary to preserve every available dollar for Defendants' victims.²⁸

3 **3. The Individual Defendants are Not Entitled to Payment of** 4 **Ordinary Expenses and Legal Fees**

5 Selb and Bennett ask that “any preliminary injunction entered must, at minimum, allow
6 Defendants to continue paying ordinary living expenses and legal fees related to this action.”
7 Opp. at 16. This appears to be a completely open-ended request for a carve-out for whatever
8 living expenses that Selb and Bennett see fit to spend money on. Given Selb and Bennett’s lavish
9 lifestyles, granting this request may be tantamount to ending the asset freeze altogether. If Selb
10 and Bennett want use assets that should go to their victims, they can file a separate motion to
11 unfreeze assets: (1) itemizing their requests at the minimum level they deem absolutely necessary,
12 and (2) demonstrating why they cannot fund their expenses by other means, such as legitimate
13 employment or borrowing.²⁹ Plaintiffs will then determine their position on that request.
14 However, “[c]ourts regularly have frozen assets and denied attorney fees or limited the amount
15 for attorney fees.” *FTC v. World Wide Factors, Ltd.*, 882 F.2d 344, 347 (9th Cir. 1989); *see FTC v.*
16 *Am. Tax Relief, LLC*, No. 11-cv-6397, 2012 WL 8281726, at *1 (C.D. Cal. Apr. 19, 2012) (“This
17 Court has the duty to preserve the frozen assets to provide restitution to possible victims.”);
18 *FTC v. Sharp*, No. 89-cv-870, 1991 WL 214076 (D. Nev. July 23, 1991). In any event, at this
19 stage, with no information on how much Selb and Bennett are asking, the Court should not give

20
21 ²⁸ Moreover, to a great extent, the frozen assets aren’t Defendants’ assets at all—they are held
22 in constructive trust for the benefit of Defendants’ victims. *See FTC v. Crittenden*, 823 F. Supp.
23 699, 702–03 (C.D. Cal. 1993), *aff’d*, 19 F.3d 26 (9th Cir. 1994); *cf. FTC v. J.K. Publications, Inc.*, No.
24 99-cv-44, 2001 WL 36086354, at *12 (C.D. Cal. Jan. 17, 2001) (“A thief may not convey good
25 title, even to a bona fide purchaser.”). Under Nevada law, “[a] constructive trust will arise ...
26 under circumstances where: (1) a confidential relationship exists between the parties; (2)
27 retention of legal title by the holder thereof against another would be inequitable; and (3) the
28 existence of such a trust is essential to the effectuation of justice.” *Locken v. Locken*, 98 Nev. 369,
372 (1982). A confidential relationship “exists when one party gains the confidence of the other
and purports to act or advise with the other’s interests in mind; it may exist although there is no
fiduciary relationship.” *Perry v. Jordan*, 111 Nev. 943, 947 (1995). That is precisely the relationship
between Defendants, as purported tax advisors, and their customers. But because these
relationships were premised on deception, it would be inequitable to allow Defendants to retain
legal title over the funds they received from consumers as a result of that deception.

²⁹ The proposed Preliminary Injunction does not freeze “assets obtained by Defendants after
this Order is entered” unless “those assets are derived from any activity that is the subject of the
Complaint in this matter or that is prohibited by this Order.” Proposed PI, at 7.

1 | them carte blanche to spend money that belongs to consumers.

2 | **D. Continuing the Receivership is Necessary and Proper**

3 | To date, the Receiver has played an instrumental role as this Court’s agent in the
4 | temporary shuttering of the Corporate Defendants’ operations, the marshalling of the
5 | Receivership estate’s assets and records, and providing assistance to consumers, among other
6 | projects. *See* Decl. of Receiver, Stephen J. Donell (Docket No. 34). This Court should continue
7 | the Receivership because Plaintiffs have established that they are likely to succeed on a claim for
8 | monetary relief based on Section 19 of the FTC Act and Nevada law, and the Receiver
9 | continues to be necessary to preserve funds for a future monetary judgment. *See FTC v. Simple*
10 | *Health Plans LLC*, 58 F.4th 1322, 1328–30 (11th Cir. 2023). The Receiver’s continued
11 | appointment will “prevent ongoing and future harm” to existing and prospective consumers.
12 | *FTC v. Noland*, 672 F. Supp. 3d 721, 732 (D. Ariz. May 11, 2023); *see also SEC v. First Fin. Grp. of*
13 | *Texas*, 645 F.2d 429, 438 (5th Cir. 1981); *SEC v. Bowler*, 427 F.2d 190, 198 (4th Cir. 1970). If
14 | allowed to continue his work the Receiver will assess the extent of the fraud in Defendants’
15 | business practices, trace its proceeds, prepare an accounting, and make an independent report of
16 | whether Defendants business can be run lawfully and profitably to the Court. Given this
17 | important role and work, the Court should sustain the Receivership.³⁰

18 | * * *

19 | For the foregoing reasons, Plaintiffs respectfully request that the Court enter a
20 | preliminary injunction against Defendants.

21 |
22 |
23 |
24 | ³⁰ Defendants’ arguments against continuing the Receivership are the same as their arguments
25 | against continuing the asset freeze and fail for the same reasons explained above. Alternatively,
26 | Defendants ask the Court to, “at minimum direct the Receiver to continue operating the
27 | businesses, retain existing employees to complete and file customer tax returns, and ensure that
28 | paying customers receive the services for which they contracted.” Opp. at 18. At present, it
would be in the Receiver’s discretion to take on these tasks. To Plaintiffs’ knowledge, the
Receiver has not yet arrived at a formal conclusion about whether the business can be run
lawfully and profitably. The Receiver should be allowed to reach that conclusion before being
ordered to restart the business. Selb and Bennett’s request should be, at most, tabled until the
Receiver issues an official report to the Court with his conclusions.

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Respectfully submitted,

Dated: October 25, 2025

/s/ Simon Barth

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APPENDIX A
to Plaintiffs' Supplemental Memorandum in Support of a Preliminary Injunction
Telemarketing Script and Other ATS Document Excerpts

Exhibit	Selected Quotations
GX 487—Handwritten Script	“Case has entered high risk territory. This means collections enforcement. You’re either already assigned to a revenue officer or about to be. ... While you’re thinking, the IRS isn’t. Interest is compounding and enforcement is progressing.” (2597)
GX 488—Handwritten Script	“The IRS is preparing to seize your income and bank accounts. They don’t call ahead, they just act. The moment a levy hits, it’s too late to negotiate. I get that the fee feels like a stretch but right now, but it won’t feel that way when your paycheck is missing next month.” (2599)
GX 491—Opener/Transfer Script	“We’re The Tax Group. We’re a nationwide, private company with four offices across the country: California, Nevada, Colorado and Texas. We have been in business for over 16 years, servicing over 20,000 clients. We’re staffed with a host of Tax Attorneys, CPAs and Registered Agents.” (2606)
GX 492—Mail Script	“Great news! We are able to help you. You appear to qualify for the Offer in Compromise program, and the attorneys say we can settle it for about, \$X,XXX.” (2614)
GX 500—Money Ball Script	The first thing we do is PROTECT clients from ANY COLLECTIONS RIGHT AWAY. (2647)
GX 502—Mailer Script	“The notice was sent to let you know a tax lien has been filed and the state or IRS begin additional collection action very soon. We are a firm that consists of private tax attorneys, CPAs and Enrolled Agents. We get taxes reduced and help people like you in this situation.” (2651)
GX 503—Rebuttals	“ Send me the documents and I will look at them? I'm sorry, we don't send blank documents. It's our firm's policy. We have license numbers and proprietary information, so there needs to be a level of trust on both sides here.” (2656)
GX 504—Exploratory Script	Then we place an immediate 90 day collection hold, which we can always extend if we need to. That will protect you from any bank levies, wage garnishments, seizures of assets, or any other collection horror stories you hear. I can have that done by the end of the day. (2657)

