

FILED  
CLERK, U.S. DISTRICT COURT  
MAR 12 2004  
CENTRAL DISTRICT OF CALIFORNIA  
BY DEPUTY

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

LGB  
MAR - 9 2004  
CLERK, U.S. DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
BY DEPUTY

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION

CV04-1569 LGB (MANX)

FEDERAL TRADE COMMISSION,	)	Case No.
	)	
Plaintiff,	)	<del>{Proposed}</del>
	)	<b>TEMPORARY RESTRAINING ORDER</b>
v.	)	WITH ASSET FREEZE, APPOINTMENT OF
	)	TEMPORARY RECEIVER, AND OTHER
UNICYBER TECHNOLOGY, INC.,	)	EQUITABLE RELIEF, AND ORDER TO
et al.,	)	SHOW CAUSE WHY A PRELIMINARY
	)	INJUNCTION SHOULD NOT ISSUE AND A
Defendants.	)	PERMANENT RECEIVER SHOULD NOT BE
	)	APPOINTED

Plaintiff Federal Trade Commission, having filed its Complaint for a permanent injunction and other equitable relief in this matter pursuant to Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b), and having applied *ex parte* for a Temporary Restraining Order pursuant to Rule 65 of the Federal Rules of Civil Procedure, and the Court having considered the Complaint, Plaintiff's application, and the memorandum of points and authorities and other materials filed in support thereof,

Plaintiff's request for a TRO with asset freeze and the appointment of a temporary receiver is **HEREBY GRANTED**.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

FINDINGS

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

2. There is good cause to believe that Defendants Unicyber Technology, Inc.; Unicyber Gilboard, Inc.; and Chul K. Han have engaged in and are likely to engage in acts that violate Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), and that the Commission is likely to prevail on the merits of this action.

3. There is good cause to believe that immediate and irreparable harm will result from Defendants' ongoing violations of the FTC Act unless Defendants are restrained and enjoined by Order of this Court.

4. There is good cause to believe that immediate and irreparable damage to the Court's ability to grant effective final relief for consumers in the form of monetary restitution will occur from the sale, transfer, or other disposition or concealment by Defendants of assets or records unless Defendants are immediately restrained and enjoined by order of this Court, and that in accordance with Fed. R. Civ. P. 65(b), the interests of justice therefore require that this order be granted without prior notice to Defendants. There is thus good cause for relieving the Commission of the duty to provide Defendants with prior notice of the Commission's application.

5. Good cause exists for the appointment of a Temporary Receiver for corporate defendants Unicyber Technology, Inc. And Unicyber Gilboard, Inc.

1 6. Considering Plaintiff's likelihood of ultimate success  
2 and weighing the equities, a Temporary Restraining Order ("Order")  
3 with asset freeze, appointment of a Temporary Receiver and other  
4 equitable relief is in the public interest.

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

8 **ORDER**

9 **DEFINITIONS.**

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

12 1. "Plaintiff" means the Federal Trade Commission.

13 2. "Defendants" means Unicyber Technology, Inc., Unicyber  
14 Gilboard, Inc., and Chul K. Han, and each of them, by whatever  
15 names each might be known by;

16 3. "Receivership Defendants" means Unicyber Technology,  
17 Inc. and Unicyber Gilboard, Inc., their affiliates and  
18 subsidiaries, and any other corporations or businesses under the  
19 control of any of them.

20 4. "Computer equipment" means any component that could be  
21 used as part of a personal computer system, including but not  
22 limited to a central processing unit or hard drive, monitor or  
23 screen, keyboard, speakers, computer mouse, headphones, CD or DVD  
24 drive, printer, scanner, or fax machine; as well as any software  
25 or other materials such as CDs or DVDs that could be used or  
26 viewed via personal computer.

27 5. "Material" means likely to affect a person's choice of,  
28 or conduct regarding, goods or services.

1           6.    In connection with a disclosure, "clearly and  
2 conspicuously" means as follows:

- 3           a.    In an advertisement communicated through an electronic  
4 medium (such as television, video, radio, and  
5 interactive media such as the Internet and online  
6 services), the disclosure shall be presented  
7 simultaneously in both the audio and visual portions of  
8 the advertisement. Provided, however, than in any  
9 advertisement presented solely through visual or audio  
10 means, the disclosure may be made through the same means  
11 in which the ad is presented. The audio disclosure  
12 shall be delivered in a volume and cadence sufficient  
13 for an ordinary consumer to hear and comprehend it. The  
14 visual disclosure shall be of a size and shade, and  
15 shall appear on the screen for a duration, sufficient  
16 for an ordinary consumer to read and comprehend it.
- 17           b.    In a print advertisement, promotional material, or  
18 instructional manual, the disclosure shall be in a type  
19 size and location sufficiently noticeable for an  
20 ordinary consumer to read and comprehend it, in print  
21 that contrasts with the background against which it  
22 appears.
- 23           c.    On a product label, the disclosure shall be in a type  
24 size and location on the principal display panel  
25 sufficiently noticeable for an ordinary consumer to read  
26 and comprehend it, in print that contrasts with the  
27 background against which it appears.  
28

1 The disclosure shall be in understandable language and  
2 syntax. Nothing contrary to, inconsistent with, or in mitigation  
3 of the disclosure shall be used in any advertisement or on any  
4 label.

