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LOS ANGELES
SUPERIOR COURT

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

THE PEOPLE OF THE STATE OF CALIFORNIA, by and through the California Corporations Commissioner,

Plaintiff,

v.

AUTHOTECQ SYSTEMS, INC., a Delaware corporation; PAYSENTINEL, LLC, a California limited liability company; SHADOWWORKS CORP., INC., a Delaware corporation; JAMES ANTHONY LITZINGER, as an individual; MICHAEL R. DIAZ, a.k.a. MIKE DIAZ, individually and doing business as MIKE DIAZ ENTERPRISES and PANDY ENTERPRISE; WALLACE E. THOMAS, a.k.a. WALLY THOMAS, individually and doing business as WALLY WORLD ENTERTAINMENT; GREGORY T. CHAPMAN, as an individual; and DOES 1 through 50, inclusive,

Defendants.

) Case No.: BC481474
)
) Action Filed: March 26, 2012
) Assigned to Department 86
)
) (PROPOSED) ORDER (1) ISSUING
) PRELIMINARY INJUNCTION; (2)
) FREEZING ASSETS; AND (3) CONFIRMING
) APPOINTMENT OF RECEIVER AS TO ALL
) DEFENDANTS
)
) Date: April 16, 2012
) Time: 9:30 a.m.
) Dept: 86

1 The Order to Show Cause hearing pursuant to Code of Civil Procedure section 527(d)(1) re:
2 Application for Preliminary Injunction, Asset Freeze and Appointment of a Receiver came on
3 regularly on April 16, 2012, at 9:30 a.m., in Department 86. Michelle Lipton, Senior Corporations
4 Counsel, and Sophia C. Kim, Corporations Counsel appeared for Plaintiff, the People of the State of
5 California by and through the California Corporations Commissioner (“Commissioner”). Counsel
6 that appeared for Defendants are: 1) ~~Bob Bernstein, Esq.~~ Thomas Adams, Esq., appearing on behalf
7 of Defendant Wallace E. Thomas, a.k.a. Wally Thomas, individually and d.b.a. Wally World
8 Entertainment (“Thomas”); and 2) Christopher A. Villasenor, Esq. appearing on behalf of Defendant
9 Michael R. Diaz, a.k.a. Mike Diaz, individually and d.b.a. Pandey Enterprise (“Diaz”). Blake C.
10 Alsbrook, Esq. of Pasternak, Pasternak & Patton, A Law Corporation appeared on behalf of State
11 Court Receiver David Pasternak, and Robert Erickson and Michael Sachdev appeared for Gregory
12 Chapman and Shadowworks Corp., Inc.

13 This Court, after consideration of Plaintiff’s Ex Parte Application For a Temporary
14 Restraining Order, Asset Freeze, and Appointment of Receiver and Order To Show Cause RE:
15 Preliminary Injunction (“Application”), Complaint, Memorandum of Points and Authorities and
16 Reply Brief in support thereof, Declarations in support thereof, and other supporting declarations
17 and exhibits filed by Plaintiff in this action, the Oppositions of Defendants and all other evidence
18 and argument presented regarding the Application, finds that:

- 19 A. This Court has jurisdiction over the parties to, and subject matter of, this action.
- 20 B. Good cause exists to believe that: (1) Defendants Authotecq Systems, Inc.
21 (“Authotecq”), Paysentinel, LLC (“Paysentinel”), James Anthony Litzinger (“Litzinger”), Gregory
22 T. Chapman (“Chapman”), Shadowworks Corp Inc. (“Shadowworks”), Thomas and Diaz, and Does 1
23 through 50, inclusive, their agents, employees and representatives (collectively “Defendants”) have
24 violated the Corporate Securities Law of 1968 (“CSL”) (Corporations Code Section 25000 *et seq.*),
25 specifically Corporations Code (“CC”) sections 25110 and 25401; and (2) Defendants Authotecq,
26 Litzinger and Diaz violated the Desist and Refrain Order issued against them by the Commissioner
27 on January 4, 2006.
- 28 C. The Plaintiff has demonstrated a probability of success on the merits in this action.

