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 LAKE WORTH REAL PROPERTY

Jonathan E. Perlman, "Permanent Receiver" over the Receivership Defendants[1] (the "Receiver"), files this Motion for Authority to Sell Certain Lake Worth Real Property (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

[1]The "Receivership Defendants" means 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. 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 as Additional Receivership Entities. ("Expansion Order") [ECF No. 102].

equitable relief alleging that Jeremy Lee Marcus, Craig Davis Smith, Yisbet Segrea (collectively, the "Individual Defendants"), the Receivership Defendants violated Sections 5(a), 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].

3. On July 31, 2017, the Court entered an order granting the Receiver's Agreed Motion to Expand Receivership over 12 additional entities [ECF No. 102] and Agreed Motion to

[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 Glouchester 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 Glouchester 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.

Turn Over and Transfer Title to Certain Real Property and Sale Proceeds ("Turnover Motion")[ECF No.100].[3]

4. 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].

5. The Receiver, by this Motion, seeks the Court's authority to sell the property located at 7190 Brickyard Circle, Lake Worth, Fl. 33467 ("Brickyard Property") which was recently transferred to the Receiver from Brick7190, LLC pursuant to the Turnover Motion. The Brickyard Property is a single family home and is the only property formerly owned by a Jeremy Marcus controlled entity with a loan serviced by Titan Servicing.

6. The Brickyard Property is subject to a Lease commencing March 26, 2016 to Richard Fullam and Denise Pastorio-Fullam for the sum of $2,667.00 per month. The lease payments are current. In Section 3 of the Lease Addendum, executed concurrently with the Lease, there exists an option to purchase the Brickyard Property, including a non-refundable deposit of $100,000, for a total purchase price of $420,000, plus certain costs to Richard Fullam and Denise Pastorio-Fullam ("Buyers"). A true and correct copy of the Lease Addendum is attached hereto as Exhibit A. The Buyers have made the $100,000 option payment and are ready to close the sale transaction.

[3]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. 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.

7. The Receiver, by way of this Motion seeks the Court's authority to sell, pursuant to the terms of the Lease Addendum, the Brickyard Property to the Buyers. The Receiver believes that the sale to the Buyers is for fair market value and represents an arms-length transaction that existed prior to the Receiver's appointment. There is no broker involved in this sale.

8. 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. Marcus, Smith and Segrea have authorized the Receiver to state that they have no objection to the relief sought herein.

WHEREFORE, the Receiver, Jonathan E. Perlman, Esq., respectfully requests this Court to enter an order granting the Receiver authority to market and sell the Brickyard Property, and for such other and further relief as is just and proper.

Respectfully submitted this 11th day of December, 2017.

GENOVESE JOBLOVE & BATTISTA, P.A.
Attorneys for Jonathan E. Perlman, 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
tvanvliet@gjb-law.com
Heather L. Harmon, Esq., FBN 013192
hharmon@gjb-law.com

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 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

EXHIBIT A

LEASE ADDENDUM

This is the Addendum to the Lease between Landlord, Brick7190, LLC, a Florida limited liability company, and Tenant, Richard Fullam and Denise Pastorino-Fullam, Husband and Wife, with the effective date of the Lease being March 26, 2016, with this Addendum incorporated therein by reference and the identified terms of the Lease applicable herein.

1. **Lease Extension and Fee:** The Lease is for 24months and there is an option for a Lease extension, if necessary, subject to the Tenant paying the Landlord a penalty of one percent of gross loan amount at that time.

2. **Real Estate Taxes, Transfer Taxes and Insurance:** Tenant is solely responsible and liable for the payment of real estate taxes due for the property during the term of the Lease as additional rent. Tenant will be solely responsible and liable for the payment of the annual homeowner's insurance ("HOI") premium due for the property during the term of the Lease as additional rent. Upon your exercise of the option to purchase the property (see below), Tenant shall be responsible for any outstanding real estate taxes and/or HOI due for the property as part of the acquisition costs for the property. Tenant shall pay the transfer taxes and any other applicable closing fees due for the property upon Landlord issuing to Tenant a deed for the option price (see below). Landlord will procure insurance and Tenant will pay all costs associate with the insurance.

