

FILED  
SUPERIOR COURT  
FEB 01 2005  
Clerk of the Court  
BY C. HERNANDEZ

1 WILLIAM P. WOOD  
Corporations Commissioner  
2 WAYNE STRUMPFER (SBN 160080)  
Deputy Commissioner  
3 ALAN S. WEINGER (SBN 86717)  
Supervising Counsel  
4 JAMES K. OPENSHAW (SBN 137667)  
Senior Corporations Counsel  
5 MARY ANN CLARK (SBN 290943)  
Corporations Counsel  
3515 K Street, Suite 200  
Sacramento, California 95814  
Telephone: (916) 322-6998

Attorneys for the People of the State of California

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF ORANGE

10 THE PEOPLE OF THE STATE OF  
11 CALIFORNIA, by and through the  
12 COMMISSIONER OF CORPORATIONS,

13 Plaintiff,

14 vs.

15 ALTERNATE BUSINESS CAPITAL, a  
Corporation; PRO-FIN, LLC; MUTUAL  
16 BENEFITS UNION CORPORATION; MRD  
NETWORK, LLC; ABC, LLC; SELL MORE,  
17 LLC; ASSET ACHIEVERS ASSOCIATES;  
NIA (NGHIA) S. CANO, individually, HELEN  
18 TKALEC, individually; BEN APARICIO,  
individually; FRANCISCO CANEDO,  
19 individually, and DOES 1 through 20, inclusive.

20 Defendants.

Case No. 05 CC 00021

ORDER ISSUING PRELIMINARY  
INJUNCTION; FREEZING ASSETS;  
APPOINTING A RECEIVER;

JUDGE JONATHAN H. CANNON  
DEPT. CX102

(Corporations Code §§ 25110. 25210. 25230,  
25401)

DATE: February 1, 2005  
TIME:  
DEPT:  
TRIAL DATE: None set

21 The Order to Show Cause hearing re: Application for Preliminary Injunction, Asset Freeze  
22 and Appointment of a Receiver came on regularly at the above date and time and in the Department  
23 indicated, before the Honorable JONATHAN H. CANNON. James K. Openshaw, Senior Corporations  
24 Counsel, appeared for Plaintiff, the People of the State of California by and through the California  
25 Corporations Commissioner. No appearances were made on behalf of any defendant for good cause  
26 demonstrated by plaintiff.  
27

28 After consideration of Plaintiff's Ex Parte Application, Complaint, Memorandum of Points

RECEIVED  
SUPERIOR COURT OF CALIFORNIA  
COUNTY OF ORANGE  
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State of California - Department of Corporations

ORIGINAL

1 and Authorities in support thereof, Declarations in support thereof; and other supporting declarations  
2 and exhibits filed by Plaintiff in this action, and FOR GOOD CAUSE APPEARING

3 IT IS HEREBY ORDERED THAT:

4 A Temporary Restraining Order, as more fully set forth below, is hereby issued. An asset  
5 freeze and appointment of a receiver as requested in the Application are hereby ordered on the terms  
6 and conditions as set forth in the Application of Plaintiff, as more fully set forth below.

7 Pursuant to Code of Civil Procedure section 527(d)(1), an Order to Show Cause hearing shall  
8 be held on February 17, 2005, at 9:30 AM, in Department CX102 of this  
9 court, at which time defendants shall show why a preliminary injunction should not be granted. The  
10 hearing shall be held in accordance with section 527(e).

11 IT IS FURTHER ORDERED THAT:

12 1. A freeze be placed on all funds, negotiable instruments and/or assets held in any bank  
13 savings or checking or other accounts, certificates of deposit, safe deposit box, or otherwise, without  
14 limitation, in the name of or for the benefit of defendants Alternate Business Capital, Pro-Fin, LLC,  
15 Mutual Benefits Union Corporation, MRD Network, LLC, ABC, LLC, Sell More, LLC, Asset  
16 Achievers Associates (AAA), Nia (Nghia) S. Cano, Helen Tkalec, Ben Aparicio, and Francisco  
17 Candedo directly or indirectly, and each of them, including, but not limited to:

18 A. Bank of America

19 B. Cal Fed Bank

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

22 2. The banks and financial institutions listed above shall not notify the account holders of  
23 this Order, unless further ordered to do so by this Court.