5 7. "Assisting others" means knowingly providing any of the  
6 following goods or services to another entity:

7 d. performing customer service functions, including, but  
8 not limited to, receiving or responding to consumer  
9 complaints; or

10 e. formulating or providing, or arranging for the  
11 formulation or provision of, any telephone sales script  
12 or any other marketing material; or

13 f. providing names of, or assisting in the generation of,  
14 potential customers; or

15 g. performing marketing services of any kind.

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

22 9. "Document" is equal in scope and synonymous in meaning  
23 to the usage of the term in Federal Rule of Civil Procedure 34(a),  
24 and includes writings, drawings, graphs, charts, photographs,  
25 audio and video recordings, computer records, and any other data  
26 compilations from which information can be obtained. A draft or  
27 non-identical copy is a separate document within the meaning of  
28 the term.

1 10. "Person" means a natural person, organization, or other  
2 legal entity, including a corporation, partnership,  
3 proprietorship, association, cooperative, government or  
4 governmental subdivision or agency, or any other group or  
5 combination acting as an entity.

6 11. The terms "and" and "or" shall be construed  
7 conjunctively or disjunctively as necessary, and to make the  
8 applicable phrase or sentence inclusive rather than exclusive.

9 I.

10 PROHIBITED MISREPRESENTATIONS

11 IT IS THEREFORE ORDERED that Defendants, as well as their  
12 successors, assigns, officers, agents, directors, servants,  
13 employees, salespersons, independent contractors, attorneys,  
14 corporations, subsidiaries, all other persons or entities directly  
15 or indirectly under their control or under common control with any  
16 of them, and all other persons or entities in active concert or  
17 participation with any of them who receive actual notice of this  
18 Order by personal service or otherwise, whether acting directly or  
19 through any corporation, subsidiary, division, or other device,  
20 including, but not limited to, fictitious business names, and each  
21 such person, in connection with the advertising, promotion,  
22 offering for sale or sale of computer equipment, are hereby  
23 restrained and enjoined from:

24 A. Making, or assisting others in the making of, expressly  
25 or by implication, orally or in writing, any statement or  
26 representation of material fact that is false or misleading,  
27 including but not limited to, any misrepresentation that consumers  
28

1 will receive in one shipment a complete computer system by paying  
2 a deposit, and agreeing to make additional payments over time;

3 B. Making, or assisting others in the making of, expressly  
4 or by implication, orally or in writing, any statement or  
5 representation of material fact that is false or misleading,  
6 including but not limited to, any misrepresentation about any  
7 other fact material to a consumer's decision to purchase computer  
8 equipment.

9 II.

10 PROHIBITION AGAINST MATERIAL OMISSIONS

11 IT IS FURTHER ORDERED that Defendants and their successors,  
12 assigns, officers, agents, servants, employees, and attorneys, and  
13 those persons or entities in active concert or participation with  
14 any of them who receive actual notice of this Order by personal  
15 service or otherwise, whether acting directly or through any  
16 corporation, subsidiary, division, or other device, in connection  
17 with the advertising, promotion, offering for sale or sale of  
18 computer equipment, are hereby restrained and enjoined from  
19 failing to disclose, clearly and conspicuously, before any  
20 consumer pays to purchase computer equipment, all information  
21 material to a consumer's decision to purchase computer equipment,  
22 including but not limited to information that the computer  
23 equipment is salvaged or refurbished, is damaged or does not  
24 function properly.

25 III.

26 ASSET FREEZE

27 IT IS FURTHER ORDERED that Defendants are hereby restrained  
28 and enjoined, until further order of this Court, from:

1           A.    Transferring, encumbering, selling, concealing,  
2 pledging, hypothecating, assigning, spending, withdrawing,  
3 disbursing, conveying, gifting, dissipating, or otherwise  
4 disposing of any funds, property, coins, lists of consumer names,  
5 shares of stock, or other assets, wherever located, that are (1)  
6 owned or controlled by any of the Defendants, in whole or in part;  
7 (2) in the actual or constructive possession of any of the  
8 Defendants; (3) held by an agent of any of the Defendants, as a  
9 retainer for the agent's provision of services to any Defendant;  
10 or (4) owned, controlled by, or in the actual or constructive  
11 possession of, or otherwise held for the benefit of, any  
12 corporation, partnership, or other entity directly or indirectly  
13 owned or controlled by any of the Defendants; including but not  
14 limited to Defendant Unicyber Technology, Inc.'s account at  
15 Wilshire State Bank (last three digits 076);

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

19           C.    Incurring charges or cash advances on any credit or  
20 debit card issued in the name, singly or jointly, of any of the  
21 Defendants, or any corporation, partnership, or other entity  
22 directly or indirectly owned or controlled by any of the  
23 Defendants; and

24           D.    Failing to disclose to Plaintiff, immediately upon  
25 service of this Order, information that fully identifies each  
26 asset valued at more than \$1,000 held in the name of or for the  
27 benefit of any of the Defendants, the value of such asset, and  
28 each entity holding such asset, including, without limitation, the



1 entity's name, address, and telephone number, the number of the  
2 account, and the name under which the account is held.