3. **Option to Purchase and Applicable Fees:** In order for Tenant to have the right to Lease with option right to purchase the property, Tenant must pay upfront at the closing of the property a nonrefundable Option Rights Fee equal to $100,000 plus the first month's rent for a total of $102,667.00. As long as Tenant is current with all monetary and non-monetary obligations under the Lease and the transaction contemplated between the parties, Tenant shall have the option to purchase the property for $320,000.00 (the "Price"). Tenant shall pay to Landlord upon exercise of the option the Price of $320,000, plus the last month's rent, plus 2% of the Funding ($6,400) and document preparation of $500.00 for a total $329,567, plus an exit fee or prepayment penalty as described below (collectively, the "Option Fee"). The Tenant will incur an exit fee or 5% prepayment penalty if the Tenant exercises the option before the end of the 2 year Lease Period. The prepayment penalty will be decreased to 2.5% if paid on or before 12 months of the effective date. The funds under this Agreement shall be paid by Tenant to Landlord in good funds, plus all unpaid but accrued real estate tax and insurance charges as set forth above and applicable closing costs and fees, with the Price the consideration stated on the conveying instrument, which purchase option can be exercised at any time during the term of the Lease, as extended.

4. **Default:** Tenant has ten (10) days to pay from the date due (excluding the Option Rights Fee and the Option Fee, which must be paid at the closing of the property and the Demand Promissory Note, which must be paid on demand), any rent, additional rent or other charge or payment, including, without limitation, real estate tax and/or insurance payments, as set forth in the Lease and this Addendum and if that payment(s) is more than ten (10) days late but less than fifteen (15) days from the due date, Tenant shall include a late fee to Landlord and/or its Servicer in an amount equal to five percent (5%) of the late payment. Notwithstanding anything contrary herein to the Lease, and as long as not in conflict with Florida law, for every day over 15 days from the due date a payment is late, the late fee shall increase by $10.00 per day; provided, however, if any payment due under the Lease and/or this Addendum is over 30 days late from the due date, Landlord may in its sole, absolute and

unfettered discretion refuse to accept the late payment with late fee and proceed to issue a 7-day notice to quit and/or 30 day notice to quit to Tenant. In the event that Tenant is more than three (3) times over 10 days late with any payment due under the Lease and/or this Addendum but less than 30 days from the due date in any 12 month lease period, Landlord may in its sole, absolute and unfettered discretion proceed to issue a 7-day notice to quit and/or 30 day notice to quit to Tenant and the acceptance of payments by Landlord under the Lease and/or this Addendum shall not waive and/or estop Landlord from pursuing eviction of the Tenant through any means available to Landlord under Florida law.

5. **Miscellaneous:** (i) Landlord shall issue to Tenant a Covenant Deed upon payment of the Price; (ii) Landlord shall not be responsible nor have to pay any closing costs and/or fees for Tenant to acquire the property, with Tenant solely responsible for all such closing fees, costs and/or pre-paid charges, including, without limitation, any deed transfer tax or taxes, recording fees, title closing fees, taxes, insurance and/or title commitment fees; (iii) Tenant shall not be entitled to any pro-rata reduction of rent for the month of the option purchase closing with the full rent and any additional rent due in full as of the first of the month; (iv) the parties shall execute a memorandum of lease with option to purchase which shall be recorded against the property; (v) the Lease and Addendum are governed by the laws of the State of Florida; (vi) this Addendum and the Lease can only be modified, revised or changed by a written document signed by the parties and that the Lease and this Addendum form the entire agreement between the parties; (vii) if there is any conflict between this Addendum and any other document executed between the parties in consummation of the parties contemplated transaction, this Addendum shall control; and (viii) this Addendum and the Lease can be signed in counterparts with facsimile and/or electronic signatures deemed originals; (ix) Landlord will put refundable $1,000 deposit on file with the Homeowner's Association and will receive the $1,000 from the HOA when the lease concludes; (x) the Tenants and Landlord will pay 50% each of closing costs of $995 to closing agent, Matthew Lerner, Esq. The Tenants will pay any additional closing cost upon exercise of the option; (xi) The Landlord will allow the Tenants to market and sell the Property during the Lease Period. The Tenants will pay the Landlord all funds due under this Agreement on or before closing of that transaction. The Tenants will be permitted to keep any equity above the amount due to the Landlord under this Agreement; (xii) the Tenants may make improvements to the Property.