1 D. Good Cause exists to believe that the Defendants will continue to engage in such
2 violations to the immediate and irreparable loss and harm to investors and to the general public
3 unless they are restrained and enjoined.

4 WHEREFORE, IT IS HEREBY ORDERED, for good cause shown, as follows:

5 I.

6 IT IS ORDERED that the Plaintiff's request for Orders (1) Issuing a Preliminary Injunction;
7 (2) Freezing Assets; and (3) Confirming Appointment of Receiver is hereby GRANTED.

8 II.

9 IT IS FURTHER ORDERED THAT:

10 1. A Preliminary Injunction issue restraining and enjoining all Defendants, and Does 1 through
11 50, inclusive, their officers, directors, successors in interest, agents, employees, attorneys in fact, and
12 all persons acting in concert or participating with them, or any of them, and each of them including
13 the Doe Defendants, except the Receiver in the lawful exercise of his duties under the Receivership,
14 from directly or indirectly:

15 a. Selling or purchasing or offering to sell or purchase any security as defined by the CSL
16 without first qualifying that security as required by the CSL.

17 b. Violating CC Section 25110 of the CSL by offering or selling unqualified securities,
18 including but not limited to preferred stock.

19 c. Violating CC Section 25401 by offering or selling or buying or offering to buy preferred
20 stock or any other securities by means of any written or oral communication, which includes an
21 untrue statement of a material fact or omits to state a material fact necessary in order to make the
22 statements made, in light of the circumstances under which they were made, not misleading.

23 d. Violating the Commissioner's Desist and Refrain Order issued against Defendants
24 Authotecq, Litzinger and Diaz on January 4, 2006.

25 e. Removing, destroying, mutilating, concealing, altering, transferring, or otherwise
26 disposing of, in any manner, any books, records, documents, correspondence, brochures, manuals, or
27 other documentation of any kind in the possession, custody or control of any of the Defendants and
28

1 Does 1 through 50, inclusive, that relate in any way to the offer and sale of securities, specifically,
2 but not limited to, preferred stock.

3 f. Transferring, changing, disbursing, selling, dissipating, converting, pledging, assigning,
4 foreclosing or otherwise disposing of any real or personal property, trusts or other assets, in their
5 possession or under their control, or in the possession of, or under the control of, any of them, which
6 property, trusts or other assets are or were to be held for the benefit of Defendants' investors and/or
7 creditors, or by any person for the benefit of any investors and/or creditors of Defendants, and each
8 of them, whether in trust or otherwise, without further Order from this Court.

9 g. Withdrawing from any bank account, transferring, changing, disbursing, selling,
10 dissipating, converting, pledging, assigning, foreclosing, or otherwise disposing of any real property,
11 trusts or personal property in their possession or under their control, or in the possession of, or under
12 the control of, any of the Defendants, and Does 1 through 50, inclusive, which property, trusts or
13 other assets were derived or emanated from directly, or indirectly, the sale or purchase or offer to
14 sell or purchase, preferred stock or other securities, without further Order from this Court.

15 III.

16 IT IS FURTHER ORDERED THAT:

17 1. A freeze be placed on all funds, including but not limited to credit cards, negotiable
18 instruments, and/or assets held in any bank, savings or checking, brokerage, trusts or other accounts,
19 certificates of deposit, safe deposit box, or otherwise, without limitation, in the name of Authotecq,
20 Litzinger, Paysentinel, Shadowworks, Chapman, Thomas, Diaz and Does 1 through 50, inclusive, or
21 for the benefit of Defendants directly or indirectly, and each of them, including, but not limited to:

<u>Bank Name</u>	<u>Account Name</u>	<u>Account Number (last digits)</u>
Citibank	Paysentinel	9737
	Paysentinel	3296
	Chapman	3394
	Authotecq	3692
	Authotecq	4848
	Shadowworks	6503
	Shadowworks	0819
	Shadowworks	3330
	Shadowworks	2006

1	Bank of America	Thomas	21516
2		Thomas	21518
3		Thomas	03643
4		Thomas	03873
5		Thomas	21148
6	Edward Jones	Diaz	3456
7		Diaz	7229
8		Diaz	3268
9	City National Bank	Authotecq	5635
10		Authotecq	5245
11	JP Morgan Chase Bank	Diaz	1118
12		Diaz	4212

11 including all assets and accounts listed in the Declarations of Defendant Diaz dated April 2, 2012,
12 and April 9, 2012; and any depository or investment account or trust in any financial institution that
13 the Receiver may discover at a later date containing investor funds, upon presentation of this Order.