3 E. Provided, that the freeze imposed in this Section shall  
4 be construed to apply to assets that Defendant Chul K. Han  
5 acquires following service of this Order only if such assets are  
6 derived from activity prohibited by this Order or derived from any  
7 other violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

8 IV.

9 FINANCIAL REPORTS

10 IT IS FURTHER ORDERED that within forty-eight (48) hours  
11 after service of this Order:

12 A. Defendant Chul K. Han shall complete and deliver to  
13 Plaintiff the Financial Statement captioned "Financial Statement  
14 of Individual Defendant," a copy of which is attached hereto as  
15 Attachment 1;

16 B. Defendants Unicyber Technology, Inc. And Unicyber  
17 Gilboard, Inc. are each ordered to prepare and deliver to  
18 Plaintiff and the Temporary Receiver the Financial Statement  
19 captioned "Financial Statement of Corporate Defendant," a copy of  
20 which is attached hereto as Attachment 2;

21 C. Defendant Chul K. Han shall, on behalf of each  
22 corporation of which he is the majority owner or otherwise  
23 controls, other than Defendants Unicyber Technology, Inc. and  
24 Unicyber Gilboard, Inc., complete and deliver to Plaintiff a  
25 separate copy of the "Financial Statement of Corporate Defendant,"  
26 a copy of which is attached hereto as Attachment 2; and

27 D. Defendants shall provide the Commission access to  
28 records and documents pertaining to assets of any of the

1 Defendants that are held by financial institutions outside the  
2 territory of the United States by signing a Consent to Release of  
3 Financial Records if requested by Plaintiff.

4 V.

5 **PRESERVATION OF RECORDS**

6 **IT IS FURTHER ORDERED** that Defendants, as well as their  
7 successors, assigns, officers, agents, directors, servants,  
8 employees, salespersons, independent contractors, attorneys,  
9 corporations, subsidiaries, all other persons or entities directly  
10 or indirectly under their control or under common control with any  
11 of them, and all other persons or entities in active concert or  
12 participation with any of them who receive actual notice of this  
13 Order by personal service or otherwise, whether acting directly or  
14 through any corporation, subsidiary, division, or other device,  
15 including, but not limited to, fictitious business names, and each  
16 such person, are hereby restrained and enjoined from destroying,  
17 erasing, mutilating, concealing, altering, transferring or  
18 otherwise disposing of, in any manner, directly or indirectly, any  
19 documents that relate to the business practices or business or  
20 personal finances of any of the Defendants, including, but not  
21 limited to, any contracts, accounting data, correspondence,  
22 advertisements, computer tapes, discs or other computerized  
23 records, books, written or printed records, handwritten notes,  
24 telephone logs, telephone scripts, receipt books, ledgers,  
25 personal and business canceled checks and check registers, bank  
26 statements, appointment books, copies of federal, state, or local  
27 business or personal income or property tax returns.

28 ///

1 VI.

2 RECORD KEEPING

3 IT IS FURTHER ORDERED that Defendant Chul K. Han is hereby  
4 restrained and enjoined from failing to make and keep, and to  
5 provide to Plaintiff's counsel promptly upon request, an accurate  
6 accounting that, in reasonable detail, accurately, fairly, and  
7 completely reflects his income, disbursements, transactions, and  
8 use of money, beginning immediately upon service or actual notice  
9 of this Order.

10 VII.

11 NOTIFICATION OF BUSINESS ACTIVITIES

12 IT IS FURTHER ORDERED that Defendant Chul K. Han is hereby  
13 restrained and enjoined from creating, operating, or exercising  
14 any control over any business entity, including any partnership,  
15 limited partnership, joint venture, sole proprietorship or  
16 corporation, without first providing to counsel for the Commission  
17 a written statement disclosing the following: (1) the name of the  
18 business entity; (2) the address and telephone number of the  
19 business entity; (3) the names of the business entity's officers,  
20 directors, principals, managers and employees; and (4) a detailed  
21 description of the business entity's intended activities.

22 IT IS FURTHER ORDERED that Defendant Chul K. Han shall notify  
23 the Commission in writing at least seven (7) days prior to any  
24 affiliation with any new or previously inactive business or  
25 employment. Each notice shall include Defendant Chul K. Han's new  
26 business address and a statement of the nature of the new business  
27 or employment and of his duties and responsibilities in connection  
28 with that business or employment.

