



N97000001808

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS
A Partnership Including Professional Associations

July 24, 1998

400002602654--8
-07/30/98-01052-004
*****35.00 *****35.00

Florida Department of State
Division of Corporations
PO Box 6327
Tallahassee, FL 32314

FILED
98 JUL 30 AM 10:26
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

RE: National Grant Foundation (Corporate Dissolution)

To Whom It May Concern:

Please be advised that we have been appointed to serve as Receiver for the above-referenced corporation (see attached order of appointment).

We have been ordered by the Court to take all steps necessary to dissolve the above-referenced corporation. In this regard, please find enclosed the completed "Articles of Dissolution," along with the required \$35 filing fee. If you should have any questions regarding this request, please contact our office at (305) 377-4228.

Sincerely,

Jerry Chiocca
Jerry Chiocca, Receiver

0798/04/04210/dissolution

Dissolution
LTH
8-11-98

One Southeast Third Avenue, Tenth Floor, Miami, Florida 33131 • Dade (305) 377-4228 • Fax (305) 377-8331
700 Southeast Third Avenue, Third Floor, Ft. Lauderdale, Florida 33316 • Broward (954) 525-1040 • Fax (954) 525-2004

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Member of the Florida Institute of Certified Public Accountants

ARTICLES OF DISSOLUTION

Pursuant to section 617.1403, Florida Statutes, this corporation submits the following Articles of Dissolution:

FIRST: The name of the corporation is National Grant Foundation, Inc.

SECOND: Adoption of dissolution (Complete Section I or II)

SECTION I

If the corporation has members entitled to vote:

The date of the meeting of members at which the resolution to dissolve was adopted was _____

(CHECK ONE)

- ☐ The number of votes cast for dissolution was sufficient for approval.
- ☐ The resolution was adopted by written consent and executed in accordance with 617.0701, Florida Statutes.

SECTION II

If the corporation has no members or members with voting rights:

The corporation has no members or members with voting rights.

The date of adoption of the resolution by the board of directors was 6/29/98.

The number of directors in office was 1 and the vote for the resolution was 1 for and 0 against.

Signed this 27 day of July, 19 98.

Signature Jerry Chiocca
(By the Chairman or Vice Chairman of the Board,
President or other officer)

Jerry Chiocca

Typed or printed name

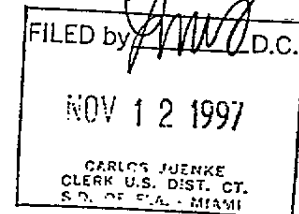
Receiver _____

Title

FILED
98 JUL 30 AM 10:26
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ORIGINAL

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
FORT LAUDERDALE DIVISION



FEDERAL TRADE COMMISSION,)	Case No. 97-7339-civ-LENARD
)	
Plaintiff)	
)	
v.)	Magistrate Judge GARBER
)	
NATIONAL GRANT FOUNDATION,)	(Proposed)
INC., GRANT RESEARCH &)	
PUBLISHING, INC., WALLACE)	PRELIMINARY INJUNCTION WITH
MILLMAN, ANTHONY CONSALVO,)	ASSET FREEZE AND APPOINTMENT
DENNIS J. COLONNA, ANTHONY)	OF A RECEIVER
LUCCA, HARRIET KAYE,)	
BEVERLY JANSEN, and CAROL)	
CLOUGH,)	
)	
Defendants.)	

