July 25, 2024

VIA CM/ECF

The Honorable Julien Xavier Neals
United States District Judge
District of New Jersey
MLK Jr. Federal Building & U.S. Courthouse
50 Walnut Street
Newark, NJ 07102

Re: *Federal Trade Commission v. TheFBAMachine Inc. et al.*,
Civ. No. 24-06635 (JXN) (LDW)

Dear Judge Neals,

In accordance with the Court's July 24 order, the parties hereby submit this joint status letter to advise the Court whether they are ready to proceed with the preliminary injunction hearing ("PI Hearing") scheduled for Tuesday, July 30, 2024, at 11:00 a.m.

Plaintiff's Position

Plaintiff Federal Trade Commission is prepared to proceed with the PI Hearing as scheduled. The parties jointly moved for adjournment of the PI Hearing originally set for June 17, 2024, and proposed a briefing and hearing schedule to which they both agreed. (Docket No. 19.) The Court subsequently ordered the schedule the parties requested. (Docket No. 22.) After Plaintiff filed its Amended Complaint (Docket No. 27) and Application for Preliminary Injunction as to Amanda Rozenfeld (Docket No. 34), Defendants did not oppose Plaintiff's motion to align the briefing schedules, given that the preliminary injunction applications against all Defendants involve the same operative facts (Docket No. 35). Plaintiff has timely complied with its obligations under the Court's orders and is prepared to proceed.

The FTC initially agreed to adjourn the PI Hearing based, in part, on defense counsel's representations that they wanted to discuss a stipulated preliminary injunction. The FTC sent a proposed preliminary injunction to defense counsel on June 11, 2024, but did not receive a substantive response. The parties spoke again on July 12 about a potential stipulation. During that conversation, defense counsel stated he would speak with his clients and respond that evening. As of July 24, there had been no response. In response to this Court's order on July 24, 2024, the FTC sent Defendants a joint letter requesting input as to their update. As a result, the FTC spoke with defense counsel who represented that all Defendants except for Amanda Rozenfeld are willing to stipulate to a PI. The FTC re-sent the stipulated PI shortly after our conversation with defense counsel. In addition, we are planning on reaching out to Ms. Rozenfeld's family attorney to determine if she has already retained counsel.

Plaintiff respectfully requests that the PI Hearing proceed as scheduled. Postponement of the hearing would prejudice Plaintiff, as defendant Amanda Rozenfeld is not subject to the Court's temporary restraining order ("TRO") (Docket No. 5) and the FTC is seeking an order freezing Ms. Rozenfeld's assets to preserve the potential for redress for the victims of Defendants' scam. In addition, Ms. Rozenfeld is evading service and she has had knowledge of the amended complaint and the subsequent motion for a preliminary injunction since at least Mr. Usher told us that he was representing Ms. Rozenfeld in this matter. She should not be allowed to further delay these proceedings. In addition, we do not have a signed stipulated PI yet as to the rest of the Defendants, and given Defendants' history of defaults, it is prudent to maintain the hearing as to Steven Rozenfeld and the Corporate Defendants until the stipulated PI is filed with the Court.

Defendants' Position

Defendants Steven Rozenfeld and the nine Corporate Defendants would like to stipulate to a preliminary injunction. We originally believed that defendant Amanda Rozenfeld would stipulate as well. However, we learned this morning that she will be seeking new counsel. We understand that the FTC would like to go forward with the hearing as to Amanda Rozenfeld and we will provide the FTC with the name of her family's lawyer for an update. It is our understanding that her family's attorney will not be representing her in this matter. We would request that the Court consider a brief continuance of the hearing as to Amanda Rozenfeld as to allow her time to find new counsel. Steven Rozenfeld however, is in agreement with the terms of the Preliminary Injunction and intends to execute the stipulation with the FTC shortly.

Sincerely,

/s/ Colleen Robbins

Frances Kern
Colleen Robbins
Counsel for Plaintiff

/s/ Mikhail Usher

Mikhail Usher
Alexander Susi
Counsel for Defendants