24 IT IS FURTHER ORDERED THAT:

25 1. A Temporary Restraining Order issue restraining and enjoining all Defendants, their  
26 officers, directors, successors in interest, agents, employees, attorneys in fact, and all persons acting  
27 in concert or participating with them, or any of them, except the Receiver in the lawful exercise of his  
28 duties under the receivership, from directly or indirectly:

1 a. Selling or purchasing or offering to sell or purchase any security as defined by  
2 California law, without first registering that security as required by law.

3 b. Violating Corporations Code Section 25110 of the Corporate Securities Law of 1968  
4 ("CSL") by offering or selling unqualified non-exempt investment contracts or any other securities.

5 c. Violating Corporations Code Section 25210 of the Corporate Securities Law of 1968  
6 ("CSL") by offering or selling securities in the form of investment contracts or any other securities  
7 without having first obtained a license from the Commissioner or other regulatory licensing agency  
8 as required.

9 d. Violating Corporations Code Section 25230 of the Corporate Securities Law of 1968  
10 ("CSL") by providing investment advice as an investment advisor for a fee with regard to the offering  
11 or selling securities in the form of investment contracts or any other securities without having first  
12 obtained a license from the Commissioner or other regulatory licensing agency as required.

13 e. Violating Corporations Code Section 25401 by offering or selling or buying or  
14 offering to buy investment contracts or any other securities by means of any written or oral  
15 communication which includes an untrue statement of a material fact or omits to state a material fact  
16 necessary in order to make the statements made, in light of the circumstances under which they were  
17 made, not misleading.

18 f. Removing, destroying, mutilating, concealing, altering, transferring, or otherwise  
19 disposing of, in any manner, any books, records, documents, correspondence, brochures, manuals, or  
20 other documentation of any kind in the possession, custody or control of any of the Defendants that  
21 relate in any way to the offer and sale of securities, specifically, but not including, investment  
22 contracts.

23 g. Transferring, changing, disbursing, selling, dissipating, converting, pledging,  
24 assigning, foreclosing or otherwise disposing of any real or personal property or other assets, in their  
25 possession or under their control, or in the possession of, or under the control of, any of them, which  
26 property or other assets are or were to be held for the benefit of defendants' investors and/or  
27 creditors, or by any person for the benefit of any investors and/or creditors of defendants, and each of  
28 them, whether in trust or otherwise, without further Order from this Court.

1 h. Withdrawing from any bank account, transferring, changing, disbursing, selling,  
2 dissipating, converting, pledging, assigning, foreclosing, or otherwise disposing of any real property  
3 or personal property in their possession or under their control, or in the possession of, or under the  
4 control of, any of the Defendants, which property or other assets were derived or emanated from  
5 directly, or indirectly, the sale or purchase or offer to sell or purchase, investment contracts or other  
6 securities, without further Order from this Court.

7 THE COURT FURTHER FINDS THAT

8 1. Good cause to exists for the appointment of a receiver and that Charles G. La Bella is  
9 qualified to act as such receiver.

10 IT IS THEREFORE ORDERED THAT:

11 1. Charles G. La Bella be authorized and directed to take possession of all real and  
12 personal property and assets of defendants Alternate Business Capital, Pro-Fin, LLC, Mutual Benefits  
13 Union Corporation, MRD Network, LLC, ABC, LLC, Sell More, LLC, Asset Achievers Associates  
14 (AAA), Nia (Nghia) S. Cano, Helen Tkalec, Ben Aparicio, and Francisco Candedo whether directly  
15 or indirectly owned, beneficially or otherwise by, or in the possession, custody or control of  
16 defendants, and each of them, and such Does as may be subsequently named (hereinafter  
17 "receivership defendants"), and their respective subsidiaries and affiliates, and their successors and  
18 assigns wherever situated, or to which receivership defendants have any right of possession, custody  
19 or control, beneficially or otherwise, irrespective of whosoever holds such assets, including all such  
20 assets which receivership defendants carry or maintain, or which may be received during the  
21 pendency of this receivership, in order to obtain an adequate accounting of receivership defendants'  
22 assets and liabilities and to secure a marshalling of said assets; and

23 2. For good cause appearing, the Receiver's bond is hereby waived.