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

This matter comes before the Court on the complaint for an injunction and other equitable relief filed by plaintiff Federal Trade Commission ("Commission"), and the Commission's Ex Parte Motion for a Temporary Restraining Order with Asset Freeze, Expedited Discovery and Immediate Access, Appointment of a Temporary Receiver, and Order to Show Cause Why a

Preliminary Injunction Should Not Issue. A temporary restraining order and order to show cause having been granted ex parte on November 5, 1997, and having been served on all defendants along with the complaint and summons, and the Court having considered the Commission's pleadings, memoranda, declarations, and other exhibits filed in support of the application for an order to show cause why a preliminary injunction should not issue, and now being advised in the premises, finds:

1. That this Court has jurisdiction of the subject matter of this case and jurisdiction of all the parties hereto;
2. That there is a substantial likelihood that the Commission will ultimately succeed in establishing that defendants National Grant Foundation and Grant Research & Publishing, Inc. ("corporate defendants"), Wallace Millman, Anthony Consalvo, Dennis J. Colonna, and Anthony Lucca ("management defendants"); Harriet Kaye, Beverly Jansen, and Carol Clough ("telemarketing defendants") and each of them, have engaged, and are likely to engage, in acts or practices constituting violations of section 5(a) of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45(a), and that the Commission is therefore likely to prevail on the merits of this action;
3. That there is a substantial likelihood that, absent the continuation of the asset freeze against the corporate and management defendants, the corporate and management defendants will conceal, dissipate, or otherwise divert their assets, thereby defeating the possibility of the Court granting effective final relief in the form of equitable monetary relief for consumers; and

4. That weighing the equities and considering the Commission's likelihood of ultimate success, a preliminary injunction with asset freeze and an order appointing a permanent receiver is in the public interest.

PROHIBITED BUSINESS PRACTICES

I.

THEREFORE, IT IS HEREBY ORDERED that defendants and their officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of this Order, by personal service or otherwise, are hereby restrained and enjoined from making or assisting others in making, directly or by implication, any false or misleading oral or written statement or representation in connection with the advertising, promotion, offering for sale, or sale of services related to identifying potential scholarships or grants for high school and college students or their families, or services related to obtaining college scholarships or grants (hereinafter referred to as "college scholarship services"), including but not limited to any misrepresentation:

A. That defendants will provide consumers with names of sources from which they are likely to obtain at least a specified amount of money in grants or scholarships;

B. That defendants will provide consumers who purchase defendants' services with personal portfolios of scholarships and grant sources that are specifically tailored to the consumers' qualifications;

C. That students are pre-selected by defendants to receive scholarships and grants;

D. That defendants obtain grants or scholarships on behalf of consumers who purchase defendants' services; or

E. That concerns defendants' business relationship with any corporation or other entity that awards or may award scholarships and grants.

RECORD KEEPING PROVISIONS

II.

IT IS FURTHER ORDERED that defendants and their officers, agents, servants, employees, and attorneys, and all other persons or other entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, are hereby restrained and enjoined from:

A. Destroying, erasing, mutilating, concealing, altering, transferring, or otherwise disposing of, in any manner, directly or indirectly, any: books; records; "verification" or other audio or video tape recordings; computer tapes, discs or other computerized records; accounting data; personal and business checks (fronts and backs); correspondence; forms; advertisements; brochures; manuals; banking records; customer lists; customer files; invoices; telephone records; ledgers; payroll records; scripts; postal receipts; appointment books; state or federal income tax returns; or other documents of any kind in their possession, custody, or control; and

B. Failing to make and keep books, records, accounts, bank statements, current accountants' reports, general ledgers, general journals, cash receipts ledgers, cash disbursements ledgers and source documents, documents indicating title to real or personal property, and any other data which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the corporate and management defendants; and

C. Failing to notify counsel for the Commission of the receipt of any funds by the corporate or management defendants subsequent to the date of entry of this order, identifying each such receipt by the name, address, and telephone number of the payer.

ASSET FREEZE PROVISIONS

III.

