

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 17-60907-CIV-MORENO

FEDERAL TRADE COMMISSION, *et al.*,

Plaintiffs,

v.

JEREMY LEE MARCUS, *et al.*,

Defendants.

**RECEIVER'S UNOPPOSED MOTION FOR AUTHORITY
TO RETURN CERTAIN CONSUMER FUNDS RECEIVED VIA
ACH PROCESSOR**

Jonathan E. Perlman, Permanent Receiver (the "Receiver") for the Receivership Defendants¹, by his attorneys Genovese Joblove & Battista, P.A. ("GJB"), files his Unopposed

¹ The "Receivership Defendants" means Financial Freedom National, Inc. f/k/a Institute for Financial Freedom, Inc., and Marine Career Institute Sea Frontiers, Inc. d/b/a 321 Loans, Instahelp America, Inc., Helping America Group, United Financial Support, Breeze Financial Solutions 321Financial Education, Credit Health Plan, Credit Specialists of America, American Advocacy Alliance, and Associated Administrative Services, 321Loans, Inc., f/k/a 321 Loans, Inc. d/b/a 321Financial, Inc., Instahelp America, Inc. f/k/a Helping America Team, Inc, d/b/a Helping America Group, Breeze Financial Solutions, Inc. d/b/a Credit Health Plan and Credit Maximizing Program; US Legal Club, LLC, Active Debt Solutions, LLC f/k/a Active Debt Solutions, Inc. d/b/a Guardian Legal Center, Guardian LG, LLC d/b/a Guardian Legal Group; American Credit Security, LLC f/k/a America Credit Shield, LLC; Paralegal Support Group LLC f/k/a Paralegal Support LLC, and Associated Administrative Services, LLC d/b/a Jobfax, and their divisions, subsidiaries, affiliates, predecessors, successors, assigns, and any fictitious business entities or business names created or used by these entities, or any of them. The Receivership Defendants were expanded to include Viking Management Services, LLC, Cockburn & Associate LLC, Omni Management Partners LLC, Discount Marketing USA, S.A., JLMJP Pompano, LLC, Nantucket Cove of Illinois, LLC, Halfpay International, LLC, Halfpay NV, LLC, HP Properties Group, Inc., HP Media, Inc., White Light Media LLC, Blue42, LLC as Additional Receivership Entities. ("Expansion Order") [ECF No. 102].

Motion For Authority to Return Certain Consumer Funds Received via ACH Processor Reliant Account Management (“RAM”), and states as follows:

1. On May 8, 2017, the Federal Trade Commission (“FTC”) and the State of Florida Attorney General’s Office (“Florida AG”) (collectively, the “Plaintiffs”), commenced this action [ECF No. 1].

2. On May 9, 2017, this Court entered its Sealed Temporary Restraining Order which named Jonathan E. Perlman, Esq. as temporary receiver for the Receivership Defendants. On May 17, 2017, the Court entered a Preliminary Injunction (the “Order”) finding that Plaintiffs were likely to prevail on the merits and that immediate and irreparable harm would likely result unless Defendants were restrained and a permanent receiver appointed [ECF No. 21].

3. Pursuant to the Order, the Receiver is authorized to assume full control of the Receivership Entities and their affiliates, subsidiaries, divisions, and sales operations. The Order further directs the Receiver to take exclusive custody, control, and possession of all assets and documents of, or in the possession, custody, or under the control of, the Receivership Defendants, wherever situated.

4. Section X(B)(2) of the Order states that “the Receiver shall not attempt to collect any amount from a consumer or to allow the Receivership Defendants to continue to debit or otherwise charge a consumer’s account, if the Receiver believes the consumer was a victim of the deceptive acts or practices alleged in the Complaint in this matter.” [ECF No. 21 at X(B)(2), p.18].

5. On July 7, 2017, the Receiver filed an Agreed Verified Motion to Expand Receivership [ECF No. 89] (the “Expansion Motion”).

6. On July 31, 2017, the Court entered an Order Granting the Expansion Motion [ECF No. 102] (the "Expansion Order") naming Viking Management Services, LLC, Cockburn 84 Associate LLC, Omni Management Partners LLC, Discount Marketing USA, S.A., JLMJP Pompano, LLC, Nantucket Cove of Illinois, LLC, Halfpay International. LLC, Halfpay NV, LLC, HP Properties Group, Inc., HP Media, Inc., White Light Media LLC, Blue42, LLC as Additional Receivership Entities.

7. The Receivership Defendants utilized Reliant Account Management ("RAM") for their ACH processing. RAM provides per-client accounting of all funds drafted from their clients.

8. On May 10, 2017, the Receiver served the TRO upon merchant processor RAM who turned over to the Receiver monies it was holding on behalf of Receivership Defendants.

9. RAM informed the Receiver that \$26,935.43 of the monies it was turning over had been pulled via ACH draft transactions directly from 94 specific Receivership Defendants' customers' checking accounts. But for the asset freeze, RAM would have transferred these funds to the Receivership Defendants after the Court's entry of the TRO to be applied to each designated customer's account with the Receivership Defendants. RAM provided a schedule listing each specific customer and amount received from his/her checking account and informed the Receiver that the funds still belonged to each client at the time of the freeze order.

10. The Receiver is of the opinion that Section X(B)(2) of the Order, which prohibits the Receiver from collecting amounts from consumers or continuing to debit consumer accounts where the Receiver believes consumer to be victims of deceptive acts or practices, applies here.

11. Accordingly, by this Motion, the Receiver seeks authority to return to these 94 consumers the funds RAM was holding on their behalf on the date of the TRO by issuing checks

to these consumers in the appropriate amount. A schedule of Consumer Payments including the consumer's initials and amount is attached hereto as Exhibit "A."