1 VIII.

2 FINANCIAL INSTITUTIONS

3 IT IS FURTHER ORDERED that any financial or brokerage  
4 institution, business entity, or person having possession,  
5 custody, or control of any records of any of the Defendants or  
6 Receivership Defendants, or of any account, safe deposit box, or  
7 other asset titled in the name of any of the Defendants, either  
8 individually or jointly, or held for the benefit of any of the  
9 Defendants, or that has maintained any such account, safe deposit  
10 box, or other asset at any time since January 1, 1999, shall:

11 A. Hold and retain within its control and prohibit the  
12 transfer, encumbrance, pledge, assignment, removal, withdrawal,  
13 dissipation, sale, or other disposal of any such account or other  
14 asset, except for transfers or withdrawals authorized in writing  
15 by counsel for Plaintiff, by the Temporary Receiver (with respect  
16 to assets of any of the Receivership Defendants), or by further  
17 order of this Court;

18 B. Deny access to any safe deposit box titled individually  
19 or jointly in the name of any of the Defendants or otherwise  
20 subject to access by any Defendant;

21 C. Provide to Plaintiff and to the Temporary Receiver,  
22 within three (3) business days of notice of this Order, a sworn  
23 statement setting forth:

- 24 1. The identification of each account or asset;
- 25 2. The balance of each account or a description of the  
26 nature and value of each asset as of the close of  
27 business on the day notification of this Order is  
28 received, and, if the account or asset has been

1 closed or moved, the balance or value removed and  
2 the person or entity to whom it was transferred;  
3 and

4 3. the identification of any safe deposit box titled  
5 in the name of or subject to access by any of the  
6 Defendants.

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

17 E. At the direction of Plaintiff or the Temporary Receiver  
18 appointed herein, and without further order of this Court, convert  
19 any stocks, bonds, options, mutual funds, or other securities to  
20 their cash equivalents.

21 **IX.**

22 **REPATRIATION OF ASSETS**

23 **IT IS FURTHER ORDERED** that within five (5) business days  
24 following service of this Order, each of the Defendants shall,

25 A. Repatriate to the United States all funds, documents, or  
26 assets in foreign countries held either: (1) by them; (2) for  
27 their benefit; or (3) under their direct or indirect control,  
28 jointly or singly;

1 B. The same business day as any repatriation under  
2 Subsection A above,

- 3 1. notify, in writing, Plaintiff and the Temporary  
4 Receiver of the name and location of the financial  
5 institution or other entity that is the recipient  
6 of such funds, documents, or assets; and
- 7 2. serve this Order on any such financial institution  
8 or other entity;

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

14 D. Hold and retain all repatriated funds, documents, and  
15 assets and prevent any transfer, disposition, or dissipation  
16 whatsoever of any such assets or funds.

17 X.

18 APPOINTMENT OF TEMPORARY RECEIVER

19 IT IS FURTHER ORDERED that Peter Davidson is  
20 appointed Temporary Receiver for Defendants Unicyber Technology,  
21 Inc. and Unicyber Gilboard, Inc., with the full power of an equity  
22 receiver. The Temporary Receiver shall be the agent of this Court  
23 and solely the agent of this Court in acting as Temporary Receiver  
24 under this Order. The Temporary Receiver shall be accountable  
25 directly to this Court. The Temporary Receiver shall comply with  
26 all Local Rules of this Court governing receivers.

27 ///

28 ///

XI.

TEMPORARY RECEIVERSHIP DUTIES

IT IS FURTHER ORDERED that the Temporary Receiver is directed and authorized to perform and accomplish the following:

A. Assume full control of the Receivership Defendants by removing, as the Temporary Receiver deems necessary or advisable, any officer, director, manager, independent contractor, employee, or agent of the Receivership Defendants, including Defendant Chul K. Han, from control of, management of, or participation in, the affairs of the Receivership Defendants;

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

C. Take all steps necessary to secure all premises owned, rented, leased, or otherwise controlled by the Receivership Defendants, including but not limited to all such premises located at 14321 Bonelli St., City of Industry, California 91746 and 14426 Valley Blvd., City of Industry, California 91746. Such steps may include, but are not limited to, the following as the Temporary Receiver deems necessary or advisable: (1) serving and filing this Order; (2) completing a written inventory of all Receivership assets; (3) obtaining pertinent information from all employees and

1 other agents of the Receivership Defendants, including, but not  
2 limited to, the name, home address, social security number, job  
3 description, method of compensation, and all accrued and unpaid  
4 commissions and compensation of each such employee or agent;  
5 (4) videotaping or photographing all portions of the location; (5)  
6 securing the location by changing the locks and disconnecting any  
7 computer modems or other means of access to the computer or other  
8 records maintained at that location; or (6) requiring any persons  
9 present on the premises at the time this Order is served to leave  
10 the premises, to provide the Temporary Receiver with proof of  
11 identification, or to demonstrate to the satisfaction of the  
12 Temporary Receiver that such persons are not removing from the  
13 premises documents or assets of the Receivership Defendants;

14 D. Conserve, hold, and manage all Receivership assets, and  
15 perform all acts necessary or advisable to preserve the value of  
16 those assets, in order to prevent any irreparable loss, damage, or  
17 injury to consumers or to creditors of the Receivership  
18 Defendants, including, but not limited to, obtaining an accounting  
19 of the assets and preventing transfer, withdrawal, or  
20 misapplication of assets;