1	GX 506—Job posting for Las Vegas sales rep	“Do you want to be in the six figure compensation range within 30-60 days?” (2660)
2		
3	GX 508—Script	“We PROTECT clients from ANY COLLECTIONS RIGHT AWAY.” (2662)
4		
5	GX 509—Pitch	“We strategically place our clients in 1 of 5 different IRS Approved Tax Settlement Programs , where the client may be able to save 80 to 90% on the tax debt, and in some cases even more. ... In many cases it results in 100% of forgiveness of the tax debt.” (emphasis original) (2680)
6		
7		
8	GX 524—Telemarketing Scripts	“The letter was sent by a third party firm – one of those firms for greater government transparency.” (2742)
9		
10		“We are a private firm of tax attorneys” (2743)
11		“The first thing we do is PROTECT clients from ANY COLLECTIONS RIGHT AWAY” (2748)
12		
13		“*this is crucial - our help is not guaranteed, this is a soft take away, our help is theoretical now, and this should give the prospect a low level of anxiety*” (2754)
14		
15		
16		“(*this remark is designed to create more anxiety.)” (2755)
17		
18		“So based on everything you’ve said, you’re a slam dunk (or if not, ‘an exceedingly strong candidate’) for getting this settled. Typically, when we go in for settlements we end up settling for around 15% percent (that’s 1-5%) of the total assessed debt.” (2757)
19		
20		
21		“(*this whole speech is designed to produce anxiety as well as make us look like late-TR-filing Navy SEALS)” (2761)
22		
23		
24	GX 529—Notes	“Use old fake client example” (2798)
25	GX 530—Script	“First is Protection – we make sure you and your assets are shielded from any further IRS or State action while we work your case. That means no surprise levies, garnishments, or seizures.” (2802)
26		
27		“(if hesitant): ‘Totally understand – but here’s the thing: those notices move forward automatically, and
28		

1		once the IRS triggers enforcement, it's a lot harder to
2		reverse. If we take a quick look now, I can tell you
3		exactly where you stand before it escalates. Does
4		that make sense?" (2803)
5	GX 531—The Sale	"The first thing we need to do is get you protected.
6		Stop the collections process and negotiate the debt."
7		(2085)
8	GX 532—Urgency Soundbites	"We always hear about the nastiest collection action
9		from the IRS after things have been quiet for a long
10		stretch. That's when we see things like bank levies,
11		wage garnishments, revenue officer visits." (2806)
12		"We are getting more and more distress calls from
13		clients on payment arrangements who have had their
14		accounts levied. And these are people that the IRS
15		would ordinarily not have bothered with—Vietnam
16		vets, the elderly, the handicapped, single moms, etc- it's
17		a really scary time." (2806)
18	GX 533—Script	"We are a firm consisting of a private tax attorneys
19		CPA's and Enrolled Agents" (2807)
20		"We PROTECT clients from ANY COLLECTIONS
21		RIGHT AWAY." (2808)
22	GX 534—Team Leadership Rebuttal	"1. I can't afford that // I have no money ...
23	Sheet to the Most Common	What would you be able to put down today so that we
24	Objections	can get you protected and slate you into the caseload,
25		allocating your attorney's time towards your case?"
26		(2812)
27		"2. Can you call me Friday? I don't have any money
28		now, but I get paid on Friday. ... I'm just concerned
		that it's such a busy time of year for us, our caseload
		might be full by Friday. ... [T]his time of year
		{whatever it is – the summer, the last quarter, post-
		holidays, end of year} is always when we get slammed
		with requests." (2812)
		"Part of the reason your case is so strong is because
		you are under marked financial strain." (2813)
		"this pitch is great for when you want to sell an
		exploratory pitch to the client here as a FORENSIC
		INVESTIGATION for a bigger fee and more bells
		and whistles. ***For this pitch you quote \$1100
		minimum" (2826) (emphasis original)

1	GX 536—Script	<p>“To be clear, we didn’t send you that letter. An NGO // non-profit sent it to give you a courtesy FYI that this tax lien is active in your name and that typically, that’s the first step in hostile collection action.” (2832)</p> <p>“We PROTECT clients from hostile collection action from THE UNITED STATES GOVERNMENT” (2833)</p> <p>[W]e need to file a CDP hold on your Social Security number and get you protected so that if they have anything nasty in the pipeline like a garnishment or a bank levy or if they plan on sending a revenue officer to your house, it stops them dead in their tracks.” (2838)</p> <p>*THIS IS THE TAKEAWAY – YOU WANT TO MAKE THEM A LITTLE ANXIOUS AS THEY ARE ON HOLD (2839)</p> <p>“You are a slam dunk for getting this settled. ... So typically in this process, when you look at all the cases that come through our firm, our batting average as a firm is 15% - meaning we get out clients settlements of around 15%. Some clients settle for a little bit higher, closer to 20% and some of them a little bit lower, closer to 10%[.] Based on everything you’ve said, I think you are going to be right in the middle at 15%” (2840)</p> <p>“I am with American Tax and we are a firm of tax attorneys, Enrolled agent and CPA’s fix tax problems [sic]” (2846)</p>
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21	GX 546—Job Posting	<p>“Actualmente tenemos varias personas en nuestra área de ventas de resolución de impuestos que alcanzaron más de \$10,000 al mes en Comisiones dentro de los primeros 60 días y varios ganan más de \$25,000 al mes.” (several people in tax resolution sales have reached over \$10,000 per month in commissions in the first 60 days, and several earn over \$25,000 per month) (2905)</p>
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26	GX 548—Revised RVM Script	<p>“(no matter what they say) Great, it sounds like you’re eligible for an aggressive tax forgiveness program.” (2944)</p>
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APPENDIX B
to Plaintiffs' Supplemental Memorandum in Support of a Preliminary Injunction
Complaint Letter Experts

Exhibit	Selected Quotations
GX 447—Complaint Letter	“I have been a Business and Financial Planner for over 35 years. This and the detail below are[] concerning a company called American Tax Services and their unethical and illegal business practices. This Disaster has been going on for 11 months ...” (2349)
GX 448—Refund Request	“I am writing to formally demand a full refund of \$2,500 paid to American Tax Service LLC, which is Despite repeated assurances, no paperwork was ever filed with the Internal Revenue Service (IRS) I have made multiple attempts to contact ATS regarding this matter, but my calls have gone unanswered.” (2351)
GX 457—Handwritten Refund Request	“Still waiting for refund of \$2500.00 originally paid on 8/12/22 to set up a trust fund that I was quoted by “Greg” to take only 2 weeks” (2373) “Where exactly did my \$92,774.00 go to? Am I still being charged interest, penaltys [sic], fees? etc. by the I.R.S. I will expect something from you in way of answering my questions in a timely manner since you’ve taken 2 years to file 2 returns.” (2374)
GX 458—Case Notes	“Since February / outta a lot Millions and Millions, because I get asked 20-30 times per week for refunds. Easily 250k per week.” (2377)
GX 459—Cancellation Letter	“I am writing to officially notify you that I am terminating your services immediately. This is because I have found other representation, and I feel that I have been misled.” (2378)
GX 460—Refund Request Letter	“I have experienced repeated issues including: Lack of communication and transparency regarding the status and direction of my case; Reassignment to at least five (5) different case managers, each requiring me to resubmit the same documentation multiple times; and Failure to receive return calls or emails despite numerous attempts to obtain updates.” (2379)
GX 461—Handwritten Notes on ATS Correspondence	“I’m done with paying you thousands [A]t one point you were getting 1,700/month and I have no return filed?” (2380)
GX 462—Refund Request Letter	“From the beginning, there has been a consistent lack of communication, lack of transparency, lack of documented evidence of services supposedly