IT IS FURTHER ORDERED that the corporate and management defendants, and ~~the accounts~~
¹ Lorraine Consalvo, and their officers, agents, servants, employees, and attorneys, and all other
at Banett Bank #3625108577
persons or other entities in active concert or participation with them, who receive actual notice of
this Order by personal service or otherwise, are hereby restrained and enjoined, until further
order of this Court, from:

A. Transferring, encumbering, selling, concealing, pledging, hypothecating,
assigning, spending, withdrawing, disbursing, conveying, gifting, dissipating, or otherwise
disposing of any funds, property, accounts, contracts, lists of consumer names, shares of stock, or
other assets, wherever located, that are:

1. owned by, controlled by, held for the benefit of, or belong to, any corporate or
management defendant, in whole or in part;
2. in the actual or constructive possession of any corporate or management
defendant;
3. held by an agent of any corporate or management defendant as a retainer for the
agent's provision of services to any corporate or management defendant; or
4. owned by, controlled by, belong to, or in the actual or constructive possession of,
or otherwise held for the benefit of, any corporation, partnership, or other entity
directly or indirectly owned, managed, or controlled by or under common control
of, any corporate or management defendant; *Provided that* the assets referenced
above in this subparagraph shall also include, but are not limited to, any assets
held by, for, or under the name of any corporate or management defendant at any
bank or savings and loan institution, or with any broker-dealer, escrow agent, title

company, commodity trading company, precious metal dealer, or other financial institution of any kind;

B. Opening or causing to be opened any safe deposit boxes titled in the name of any corporate or management defendant, or subject to access by any corporate or management defendant;

C. Incurring charges or cash advances on any credit card issued in the name, singly or jointly, of any corporate or management defendant, or any corporation, partnership, or other entity directly or indirectly owned, managed, or controlled by any corporate or management defendant;

D. Transferring any funds or other assets subject to this Order for attorneys' fees, living expenses, or business expenses, except from accounts or other assets identified by prior written notice to the Commission and prior approval by the Court; and

E. Notwithstanding the asset freeze provision of Paragraph III.A.-D. above, and subject to the limitations in Paragraph III.F. below, management defendants Millman, Consalvo, Colonna, and Lucca, and Lorraine Consalvo, may pay from their personal funds reasonable, usual, ordinary, and necessary living expenses, not to exceed \$500, prior to the submission of the sworn financial statement as required by Paragraph V, *infra*. No such living expenses, however, shall be paid from funds subject to this Order except from cash on the persons of defendants Millman, Consalvo, Colonna, or Lucca, or from accounts designated by prior written notice to counsel for the Commission.

F. *Provided, however*, that no attorneys' fees, living expenses or businesses expenses other than those set forth in Subparagraph E, and only in accordance with the procedures set forth in Subparagraph E, shall be paid from funds or other assets subject to this Order until a sworn

financial statement as required by Paragraph V, *infra*, is submitted to the Court and served upon counsel for the Commission.

G. The assets affected by this Paragraph shall include both existing assets and assets acquired after the effective date of this Order, including, without limitation, those acquired by loan or gift, and assets in the form of retainers paid to the corporate or management defendants' agents as compensation for the provision of services to the corporate or management defendants. Any individual management defendant, or any third party holding assets on behalf of or for the benefit of any management defendant, who receives actual notice of this Order, by personal service or otherwise, shall hold all assets, including without limitation, payments, loans, and gifts, received after service of this Order, and shall deposit payments received into a domestic account at a financial institution that is titled in the management defendant's name and is designated by concurrent written notice to Commission counsel.

RETENTION OF ASSETS AND RECORDS BY THIRD PARTIES

IV.

A. IT IS FURTHER ORDERED that any financial or brokerage institution, escrow agent, title company, commodity trading company, common carrier, storage company, trustee, or any person or other entity served with a copy of this Order shall:

1. Hold and retain within such entity's or person's control and prohibit the withdrawal, removal, assignment, transfer, pledge, hypothecation, encumbrance, disbursement, dissipation, conversion, sale, liquidation, or other disposal of any funds, documents, property, or other assets held by or under such entity's or person's control:

- a. on behalf of, or for the benefit of, any corporate or management defendant(s);