14 IV.

15 THE COURT FURTHER FINDS THAT good cause exists for the continued appointment of
16 a Receiver and that David J. Pasternak is qualified to act as Receiver.

17 IT IS FURTHER ORDERED that David J. Pasternak (hereinafter "Receiver") is appointed as
18 permanent Receiver of Defendants and such Does as may be subsequently named.

19 IT IS FURTHER ORDERED THAT:

- 20 1. Receiver be authorized and directed to take sole possession of all real and personal
21 property and assets of Defendants whether directly or indirectly owned, beneficially or otherwise
22 by, or in the possession, custody or control of Defendants, and each of them, and such Does as may
23 be subsequently named (hereinafter "Receivership Defendants"), and their respective subsidiaries
24 and affiliates, and their successors and assigns wherever situated, or to which Receivership
25 Defendants have any right of possession, custody or control, beneficially or otherwise, irrespective
26 of whosoever holds such assets, including all such assets which Receivership Defendants carry or
27 maintain, or which may be received during the pendency of this Receivership, in order to obtain an
28 adequate accounting of Receivership Defendants' assets and liabilities and to secure a marshalling of
said assets.

1 2. For good cause appearing, the Receiver's bond is set at \$10,000.00 and was filed in
2 Department 86 of this Court together with the Receiver's oath.

3 3. The Receiver shall marshal, collect, review, observe, discover and take charge of all
4 the real and personal property, premises and other assets of, or in the possession of or under the
5 control of Receivership Defendants, beneficially or otherwise, or wherever else situated, including,
6 but not limited to the following premises:

- 7 1) Authotecq Systems, Inc.
 3399 E. 19th Street, Signal Hill, California 90755;
- 8 2) James A. Litzinger
 3399 E. 19th Street, Signal Hill, California 90755, and
9 99 63rd Place, Long Beach, California 90803;
- 10 3) Paysentinel, LLC
 3399 E. 19th Street, Signal Hill, California 90755, and
11 1113 W. Ave., M-4, Ste. D, Palmdale, California 93551;
- 12 4) Michael R. Diaz
 7885 Pipit Place, San Diego, California 92129,
13 7910 Ivanhoe Avenue, #520, La Jolla, California 92037,
14 1204 Hygeia Ave., Unit 6, Encinitas, California, and
 222 J. Street, #424, San Diego, California 92101;
- 15 5) Wallace E. Thomas
 1050 Vallecito Road, Carpinteria, California 93013,
16 3750 Camino Real, Unit D2, Atascadero, California;
- 17 6) Shadowworks Corp. Inc.
 345 N. Maple Drive, Ste. 281, Beverly Hills, California; and
- 18 7) Gregory T. Chapman
 3399 E. 19th Street, Signal Hill, California 90755.

19
20 However, Receiver shall not displace any residents from their homes and shall not take possession of
21 any property that appears necessary for day-to-day living unless it appears it is of significant value or
22 has significant equity or is a computer component. The Receiver is also authorized, empowered and
23 directed to take charge of all accounts or safe deposit boxes of Receivership Defendants in financial
24 depository or other institutions, whether or not anyone else is named on any such accounts or safe
25 deposit boxes, including, but not limited to the following:

- 26 A. City National Bank
- 27 B. Bank of America
- 28 C. Citibank
- D. JP Morgan Chase Bank

1 E. Edward Jones
2 and of any other property in which Receivership Defendants have an interest, regardless of whom it
3 may be held, beneficially or otherwise, on an ongoing and continual basis pursuant to this Court's
4 Order. No other signatory, including spouses or relatives of Receivership Defendants, on any bank
5 account, investment account or safe deposit box may withdraw or cause to be withdrawn any amount
6 from the accounts frozen by this or any related order, except by order from the Court. Periodically,
7 as set forth in subparagraphs (7) and (8), below, the Receiver shall report to this Court the results of
8 the review, observation, discovery and abstracts resulting from the activities of the Receiver as
9 ordered by this Court, and specifically on any commingling of funds, unauthorized loans or other
10 disposition of property of whatever description between any and each of the Receivership
11 Defendants herein and/or any person, corporation, entity, sole proprietorship, affiliate, association of
12 whatever type or structure, whether or not said entities are or are not Defendants in this action.