1		provided, lack of honesty and frequent turnover in case managers. ... In the beginning, I was told that once payment for your services had been received, ATS would have my account with the IRS frozen. That
2		has yet to be fulfilled. Interest and penalties are being added to my balance due as shown on my last notice from the IRS. ... I received a call from ATS stating an additional \$1,000 was needed for services. I asked the caller why it was needed but was not given an explanation or answer. Automatic charges by ATS were then applied to my credit card without my permission.” (2381)
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7	GX 463—Complaint Letter	“I subsequently explained to Mr Monter and Thompson that I was halting auto-payment on the account until I was assured that the case was going to be actively and properly handled, and that we had lost almost 2 mo’s time due to Mr. Riley’s incompetence. ... I was been contacted by ... a rude woman named Nicole from [the Collections Department, who] has been aggressive and unpleasant, threatening to stop work on our case if I fail to immediately pay in full.” (2385-86)
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13	GX 464—Refund Request Letter	“I paid ATS \$109,000 with the expectation that you would file my past tax returns and settle my IRS debt effectively and in a timely manner. Regrettably, after several months, I have seen no progress toward this resolution and no longer trust that ATS is capable of handling my case properly. You have allegedly lost all my tax documents It has become evident that you do not possess the necessary knowledge to accurately file my past tax returns.” (2387)
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17	GX 465—Refund Request Letter	“Your company failed to provide any of the services promised, or to take any steps on my behalf.” (2388)
18		
19	GX 466—Demand for Return of Funds Delivered	“Your negligence was unjustified, counsel was incompetent, and you utterly failed to render the services under the agreement.” (2390)
20		
21	GX 468—Refund Request Letter	“[An ATS employee] notified me that ATS had arranged a 60-month payment plan with the Comptroller’s Office. I confirmed with the Comptroller that this was a basic plan that any taxpayer could requires directly. They advised me to apply for an Offer in Compromise (OIC), which I successfully did on my own. The OIC was acted at 50% of my total balance—again, without any involvement or assistance from ATS.” (2394-95)
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25	GX 469—Refund Request Letter	“I have had a case with you for 5yrs and 7 case managers and people that hang up and don’t return calls when they say they will.” (2403)
26		
27	GX 499—Revocation Letter	“I believe you have taken an advantage of me due to my lack of English comprehension.” (2646)
28	GX 550—Demand Letter	“Mr. Ogg hired your office to resolve his tax issues

1		and has paid American Tax Service, LLC also known
2		as ATS Tax Group over \$205,000.00. To date, my
3		clients have received no benefit. Your offices failed to
4		perform the services promised to my clients. Such
5		failure constitutes breach of contract under Iowa law.”
6		(2964)
7	GX 572—Email from Office of IL	“I begged you guys to return this psycho’s money. But
8	Attorney General	you got greedy. Now we’re in trouble. It’s only 3k.”
9		(3017)
10		“The fraud with get a tax lawyer/American tax
11		solution works as follows. ... Get-A-Tax-
12		Lawyer/American Tax Solution fast talking
13		salesperson willfully leads you to believe that you are
14		communicating with an attorney or a specialist
15		regarding the advice that they were recommending.”
16		(3024)
17	GX 576—Refund Demand Email	“ATS took my money, shined me on, eventually began
18		to dodge me, and provided no deliverable
19		(consideration).” (3035)
20	GX 579—Refund Demand Email	“Either you resolve this with [a consumer finance
21		company] as well as us or we will sue you for
22		Consumer fraud and request triple damages for what
23		we paid that you did not deliver or falsified.” (3045)
24	GX 582—Email re: Cancellation	“Few of the reasons stated by the client: 1. No work
25	Request	performed, lack of benefits. 2. Communication issues,
26		misleading sales practices. 3. Failure to file necessary
27		documents, incorrect advice. 4. Promised services not
28		provided, charges for non-performed tasks. 5. Demand
		for full refund, intention to take legal action. 6.
		Allegations of consumer fraud and deceptive
		promises.” (3051)
	GX 585—Cancellation Letter	“On or around 8/8/22, I learned that Tyler Bennett is
		not a lawyer and I would never have contracted with a
		company such as American Tax Solutions that has a
		spokesman who makes fraudulent misrepresentations
		to the public.” (3064-65)
	GX 590—Cancellation Email	“We have arrived at the end of our relationship. Your
		actions have proven to be negligent, deceitful, and
		illegal. I have copied my counsel, Brian Carlin, here to
		make sure the shenanigans cease. My conversation last
		Thursday with Chris Baker ended after I politely asked
		for a copy of the bill for Golden Systems, for which I
		paid a \$35k deposit. Three full business days have
		elapsed, but I still have not received a bill, despite

1 Chris telling me that I would have it promptly on
2 Friday. I reminded him yesterday by text, to no avail.
3 That I still have not received any bill from your firm,
4 ever, is appalling and unprofessional, to say the least. It
5 also supports my belief that you are stealing my
6 money. It shows that you do not have back up to
7 support your claims that you have spent the entirety of
8 the \$35k deposit already.” (3082)

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**UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

Federal Trade Commission, and

State of Nevada,

Plaintiffs,

v.

American Tax Service LLC, et al.,

Defendants.

No. 2:25-cv-1894-GMN-EJY

[Proposed] **Preliminary Injunction**

On October 6, 2025, Plaintiffs, the Federal Trade Commission and State of Nevada, filed their Complaint for Permanent Injunction, Monetary Judgment, and Other Relief pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b) (Docket No. 1). Plaintiffs also filed, pursuant to Federal Rule of Civil Procedure 65(b), an *Ex Parte* Motion for a Temporary Restraining Order, seeking, among other things, an order to show cause why a preliminary injunction should not issue against Defendants (Docket No. 4). On October 7, 2025, the Court issued its *Ex Parte* Temporary Restraining Order with Asset Freeze, Appointment of a Temporary Receiver, and Other Equitable Relief, and Order to Show Cause Why a Preliminary Injunction Should Not Issue, which included an asset freeze and appointed a temporary receiver over the Corporate Defendants (Docket No. 9).

FINDINGS OF FACT AND CONCLUSIONS OF LAW

The Court, having conducted a hearing on the order to show cause why a preliminary injunction should not issue, and having considered the pleadings, declarations, exhibits, memoranda, and argument presented by the parties, and being otherwise advised, makes the following findings of fact and conclusions of law:

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

1 B. In numerous instances, Defendants have (1) mailed or caused the mailing of
2 deceptive and threatening letters that impersonate government tax authorities to solicit inbound
3 telemarketing calls and (2) made false or misleading statements about their purported tax debt
4 relief services and the outcomes they can obtain for consumers.

