

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 SELL CERTAIN REAL PROPERTY PURSUANT TO AN OPTION AGREEMENT**

Jonathan E. Perlman, “Permanent Receiver” over the Receivership Defendants¹ (the “Receiver”), files this Motion for Authority to Sell Certain Real Property Pursuant to an Option Agreement (the “Motion”), and states:

1. On May 8, 2017, the Federal Trade Commission (“FTC”) and the Office of the Attorney General, State of Florida, Department of Legal Affairs (“State of Florida”) (collectively, “Plaintiffs”), commenced this action by filing a complaint for permanent injunction and other relief (the “Complaint”) and a motion for a temporary restraining order and other equitable relief alleging that Jeremy Lee Marcus (“Marcus”), Craig Davis Smith, Yisbet Segrea (collectively, the “Individual Defendants”), the Receivership Defendants violated Sections 5(a),

¹Receivership Defendants are 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, Associated Administrative Services, LLC d/b/a Jobfax, Cockburn & Associate LLC, JLMJP Pompano, LLC, Halfpay International, LLC, Halfpay NV, LLC, HP Properties Group, Inc., HP Media, Inc., Omni Management Partners, LLC, Nantucket Cove of Illinois, LLC, Discount Marketing USA, S.A., Viking Management Services, LLC, White Light Media LLC, Blue42, LLC, and their divisions, subsidiaries, affiliates, predecessors, successors, and assigns.

of the FTC Act, 15 U.S.C. § 45(a), the FTC’s Telemarketing Sales Rule (“TSR”), 16 C.F.R. Part 310 and the Florida Deceptive and Unfair Trade Practices Act (“FDUTPA”), Chapter 501, Part II, Florida Statutes (2016), Fla. Stat. § 501.201 *et seq.* and the Telemarketing Act, 15 U.S.C. §§ 6101-6108 and the Relief Defendants were joined as recipients of monies or property from these violations.² (the Individual Defendants, Receivership Defendants and Relief Defendants may be referred to herein collectively as the “Defendants”) [ECF No. 1, “Compl.”].

2. On May 17, 2017, the Court entered a Preliminary Injunction directing and authorizing the Receiver to, among other things, “[a]ssume full control of the Receivership Defendants,” and “[t]ake 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.” [ECF No. 21 at p. 17]. The PI appointing the Receiver initially defined the Receivership as including eleven named “Receivership Defendants,” “and any of their affiliates, subsidiaries, divisions, or sales or customer service operations, wherever located...” [ECF No. 21 at p.17]. The Court subsequently expanded over 12 additional entities [ECF No. 102]. On July 31, 2017 the Court granted the Receiver’s Motion to Turn Over and Transfer Title to Certain Real Property and Sale Proceeds, [ECF No.100], and the Receiver took possession and title to the following real estate: 1410 SW 3rd St. Pompano Beach, FL 33069; 1609 Belmont Place Boynton Beach, FL 33436; 630 SE 25th Ave. Fort Lauderdale, FL 33301; 114 SW 2nd St.

² Following the Expansion Order, the “Relief Defendants” are 1609 Belmont Place LLC; 16 S H Street Lake Worth, LLC; 17866 Lake Azure Way Boca, LLC; 114 Southwest 2nd Street DBF, LLC; 110 Gloucester St., LLC; 72 SE 6th Ave., LLC; Fast Pace 69 LLC; Strategic Acquisitions Two, LLC; Halfpay International d/b/a16 H.S. Street 12Plex LLC, 311 SE 3rd St., LLC, 412 Bayfront Drive, LLC, 110 Gloucester St., LLC, 72 SE 6th Ave., LLC, 114 SW 2nd Street JM, LLC, 8209 Desmond Drive, LLC, HLFP, LLC, Halfpay NV d/b/a Halfpay International, and Nantucket of Illinois, LLC. as well as any successors, assigns, subsidiaries, fictitious business entities, or business names created or used by these entities, or any of them. Plaintiffs’ amended complaint specifically names the Defendants as Receivership Defendants or Relief Defendants as determined by the Expansion Order. [ECF No. at ¶¶ 28-38]. The amended complaint also adds Teresa Duda, Jack Marcus and James Marcus as additional Relief Defendants. *Id.* at ¶¶ 39-41.

Delray Beach, FL 33444; 603 Renaissance Lane Delray Beach, FL 33483; 16 S H Street 1 Lake Worth, FL 33460; 422 Bayfront Drive Boynton Beach, FL 33435; 111 SW 2nd St. Delray Beach, FL 33444; 116 SW 2nd St. Delray Beach, FL 33444; 80 Nottingham Place Boynton Beach, FL 33426; 211 SE 4th Ave. Delray Beach, FL 33483; 311 SE 3rd St. Delray Beach, FL 33483; 7190 Brickyard Cir., Lake Worth, FL 33467; 225 N H Street 1 Lake Worth, FL 33460; 221 N H Street 1 Lake Worth, FL 33460; and 219 N H Street 1 Lake Worth, FL 33460.