24 3. Upon his appointment and entering upon his duties, the receiver is authorized,  
25 empowered and directed: to marshal, collect, review, observe, discover and take charge of all the real  
26 and personal property, premises and other assets of, or in the possession of or under the control of  
27 receivership defendants, beneficially or otherwise, or wherever else situated, including, but not  
28 limited to the following premises:

1. Nia Cano  
61 Sparrowhawk Irvine, CA 92604
2. Helen Tkalec  
33766 Daily Road, Menifee, CA 92584
3. Francisco Candedo  
605 S. State College #A, Anaheim, CA 92806
4. Ben Aparicio  
605 S. State College #A, Anaheim, CA 92806
5. Alternate Business Capital  
1186 Katella Anaheim, CA 92802  
(888) 699-4020
6. ABC LLC  
1186 W. Katella Anaheim, CA 92802
7. Asset Achievers Association Corporation  
61 Sparrowhawk, Irvine, CA 92604
8. Mutual Benefits Union Corporation  
61 Sparrowhawk, Irvine, CA 92604
9. MRD Network, LLC  
61 Sparrowhawk, Irvine, CA 92604
10. Sell More, LLC  
605 S. State College #A, Anaheim, CA 92806
11. Pro-Fin, LLC  
1655 E 6<sup>th</sup> Street, A 4-C, Corona, CA 91719

and all accounts or safe deposit boxes of receivership defendants in financial depository or other institutions, including, but not limited to the following:

- A. Bank of America
- B. Cal Fed Bank

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

4. To employ attorneys upon further order of this Court to assist the receiver in the

1 performance of his duties and responsibilities, such employment to be approved by the Court upon ex  
2 parte application of the receiver;

3 5. To employ other such persons, including accountants, investigators, clerical and  
4 professional personnel, and the receiver's in-house staff and counsel, to perform such tasks as may be  
5 necessary to aid the receiver in the performance of his duties and responsibilities, without further  
6 order of the court;

7 6. To file, within thirty (30) days of his qualification and appointment hereunder, an  
8 initial inventory of all property, which he shall then have reviewed, observed and/or discovered  
9 pursuant to this Court's order. Additionally, the receiver is to file one or more supplemental  
10 inventories when and if he shall subsequently come into knowledge of additional items appropriate to  
11 the inventory;

12 7. To undertake an independent review into the affairs and transactions of receivership  
13 defendants and to file with this Court, within 120 days, and every six months thereafter, a report  
14 detailing the receiver's findings of his review of the condition of receivership defendants, other  
15 affairs and transactions of receivership defendants, reflecting the existence of any liabilities, both  
16 those claimed by others to exist and those to which the receiver believes to be the legal obligations of  
17 each of said receivership defendants, including a review of any possible conflicts of interest and any  
18 further information the receiver believes may assist in an equitable disposition of this matter, and to  
19 include in the report the receiver's opinion regarding the ability of said receivership defendants to  
20 meet their obligations as they come due, and the receiver's recommendation regarding the necessity  
21 for, and the best method of handling, preserving, or disposing of said assets;

22 8. To invest funds of the receivership estate in any interest-bearing obligations of the  
23 United States or in any interest-bearing accounts in financial institutions approved by the United  
24 States Trustee as an authorized depository for funds of bankruptcy estate, without further order of the  
25 Court; and to be the signatory on all bank accounts of receivership defendants, and each of them,  
26 including, but not limited to:

- 27 A. Bank of America
- 28 B. Cal Fed Bank

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

3 9. To bring such proceedings as are necessary to enforce the provisions hereof, including  
4 issuance of subpoenas to compel testimony or production of documents as to the existence or location  
5 of assets or any other information pertinent to the business, financial affairs, and other transactions of  
6 receivership defendants;

7 10. To bring such proceedings as are necessary to modify the provisions hereof, as the  
8 receiver deems appropriate;

9 11. To make such payments and disbursements from the funds so taken into custody,  
10 control and possession of the receiver or otherwise received by him, as may be necessary and  
11 advisable in discharging his duties as receiver, without further order of the court, including, without  
12 limitation, the payment of interim compensation to the receiver and persons or entities under (4) and  
13 (5) above, subject to the provisions of paragraph 12;