5 C. Plaintiffs have sufficiently demonstrated that Defendants American Tax Service
6 LLC, American Tax Solutions, American Tax Solutions LLC, ATS Tax Group LLC, Elite Sales
7 Solutions also d/b/a American Tax Service, GetaTaxLawyer.com LLC, TNT Holdings Group
8 LLC, TNT Services Group LLC, TNT Tax Associates Inc., Terrance Selb, and Tyler Bennett
9 have engaged in and are likely to engage in acts or practices that violate Section 5(a) of the FTC
10 Act, 15 U.S.C. § 45(a), Section 521(a) of the Gramm-Leach-Bliley Act (“GLB Act”), 15 U.S.C. §
11 6821(a), Sections 461.2(a) & (b) of the Trade Regulation Rule on Impersonation of Government
12 and Businesses (“Impersonation Rule”), 16 C.F.R. § 461.2(a) & (b), Section 310.3(a)(2)(iii) of the
13 Telemarketing Sales Rule (“TSR”), 16 C.F.R. § 310.3(a)(2)(iii), and Nevada Revised Statutes
14 (“NRS”) §§ 598.0915(5), (9), and 598.0923(1)(c), and that Plaintiffs are therefore likely to prevail
15 on the merits of this action. As demonstrated by consumer and investigator declarations, a
16 former ATS employee declaration, transcripts of undercover calls, and the additional
17 documentation filed by Plaintiffs, Plaintiffs have established a likelihood of success in showing
18 that Defendants have impersonated governmental tax authorities, and made false or misleading
19 statements about the their purported tax debt relief services, including that they will protect
20 consumers from levies and garnishments or will reduce or eliminate consumers’ tax debt.

21 D. Plaintiffs have sufficiently demonstrated that immediate and irreparable harm will
22 result from Defendants’ ongoing violations of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a),
23 Section 521(a) of the GLB Act, 15 U.S.C. § 6821(a), Sections 461.2(a) & (b) of the
24 Impersonation Rule, 16 C.F.R. § 461.2(a) & (b), Section 310.3(a)(2)(iii) or the TSR, 16 C.F.R.
25 § 310.3(a)(2)(iii), and Nevada Revised Statutes (“NRS”) §§ 598.0915(5), (9), and 598.0923(1)(c),
26 unless Defendants are restrained and enjoined by order of this Court.

27 E. Plaintiffs have sufficiently demonstrated the need for: (a) the continued
28 appointment of a Receiver over Defendants American Tax Service LLC, American Tax

1 Solutions, American Tax Solutions LLC, ATS Tax Group LLC, Elite Sales Solutions also d/b/a
2 American Tax Service, GetaTaxLawyer.com LLC, TNT Holdings Group LLC, TNT Services
3 Group LLC, TNT Tax Associates Inc. (the “Corporate Defendants”); (b) maintaining the freeze
4 of Defendants’ Assets; and (c) the ancillary relief ordered below. Plaintiffs have demonstrated a
5 likelihood that Terrance Selb, and Tyler Bennett (the “Individual Defendants”), are individually
6 liable and properly subject to the asset freeze. Specifically, the FTC is likely to prevail in showing
7 that the Individual Defendants has or has had the ability to control the Corporate Defendants
8 because they are officers of the Corporate Defendants. Additionally, the FTC has demonstrated
9 it will likely prevail in showing that the Individual Defendants either had knowledge of the
10 misrepresentations, were recklessly indifferent to the fact that misrepresentations were being
11 made, or were aware that there was a high probability that misrepresentations were made but
12 intentionally avoided the truth.

13 F. Weighing the equities and considering Plaintiffs’ likelihood of ultimate success on
14 the merits, a preliminary injunction order with an asset freeze, and other equitable relief, is in the
15 public interest.

16 G. This Court has authority to issue this Order pursuant to Section 13(b) of the
17 FTC Act, 15 U.S.C. § 53(b); Federal Rule of Civil Procedure 65; and the All Writs Act, 28 U.S.C.
18 § 1651.

19 H. No security is required of any agency of the United States for issuance of a
20 preliminary injunction. Fed. R. Civ. P. 65(c).

21 DEFINITIONS

22 For the purpose of this Order, the following definitions apply:

23 A. **“Collaborative Work Environment”** means any platform, application, product,
24 or system used to communicate, or to create, edit, review, approve, store, organize, share, and
25 access Documents, communications, and information by and among users, including Microsoft
26 SharePoint sites, cloud storage systems (e.g., Google Drive, OneDrive, Dropbox), eRooms,
27 document management systems (e.g., iManage), intranets, chat (e.g., Slack), web content
28

1 management systems (e.g., Drupal), wikis (e.g., Confluence), work tracking software (e.g., Jira),
2 version control systems (e.g., Github), and blogs.

3 B. “**Corporate Defendants**” means American Tax Service LLC, American Tax
4 Solutions, American Tax Solutions LLC, ATS Tax Group LLC, Elite Sales Solutions,
5 GetATaxLawyer.com LLC, TNT Holdings Group LLC, TNT Services Group LLC, TNT Tax
6 Associates Inc., and each of their subsidiaries, affiliates, successors, and assigns.

7 C. “**Defendant(s)**” means Corporate Defendants, and Terrance Selb and Tyler
8 Bennett, individually, collectively, or in any combination.

9 D. “**Document**” is synonymous in meaning and equal in scope to the usage of
10 “document” and “electronically stored information” in Federal Rule of Civil Procedure 34(a),
11 and includes the complete original, including all attachments and copies of all hyperlinked
12 materials (other than hyperlinks to publicly accessible websites), all drafts or prior versions, and
13 any non-identical copy, whether different from the original because of notations on the copy,
14 different metadata, or otherwise, of any item covered by Federal Rule of Civil Procedure
15 34(a)(1)(A), including chats, instant messages, text messages, direct messages, information stored
16 on or sent through social media accounts or messaging or other applications (e.g., Microsoft
17 Teams, Slack), information contained in, hyperlinked to, or sent through Collaborative Work
18 Environments, and information on all devices (including employee-owned devices) used for
19 Defendant-related activity. This includes writings, drawings, graphs, charts, photographs, sound
20 and video recordings, images, Internet sites, web pages, websites, electronic correspondence,
21 contracts, accounting data, advertisements, FTP Logs, Server Access Logs, books, written or
22 printed records, handwritten notes, telephone logs, telephone scripts, receipt books, ledgers,
23 personal and business canceled checks and check registers, bank statements, appointment books,
24 computer records, customer or sales databases and any other electronically stored information,
25 including Documents located on remote servers or cloud computing systems, and other data or
26 data compilations from which information can be obtained directly or, if necessary, after
27 translation into a reasonably usable form.

28

1 E. **“Electronic Data Host”** means any person or entity in the business of storing,
2 hosting, or otherwise maintaining electronically stored information. This includes, but is not
3 limited to, any entity hosting a website or server, and any entity providing “cloud based”
4 electronic storage.

5 F. **“Individual Defendant(s)”** means Terrance Selb and Tyler Bennett, individually,
6 collectively, or in any combination.

7 G. **“Receiver”** means the permanent receiver appointed in Section XI of this Order
8 and any deputy receivers named by the permanent receiver.

9 H. **“Receivership Entities”** means Corporate Defendants as well as any other
10 entity that has conducted any business related to Defendants’ tax debt relief services, including
11 receipt of assets derived from any activity that is the subject of the Complaint in this matter, and
12 that the Receiver determines is controlled or owned by any Defendant.