3. The PI provides that the Receiver shall conserve, hold and manage all receivership assets, and perform all acts necessary or advisable to preserve the value of those assets, in order to prevent irreparable loss, damage or injury to consumers or creditors of the Receivership Defendants. [ECF No. 21 at p. 18].

4. On August 25, 2015, Nantucket Cove purchased 135 lots in Beecher, Illinois (of which 126 lots remain) for \$1.2 million.

5. The Court's order granting the Receiver's expansion motion brought that real estate development into the Receivership, and the Receiver is managing it. The Receiver considers this development to have a value in excess of \$2.5 million.

6. On July 7, 2016, Nantucket Cove entered into a Real Estate Option Agreement (the "Option Agreement") with Olthof Homes, LLC, which later assigned the Option Agreement to Olthof Homes-Illinois LLC ("Olthof").

7. Under the Option Agreement, Olthof agreed to acquire the option to purchase 113 lots from Nantucket Cove. Olthof is required to exercise options on 12 lots per year. For the first year, the option price is \$18,000 which increases every year by \$500 with a cap of \$20,000 per lot. Olthof has the option to terminate the Option Agreement.

8. The Receiver has been in contact with Olthof who exercised two options in July and another two options in August to acquire lots and has indicated a willingness to purchase more lots from the Receiver.

Relief Requested

9. The Receiver, by this Motion, seeks the Court's authority to sell the real property known as Nantucket Cove pursuant to the Option Agreement to Olthof.

10. The Receiver has conferred with counsel for the FTC and the Office of the Attorney General, State of Florida, who have no position on the relief sought. Smith and Segrea have authorized the Receiver to state that they have no objection to the relief sought herein. Counsel for Marcus did not respond to the Receiver's attempts to meet and confer on the issue.

WHEREFORE, the Receiver, Jonathan E. Perlman, Esq., respectfully requests this Court to enter an order granting the Receiver authority to sell certain real certain real property to Olthof Homes-Illinois LLC, pursuant to the Option Agreement and for such other and further relief as is just and proper.

Respectfully submitted on March 26, 2018.

GENOVESE JOBLOVE & BATTISTA, P.A.

Attorneys for Court-Appointed Receiver

100 Southeast 2nd Street, Suite 4400

Miami, Florida 33131

Telephone: (305) 349-2300

Facsimile: (305) 349-2310

By: /s/ Gregory M. Garno

Gregory M. Garno, Esq., FBN 87505

ggarno@gjb-law.com

Allison Day, Esq., FBN 494097

aday@gjb-law.com

Theresa M.B. Van Vliet, Esq., FBN 374040

tvavliet@gjb-law.com

Heather L. Harmon, Esq., FBN 013192

hharmon@gjb-law.com

CERTIFICATE OF SERVICE

I hereby certify that on March 26, 2018, 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 and entities 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
Gregory M. Garno

SERVICE LIST

Federal Trade Commission v. Jeremy Lee Marcus, et al.
USDC, SD Fla., Case No. 17-cv-60907-MORENO

Ryann Flack, Esq.

Ryann.Flack@myfloridalegal.com

Ronnie Adili, Esq.

Ronnie.Adili@myfloridalegal.com

Office of the Attorney General

Consumer Protection Division

SunTrust International Center

1 S.E. 3rd Ave, Suite 900

Miami, FL 33131

Telephone: (786) 792-6249

Attorneys for State of Florida, Office of Attorney General

Valerie M. Verduce, Esq.

vverduce@ftc.gov

Angeleque P. Linville, Esq.

alinville@ftc.gov

Federal Trade Commission

225 Peachtree Street, Suite 1500

Atlanta, GA 30303

Telephone: (404) 656-1355

Facsimile: (404) 656-1379

Attorneys for Federal Trade Commission

Jonathan E. Perlman, Esq.

jperlman@gjb-law.com

Gregory M. Garno, Esq.

ggarno@gjb-law.com

Allison Day, Esq.

aday@gjb-law.com

Theresa M.B. Van Vliet, Esq.

tvanvliet@gjb-law.com

Genovese Joblove & Battista, P.A.

Miami Tower, 44th Floor

100 Southeast 2nd Street

Miami, FL 33131

Telephone: (305) 349-2300

Facsimile: (305) 349-2310

Receiver and his Counsel

Rachel Hirsch, Esq.

rhirsch@ifrahlaw.com

A. Jeff Ifrah, Esq.

jeff@ifrahlaw.com

Ifrah Law

1717 Pennsylvania Avenue, NW, Suite 650

Washington, DC 20006

Maurice B. VerStandig, Esq.

mac@mbvesq.com

The VerStandig Law Firm, LLC

12505 Park Potomac Avenue, Sixth Floor

Potomac, Maryland 20854

*Counsel for Defendant Jeremy Lee Marcus and
Relief Defendants Halfpay International, LLC; Halfpay NV LLC;
JLMJP Pompano, LLC; and Nantucket Cove of Illinois, LLC*

Edward Shohat

eshohat@joneswalker.com

Barry S. Turner, Esq.

bturner@joneswalker.com

JONES WALKER, LLP

201 S. Biscayne Blvd, 26th Floor

Miami, Florida 33131

Counsel for Defendants Craig Davis Smith and Yisbet Segrea