- b. in any account maintained in the name of, or subject to withdrawal by, any corporate or management defendant(s); or
 - c. that are subject to access or use by, or under the signatory power of, any corporate or management defendant(s);
- 2. Deny access to any safe deposit boxes that are either:
 - a. titled in the name, individually or jointly, of any corporate or management defendant(s) or other party subject to Paragraph III above; or
 - b. subject to access by any corporate or management defendant(s) or other party subject to Paragraph III above; and
- 3. Provide to counsel for the Commission, within four (4) business days after service of this Order, a statement setting forth:
 - a. the identification of each account or asset titled in the name, individually or jointly, or held on behalf of, or for the benefit of, any corporate or management defendant(s) or other party subject to Paragraph III above, whether in whole or in part;
 - b. the balance of each such account asset, or a description of the nature and value of such account or asset;
 - c. the identification of any safe deposit box that is either titled in the name of, individually or jointly, or is otherwise subject to access or control by, any corporate or management defendant(s) or other party subject to Paragraph III above, whether in whole or in part; and

- d. if the account, safe deposit box, or other asset has been closed or removed, the date closed or removed and the balance on said date.

Provided further, that this Paragraph shall not prohibit transfers in accordance with any provision of this Order, or any further order of the Court. The Commission may serve this Order on any bank, savings and loan institution, credit union, financial institution, brokerage house, escrow agent, title company, commodity trading company, common carrier, storage company, trustee, or any person by facsimile transmission, hand, first-class mail, or overnight courier.

FINANCIAL STATEMENTS

V.

IT IS FURTHER ORDERED that each management defendant and Lorraine Consalvo shall provide counsel for the Commission, (unless previously submitted as required by Paragraph V of the Temporary Restraining Order in this matter) within one week after service of this Order, prepare and deliver to counsel for the Commission:

A. A financial statement, accurate as of the date of service of this Order upon such corporate or management defendant that shall include all financial information as follows:

1. for management defendants Millman, Consalvo, Colonna, and Lucca, the information requested in Department of Treasury - Internal Revenue Service Collection Information Statement for Individuals (Form 433-A); and
2. for corporate defendants National Grant Foundation, Inc. and Grant Research & Publishing, Inc., all financial information as requested in the corresponding Collection Information Statement for Businesses (Form 433-B); and

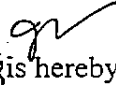
B. A complete statement, accurate as of the date of service of this Order upon such corporate or management defendant, of all payments, transfers, or assignment of funds, assets, or property worth \$1,000 or more since February 1, 1997. Such statement shall include:

1. the amount and type of funds, assets or property transferred or assigned;
2. the name of each transferee or assignee;
3. the date of the assignment or transfer; and
4. the type and amount of consideration paid the defendant.

Each statement shall specify the name and address of each financial institution and brokerage firm at which the corporate or management defendant has accounts or safe deposit boxes. Said statements shall include assets, funds, or property held in foreign as well as domestic accounts.

APPOINTMENT OF PERMANENT RECEIVER

VI.

IT IS FURTHER ORDERED that Rachlin, Cohen & Holtz  is hereby appointed permanent receiver, with the full power of an equity receiver, for defendants National Grant Foundation, Inc. and Grant Research & Publishing, Inc. and any subsidiaries, affiliates and sales branches (collectively, the "receivership defendants"), including, but not limited to, the sales office of defendants at 6134 and 6136 NW 11th Street, Sunrise, Florida, and over all funds, documents, properties, premises and other assets owned directly or indirectly by the receivership defendants, whether in the name of the receivership defendants or in the name of any other entity or person, with directions and authority to accomplish the following:

A. To take immediate custody, control and possession of all the funds, accounts, property, premises, mail, and other assets of, or in the possession or control of, the receivership defendants, wherever situated, with full power to divert mail and to sue for, collect, receive, and take possession of all goods, chattels, rights, credits, money, effects, land, leases, books, work papers, and records of accounts, including electronic files on any media, contracts, financial records, money on hand in banks, and other papers and documents of the receivership defendants

and members of the public whose interests are now held by or are under the direction, possession, custody, or control of the receivership defendants;