13 **ORDER**

14 **I. Prohibited Business Activities**

15 **It is therefore ordered** that Defendants, Defendants’ officers, agents, employees, and
16 attorneys, and all other persons in active concert or participation with them, who receive actual
17 notice of this Order by personal service or otherwise, whether acting directly or indirectly, in
18 connection with the advertising, marketing, promoting, or offering for sale of any goods or
19 services, are preliminarily restrained and enjoined from misrepresenting or assisting others in
20 misrepresenting, expressly or by implication, any material fact, including, but not limited to:

21 A. Defendants are a federal, state and/or local government entity responsible for tax
22 collection;

23 B. Defendants are affiliated with a federal, state and/or local government entity
24 responsible for tax collection, including the Internal Revenue Service;

25 C. Defendants will protect consumers from levies and garnishments;

26 D. Defendants will reduce or eliminate consumers’ tax debt;

27 E. Defendants will perform work for consumers in furtherance of items (C) and
28 (D);

1 F. Defendants have resolved tax debts for tens of thousands of clients; and/or

2 G. Defendants will forward some or all of consumers' payments to the IRS or
3 relevant state tax authority; and

4 H. Any other fact material to consumers concerning any good or service, such as:
5 the total costs; any material restrictions, limitations, or conditions; or any material aspect of its
6 performance, efficacy, nature, or central characteristics.

7 **II. Prohibition on Release of Customer Information**

8 **It is further ordered** that Defendants, Defendants' officers, agents, employees, and
9 attorneys, and all other persons in active concert or participation with any of them, who receive
10 actual notice of this Order, whether acting directly or indirectly, are hereby preliminarily
11 restrained and enjoined from disclosing, using, or benefitting from customer information,
12 including the name, address, telephone number, email address, Social Security number, Taxpayer
13 Identification Number, other identifying information, or any data that enables access to a
14 customer's account (including a credit card, bank account, or other financial account), that any
15 Defendant obtained in connection with any activity that pertains to the subject matter of this
16 Order.

17 *Provided, however,* that Defendants may disclose such identifying information to a law
18 enforcement agency, to their attorneys as required for their defense, as required by any law,
19 regulation, or court order, or in any filings, pleadings or discovery in this action in the manner
20 required by the Federal Rules of Civil Procedure and by any protective order in the case.

21 **III. Asset Freeze**

22 **It is further ordered** that Defendants and their officers, agents, employees, and
23 attorneys, and all other persons in active concert or participation with any of them, who receive
24 actual notice of this Order, whether acting directly or indirectly, are hereby preliminarily
25 restrained and enjoined from:

26 A. Transferring, liquidating, converting, encumbering, pledging, loaning, selling,
27 concealing, dissipating, disbursing, assigning, relinquishing, spending, withdrawing, granting a
28 lien or security interest or other interest in, or otherwise disposing of any assets that are:

- 1 1) owned or controlled, directly or indirectly, by any Defendant;
- 2 2) held, in part or in whole, for the benefit of any Defendant;
- 3 3) in the actual or constructive possession of any Defendant; or
- 4 4) owned or controlled by, in the actual or constructive possession of, or
- 5 otherwise held for the benefit of, any corporation, partnership, asset
- 6 protection trust, or other entity that is directly or indirectly owned,
- 7 managed or controlled by any Defendant.

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

12 C. Incurring charges or cash advances on any credit, debit, or ATM card issued in
13 the name, individually or jointly, of any Corporate Defendant or any corporation, partnership, or
14 other entity directly or indirectly owned, managed, or controlled by any Defendant or of which
15 any Defendant is an officer, director, member, or manager. This includes any corporate
16 bankcard or corporate credit card account for which any Defendant is, or was on the date that
17 this Order was signed, an authorized signor.

18 D. Cashing any checks or depositing any money orders or cash received from
19 consumers, clients, or customers of any Defendant.

20 The assets affected by this Section include: (1) all assets of Defendants; and (2) assets
21 obtained by Defendants after this Order is entered if those assets are derived from any activity
22 that is the subject of the Complaint in this matter or that is prohibited by this Order. This
23 Section does not prohibit any transfers to the Receiver or repatriation of foreign assets
24 specifically required by this order.

25 **IV. Duties of Asset Holders and Other Third Parties**

26 **It is further ordered** that any financial or brokerage institution, Electronic Data Host,
27 credit card processor, payment processor, merchant bank, acquiring bank, independent sales
28

1 organization, third party processor, payment gateway, insurance company, business entity, or
2 person who receives actual notice of this Order (by service or otherwise) that:

- 3 a) has held, controlled, or maintained custody, through an account or
4 otherwise, of any Document on behalf of any Defendant or any asset
5 that has been: owned or controlled, directly or indirectly, by any
6 Defendant; held, in part or in whole, for the benefit of any Defendant; in
7 the actual or constructive possession of any Defendant; or owned or
8 controlled by, in the actual or constructive possession of, or otherwise
9 held for the benefit of, any corporation, partnership, asset protection
10 trust, or other entity that is directly or indirectly owned, managed or
11 controlled by any Defendant;
- 12 b) has held, controlled, or maintained custody, through an account or
13 otherwise, of any Document or asset associated with credits, debits, or
14 charges made on behalf of any Defendant, including reserve funds held
15 by payment processors, credit card processors, merchant banks, acquiring
16 banks, independent sales organizations, third party processors, payment
17 gateways, insurance companies, or other entities;
- 18 c) has extended credit to any Defendant, including through a credit card
19 account;

20 must:

21 A. Hold, preserve, and retain within its control and prohibit the withdrawal,
22 removal, alteration, assignment, transfer, pledge, encumbrance, disbursement, dissipation,
23 relinquishment, conversion, sale, or other disposal of any such Document or asset, as well as all
24 Documents or other property related to such assets, except by further order of this Court;
25 *provided, however*, that this provision does not prohibit an Individual Defendant from incurring
26 charges on a personal credit card established prior to entry of this Order, up to the pre-existing
27 credit limit.

1 B. Deny any person, except the Receiver, access to any safe deposit box, commercial
2 mail box, or storage facility that is titled in the name of any Defendant, either individually or
3 jointly, or otherwise subject to access by any Defendant.

4 C. If they have not done so already in compliance with the Temporary Restraining
5 Order previously issued in this matter, provide Plaintiffs' counsel and the Receiver, within three
6 (3) days of receiving a copy of this Order, a sworn statement setting forth, for each asset or
7 account covered by this Section:

- 8 1) The identification number of each such account or asset;
- 9 2) The balance of each such account, or a description of the nature and
10 value of each such asset as of the close of business on the day on which
11 this Order is served, and, if the account or other asset has been closed or
12 removed, the date closed or removed, the total funds removed in order to
13 close the account, and the name of the person or entity to whom such
14 account or other asset was remitted; and
- 15 3) The identification of any safe deposit box, commercial mail box, or
16 storage facility that is either titled in the name, individually or jointly, of
17 any Defendant, or is otherwise subject to access by any Defendant.

18 D. If they have not done so already in compliance with the Temporary Restraining
19 Order previously issued in this matter, upon the request of Plaintiffs' counsel or the Receiver,
20 promptly provide Plaintiffs' counsel and the Receiver with copies of all records or other
21 Documents pertaining to each account or asset covered by this Section, including originals or
22 copies of account applications, account statements, signature cards, checks, drafts, deposit
23 tickets, transfers to and from the accounts, including wire transfers and wire transfer
24 instructions, all other debit and credit instruments or slips, currency transaction reports, 1099
25 forms, and all logs and records pertaining to safe deposit boxes, commercial mail boxes, and
26 storage facilities.

27 *Provided, however,* that this Section does not prohibit any transfers to the Receiver or
28 repatriation of foreign assets specifically required by this order.

