

COLLOT GUERARD

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(Each appearing pursuant to DUCivR 83-1.1(d)(1))

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UTAH DIVISION OF CONSUMER PROTECTION

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION**

FEDERAL TRADE COMMISSION, and

UTAH DIVISION OF CONSUMER
PROTECTION,

Plaintiffs,

vs.

Case Number :

**FILED UNDER SEAL
PURSUANT TO COURT ORDER
(DOCKET NO. _____)**

ZURIXX, LLC, a Utah limited liability company,

CARLSON DEVELOPMENT GROUP, LLC, a Utah limited liability company,

CJ SEMINAR HOLDINGS, LLC, a Utah limited liability company,

ZURIXX FINANCIAL, LLC, a Utah limited liability company,

CRISTOPHER A. CANNON, individually and as an officer of ZURIXX, LLC,

JAMES M. CARLSON, individually and as an officer of ZURIXX, LLC, and

JEFFREY D. SPANGLER, individually and as an officer of ZURIXX, LLC

Defendants.

**PLAINTIFFS' EX PARTE MOTION
TO EXCEED PAGE LIMIT IN DUCivR
7-1(a)(3)(A)**

Plaintiffs the Federal Trade Commission (“FTC”) and Utah Division of Consumer Protection (“Division”) respectfully move *ex parte* for an order permitting it to file Plaintiffs’ *Ex Parte* Motion for a Temporary Restraining Order, Asset Preservation, Appointment of a Temporary Monitor Over Corporate Defendants, and Other Equitable Relief, and Order to Show Cause Why a Preliminary Injunction Should Not Issue, and Memorandum in Support Thereof (“TRO Motion”) in excess of the 6,500 word, or in the alternative, twenty-five (25) page limit for Fed. R. Civ. P. 65 motions in DUCivR 7-1(a)(3)(A). The FTC requests an additional seventeen (17) pages. In support of this Motion, the FTC states as follows:

DUCivR 7-1(a)(3)(A) provides that memoranda in support of motions filed pursuant to Fed. R. Civ. P. 65 must not exceed 6,500 words, or in the alternative, twenty-five (25) pages. In

connection with Plaintiffs' nine-count Complaint, Plaintiffs move for a temporary restraining order against seven defendants, four corporations and their principals, who have made millions of dollars in profit by selling expensive real estate investment products to consumers, most of whom are financially strapped and have no experience in real estate investing. Defendants routinely use misrepresentations to convince consumers to spend thousands of dollars for Defendants' products. Defendants claim that: (1) consumers will likely earn thousands of dollars per deal using the Zurixx flipping "system"; (2) little time and effort is required to profit from flipping real estate properties; (3) consumers will have access to 100% funding for property flips; and (4) consumers who attend the 3-day workshop will learn all they need to know to become profitable flippers. However, Defendants' "system" uses a "flipping formula" that is not based on the realities of the real estate fix and flip market. Consumers cannot make thousands of dollars in profit by spending just a few hours each week on their real estate business. There is no 100% funding. Consumers do not learn all they need to know at a 3-day workshop.

Moreover, Defendants do not disclose the limitations of their money-back guarantee and refund policy. To get even a partial refund, many consumers have to sign a form settlement agreement with a gag clause that prohibits them from speaking to the FTC and others about their experience with Defendants. Defendants also sell their packages without providing disclosures required by Utah law.

Defendants' conduct violate Section 5(a) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 45(a), the Consumer Review Fairness Act ("CRFA"), 15 U.S.C. 45b, the Utah Consumer Sales Practices Act ("UCSPA"), Utah Code § 13-11-1 *et seq.*, and the Business Opportunity Disclosure Act ("BODA"), Utah Code § 13-15-1 *et seq.*

The Plaintiffs' evidence in support of its TRO Motion is voluminous, and consists of, among other things, 24 consumer declarations, 18 transcripts of undercover recordings, 9 investigator declarations, and an expert report.

In light of the nature of the Defendants' conduct, and the voluminous evidence illustrating their illegal activity, the Plaintiffs have satisfied the burden of proof necessary for the requested temporary restraining order. The Plaintiffs request an additional seventeen (17) pages.


For the reasons stated above, the Plaintiffs respectfully request that the Court issue the accompanying Proposed Order allowing them to file Plaintiffs' TRO Motion and Memo in excess of the limit specified for Fed. R. Civ. P. 65 motions in DUCivR 7-1(a)(3)(A). The Plaintiffs request seventeen (17) additional pages.

Respectfully submitted,

Dated: September 30
2019

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Dated: SEPTEMBER 30, 2019


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UNITED STATES DISTRICT COURT
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FEDERAL TRADE COMMISSION, and
UTAH DIVISION OF CONSUMER
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ZURIXX, LLC, a Utah limited liability
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**[PROPOSED] ORDER GRANTING
PLAINTIFFS' *EX PARTE* MOTION TO
EXCEED THE 6,500 WORD, OR IN
THE ALTERNATIVE, 25-PAGE LIMIT
IN DUCivR 7-1(a)(3)(A)**

Upon consideration of the Plaintiffs Federal Trade Commission and Utah Division of Consumer Protection's *Ex Parte* Motion for leave to file Plaintiffs' *Ex Parte* Motion for a Temporary Restraining Order, Asset Preservation, Appointment of a Temporary Monitor Over

Corporate Defendants, Immediate Access, Other Equitable Relief, and Order to Show Cause Why a Preliminary Injunction Should Not Issue, and Supporting Memorandum (“TRO motion”), in excess of the 6,500 word, or, in the alternative, twenty-five (25) page limit for Fed. R. Civ. P. 65 motions in DUCivR 7-1(a)(3)(A) (“Plaintiffs’ Excess Page Motion”), it is hereby:

ORDERED that the Plaintiffs’ Excess Page Motion is **GRANTED**, and **IT IS FURTHER ORDERED** that the Plaintiffs are permitted to file their TRO Motion in excess of 6,500 words, or in the alternative, 25 pages. The Plaintiffs are permitted to file an additional seventeen (17) pages.

United States District Court Judge