13 4. To employ the law firm of Pasternak, Pasternak & Patton, A Law Corporation (in
14 which the Receiver and his wife are shareholders) to assist, represent and advise the Receiver in
15 carrying out his responsibilities as this Court's Receiver. The Receiver may employ attorneys only
16 upon further order of this Court to assist the Receiver in the performance of his duties and
17 responsibilities; such employment is to be approved by the Court.

18 5. To employ other such persons, including accountants, security personnel, computer
19 consultants, investigators, clerical and professional personnel, and the Receiver's in-house staff and
20 counsel, to perform such tasks as the Receiver may reasonably believe to be necessary to aid the
21 Receiver in the performance of his duties and responsibilities.

22 6. The Receiver shall further be entitled to engage a locksmith for the purposes of gaining
23 entry to any property or assets included in this Receivership estate and through any security system,
24 in order to obtain any documents or property to which the Receiver is entitled pursuant to this Order,
25 as well as giving any notices which may be required in performing the Receiver's duties. The
26 Receiver may either have the locks changed or have a key created that will work for the locks.

27 7. To file, within thirty (30) days of his qualification and appointment hereunder, an initial
28 inventory of all property, which he shall then have reviewed, observed and/or discovered pursuant to

1 this Court's Order. Additionally, the Receiver is to file one or more supplemental inventories when
2 and if he shall subsequently come into knowledge of additional items appropriate to the inventory.

3 8. To undertake an independent review into the affairs and transactions of Receivership
4 Defendants and to file with this Court, within 90 days, and every month thereafter, a report detailing
5 the Receiver's findings of his review of the condition of Receivership Defendants, other affairs and
6 transactions of Receivership Defendants, reflecting the existence of any liabilities, both those
7 claimed by others to exist and those to which the Receiver believes to be the legal obligations of
8 each of said Receivership Defendants, including a review of any possible conflicts of interest and
9 any further information the Receiver believes may assist in an equitable disposition of this matter,
10 and to include in the report the Receiver's opinion regarding the ability of said Receivership
11 Defendants to meet their obligations as they come due, and the Receiver's recommendation
12 regarding the necessity for, and the best method of handling, preserving, or disposing of said assets.

13 9. To invest funds of the Receivership estate in any interest-bearing accounts in federally
14 insured financial institutions, without further order of the Court; and to be the signatory on all bank
15 accounts of Receivership Defendants, and each of them, including, but not limited to:

16 A. City National Bank

17 B. Bank of America

18 C. Citibank

19 D. JP Morgan Chase Bank

20 E. Edward Jones

21 and any depository or investment account in any financial institution that the Receiver may discover
22 at a later date containing investor funds, upon presentation of this Order.

23 10. To bring such proceedings as are necessary to enforce the provisions hereof, including
24 issuance of subpoenas to compel testimony or production of documents as to the existence or
25 location of assets or any other information pertinent to the business, financial affairs, and other
26 transactions of Receivership Defendants.

27 11. To bring such proceedings as are necessary to modify the provisions hereof or to seek
28 instructions from this Court, as the Receiver deems appropriate.

1 12. To make such payments and disbursements from the funds so taken into custody, control
2 and possession of the Receiver or otherwise received by him, as may be necessary and advisable in
3 discharging his duties as Receiver, including, without limitation, the payment of interim
4 compensation to the Receiver and persons or entities under paragraphs (4) and (5) above, subject to
5 the provisions of paragraph (24) below. The Receiver and his office personnel shall be paid their
6 usual hourly billable rates, which are currently \$550 per hour for the Receiver, \$350 per hour for
7 Blake C. Alsbrook, Esq., \$225 per hour for the Receiver's Receivership Administrators, and \$50-
8 \$175 for the other non-attorney personnel in the Receiver's office.