1 **V. Financial Disclosures**

2 **It is further ordered** that, if they have not done so already in compliance with the
3 Temporary Restraining Order issued in this matter, each Defendant, within five (5) days of
4 service of this Order upon them, must prepare and deliver to Plaintiffs' counsel and the
5 Receiver Completed financial statements on the forms attached to this Order as Attachment A
6 (Financial Statement of Individual Defendant) for each Individual Defendant, and Attachment
7 B (Financial Statement of Corporate Defendant) for each Corporate Defendant.

8 **VI. Foreign Asset Repatriation**

9 **It is further ordered** that, if they have not done so already in compliance with the
10 Temporary Restraining Order issued in this matter, within five (5) days following the service of
11 this Order, each Defendant must:

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

19 B. Take all steps necessary to provide Plaintiffs' counsel and Receiver access to all
20 Documents and records that may be held by third parties located outside of the territorial
21 United States of America, including signing the Consent to Release of Financial Records
22 appended to this Order as Attachment C.

23 C. Transfer to the territory of the United States all Documents and assets located in
24 foreign countries which are: (1) titled in the name, individually or jointly, of any Defendant; (2)
25 held by any person or entity for the benefit of any Defendant or for the benefit of, any
26 corporation, partnership, asset protection trust, or other entity that is directly or indirectly
27 owned, managed or controlled by any Defendant; or (3) under the direct or indirect control,
28 whether jointly or singly, of any Defendant.

1 D. The same business day as any repatriation, (1) notify the Receiver and counsel for
2 Plaintiffs of the name and location of the financial institution or other entity that is the recipient
3 of such Documents or assets; and (2) serve this Order on any such financial institution or other
4 entity.

5 **VII. Non-Interference With Repatriation**

6 **It is further ordered** that Defendants, Defendants’ officers, agents, employees, and
7 attorneys, and all other persons in active concert or participation with any of them, who receive
8 actual notice of this Order, whether acting directly or indirectly, are hereby preliminarily
9 restrained and enjoined from taking any action, directly or indirectly, which may result in the
10 encumbrance or dissipation of foreign assets, or in the hindrance of the repatriation required by
11 this Order, including, but not limited to:

12 A. Sending any communication or engaging in any other act, directly or indirectly,
13 that results in a determination by a foreign trustee or other entity that a “duress” event has
14 occurred under the terms of a foreign trust agreement until such time that all Defendants’ assets
15 have been fully repatriated pursuant to this Order.

16 B. Notifying any trustee, protector or other agent of any foreign trust or other
17 related entities of either the existence of this Order, or of the fact that repatriation is required
18 pursuant to a court order, until such time that all Defendants’ assets have been fully repatriated
19 pursuant to this Order.

20 **VIII. Consumer Credit Reports**

21 **It is further ordered** that Plaintiffs may obtain credit reports concerning any
22 Defendants pursuant to Section 604(a)(1) of the Fair Credit Reporting Act, 15 U.S.C.
23 1681b(a)(1), and that, upon written request, any credit reporting agency from which such reports
24 are requested must provide them to Plaintiffs.

25 **IX. Preservation of Records**

26 **It is further ordered** that Defendants, Defendants’ officers, agents, employees, and
27 attorneys, and all other persons in active concert or participation with any of them, who receive
28

1 actual notice of this Order, whether acting directly or indirectly, are hereby preliminarily
2 restrained and enjoined from:

3 A. Destroying, erasing, falsifying, writing over, mutilating, concealing, altering,
4 transferring, or otherwise disposing of, in any manner, directly or indirectly, Documents that
5 relate to:

- 6 1) the business, business practices, assets, or business or personal finances of
7 any Defendant;
- 8 2) the business practices or finances of entities directly or indirectly under
9 the control of any Defendant; or
- 10 3) the business practices or finances of entities directly or indirectly under
11 common control with any other Defendant.

12 B. Failing to create and maintain Documents that, in reasonable detail, accurately,
13 fairly, and completely reflect Defendants' incomes, disbursements, transactions, and use of
14 Defendants' assets.

15 **X. Report of New Business Activity**

16 **It is further ordered** that Defendants, Defendants' officers, agents, employees, and
17 attorneys, and all other persons in active concert or participation with any of them, who receive
18 actual notice of this Order, whether acting directly or indirectly, are hereby preliminarily
19 restrained and enjoined from creating, operating, or exercising any control over any business
20 entity, whether newly formed or previously inactive, including any partnership, limited
21 partnership, joint venture, sole proprietorship, or corporation, without first providing Plaintiffs'
22 counsel and the Receiver with a written statement disclosing:

- 23 1) the name of the business entity;
- 24 2) the address and telephone number of the business entity;
- 25 3) the names of the business entity's officers, directors, principals, managers,
26 and employees; and
- 27 4) a detailed description of the business entity's intended activities.

28

1 **XI. Permanent Receiver**

2 **It is further ordered** that Stephen J. Donell of FedReceiver, Inc., is appointed as
3 receiver of the Receivership Entities with full powers of an equity receiver. The Receiver is
4 solely the agent of this Court in acting as Receiver under this Order.

5 **XII. Duties and Authority of Receiver**

6 **It is further ordered** that the Receiver is directed and authorized to accomplish the
7 following:

8 A. Retain full control of Receivership Entities by removing, as the Receiver deems
9 necessary or advisable, any director, officer, independent contractor, employee, attorney, or
10 agent of any Receivership Entity from control of, management of, or participation in, the affairs
11 of the Receivership Entity.

12 B. Retain exclusive custody, control, and possession of all assets and Documents of,
13 or in the possession, custody, or under the control of, any Receivership Entity, wherever situated.

14 C. Take exclusive custody, control, and possession of all Documents or assets
15 associated with credits, debits, or charges made on behalf of any Receivership Entity, wherever
16 situated, including reserve funds held by payment processors, credit card processors, merchant
17 banks, acquiring banks, independent sales organizations, third party processors, payment
18 gateways, insurance companies, or other entities.

19 D. Conserve, hold, manage, and prevent the loss of all assets of the Receivership
20 Entities, and perform all acts necessary or advisable to preserve the value of those assets. The
21 Receiver will assume control over the income and profits therefrom and all sums of money now
22 or hereafter due or owing to the Receivership Entities. The Receiver has full power to sue for,
23 collect, and receive, all assets of the Receivership Entities and of other persons or entities whose
24 interests are now under the direction, possession, custody, or control of, the Receivership
25 Entities. Provided, however, that the Receiver may not attempt to collect any amount from a
26 consumer if the Receiver believes the consumer's debt to the Receivership Entities has resulted
27 from the deceptive acts or practices or other violations of law alleged in the Complaint in this
28 matter, without prior Court approval.

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

10 F. Choose, engage, and employ attorneys, accountants, appraisers, and other
11 independent contractors and technical specialists, as the Receiver deems advisable or necessary
12 in the performance of duties and responsibilities under the authority granted by this Order.

13 G. Make payments and disbursements from the receivership estate that are necessary
14 or advisable for carrying out the directions of, or exercising the authority granted by, this Order,
15 and to incur, or authorize the making of, such agreements as may be necessary and advisable in
16 discharging his or her duties as Receiver. The Receiver must apply to the Court for prior
17 approval of any payment of any debt or obligation incurred by the Receivership Entities prior to
18 the date of entry of this Order, except payments that the Receiver deems necessary or advisable
19 to secure assets of the Receivership Entities, such as rental payments.