12. The Receiver has conferred with counsel for the FTC and the Office of the Attorney General, State of Florida who take no position on the Motion. Counsel for Marcus, Smith and Segrea each have no objection to the relief sought herein.

WHEREFORE, the Receiver respectfully requests this Court to enter an order granting this Unopposed Motion for Authority to Return Certain Consumer Funds Received Via ACH Processor, and for such other and further relief as is just and proper.

Respectfully submitted this 11th day of December 2017.

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CERTIFICATE OF SERVICE

I HEREBY certify that on December 11, 2017, I electronically filed the foregoing document with the Clerk of the Court using CM/ECF. I also certify that the foregoing document is being served this day on all counsel of record or pro se parties identified on the attached Service List in the manner specified, either via transmission of Notices of Electronic Filing generated by CM/ECF or in some other authorized manner for those counsel or parties who are not authorized to receive electronically Notices of Electronic Filing.

s/ Gregory M. Garno
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EXHIBIT A

clientfname	clientlname	amount	Total	26935.43
F	W	49.05		
R	L	5.1		
P	P	10		
R	S	12.95		
J	W	25		
W	B	26.5		
C	D	45		
L	R	136.11		
V	R	199.67		
K	D	375		
M	G	571.2		
T	F	1697.24		
J	W	1.17		
A	W	5.2		
K	B	11		
H	D	12.95		
W	P	25		
R	C	45		
G	P	50		
I	G	159		
N	V	236.29		
T	J	420.25		
K	Z	649.4		
A	M	2962.4		
M	F	139.05		
R	V	5.1		
C	P	8.25		
M	C	12.95		
L	A	19.05		
J	DB	25.3		
A	C	45		
T	G	75		
D	M	195		
K	D	350.15		
J	L	558.37		
A	R	1469.66		
R	A	4		
A	V	7.1		
C	H	12.95		
M	B	13.28		
KJ	M	25		
W	M	45		

M	O	74
E	H	179
D	F	275
J	F	471.6
J	B	791.88
B	A	5.05
K	M	8
N	P	12.95
J	R	14.3
A	G	25
B	B	45
M	S	74
E	S	184.88
T	R	310.78
C	W	500.35
F	K	966.85
D	O	3
B	W	6.5
B	R	12.95
M	Q	12.95
M	V	25
K	S	45
C	H	54.05
L	B	170.25
V	R	242.96
P	B	431.35
D	W	655
C	CC	3896.82
P	W	139.05
L	L	5.2
G	B	10
D	T	12.95
R	F	25
T	DC	44.05
Y	G	45
H	R	155.05
P	K	226.89
B	P	376
E	M	572.35
J	F, Jr.	2463.04
C	P	5.05
P	P	8.1
J	W	12.95

D	G	17
V	D	25.05
B	G	45
F	Z	75
D	E	185.45
C	C	340
S	M	516.84
J	S	1395.25

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CASE NO. 17-60907-CIV-MORENO

FEDERAL TRADE COMMISSION, *et al.*,

Plaintiffs,

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JEREMY LEE MARCUS, *et al.*,

Defendants.

**ORDER GRANTING RECEIVER'S UNOPPOSED MOTION FOR AUTHORITY
TO RETURN CERTAIN CONSUMER FUNDS RECEIVED VIA
ACH PROCESSOR**

THIS CAUSE comes before the Court on Jonathan E. Perlman, “Permanent Receiver” over the Receivership Defendants¹ (the “Receiver”), Unopposed Motion for Authority to Return Certain Consumer Funds Received Via ACH Processor (the “Motion”) [ECF No. ____], and the Court, having reviewed the Motion and finding good cause to grant the Motion:

ORDERS AND ADJUDGES:

1. The Motion is GRANTED.

¹ Pursuant to the Preliminary Injunction Order (the “PI”), the “Receivership Defendants” mean Financial Freedom National, Inc. f/k/a Institute for Financial Freedom, Inc. and Marine Career Institute Sea Frontiers, Inc. also d/b/a 321 Loans, Instahelp America, Inc., Helping America Group, United Financial Support, Breeze Financial Solutions, 321Financial Education, Credit Health Plan, Credit Specialists of America, American Advocacy Alliance, and Associated Administrative Services, 321Loans, Inc., f/k/a 321 Loans, Inc. also d/b/a 321Financial, Inc., Instahelp America, Inc. f/k/a Helping America Team, Inc. also d/b/a Helping America Group, Breeze Financial Solutions, Inc. also d/b/a Credit Health Plan and Credit Maximizing Program, US Legal Club, LLC, Active Debt Solutions, LLC f/k/a Active Debt Solutions, Inc. also d/b/a Guardian Legal Center, Guardian LG, LLC also d/b/a Guardian Legal Group, American Credit Security, LLC f/k/a America Credit Shield, LLC, Paralegal Support Group LLC f/k/a Paralegal Support LLC, and Associated Administrative Services, LLC also d/b/a Jobfax, and their divisions, subsidiaries, affiliates, predecessors, successors, assigns, and any fictitious business entities or business names created or used by these entities, or any of them. [ECF No. 21, pg. 5].

2. The Receiver is authorized to return funds to 94 consumers RAM was holding on their behalf on the date of the TRO and issuing checks to the consumers in the appropriate amount as referenced on the schedule of Consumer Payments attached as Exhibit A to the Motion.

DONE AND ORDERED in Chambers at Miami, Florida this ____ day of _____
2017.

FEDERICO A. MORENO
UNITED STATES DISTRICT JUDGE

Copies provided to Counsel of Record.