9 13. To carry on any lawful business activity of the entities and persons or entities in
10 Receivership, to preserve investors' assets and to foreclose and/or actively seek and negotiate with
11 potential buyers, assignees or other parties who may be interested in acquiring, purchasing, leasing,
12 subleasing or renting real or personal property of Receivership Defendants and to sell, lease,
13 sublease or rent such real or personal property of Receivership Defendants, subject to Court
14 approval.

15 14. To institute, prosecute, defend, compromise, intervene in and become a party, either in his
16 own name or in the name of Receivership Defendants, to such suits, actions or proceedings as may
17 be necessary for the protection, maintenance, recoupment or preservation of the assets or property of
18 Receivership Defendants, or in his custody, in his discretion, without further order of the Court.

19 15. To divert, take possession of and secure all mail of Receivership Defendants, in order to
20 screen such mail, retaining so much as relates to the business of Receivership Defendants, and
21 forwarding to the individual or other appropriate addresses so much as is not, in the Receiver's
22 opinion, appropriate for retention by him, and to effect a change in the rights to use any and all post
23 office boxes and other mail collection facilities used by Receivership Defendants.

24 16. Upon the Receiver's appointment, the Receiver shall undertake an immediate review
25 of all readily available assets of the Receivership Defendants in order to determine the economic
26 viability of a Receivership. Upon such review, if the Receiver determines that sufficient assets are
27 readily available to fund the Receivership, then the Receiver shall file such finding with the Court,
28 and the Receivership shall continue until further order of the Court. If upon initial review the

1 Receiver determines that readily available assets are insufficient to maintain the Receivership, then
2 the Receiver shall so notify the Court, and may request that the Court dissolve the Receivership, or
3 modify the duties and responsibilities of the Receiver. Plaintiff will not oppose such request.

4 17. The Receiver shall cooperate fully with the California Department of Corporations, and
5 any other state and federal law enforcement or other regulatory agencies having jurisdiction over
6 matters relating to the conduct or business of Receivership Defendants so as not to impair the ability
7 of said state and federal law enforcement regulatory agencies to perform their duly authorized
8 investigative and enforcement duties.

9 18. Any state or federal law enforcement or regulatory agency having jurisdiction over
10 matters relating to Receivership Defendants' business shall be permitted to review, without
11 exception, all reports of the Receiver and all books, records, and files of Receivership Defendants at
12 any time during normal business hours, with reasonable notice, and to make any abstracts or copies
13 of said documents as it desires and at its own expense, provided that nothing herein shall waive or
14 abrogate any applicable attorney-client or other legally recognized privilege.

15 19. The Receiver's powers shall be in addition to, and not by way of limitation of, the powers
16 described in CC sections 25530(a) and 29540, and Government Code section 13975.1 and Code of
17 Civil Procedure sections 564 et seq.

18 20. To the extent additional powers are required, the Receiver shall apply to the Court.

19 21. Defendants, including, but not limited to the Receivership Defendants, their officers,
20 directors, shareholders, agents, servants, employees, attorneys, salespersons, successors, assigns,
21 subsidiaries, affiliates, and other persons or entities under their control and all persons or entities in
22 active concert or participation with Defendants, and all persons owing a duty of disclosure to
23 Defendants, and each of them, shall cooperate with the Receiver in his investigation and shall
24 immediately turn over to the Receiver all documentary and electronic records, computers and
25 passwords, and/or access codes for all computers and any security systems, documentation, charts
26 and/or descriptive material of all funds, assets, property owned beneficially or otherwise, and all
27 other assets of Receivership Defendants wherever situated, and all books and records of accounts,
28 title documents and other documents in the possession or under their control, which relate, directly

1 or indirectly, to assets of Receivership Defendants. The Receivership Defendants, and each of them,
2 on receipt of this Order shall provide the Receiver with all social security and tax identification
3 numbers utilized by them in connection with the operation of any property included in the
4 Receivership estate. The Receiver shall also be entitled to utilize such social security and tax
5 identification numbers during his operation of the Receivership estate.