B. To conserve, hold and manage all such assets, pending further order of this Court, in order to prevent loss, damage and injury to members of the public who have paid fees to the receivership defendants;

C. To hold, preserve, and administer the business of the receivership defendants until further order of this Court, with full authority to perform all acts necessary or incidental thereto;

D. To employ such managers, agents, and employees as may in the judgment of the temporary receiver be advisable or necessary in the management, conduct, control, or custody of the affairs of the receivership defendants and of the assets thereof, and otherwise generally to assist in the receivership;

E. To make such payments and disbursements as may be necessary and advisable for the preservation of the properties of the receivership defendants and as may be necessary and advisable in discharging the temporary receiver's duties;

F. To retain and employ investigators, attorneys, or accountants of the temporary receiver's choice, including members and employees of the temporary receiver's firm, to assist, advise, and represent the temporary receiver;

G. To receive and collect any and all sums of money due to or owing to the receivership defendants, whether the same are now due or shall hereafter become due and payable, and to do such things and enter into such agreements in connection with the administration, care, preservation, and maintenance of the properties of the receivership defendants as the temporary receiver may deem advisable;

H. To institute, prosecute and defend, compromise, adjust, intervene in, or become party to such actions or proceedings in state or federal court as may in the temporary receiver's

opinion be necessary or proper for the collection, marshaling, protection, maintenance, and preservation of the assets of the receivership defendants, and the recovery of assets conveyed by the receivership defendants, or the carrying out of the terms of this Order, and likewise to defend, compromise or adjust or otherwise dispose of any or all actions or proceedings instituted against the temporary receiver or against the receivership defendants, and also to appear in and conduct the defense of any suit or to adjust or compromise any actions or proceedings now pending in any court by or against the receivership defendants where such prosecution, defense, or other disposition of such actions or proceedings will in the judgment of the temporary receiver be advisable or proper for the protection of the properties of the receivership defendants; ⁸

I. To remove defendants Millman, Consalvo, Colonna, Lucca, Kaye, Jansen, and Clough, and any other officer, independent contractor, employee, or agent of the receivership defendants, from control and management of the affairs of the receivership defendants;

J. To make periodic reports, observations, and recommendations to this Court.

VII.

IT IS FURTHER ORDERED that:

A. The receiver may allow representatives of the Commission and the defendants reasonable access to inspect the premises of the receivership defendants, and to copy books, records, accounts, and other property of the receivership defendants, wherever located;

B. Upon application to this Court, the receiver and any counsel whom the receiver may select, shall be compensated for their reasonable and necessary fees and expenses from the receivership estate, upon approval from this Court;

C. The receiver serves herein as an officer of this Court solely in a representative capacity and is not personally liable for any actions taken in conformity with the duties and

responsibilities set forth herein or pursuant to any statute, rule, regulation, or other legal authority;

D. The receiver shall have all the powers of the receivership defendants' directors, officers, and managers, whose powers and authority are hereby suspended; and

E. In light of the appointment of a receiver herein, the receivership defendants are prohibited from filing, or causing to be filed, a petition for relief under the United States Bankruptcy Code without leave of this Court.

DELIVERY OF RECEIVERSHIP PROPERTY

VIII.

IT IS FURTHER ORDERED that the defendants, and any other person or entity served with a copy of this Order, shall forthwith deliver over to the receiver:

A. Possession and custody of all funds, assets, property owned beneficially or otherwise, and all other assets, wherever situated, of the receivership defendants;

B. Possession and custody of all books and records of accounts, financial and accounting records, balance sheets, income statements, bank records (including monthly statements, canceled checks, records of wire transfers, and check registers), client lists, title documents, and other papers of the receivership defendants;

C. All keys, combinations to locks, passwords, identification numbers, and entry codes required to open or gain access to any of the receivership defendants' property, computer files, and all money in any bank deposited to the credit of the receivership defendants, wherever situated; and

D. All passwords or codes required to access any hardware, software, or electronic files on any media.

RECEIVER'S BOND

IX.

