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 FORT LAUDERDALE REAL PROPERTY AND RETAIN REAL ESTATE BROKER

Jonathan E. Perlman, "Permanent Receiver" over the Receivership Defendants[1] (the "Receiver"), files this Motion for Authority to Sell Certain Fort Lauderdale Real Property and Retain Real Estate Broker (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].

[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.

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 Turn Over and Transfer Title to Certain Real Property and Sale Proceeds [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 630 SE 25th Ave., Fort Lauderdale, FL 33301 (the "Property"). The Property is an unfinished single-family home and is currently vacant. Accordingly, the Receiver is maintaining the Property at a loss. A sale would eliminate this drain on the Receivership Estate, preserve the asset's value, and convert it to cash which could ultimately be distributed to consumers and/or creditors.

6. The Property's owner of record was 630 SE 25th Avenue Business Trust. However, the Receiver learned that the Property was purchased with monies transferred by Receivership Defendants, Active Debt Solutions, American Credit Shield, LLC and Halfpay International, LLC. Defendant Marcus, in agreeing to voluntarily turn over the Property, confirmed the Property was purchased with consumer monies. Pursuant to an agreed motion and order, the Property was recently transferred to the Receiver.

[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's proposed real estate agent estimates that the construction may cost approximately $400,000 to complete. Based upon the uncertainties and costs associated with completing construction, as well as the ability to capture those expenditures in a future sale, the Receiver believes it is in the estate's best interests to sell the Property. The Receiver, by this Motion, seeks the Court's authority to sell the Property "as is" and retain a broker to assist him in selling the Property.

8. Trustee Realty Inc., who, besides being an experienced real estate brokerage firm, has familiarized itself with the Property and has advised the Receiver that the current market for this Property is relatively strong. Based upon the advice of Jason Welt of Trustee Realty, Inc., the Receiver is considering listing the Property for sale at a price of approximately $1,000,000.

9. After considering the various options available, the Receiver finds it to be in the best interests of the Receivership Estate to market the Property at this time, and sell it at the highest and best price. Accordingly, the Receiver requests that the Court enter an order authorizing him to do so.

10. In addition to authority to market and sell the Property, the Receiver by this Motion seeks authority to retain Trustee Realty, Inc. as his real estate broker for the marketing and sale of this Property. The PI authorizes the Receiver to choose, engage and employ attorneys, accountants, appraisers and any other independent contractors and technical specialists, as the Receiver deems advisable or necessary, in the performance of duties and responsibilities under the authority granted by this order. [ECF. No. 21 at p. 19.]. Nonetheless, the Receiver seeks court approval of Trustee Realty, Inc. in an abundance of caution.

11. Trustee Realty, Inc., as set forth in Exhibit "A", has extensive experience in both the commercial and residential markets in Florida and has worked with numerous fiduciaries all over the State of Florida.

12. The Receiver and members of his team have worked with Jason Welt and Trustee Realty, Inc. in the past and found the firm to provide excellent service and results.

13. Trustee Realty, Inc. has agreed to a reduced commission of 5% for a sale to any third party.

14. The Receiver, by way of this Motion, seeks the Court's authority to sell the Property at the highest and best price and to retain Trustee Realty, Inc. to act as the Receiver's Broker.

15. 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 Property, to retain Trustee Realty, Inc. as his Real Estate Broker, and for such other and further relief as is just and proper.

Respectfully submitted on December 11, 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 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
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SERVICE LIST
Federal Trade Commission v. Jeremy Lee Marcus, et al.
USDC, SD Fla., Case No. 17-cv-60907-MORENO

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EXHIBIT A

JW | JASON A. WELT P.A.
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Introduction:

Jason A. Welt, PA and Trustee Realty Inc. have been appointed by US District Courts, Federal Bankruptcy Courts (Chapter 7 and Chapter 11 cases), and State Court (State Court Receiverships) since 2002 to sell and market Real Estate for Private Sellers and Court Appointed Fiduciaries. Trustee Realty's team is extremely active in the Florida Fiduciary Forum, Bankruptcy Bar Association for The Southern District Of Florida and The Miami Board of Realtors.

Trustee Realty ("TRI") has consistently received appointments by Ch. 7 Bankruptcy Panel Trustees in the Southern District of Florida, as well as Districts outside of South Florida. In addition to many Ch. 7 cases, TRI has been appointed in a vast array of complex Ch. 11 cases as well. **Most notably the RRA Liquidating Trust Bankruptcy Case.**

TRI has been featured in publications such as the Daily Business Review and many local news outlets. In addition, TRI has also been retained by national auction firms to co-broker, consult and to provide advisory servicers for auctions ordered by the Federal Court, most notably the former "Versace Mansion" (Casa Casuarina LLC Bankruptcy Case).

Please see attached Testimonials from many well-known professionals in the industry.