21 E. Enter into contracts and purchase insurance as advisable  
22 or necessary;

23 F. Prevent the inequitable distribution of assets and to  
24 determine, adjust, and protect the interests of consumers and  
25 creditors who have transacted business with the Receivership  
26 Defendants;

27 G. Manage and administer the business of the Receivership  
28 Defendants until further order of this Court by performing all



1 incidental acts that the Temporary Receiver deems to be advisable  
2 or necessary, which includes retaining, hiring, dismissing or  
3 removing any officers, directors, employees, independent  
4 contractors, or agents;

5 H. Choose, engage, and employ attorneys, accountants,  
6 appraisers, and other independent contractors and technical  
7 specialists, as the Temporary Receiver deems advisable or  
8 necessary in the performance of duties and responsibilities under  
9 the authority granted by this Order;

10 I. Make payments and disbursements from the Receivership  
11 estate that are necessary or advisable for carrying out the  
12 directions of, or exercising the authority granted by, this Order.  
13 The Temporary Receiver shall apply to the Court for prior approval  
14 of any payment of any debt or obligation incurred by the  
15 Receivership Defendants prior to the date of entry of this Order,  
16 except payments that the Temporary Receiver deems necessary or  
17 advisable to secure assets of the Receivership Defendants, such as  
18 rental payments;

19 J. Determine and implement the manner in which the  
20 Receivership Defendants will comply with, and prevent violations  
21 of, this Order and all other applicable laws;

22 K. Institute, compromise, adjust, appear in, intervene in,  
23 or become party to such actions or proceedings in state, federal  
24 or foreign courts that the Temporary Receiver deems necessary and  
25 advisable to preserve or recover the assets of the Receivership  
26 Defendants or that the Temporary Receiver deems necessary and  
27 advisable to carry out the Temporary Receiver's mandate under this  
28 Order;

1 L. Defend, compromise, adjust, or otherwise dispose of any  
2 or all actions or proceedings instituted in the past or in the  
3 future against the Temporary Receiver in his role as Temporary  
4 Receiver, or against the Receivership Defendants that the  
5 Temporary Receiver deems necessary and advisable to preserve the  
6 assets of the Receivership Defendants or that the Temporary  
7 Receiver deems necessary and advisable to carry out the Temporary  
8 Receiver's mandate under this Order;

9 M. Continue and conduct the businesses of the Receivership  
10 Defendants in such a manner, to such extent, and for such duration  
11 as the Temporary Receiver may in good faith deem to be necessary  
12 or appropriate to operate the businesses profitably and lawfully,  
13 if at all; provided, however, that the continuation and conduct of  
14 the businesses shall be conditioned upon the Receiver's good faith  
15 determination that the business can be lawfully operated at a  
16 profit using the assets of the receivership estate;

17 N. Issue subpoenas to obtain documents and records  
18 pertaining to the Receivership, and conduct discovery in this  
19 action on behalf of the Receivership estate;

20 O. Open one or more bank accounts as designated  
21 depositories for funds of the Receivership Defendants. The  
22 Temporary Receiver shall deposit all funds of the Receivership  
23 Defendants in such a designated account and shall make all  
24 payments and disbursements from the Receivership estate from such  
25 an account; and

26 P. Maintain accurate records of all receipts and  
27 expenditures that he or she makes as Temporary Receiver.



1           A.     Transacting any of the business of the Receivership  
2 Defendants, or transacting business under the names "Unicyber  
3 Technology, Inc.," "Unicyber Gilboard, Inc.," or any substantially  
4 similar name;

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

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

14           D.     Excusing debts owed to the Receivership Defendants;

15           E.     Failing to notify the Temporary Receiver of any asset,  
16 including accounts, of any of the Receivership Defendants, held in  
17 any name other than the name of any of the Receivership  
18 Defendants, or by any person or entity other than the Receivership  
19 Defendants, or failing to provide any assistance or information  
20 requested by the Temporary Receiver in connection with obtaining  
21 possession, custody, or control of such assets; or

22           F.     Doing any act or refraining from any act whatsoever to  
23 interfere with the Receiver's taking custody, control, possession,  
24 or managing of the assets or documents subject to this  
25 Receivership; or to harass or interfere with the Temporary  
26 Receiver in any way; or to interfere in any manner with the  
27 exclusive jurisdiction of this Court over the assets or documents  
28 of the Receivership Defendants; or to refuse to cooperate with the

1 Temporary Receiver or the Receiver's duly authorized agents in the  
2 exercise of their duties or authority under any Order of this  
3 Court.