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

19 13. To institute, prosecute, defend, compromise, intervene in and become a party, either in  
20 his own name or in the name of defendants, to such suits, actions or proceedings as may be necessary  
21 for the protection, maintenance, recoupment or preservation of the assets or property of receivership  
22 defendants, or in his custody, in his discretion, without further order of the Court; and

23 14. To divert, take possession of and secure all mail of receivership defendants, in order to  
24 screen such mail, retaining so much as relates to the business of receivership defendants, and  
25 forwarding to the individual or other appropriate addresses so much as is not, in the receiver's  
26 opinion, appropriate for retention by him, and to effect a change in the rights to use any and all post  
27 office boxes and other mail collection facilities used by receivership defendants.

28

1           15.     Upon the receiver's appointment, the receiver shall undertake an immediate review of  
2 all readily available assets of the receivership defendants in order to determine the economic viability  
3 of a receivership. Upon such review, if the receiver determines that sufficient assets are readily  
4 available to fund the receivership, then the receiver shall file such finding with the Court, and the  
5 receivership shall continue until further order of the Court. If upon initial review the receiver  
6 determines that readily available assets are insufficient to maintain the receivership, then the receiver  
7 shall so notify the Court, and may request that the Court dissolve the receivership, or modify the  
8 duties and responsibilities of the receiver, and Plaintiff will not oppose such request, it being  
9 understood that the receiver and professionals employed by the receiver shall not be expected to  
10 perform services unless readily available assets exist to pay the expenses of the receivership.

11           16.     The receiver shall cooperate fully with the California Department of Corporations, and  
12 any other state and federal law enforcement or other regulatory agencies having jurisdiction over  
13 matters relating to the conduct or business of defendants so as not to impair the ability of said state  
14 and federal law enforcement regulatory agencies to perform their duly authorized investigative and  
15 enforcement duties.

16           17.     Any state or federal law enforcement or regulatory agency having jurisdiction over  
17 matters relating to defendants' business shall be permitted to review, without exception, all reports of  
18 the receiver and all books, records, and files of defendants at any time during normal business hours,  
19 with reasonable notice, and to make any abstracts or copies of said documents as it desires, provided  
20 that nothing herein shall waive or abrogate any applicable attorney-client or other legally recognized  
21 privilege.

22           18.     The receiver's powers shall be in addition to, and not by way of limitation of, the  
23 powers described in Corporations Code Sections 25530(a) and 29540, and Government Code Section  
24 13975.1 and Code of Civil Procedure Sections 564, et seq.

25           19.     The receiver shall be vested with, and is authorized, directed and empowered to  
26 exercise, all of the power of receivership defendants, their officers, directors, shareholders, general  
27 partners or persons who exercise similar powers and perform similar duties; and that receivership  
28 defendants, their officers, agents, employees, representatives, directors, successors in interest,



1 attorneys in fact and all persons acting in concert or participating with them, are hereby divested of,  
2 restrained and barred from exercising any of the powers vested herein in the receiver.

3 20. Defendants, including, but not limited to the receivership defendants, their officers,  
4 directors, shareholders, agents, servants, employees, attorneys, salespersons, successors, assigns,  
5 subsidiaries, affiliates, and other persons or entities under their control and all persons or entities in  
6 active concert or participation with defendants, and all persons owing a duty of disclosure to  
7 defendants, and each of them, shall cooperate with the receiver in his investigation and shall  
8 immediately turn over to the receiver records, documentation, charts and/or descriptive material of all  
9 funds, assets, property owned beneficially or otherwise, and all other assets of receivership  
10 defendants wherever situated, and all books and records of accounts, title documents and other  
11 documents in the possession or under their control, which relate, directly or indirectly, to assets of  
12 receivership defendants.