6 22. Except by leave of this Court and during the pendency of this Receivership, all claimants,
7 creditors, lessors and other persons seeking relief of any kind, in law or in equity, from Receivership
8 Defendants, and all others acting on behalf of any such persons, including sheriffs, marshals,
9 servants, agents, attorneys and employees, are restrained and enjoined, directly or indirectly, from:

- 10 a. Commencing, prosecuting, continuing or enforcing any suit or proceeding,
11 except by motion before this Court;
- 12 b. Executing or issuing or causing the execution or issuance of any court
13 attachment, subpoena, replevin, execution or other process for the purpose of
14 impounding or taking possession of or interfering with or creating or
15 enforcing a lien upon any property owned or in the possession of Receivership
16 Defendants, their subsidiaries or affiliates, or the Receiver appointed herein,
17 wherever situated;
- 18 c. Commencing or continuing judicial or non-judicial foreclosure proceedings or
19 proceedings for the appointment of a Receiver for any property owned or
20 claimed by Receivership Defendants in this action;
- 21 d. Creating, perfecting, or enforcing any lien or encumbrance against any real or
22 personal property;
- 23 e. Accelerating the due date of any obligation or claimed obligation;
- 24 f. Exercising any right of set-off;
- 25 g. Taking, retaining, retaking or attempting to retake possession of any real or
26 personal property;
- 27 h. Withholding or diverting any rent or other obligation; and

1 i. Doing any act or thing whatsoever to interfere with the possession of or
2 management by the Receiver herein and of the property and assets owned,
3 controlled or in the possession of Receivership Defendants or to, in any way,
4 interfere with the Receiver or to interfere in any manner during the pendency
5 of this proceeding with the exclusive jurisdiction of this Court over
6 Defendants.

7 23. Any and all provisions of any agreement entered into by and between any third party and
8 Receivership Defendants, including, by way of illustration, but not limited to, the following types of
9 agreements (as well as any amendments or modifications thereto): mortgages, partnership
10 agreements, financial guarantee bonds, joint venture agreements, promissory notes, remarketing
11 agreements, loan agreements, security agreements, indemnification agreements, subrogation
12 agreements, subordination agreements, deeds of trust, pledge agreements, assignments of rents and
13 other collateral, financing statements, letters of credit, leases, insurance policies, guarantees, escrow
14 agreements, management agreements, real estate brokerage and rental agreements, servicing
15 agreements, consulting agreements, easement agreements, license agreements, franchise agreements,
16 construction contracts, or employment contracts that provide in any manner that the selection,
17 appointment, or retention of a Receiver or trustee by any court, or the entry of an order such as
18 hereby made, shall be deemed to be, or otherwise operate as a breach, violation, event of default,
19 termination, event of dissolution, event of acceleration, insolvency, bankruptcy, or liquidation, shall
20 be stayed, and the assertion of any and all rights, remedies relating thereto shall also be stayed and
21 barred, except as otherwise ordered by this Court, and this Court shall retain jurisdiction over any
22 causes of action that have arisen or may otherwise arise under any such provision.

23 24. Interim monthly fees shall be subject to review and approval by this Court prior to
24 payment. This Court has the power to award a greater or lesser amount as the full, fair and final
25 value of such services.

26 25. Neither Plaintiff, the Commissioner, the State of California, the Department of
27 Corporations, nor any officer, employee nor agent of the Department, shall have any liability for the
28 payment, at any time, for any such fees or expenses in connection with said Receivership. Any and

1 all expenses of the operation of the Receivership estate are the risk of the Receivership, and not the
2 personal obligation of the Receiver.

3 IT IS FURTHER ORDERED that the Receivership Defendants and their officers, agents,
4 servants, employees and attorneys, and any other persons who are in custody, possession or control
5 of any assets, collateral, books, records, computers, papers or other property of Receivership
6 Defendants shall forthwith give access to and control of such property to the Receiver.

7 IT IS FURTHER ORDERED that no officer, agent, servant, employee, or attorney of
8 Authotecq, Paysentinel, Shadowworks, Chapman, Litzinger, Diaz, Thomas, and or their subsidiaries or
9 affiliates, shall take any action or purport to take any action, in the name of or on behalf of any
10 Receivership Defendant or any of their subsidiaries and affiliates, without the written consent of the
11 Receiver or order of this Court.