4 XIII.

5 DELIVERY OF RECEIVERSHIP PROPERTY

6 IT IS FURTHER ORDERED that:

7 A. Immediately upon service of this Order upon them, or  
8 within a period permitted by the Temporary Receiver, Defendant  
9 Chul K. Han and all other persons in possession, custody, and  
10 control of assets or documents of the Receivership Defendants  
11 shall transfer or deliver possession, custody, and control of the  
12 following to the Temporary Receiver:

- 13 1. All assets of the Receivership Defendants;
- 14 2. All documents of the Receivership  
15 Defendants, including, but not limited to, books and  
16 records of accounts, all financial and accounting  
17 records, balance sheets, income statements, client  
18 lists, contracts, written or electronic  
19 correspondence, advertisements, computer tapes,  
20 discs, or other computerized or electronic records,  
21 handwritten notes, telephone logs, telephone  
22 scripts, telephone bills, receipt books, membership  
23 records and lists, refund records, receipts,  
24 ledgers, bank records (including personal and  
25 business monthly statements, canceled checks,  
26 records of wire transfers, and check registers),  
27 appointment books, copies of federal, state, and  
28 local business or personal income or property tax

1 returns, 1099 forms, title records, and other  
2 documents of any kind that relate to the  
3 Receivership Defendants' business or assets;

4 3. All computers and data in whatever form, used by  
5 Defendants, in whole or in part, relating to the  
6 Receivership Defendants' business or assets;

7 4. All assets belonging to members of the public now  
8 held by the Receivership Defendants; and

9 5. All keys and codes necessary to gain or to secure  
10 access to any assets or documents of the  
11 Receivership Defendants, including, but not limited  
12 to, access to their business premises, means of  
13 communication, accounts, computer systems, or other  
14 property.

15 B. In the event any person or entity fails to deliver or  
16 transfer any asset or otherwise fails to comply with any provision  
17 of this Section, the Temporary Receiver may file, on an ex parte  
18 basis, an Affidavit of Non-Compliance regarding the failure. Upon  
19 filing of the affidavit, the Court may authorize, without  
20 additional process or demand, Writs of Possession or Sequestration  
21 or other equitable writs requested by the Temporary Receiver. The  
22 writs shall authorize and direct the United States Marshal or any  
23 sheriff or deputy sheriff of any county (pursuant to Fed. R. Civ.  
24 P. 4(c)(1)) to seize the asset, document, or other thing and to  
25 deliver it to the Temporary Receiver.

26 ///

27 ///

28 ///



1 in their capacities as such, including, but not limited to, the  
2 following actions:

- 3 1. Commencing, prosecuting, continuing, entering, or  
4 enforcing any suit or proceeding, except that such  
5 actions may be filed to toll any applicable statute  
6 of limitations;
- 7 2. Accelerating the due date of any obligation or  
8 claimed obligation; filing or enforcing any lien;  
9 taking or attempting to take possession, custody,  
10 or control of any asset; attempting to foreclose,  
11 forfeit, alter, or terminate any interest in any  
12 asset, whether such acts are part of a judicial  
13 proceeding, are acts of self-help, or otherwise;
- 14 3. Executing, issuing, serving, or causing the  
15 execution, issuance or service of, any legal  
16 process, including, but not limited to,  
17 attachments, garnishments, subpoenas, writs of  
18 replevin, writs of execution, or any other form of  
19 process whether specified in this Order or not; or
- 20 4. Doing any act or thing whatsoever to interfere with  
21 the Temporary Receiver taking custody, control,  
22 possession, or management of the assets or  
23 documents subject to this Receivership, or to  
24 harass or interfere with the Temporary Receiver in  
25 any way, or to interfere in any manner with the  
26 exclusive jurisdiction of this Court over the  
27 assets or documents of the Receivership Defendants.

28 B. This Section does not stay:



- 1           1.    The commencement or continuation of a criminal  
2            action or proceeding;
- 3           2.    The commencement or continuation of an action or  
4            proceeding by a governmental unit to enforce such  
5            governmental unit's police or regulatory power;
- 6           3.    The enforcement of a judgment, other than a money  
7            judgment, obtained in an action or proceeding by a  
8            governmental unit to enforce such governmental  
9            unit's police or regulatory power;
- 10          4.    The commencement of any action by the Secretary of  
11            the United States Department of Housing and Urban  
12            Development to foreclose a mortgage or deed of  
13            trust in any case in which the mortgage or deed of  
14            trust held by the Secretary is insured or was  
15            formerly insured under the National Housing Act and  
16            covers property, or combinations of property,  
17            consisting of five or more living units; or
- 18          5.    The issuance to any of the Receivership Defendants  
19            of a notice of tax deficiency.

20           C.    Except as otherwise provided in this Order, all persons  
21 and entities in need of documentation from the Temporary Receiver  
22 shall in all instances first attempt to secure such information by  
23 submitting a formal written request to the Temporary Receiver,  
24 and, if such request has not been responded to within thirty (30)  
25 days of receipt by the Temporary Receiver, any such person or  
26 entity may thereafter seek an Order of this Court with regard to  
27 the relief requested.

28    ///



1 affiliates, franchises, subsidiaries, divisions, successors,  
2 assigns, directors, officers, managing agents, employees,  
3 representatives, and independent contractors and shall, within  
4 three (3) business days from the date of service of this Order,  
5 provide to Plaintiff affidavits identifying the names, titles,  
6 addresses, and telephone numbers of the persons and entities whom  
7 they have served pursuant to this provision. The Temporary  
8 Receiver has no obligation under this provision.