IT IS FURTHER ORDERED that the bond, filed by the temporary receiver, shall be continued until further order of the Court.

STAY OF ACTIONS AGAINST RECEIVERSHIP DEFENDANTS

X.

IT IS FURTHER ORDERED that, except by leave of this Court, during the pendency of the receivership ordered herein, the defendants and all customers, distributors, principals, investors, creditors, stockholders, lessors, and other persons seeking to establish or enforce any claim, right, or interest against or on behalf of the receivership defendants, and all others acting for or on behalf of such persons, including attorneys, servants, agents, and employees, be and hereby are stayed from:

- A. Commencing, prosecuting, continuing, or enforcing any suit against the receivership defendants, except that such actions may be filed to toll any applicable statute of limitations;
- B. Commencing, prosecuting, continuing, or enforcing any suit or proceeding in the name of or on behalf of the receivership defendants;
- C. Accelerating the due date of any obligation or claimed obligation of the receivership defendants; enforcing any lien upon, or taking or attempting to take possession of, or retaining possession of any property of the receivership defendants, or any property claimed by the receivership defendants; attempting to foreclose, forfeit, alter, or terminate any interests of the receivership defendants, whether such acts are part of a judicial proceeding or otherwise;

D. Using self-help or executing or issuing, or causing the execution or issuance of any court attachment, subpoena, replevin, execution, or other process for the purpose of impounding or taking possession of or interfering with, or creating or enforcing a lien upon any property, wherever located, owned by or in the possession of the receivership defendants, the receiver appointed herein, or any agents appointed by the receiver;

E. Committing any act to interfere with the receiver in taking control, possession, or management of the property subject to this receivership; to harass the receiver or to interfere with the performance of the duties of the receiver; or to interfere with the exclusive jurisdiction of this Court over the property and assets of the receivership defendants.

EXPEDITED DISCOVERY

XI.

A. IT IS FURTHER ORDERED that the Commission is granted leave, for the period of 45 days after entry of this Order, to take the depositions of the defendants and non-parties for the purpose of discovering the nature, location, status, and extent of defendants' assets and the location of documents reflecting defendants' business transactions, and that four days' notice shall be deemed sufficient for such depositions. Depositions taken pursuant to this Paragraph shall in no way preclude depositions of the same persons and entities taken during the ordinary course of discovery. F.R.C.P. 30(a)(2)(B).

NOTICE TO EMPLOYEES

XII.

IT IS FURTHER ORDERED that defendants shall immediately provide a copy of this Order to each of their corporations, subsidiaries, affiliates, directors, officers, employees, agents, and independent contractors. Within twenty-one calendar days following service of this Order by the Commission, defendants shall serve on the Commission an affidavit identifying the

names, titles, addresses, and telephone numbers of the persons and entities defendants have served with a copy of this Order in compliance with this provision.

CREDIT REPORTS

XIII.

IT IS FURTHER ORDERED that the Commission may obtain credit reports concerning defendants pursuant to Section 604(1) of the Fair Credit Reporting Act, 15 U.S.C. § 1681b(1), and that upon written request, any credit reporting agency from which such reports are requested shall provide them to plaintiff Commission.

CORRESPONDENCE WITH PLAINTIFF

XIV.

For the purposes of this Order, all correspondence and pleadings to the Commission shall be addressed to:

Dana J. Lesemann
Federal Trade Commission
Sixth St. & Pennsylvania Ave., N.W., Room H-200
Washington, D.C. 20580
(202) 326-3146 (voice)
(202) 326-3392 (telecopier)

RETENTION OF JURISDICTION

XV.

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for all purposes.

IT IS SO ORDERED *this 12 November, 1997.*

Joan A. Lenard
JOAN A. LENARD
United States District Judge

Certified to be a true and correct copy of the original.	
Carlos Juenke, Clerk	
U.S. District Court	
Southern District of Florida	
By <i>Lisa Shelton</i>	Deputy Clerk
Date <i>11/12/97</i>	