13 21. Except by leave of this Court and during the pendency of this receivership, all  
14 claimants, creditors, lessors and other persons seeking relief of any kind, in law or in equity, from  
15 receivership defendants, and all others acting on behalf of any such persons, including sheriffs,  
16 marshals, servants, agents and employees, are restrained and enjoined, directly or indirectly, from:

17 a. Commencing, prosecuting, continuing or enforcing any suit or proceeding,  
18 except by motion before this court;

19 b. Executing or issuing or causing the execution or issuance of any court  
20 attachment, subpoena, replevin, execution or other process for the purpose of impounding or taking  
21 possession of or interfering with or creating or enforcing a lien upon any property owned or in the  
22 possession of receivership defendants, its subsidiaries or affiliates, or the receiver appointed therein,  
23 wherever situated;

24 c. Commencing or continuing judicial or non-judicial foreclosure proceedings or  
25 proceedings for the appointment of a receiver for any property owned or claimed by receivership  
26 defendants in this action;

27 d. Creating, perfecting, or enforcing any lien or encumbrance against any real or  
28 personal property;

- 1 e. Accelerating the due date of any obligation or claimed obligation;
- 2 f. Exercising any right of set-off;
- 3 g. Taking, retaining, retaking or attempting to retake possession of any real or
- 4 personal property;
- 5 h. Withholding or diverting any rent or other obligation; and
- 6 i. Doing any act or thing whatsoever to interfere with the possession of or
- 7 management by the receiver herein and of the property and assets owned, controlled or in the
- 8 possession of receivership defendants or to, in any way, interfere with the receiver or to interfere in
- 9 any manner during the pendency of this proceeding with the exclusive jurisdiction of this Court over
- 10 defendants.

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

27 23. The receiver, the receiver's employees and agents, and professionals employed by the  
28 receiver, are entitled to monthly payment of interim compensation for services rendered, at their

1 normal hourly rates, and monthly reimbursement for all expenses incurred by them on behalf of the  
2 receivership estate, and the receiver is authorized to make such payments without further order of the  
3 court. Within 10 days after such monthly payments, the receiver shall serve written notice upon the  
4 counsel of record for receivership defendants of the amount paid to each payee, with an itemization  
5 of the services rendered or expenses incurred.

6 24. Interim monthly fees paid shall be subject to review and approval by this Court, on a  
7 quarterly basis. This Court retains jurisdiction to award a greater or lesser amount as the full, fair and  
8 final value of such services. In the event that extraordinary services are performed by the receiver, or  
9 any professionals employed by the receiver, the Court may approve extraordinary compensation to  
10 such persons.

11 25. Neither Plaintiff, the Commissioner of Corporations, the State of California, the  
12 Department of Corporations, nor any officer, employee or agent of the Department, shall have any  
13 liability for the payment, at any time, for any such fees or expenses in connection with said  
14 receivership.

15 IT IS FURTHER ORDERED that Defendants Alternate Business Capital, Pro-Fin, LLC,  
16 Mutual Benefits Union Corporation, MRD Network, LLC, ABC, LLC, Sell More, LLC, Asset  
17 Achievers Associates (AAA), Nia (Nghia) S. Cano, Helen Tkalec, Ben Aparicio, and Francisco  
18 Candedo their officers, agents, servants, employees and attorneys, and any other persons who are in  
19 custody, possession or control of any assets, collateral, books, records, papers or other property of  
20 Defendants shall forthwith give access to and control of such property to the Receiver.

21 IT IS FURTHER ORDERED that no officer, agent, servant, employee, or attorney of  
22 Alternate Business Capital, Pro-Fin, LLC, Mutual Benefits Union Corporation, MRD Network, LLC,  
23 ABC, LLC, Sell More, LLC, Asset Achievers Associates (AAA), Nia (Nghia) S. Cano, Helen Tkalec,  
24 Ben Aparicio, and Francisco Candedo or their subsidiaries or affiliates, shall take any action or  
25 purport to take any action, in the name of or on behalf of any receivership defendant or any of their  
26 subsidiaries and affiliates, without the written consent of the Receiver or order of this Court.