IN WITNESS WHEREOF, this Addendum is signed by the parties below on the date first stated above.

"LANDLORD"

Brick7190, LLC, a Florida limited liability company
By: Halfpay International, LLC,
a Delaware limited liability company
Its: Member

By: _____
Jeremy Marcus
Its: Managing Member

"TENANT"

_____

Richard Fullam

Denise Pastorino-Fullam

Addendum to Contract

Addendum No. 2 to the Contract dated March 26, 2016 between

BRICK7190 LLC (the "Landlord") (Seller)

and Richard Fullam and Denise Pastorino-Fullam (the "Tenants") (Buyer)

concerning the property described as: 7190 Brickyard Circle Lake Worth, Florida 33467

(the "Contract"). Seller and Buyer make the following terms and conditions part of the Contract:

The Landlord, BRICK7190, LLC, hereby assigns any and all rights, including the right to collect payment under this Lease to Halfpay International, LLC. The Tenants' broker, Keyes Company, that is holding the escrow of $20,000 shall remit payment of $7,400, which is the amount due to the Landlord after payment of the Tenants' broker's commission, to Halfpay International, LLC.

Buyer: Richard Fullam Date: 3-29-16

Buyer: Denise Pastorino-Fullam Date: 3/29/16

Seller: Jeremy Marcus Date: 3/29/2016 2:42 PM EDT

Seller: _____ Date: _____

Serial#: 017081-000148-9139572

© 2015 Florida Realtors®

Electronically Signed using eSignOnline™[Session ID : 70bdbca6-cdad-4391-99b5-38561b9283c2]

Addendum No. 3 to Lease dated March 26, 2016 between

BRICK7190, LLC, as assigned to Halfpay International, LLC (the "Landlord") and Richard Fullam and Denise Pastorino-Fullam (the "Tenants")

Concerning the property described as: 7190 Brickyard Circle Lake Worth, Florida 33467 (the "Contract")

All parties involved in the transaction, including the Landlord, Tenants, the Listing Broker (Florida Coastal Realty Group) and the Cooperating Broker (Keyes Company) agree that the commission of $25,200 shall be paid in the amount of $12,600 to the Listing Broker and $12,600 to the Cooperating Broker (the "Commission"). The Cooperating Broker shall be paid from the funds they are holding in escrow. The remaining balance in escrow shall be disbursed to Halfpay International, LLC per Addendum No. 2. The Listing Broker shall be paid directly from the Landlord. The Commission will be upon execution of the Contract and this Addendum based on the Price and the Option to Purchase in the Contract. The Commission will be approved and paid regardless of whether the Tenants exercise the Lease Option to Purchase. Both the Listing Broker (Florida Coastal Realty Group) and the Cooperating Broker (Keyes Company) waive any and all rights they may have to be paid any further commission associated with this transaction, including upon exercise of the Option to Purchase.

Jeremy Marcus — 3/29/2016 9:32 AM EDT

Landlord — Date

Richard J. Fullam — 3/29/16

Tenant — Date

Tenant — 3/29/16

Date

Peggy Greene — 3/29/2016 10:26 AM EDT

Listing Broker (Florida Coastal Realty Group) — Date

Cooperating Broker (Keyes Company) — 3/29/16

Date

Electronically Signed using eSignOnline™ Session ID : d5489371-8c44-45ba-9a89-37ffc9ec371c1

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.
_____/

ORDER GRANTING RECEIVER'S UNOPPOSED MOTION FOR AUTHORITY TO SELL CERTAIN LAKE WORTH REAL PROPERTY

THIS CAUSE comes before the Court on Jonathan E. Perlman, "Permanent Receiver" over the Receivership Defendants[1] (the "Receiver"), Unopposed Motion for Authority to Sell Certain Lake Worth Real Property (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 sell the Lake Worth Property located at 7190 Brickyard Circle, Lake Worth, FL 33467 (the "Brickyard Property") to Richard Fullam and Denise Pastorio-Fullam (the "Buyers") pursuant to the terms of the Lease Addendum attached to the Motion as Exhibit A.

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.