20 H. Take all steps necessary to secure and take exclusive custody of each location
21 from which the Receivership Entities operate their businesses. Such steps may include, but are
22 not limited to, any of the following, as the Receiver deems necessary or advisable: (1) securing
23 the location by changing the locks and alarm codes and disconnecting any internet access or
24 other means of access to the computers, servers, internal networks, or other records maintained
25 at that location; and (2) requiring any persons present at the location to leave the premises, to
26 provide the Receiver with proof of identification, and/or to demonstrate to the satisfaction of
27 the Receiver that such persons are not removing from the premises Documents or assets of the
28 Receivership Entities. Law enforcement personnel, including, but not limited to, police or

1 sheriffs, may assist the Receiver in implementing these provisions in order to keep the peace and
2 maintain security. If requested by the Receiver, the United States Marshal will provide
3 appropriate and necessary assistance to the Receiver to implement this Order and is authorized
4 to use any necessary and reasonable force to do so.

5 I. Take all steps necessary to prevent the modification, destruction, or erasure of
6 any web page or website registered to and operated, in whole or in part, by any Defendants, and
7 to provide access to all such web page or websites to Plaintiffs' representatives, agents, and
8 assistants, as well as Defendants and their representatives.

9 J. Enter into and cancel contracts and purchase insurance as advisable or necessary.

10 K. Prevent the inequitable distribution of assets and determine, adjust, and protect
11 the interests of consumers who have transacted business with the Receivership Entities.

12 L. Make an accounting, as soon as practicable, of the assets and financial condition
13 of the receivership and file the accounting with the Court and deliver copies thereof to all
14 parties.

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

20 N. Issue subpoenas to obtain Documents and records pertaining to the Receivership,
21 and conduct discovery in this action on behalf of the receivership estate, in addition to
22 obtaining other discovery as set forth in this Order.

23 O. Open or maintain one or more bank accounts at designated depositories for
24 funds of the Receivership Entities. The Receiver must deposit all funds of the Receivership
25 Entities in such designated accounts and must make all payments and disbursements from the
26 receivership estate from such accounts. The Receiver must serve copies of monthly account
27 statements on all parties.

28 P. Maintain accurate records of all receipts and expenditures incurred as Receiver.

1 Q. Allow the Plaintiffs' representatives, agents, and assistants, as well as Defendants'
2 representatives and Defendants themselves, reasonable access to the premises of the
3 Receivership Entities, or any other premises where the Receivership Entities conduct business.
4 The purpose of this access is to inspect and copy any and all books, records, Documents,
5 accounts, and other property owned by, or in the possession of, the Receivership Entities or
6 their agents. The Receiver has the discretion to determine the time, manner, and reasonable
7 conditions of such access.

8 R. Allow the Plaintiffs' representatives, agents, and assistants, as well as Defendants
9 and their representatives reasonable access to all Documents in the possession, custody, or
10 control of the Receivership Entities.

11 S. Cooperate with reasonable requests for information or assistance from any state
12 or federal civil or criminal law enforcement agency.

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

15 U. If the Receiver identifies a nonparty entity as a Receivership Entity, promptly
16 notify the entity as well as the parties, and inform the entity that it can challenge the Receiver's
17 determination by filing a motion with the Court. Provided, however, that the Receiver may delay
18 providing such notice until the Receiver has established control of the nonparty entity and its
19 assets and records, if the Receiver determines that notice to the entity or the parties before the
20 Receiver establishes control over the entity may result in the destruction of records, dissipation
21 of assets, or any other obstruction of the Receiver's control of the entity.

22 V. If in the Receiver's judgment the business operations cannot be continued legally
23 and profitably, take all steps necessary to ensure that any of the Receivership Entities' web pages
24 or websites relating to the activities alleged in the Complaint cannot be accessed by the public,
25 or are modified for consumer education and/or informational purposes, and take all steps
26 necessary to ensure that any telephone numbers associated with the Receivership Entities cannot
27 be accessed by the public, or are answered solely to provide consumer education or information
28 regarding the status of operations.

1 **XIII. Transfer of Receivership Property to Receiver**

2 **It is further ordered** that, if they have not done so already in compliance with the
3 Temporary Restraining Order previously issued in this matter, Defendants and any other person,
4 with possession, custody or control of property of, or records relating to, the Receivership
5 Entities must, upon notice of this Order by personal service or otherwise, fully cooperate with
6 and assist the Receiver in taking and maintaining possession, custody, or control of the assets
7 and Documents of the Receivership Entities and immediately transfer or deliver to the Receiver
8 possession, custody, and control of, the following:

9 A. All assets held by or for the benefit of the Receivership Entities.

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

14 C. All Documents of or pertaining to the Receivership Entities.

15 D. All computers, electronic devices, mobile devices and machines used to conduct
16 the business of the Receivership Entities.

17 E. All assets and Documents belonging to other persons or entities whose interests
18 are under the direction, possession, custody, or control of the Receivership Entities.

19 F. All keys, codes, user names and passwords necessary to gain or to secure access
20 to any assets or Documents of or pertaining to the Receivership Entities, including access to
21 their business premises, means of communication, accounts, computer systems (onsite and
22 remote), Electronic Data Hosts, or other property.

23 In the event that any person or entity fails to deliver or transfer any asset or Document,
24 or otherwise fails to comply with any provision of this Section, the Receiver may file an
25 Affidavit of Non-Compliance regarding the failure and a motion seeking compliance or a
26 contempt citation.

1 **XIV. Provision of Information to Receiver**

2 **It is further ordered** that Defendants, if they have not done so already in compliance
3 with the Temporary Restraining Order previously issued in this matter, must immediately
4 provide to the Receiver:

5 A. A list of all assets and accounts of the Receivership Entities that are held in any
6 name other than the name of a Receivership Entity, or by any person or entity other than a
7 Receivership Entity.

8 B. A list of all agents, employees, officers, attorneys, servants and those persons in
9 active concert and participation with the Receivership Entities, or who have been associated or
10 done business with the Receivership Entities.

11 C. A description of any documents covered by attorney-client privilege or attorney
12 work product, including files where such documents are likely to be located, authors or
13 recipients of such documents, and search terms likely to identify such electronic documents.

14 **XV. Cooperation With the Receiver**

15 **It is further ordered** that Defendants; Receivership Entities; Defendants' or
16 Receivership Entities' officers, agents, employees, and attorneys, all other persons in active
17 concert or participation with any of them, and any other person with possession, custody, or
18 control of property of or records relating to the Receivership entities who receive actual notice
19 of this Order must fully cooperate with and assist the Receiver. This cooperation and assistance
20 includes, but is not limited to, providing information to the Receiver that the Receiver deems
21 necessary to exercise the authority and discharge the responsibilities of the Receiver under this
22 Order; providing any keys, codes, user names and passwords required to access any computers,
23 electronic devices, mobile devices, and machines (onsite or remotely) and any cloud account
24 (including specific method to access account) or electronic file in any medium; advising all
25 persons who owe money to any Receivership Entity that all debts should be paid directly to the
26 Receiver; and transferring funds at the Receiver's direction and producing records related to the
27 assets and sales of the Receivership Entities.

1 **XVI. Non-Interference With the Receiver**

2 **It is further ordered** that Defendants; Receivership Entities; Defendants' or
3 Receivership Entities' officers, agents, employees, attorneys, and all other persons in active
4 concert or participation with any of them, who receive actual notice of this Order, and any
5 other person served with a copy of this Order, are hereby restrained and enjoined from directly
6 or indirectly:

7 A. Interfering with the Receiver's efforts to manage, or take custody, control, or
8 possession of, the assets or Documents subject to the receivership.