JW | JASON A. WELT P.A.
954.803.0790
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Experience:

Exclusive Broker – Past 18 Months

- Appointed in the **RRA Liquidating Trust Bankruptcy Case** by Michael Goldberg, Court Appointed Trustee. **TRI successfully sold 3 of the properties for a total of $6,400,000.**
- Appointed in a very complex Ch. 11 Case, resulting in the **$4,500,000 sale of a 12-acre estate residence located in Southwest Ranches.**
- Exclusive Listing Agent for a Las Olas Commercial Property (Operating Hospital) located in Ft. Lauderdale. **TRI sold the property for $5,500,000.**
- Appointed by the Ch. 7 Trustee in two corporate cases involving 3 Residential East Ft Lauderdale Properties**. TRI sold all properties for $1,700,000.**
- Appointed in the Ch. 11 Case Monaco International, **resulting in the sale of a $2,425,000 Waterfront Home in Ft Lauderdale.**
- Appointed in the Ch. 7 Case of WMK Properties in Palm Beach County, **resulting in the sale of a $1,500,000 Commercial Building Off I-95.**
- Appointed in the Ch. 7 Corporate Case of Go and Go Inc., **resulting in the sale of a $1,150,000 Commercial Property.**

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Current Engagements

- Exclusive agent for an 11,000 SQ FT Industrial Commercial Building in Ft Lauderdale, **In Contract for $1,505,000.**
- Exclusive agent for the Ch. 7 Bankruptcy Trustee in a West Boynton Beach Residence. **Listed for $889,000.**
- Hired as consultant to Auctioneer for the Berman Mortgage Receivership for **8 Vacant Parcels in South Carolina.**
- Appointed as broker to Ch. 11 Debtor Sixty Sixty Condo Association to explore potential purchasers for a **bulk unit contract of at least 50 units located in Miami Beach, FL.**
- Appointed by the Ch. 7 Trustee for Nationwide Investment Firm, **which includes 11 properties located throughout Florida.**

Past Engagements for Consultation or Co-Broker

- Hired by the lead Auction Firm in the US Bankruptcy Court for **(Casa Casuarina LLC) which was the former "Versace Mansion", resulting in a final bid of $41,500,000.**
- Hired by lead Auction Firm in the US Bankruptcy Court for **the Osorio Star Island House, resulting in a final bid price of $10,500,000.**
- Hired by the lead Auction Firm in the US Bankruptcy Court for the **David Cassidy Residence in Ft Lauderdale, resulting in a final bid price of $2,067,000.**
- Hired by lead Auction Firm in the US Bankruptcy Case involving a 2.3-Acre Oceanfront Residence in Manalapan, FL, **resulting in a final bid price of $6,800,000.**

Soneet R. Kapila, Trustee, CPA

"Jason Welt offers the distinction of familiarity with the Bankruptcy issues that are inherent in the liquidation of Bankruptcy Assets, a very useful attribute to smooth out the sale process."

Robert Furr, Trustee

"As a bankruptcy Trustee and Attorney for Debtors in Possession, I understand the value that Jason Welt's skills as a real estate professional brings to my cases. I have always found him professional and responsive in arranging the sales of real estate through traditional contracts or auctions I cannot recommend him highly enough."

Frank P. Terzo

Gray-Robinson Attorneys at Law

"We highly recommend Jason in distressed and bankrupt property sales transactions and auctions. Jason is experienced in managing court ordered sales transactions and approaches each sale with a high level of professionalism and diligence. Jason's marketing approaches are top notch, which is a prerequisite to maximizing the number and quality of bids. We have had a long relationship with him and his firm, and I believe that most work-out professionals would find great satisfaction in dealing with Jason."

Mark Bloom

Co-Chair, Business Reorganization & Financial Restructuring
Greenberg Traurig

"Jason has a detailed knowledge of the interplay between bankruptcy and commercial asset sales, coupled with a resourcefulness and ability to communicate effectively with the various parties and interests involved. His patience, persistence and practicality were key factors in facilitating a swift auction of the Versace Mansion property on Miami Beach, leading to the successful resolution of a highly contentious bankruptcy case that might well have collapsed into years of additional litigation but for his involvement."

Michael I. Goldberg

Partner, Bankruptcy & Reorganization Practice Group
Co-Chair, Fraud & Recovery Practice Group

"For the past decade, I have retained Jason Welt to sell some of the most valuable real estate in my receivership and bankruptcy cases. Unlike most other brokers, Jason's knowledge of the bankruptcy and receivership auction process help make the sales process run smoothly and helps me obtain the highest possible price. It is simply one less thing I have to worry about as an estate fiduciary when I retain Jason to assist in selling estate assets."

G. Steven Fender, Esq

Of Counsel – Greenspoon Marder

"Jason Welt is the go-to realtor in bankruptcy court! He sells problem assets in a timely manner and at prices above appraisals. He recently sold a distressed and incomplete commercial property for above the appraised value, and above the bank debt when everyone thought it was undersecured. The estate and its creditors achieved a great benefit from Jason's work. Whatever the challenge, Jason gets it handled."

Craig A. Pugatch, Esq.

Rice Pugatch Robinson Storfer & Cohen PLLC

"Jason is not just a real estate agent, he a real estate professional for the bankruptcy estate. His years of experience in the bankruptcy marketplace arm him with a unique skillset and perspective uncommon in most real estate agents. When Jason is hired by the bankruptcy estate he becomes a member of the professional team and is invested in achieving the overall goals of the case, not just selling a piece of property."

Jerry M. Markowitz

Partner, Shareholder

"Jason is highly experienced in distressed and bankruptcy sales . He thinks outside the box and knows how to get hard deals done."

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

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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 SELL CERTAIN FORT LAUDERDALE REAL PROPERTY AND RETAIN REAL ESTATE BROKER

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 Fort Lauderdale Real Property and Retain Real Estate Broker (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 market and sell the Ft. Lauderdale Property located at 630 SE 25th Ave., Fort Lauderdale, FL 33301 (the "Property") and is authorized to retain Trustee Realty, Inc. as his real estate broker for such purpose.

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.