9 **XX.**

10 **CREDIT REPORTS**

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

17 **XXI.**

18 **IMMEDIATE ACCESS TO DEFENDANTS'**

19 **BUSINESS PREMISES, BOOKS AND RECORDS**

20 **IT IS HEREBY ORDERED** that the Defendants and their officers,  
21 agents, servants, employees, attorneys, and all persons or  
22 entities directly or indirectly under their control or under  
23 common control with them, and all other persons or entities in  
24 active concert or participation with them who receive actual  
25 notice of this Order, whether by personal service or otherwise,  
26 whether acting directly or through any corporation, subsidiary,  
27 division, or other device, and the Temporary Receiver, shall:

28 A. Immediately identify to the Commission's counsel:

- 1 1. all of Defendants' business premises;
- 2 2. any premises where Defendants conduct business or
- 3 telephone or Internet sales operations;
- 4 3. any premises where documents related to Defendants'
- 5 businesses are stored or maintained;

6 B. Allow the Commission's representatives (including  
7 attorneys, investigators, paralegals and other staff) immediate  
8 access to:

- 9 1. all of Defendants' business premises, including but  
10 not limited to, those located at 14321 Bonelli St.,  
11 City of Industry, California 91746 and 14426 Valley  
12 Blvd., City of Industry, California 91746;
- 13 2. any other premises where Defendants conduct
- 14 business or telephone or Internet sales operations;
- 15 3. any premises where documents related to Defendants'
- 16 businesses are stored or maintained; and
- 17 4. any documents located at any of the locations
- 18 described in this section;

19 C. Fully cooperate with, and assist, Plaintiff with regard  
20 to this Section;

21 D. Provide the Commission's counsel with any and all  
22 passwords and other assistance necessary to obtain access to any  
23 computer records, and other data compilations from which  
24 information can be obtained and translated, if necessary, through  
25 detection devices into reasonably usable form;

26 E. Upon request, provide assistance and support to the  
27 Commission's representatives as necessary to allow them to  
28 efficiently copy to disk, tape or other medium, any and all

1 computer files, however stored, and any and all audio recordings  
2 or digital audio files, which are in the Defendants' custody,  
3 control or possession.

4 **IT IS FURTHER ORDERED** that the Commission's representatives  
5 may remove documents from Defendants' premises to be inspected or  
6 copied, in accordance with procedures agreed to by the FTC and the  
7 Temporary Receiver pursuant to Section XI of this Order. The  
8 Commission's representatives may also photograph and videotape the  
9 inside and outside of all premises to which they are permitted  
10 access by this Order, and all documents and other items found on  
11 such premises.

12 **IT IS FURTHER ORDERED** that law enforcement personnel,  
13 including but not limited to the United States Marshal Service,  
14 may accompany the Commission's representatives in implementing the  
15 provisions of this Section in order to keep the peace and maintain  
16 the security of the Commission's representatives. No one shall  
17 interfere with the Commission's inspection of Defendants' premises  
18 or documents.

19 **IT IS FURTHER ORDERED** that the Commission's access to  
20 Defendants' documents pursuant to this provision shall not provide  
21 grounds for any of the Defendants to object to any subsequent  
22 request for documents served by the Commission pursuant to Rule 34  
23 of the Federal Rules of Civil Procedure. Provided, however, that  
24 the Commission shall not subsequently request that any of the  
25 Defendants produce any document that the Commission copied  
26 pursuant to this provision.

27 ///

28 ///

1 The records to be inspected, reviewed and copied pursuant to  
2 this Section include, but are not limited to, documents which  
3 refer or relate to:

- 4 h. Defendants' advertising, promotion, offering for sale or  
5 sale of computer equipment, including but not limited to  
6 telemarketing or customer service scripts;
- 7 i. Communications between Defendants and consumers,  
8 including but not limited to letters and email  
9 communications;
- 10 j. Consumer complaints, including but not limited to  
11 complaints forwarded to Defendants by law enforcement  
12 agencies or consumer advocacy organizations such as the  
13 Better Business Bureau; or
- 14 k. Communications between Defendants and law enforcement  
15 agencies or consumer advocacy organizations such as the  
16 Better Business Bureau.

17 **XXII.**

18 **EXPEDITED DISCOVERY**

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

21 A. Take the deposition of any person or entity, without  
22 limitation, for the purpose of discovering the nature, location,  
23 status, and extent of assets of the Defendants, or of their  
24 affiliates or of their subsidiaries, and the nature and location  
25 of documents reflecting the business transactions of Defendants;  
26 and

27 B. Demand the production of documents from any person or  
28 entity relating to the nature, status, location and extent of

1 Defendants' assets, and the location of any documents reflecting  
2 the business transactions of Defendants.

3 Thirty-six (36) hours notice shall be deemed sufficient for  
4 any such deposition and forty-eight (48) hours notice shall be  
5 deemed sufficient for the production of any such documents. The  
6 limitations and conditions set forth in Fed. R. Civ. P.  
7 30(a)(2)(B) and 31(a)(2)(B) regarding subsequent depositions of an  
8 individual shall not apply to depositions taken pursuant to this  
9 Section. Any such depositions taken pursuant to this Section  
10 shall not be counted toward the ten deposition limit set forth in  
11 Fed. R. Civ. P. 30(a)(2)(A) and 31(a)(2)(A). Service of discovery  
12 taken pursuant to this Section shall be sufficient if made by  
13 facsimile or by overnight delivery.