27 IT IS FURTHER ORDERED that, except by leave of this Court, during the pendency of this  
28 receivership, all clients, investors, trust beneficiaries, note holders, creditors, claimants, lessors, and

1 all other persons or entities seeking relief of any kind, in law or equity, from Defendants and all  
2 persons acting on behalf of any such investor, trust beneficiary, note holder, creditor, claimant, lessor,  
3 or other person, including sheriffs, marshals, servants, agents, employees, and attorneys, are hereby  
4 restrained and enjoined from, directly or indirectly with respect to receivership defendants:

- 5 A. using self-help or executing or issuing or causing the execution or issuance of any  
6 court attachment, subpoena, replevin, execution or other process for the purpose of  
7 impounding or taking possession of or interfering with or creating or enforcing a lien  
8 upon any property or property interest owned by or in the possession of receivership  
9 defendants and any partnerships or joint ventures for which receivership defendants  
10 are the Managing General Partner, wherever situated; and
- 11 B. doing any act or thing whatsoever to interfere with taking control, possession or  
12 management by the Receiver appointed hereunder of the property and assets owned,  
13 controlled or in the possession of receivership Defendants or in any way to interfere  
14 with or harass the temporary receiver or to interfere in any manner with the discharge  
15 of his or her duties and responsibilities hereunder.

16 IT IS FURTHER ORDERED that receivership Defendants and their subsidiaries and affiliates  
17 and their officers, agents, servants, employees and attorneys, shall cooperate with and assist the  
18 Receiver and shall take no action, directly or indirectly, to hinder, obstruct, or otherwise interfere  
19 with the Receiver in the conduct of his duties or to interfere in any manner, directly or indirectly,  
20 with the custody, possession, management, or control by the Receiver of the funds, assets, collateral,  
21 premises, and choses in action described above.

22 IT IS FURTHER ORDERED that each defendant named herein shall, within ten (10) days of  
23 the entry of this Order, prepare and deliver to the Receiver a detailed and complete schedule of all of  
24 his personal assets, including a description of the source of funds for the purchase of such assets. For  
25 purposes of this Order, the term "assets" shall include income/compensation or right of  
26 income/compensation from any source, and any financial or controlling interest in any business  
27 entity, including, but not limited to, a partnership, trust, corporation, or limited liability company.  
28 Such accounting shall be filed with the Court and a copy shall be delivered to the Receiver. After

1 completion of the accounting, each defendant named herein shall produce to the Receiver at a time  
2 agreeable to the Receiver, all books, records and other documents supporting or underlying his  
3 accountings.

4 IT IS FURTHER ORDERED that within ten (10) days from the date of this Order, all  
5 receivership defendants shall transfer to a trust account fund of the Receiver all assets, funds, and  
6 other property that is presently held in foreign locations in the name of any receivership defendant or  
7 for the benefit of or under the control of any of them, or over which any of them exercise actual  
8 investment or other authority, including signatory authority.

9 IT IS FURTHER ORDERED that the Receiver shall determine upon taking possession of the  
10 Property whether in the Receiver's judgment there is sufficient insurance coverage. With respect to  
11 any insurance coverage in existence or obtained, the Receiver shall be named as an additional insured  
12 on the policies for the period that the Receiver shall be in possession of the Property. If sufficient  
13 insurance coverage does not exist, the Receiver shall immediately notify the parties to this lawsuit  
14 and shall have thirty (30) calendar days to procure sufficient all-risk and liability insurance on the  
15 Property (excluding earthquake and flood insurance) provided, however, that if the Receiver does not  
16 have sufficient funds to do so, the Receiver shall seek instructions from the Court with regard to  
17 whether insurance shall be obtained and how it is to be paid for. If consistent with existing law, the  
18 Receiver shall not be responsible for claims arising from the lack of procurement or inability to  
19 obtain insurance.

20 IT IS FURTHER ORDERED that a copy of the Ex Parte Application, the Order Issuing the  
21 Temporary Restraining Order, Asset Freeze and Appointing Receiver, the Complaint, the  
22 Memorandum of Points and Authorities in support thereof, the Declarations in support thereof, and  
23 all other declarations and exhibits in support thereof, together with a copy of the Order to Show  
24 Cause shall be served on all defendants no later than February 4, 2005 at 5:00 p.m., pursuant to  
25 CCP §527(d)(2).

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1 IT IS SO ORDERED.

2 DATED:

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4 FEB 01 2005

JONATHAN H. CANNON

JONATHAN H. CANNON  
JUDGE OF THE SUPERIOR COURT

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