9 B. Transacting any of the business of the Receivership Entities.

10 C. Transferring, receiving, altering, selling, encumbering, pledging, assigning,
11 liquidating, or otherwise disposing of any assets owned, controlled, or in the possession or
12 custody of, or in which an interest is held or claimed by, the Receivership Entities.

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

15 **XVII. Stay of Actions**

16 **It is further ordered** that, except by leave of this Court, during the pendency of the
17 receivership ordered herein, Defendants, Defendants' officers, agents, employees, attorneys, and
18 all other persons in active concert or participation with any of them, who receive actual notice
19 of this Order, and their corporations, subsidiaries, divisions, or affiliates, and all investors,
20 creditors, stockholders, lessors, customers and other persons seeking to establish or enforce any
21 claim, right, or interest against or on behalf of Defendants, and all others acting for or on
22 behalf of such persons, are hereby enjoined from taking action that would interfere with the
23 exclusive jurisdiction of this Court over the assets or Documents of the Receivership Entities,
24 including, but not limited to:

25 A. Filing or assisting in the filing of a petition for relief under the Bankruptcy Code,
26 11 U.S.C. § 101 et seq., or of any similar insolvency proceeding on behalf of the Receivership
27 Entities.

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

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

9 *Provided, however,* that this Order does not stay:

- 10 1) the commencement or continuation of a criminal action or proceeding;
- 11 2) the commencement or continuation of an action or proceeding by a
12 governmental unit to enforce such governmental unit's police or
13 regulatory power; or
- 14 3) the enforcement of a judgment, other than a money judgment, obtained
15 in an action or proceeding by a governmental unit to enforce such
16 governmental unit's police or regulatory power.

17 **XVIII. Compensation of Receiver**

18 **It is further ordered** that the Receiver and all personnel hired by the Receiver as herein
19 authorized, including counsel to the Receiver and accountants, are entitled to reasonable
20 compensation for the performance of duties pursuant to this Order and for the cost of actual
21 out-of-pocket expenses incurred by them, from the assets now held by, in the possession or
22 control of, or which may be received by, the Receivership Entities. The Receiver must file with
23 the Court and serve on the parties periodic requests for the payment of such reasonable
24 compensation, with the first such request filed no more than sixty (60) days after the date of
25 entry of this Order. The Receiver may not increase the hourly rates used as the bases for such
26 fee applications without prior approval of the Court.

1 **XIX. Receiver’s Bond**

2 **It is further ordered** that the Receiver must file with the Clerk of this Court a bond in
3 the sum of \$25,000 with sureties to be approved by the Court, conditioned that the Receiver will
4 well and truly perform the duties of the office and abide by and perform all acts the Court
5 directs. 28 U.S.C. § 754.

6 **XX. Distribution of Order by Defendants**

7 **It is further ordered** that Defendants must immediately provide a copy of this Order to
8 each affiliate, telemarketer, marketer, sales entity, successor, assign, member, officer, director,
9 employee, agent, independent contractor, client, attorney, spouse, subsidiary, division, and
10 representative of any Defendant, and must, within ten (10) days from the date of entry of this
11 Order, and provide Plaintiffs and the Receiver with a sworn statement that this provision of the
12 Order has been satisfied, which statement must include the names, physical addresses, phone
13 number, and email addresses of each such person or entity who received a copy of the Order.
14 Furthermore, Defendants must not take any action that would encourage officers, agents,
15 members, directors, employees, salespersons, independent contractors, attorneys, subsidiaries,
16 affiliates, successors, assigns or other persons or entities in active concert or participation with
17 them to disregard this Order or believe that they are not bound by its provisions.

18 **XXI. Expedited Discovery**

19 **It is further ordered** that, notwithstanding the provisions of the Fed. R. Civ. P. 26(d)
20 and (f) and 30(a)(2)(A)(iii), and pursuant to Fed. R. Civ. P. 30(a), 33, 34, and 45, Plaintiffs and the
21 Receiver are granted leave, at any time after service of this Order, but subject to the expiration
22 below, to conduct limited expedited discovery for the purpose of discovering:

- 23 1) the nature, location, status, and extent of Defendants’ assets;
- 24 2) the nature, location, and extent of Defendants’ business transactions and
25 operations;
- 26 3) Documents reflecting Defendants’ business transactions and operations;
- 27 or
- 28 4) compliance with this Order.

1 The limited expedited discovery set forth in this Section will proceed as follows:

2 A. Plaintiffs and the Receiver may take the deposition of parties and non-parties.
3 Forty-eight (48) hours' notice is sufficient notice for such depositions. The limitations and
4 conditions set forth in Rules 30(a)(2)(A) and 31(a)(2)(A) of the Federal Rules of Civil Procedure
5 regarding subsequent depositions of an individual do not apply to depositions taken pursuant to
6 this Section. Any such deposition taken pursuant to this Section will not be counted towards the
7 deposition limit set forth in Rules 30(a)(2)(A) and 31(a)(2)(A) and depositions may be taken by
8 telephone or other remote electronic means.

9 B. Plaintiffs and the Receiver may serve upon parties requests for production of
10 Documents or inspection that require production or inspection within five (5) days of service,
11 provided, however, that three (3) days of notice will be deemed sufficient for the production of
12 any such Documents that are maintained or stored only in an electronic format.

13 C. Plaintiffs and the Receiver may serve upon parties interrogatories that require
14 response within five (5) days after Plaintiffs serve such interrogatories.

15 D. The Plaintiffs and the Receiver may serve subpoenas upon non-parties that direct
16 production or inspection within five (5) days of service.

17 E. Service of discovery upon a party to this action, taken pursuant to this Section, is
18 sufficient if made by facsimile, email, or by overnight delivery.

19 F. Any expedited discovery taken pursuant to this Section is in addition to, and is
20 not subject to, the limits on discovery set forth in the Federal Rules of Civil Procedure and the
21 Local Rules of this Court. The expedited discovery permitted by this Section does not require a
22 meeting or conference of the parties, pursuant to Rules 26(d) & (f) of the Federal Rules of Civil
23 Procedure.

24 G. The Parties are exempted from making initial disclosures under Fed. R. Civ. P.
25 26(a)(1) until further order of this Court.

26 H. This Section expires once the parties have first conferred as required by Fed. R.
27 Civ. P. 26(f), as follows: depositions must be scheduled to begin before such conference, and
28 interrogatories and requests for production must be propounded, and subpoenas must be

1 issued, before such conference; though the expiration of this Section does not affect the validity
2 or enforceability of discovery timely propounded or issued.

3 **XXII. Service of This Order**

4 **It is further ordered** that copies of this Order may be served by any means, including
5 facsimile transmission, electronic mail or other electronic messaging, personal or overnight
6 delivery, U.S. Mail or FedEx, by agents and employees of Plaintiffs, by any law enforcement
7 agency, or by private process server, upon any Defendant or any person (including any financial
8 institution) that may have possession, custody or control of any asset or Document of any
9 Defendant, or that may be subject to any provision of this Order pursuant to Rule 65(d)(2) of
10 the Federal Rules of Civil Procedure. For purposes of this Section, service upon any branch,
11 subsidiary, affiliate or office of any entity will effect service upon the entire entity.

12 **XXIII. Retention of Jurisdiction**

13 **It is further ordered** that this Court retains jurisdiction of this matter for all purposes.
14

15 It is so ordered:
16

17 _____
18 Hon. Gloria M. Navarro
19 United States District Judge

20 Dated:
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