12 IT IS FURTHER ORDERED that except by leave of this Court, during the pendency of this
13 Receivership, all clients, investors, trust beneficiaries, note holders, creditors, claimants, lessors, and
14 all other persons or entities seeking relief of any kind, in law or equity, from Defendants and all
15 persons acting on behalf of any such investor, trust beneficiary, note holder, creditor, claimant,
16 lessor, or other person, including sheriffs, marshals, servants, agents, employees, and attorneys, are
17 hereby restrained and enjoined from, directly or indirectly with respect to Receivership Defendants:

18 A. Using self-help or executing or issuing or causing the execution or issuance of
19 any court attachment, subpoena, replevin, execution or other process for the purpose
20 of impounding or taking possession of or interfering with or creating or enforcing a
21 lien upon any property or property interest owned by or in the possession of
22 Receivership Defendants and any partnerships or joint ventures for which
23 Receivership Defendants are the Managing General Partner, wherever situated; and

24 B. Doing any act or thing whatsoever to interfere with taking control, possession
25 or management by the Receiver appointed hereunder of the property and assets
26 owned, controlled or in the possession of Receivership Defendants or in any way to
27 interfere with or harass the temporary Receiver or to interfere in any manner with the
28 discharge of his or her duties and responsibilities hereunder.

1 IT IS FURTHER ORDERED that the Receivership Defendants and their subsidiaries and
2 affiliates and their officers, agents, servants, employees and attorneys, shall cooperate with and assist
3 the Receiver and shall take no action, directly or indirectly, to hinder, obstruct, or otherwise interfere
4 with the Receiver in the conduct of his duties or to interfere in any manner, directly or indirectly,
5 with the custody, possession, management, or control by the Receiver of the funds, assets, collateral,
6 premises, and chooses in action described above.

7 IT IS FURTHER ORDERED that each Defendant named herein shall comply with the
8 Amended Temporary Restraining Order signed by the Court on March 26, 2012 ordering that within
9 ten (10) days of the entry of that Order, Receivership Defendants prepare and deliver to the Receiver
10 a detailed and complete schedule of all of his personal assets, including a description of the source of
11 funds for the purchase of such assets. For purposes of this Order, the term “assets” shall include
12 income/compensation or right of income/compensation from any source, and any financial or
13 controlling interest in any business entity, including, but not limited to, a partnership, trust,
14 corporation, or limited liability company. Such accounting shall be filed with the Court and a copy
15 shall be delivered to the Receiver. After completion of the accounting, each Defendant named
16 herein shall produce to the Receiver at a time agreeable to the Receiver, all books, records and other
17 documents supporting or underlying the accountings.

18 IT IS FURTHER ORDERED that each Defendant named herein shall comply with the
19 Amended Temporary Restraining Order signed by the Court on March 26, 2012 ordering that within
20 ten (10) days from the date of that Order, all Receivership Defendants shall transfer to a trust
21 account fund of the Receiver all assets, funds, and other property that is presently held in foreign
22 locations in the name of any Receivership Defendant or for the benefit of or under the control of any
23 of them, or over which any of them exercise actual investment or other authority, including but not
24 limited to signatory authority.

25 IT IS FURTHER ORDERED that the Receiver shall determine upon taking possession of the
26 property/estate whether in the Receiver’s judgment there is sufficient insurance coverage. With
27 respect to any insurance coverage in existence or obtained, the Receiver shall be named as an
28 additional insured on the policies for the period that the Receiver shall be in possession of the

1 property/estate. If sufficient insurance coverage does not exist, the Receiver shall immediately
2 notify the parties to this lawsuit and should have thirty (30) calendar days from March 26, 2012 to
3 procure sufficient all-risk and liability insurance on the Property (including earthquake and flood
4 insurance) provided, however, that if the Receiver does not have sufficient funds to do so, the
5 Receiver shall seek instructions from the Court with regard to whether insurance shall be obtained
6 and how it is to be paid for. If consistent with existing law, the Receiver shall not be responsible for
7 claims arising from the lack of procurement or inability to obtain insurance.

8 IT IS SO ORDERED.

9 DATED: April 16 20, 2012

ROBERT H. O'BRIEN

HON. ANNI JONES

JUDGE OF THE SUPERIOR COURT