14 **XXIII.**

15 **CORRESPONDENCE**

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

19 Jennifer M. Brennan  
20 Kenneth H. Abbe  
21 Federal Trade Commission  
22 10877 Wilshire Blvd., Suite 700  
23 Los Angeles, CA 90024  
24 Fax: (310) 824-4380

25 **XXIV.**

26 **PRELIMINARY INJUNCTION HEARING**

27 **IT IS FURTHER ORDERED** that Defendants Unicyber Technology,  
28 Inc., Unicyber Gilboard, Inc., and Chul K. Han, shall appear  
before this Court at <sup>Courtroom 720, Roybal Building, 90012</sup> 255 E. Temple St., LA, CA, on the  
26th day of March, 2004, at 3:00 o'clock ~~am~~/p.m.,

1 to show cause, if any there be, why this Court should not enter a  
2 preliminary injunction, pending final ruling on the Complaint,  
3 against said Defendants enjoining them from violations of  
4 Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), imposing such  
5 additional relief as may be appropriate, and appointing a  
6 permanent receiver over Defendants Unicyber Technology, Inc., and  
7 Unicyber Gilboard, Inc.

8 **IT IS FURTHER ORDERED** that, in support of its application for  
9 a preliminary injunction, Plaintiff may submit supplemental  
10 evidence discovered subsequent to the filing of its application  
11 for a TRO, as well as a supplemental memorandum. Plaintiff shall  
12 file and serve any supplemental evidence by no later than 4:30  
13 p.m. on the sixth court day prior to the preliminary injunction  
14 hearing as scheduled above. Such documents may be served on each  
15 Defendant by faxing or delivering the document(s) to the attorney  
16 for the Defendant, or, if the Defendant is not represented by  
17 counsel, to a fax number previously designated by the Defendant in  
18 writing to counsel for Plaintiff; if the Defendant has not so  
19 designated a fax number, service may be effected by mailing the  
20 documents to an address designated in writing by the Defendant to  
21 counsel for Plaintiff; if no address has been so designated,  
22 service shall be complete upon filing of the documents with this  
23 Court.

24 **IT IS FURTHER ORDERED** that Defendants shall file and serve  
25 any opposition to the issuance of a preliminary injunction against  
26 all Defendants and the appointment of a permanent receiver over  
27 Defendants Unicyber Technology, Inc., and Unicyber Gilboard, Inc.,  
28 including any declarations, exhibits, memoranda or other evidence



1 on which they intend to rely, and objections to any evidence  
2 submitted by Plaintiff, by no later than 4:30 p.m. of the fourth  
3 court day prior to the hearing on the preliminary injunction.  
4 Such documents may be served by fax upon Plaintiff's counsel.

5 **IT IS FURTHER ORDERED** that Plaintiff shall file and serve any  
6 reply to Defendants' opposition by no later than the second court  
7 day prior to the preliminary injunction hearing.

8 **IT IS FURTHER ORDERED** that there will be no direct  
9 examination of witnesses at the preliminary injunction hearing in  
10 this matter. Direct testimony shall be presented in the form of  
11 declarations or affidavits.

12 **XXV.**

13 **EXPIRATION**

14 **IT IS FURTHER ORDERED** that this Order shall expire as to each  
15 Defendant ten (10) court days after entry unless, within such  
16 time, for good cause shown, it is extended for a like period, or  
17 unless the Defendant consents that it may be extended for a longer  
18 period and the reasons therefor are entered of record.

19 ///

20 ///

21 ///

22 ///

23 ///

24 ///

25 ///

26 ///

27 ///

28 ///

1 XXIV.

2 SERVICE OF THIS ORDER

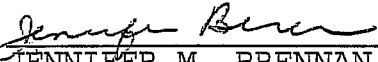
3 IT IS FURTHER ORDERED that copies of this Order may be served  
4 by any means, including facsimile transmission, upon any financial  
5 institution or other entity or person that may have possession,  
6 custody, or control of any documents or assets of any of the  
7 Defendants, or that may be subject to any provision of this Order.  
8 Service upon any branch or office of any financial institution  
9 shall effect service upon the entire financial institution. For  
10 purposes of service on anyone in possession of records, assets,  
11 property, or property rights, actual notice of this Order shall be  
12 deemed complete upon service of pages 1-34 of this Order.

13  
14 IT IS SO ORDERED.

15  
16  
17 Dated: MAR 12 2004

LOURDES G. BAIRD  
Judge of the District Court

18  
19  
20 Presented by:

21   
22 JENNIFER M. BRENNAN  
23 KENNETH H. ABBE  
24 Attorneys for Plaintiff  
25 Federal Trade Commission  
26 10877 Wilshire Blvd., Ste. #700  
27 Los Angeles, CA 90024  
28 (310) 824-4343