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10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 COUNTY OF SAN DIEGO

12 PEOPLE OF THE STATE OF CALIFORNIA,)
13 by and through the COMMISSIONER OF)
BUSINESS OVERSIGHT,)
14 Plaintiff,)

15 v.)

16 SILVER SADDLE COMMERCIAL)
DEVELOPMENT, LP, a California limited)
partnership; SILVER SADDLE RANCH &)
17 CLUB, INC. a California corporation; THE)
GALILEO COMMERCIAL PROPERTY)
18 OWNERS ASSOCIATION, INC., a California)
non-profit corporation; THOMAS M. MANEY,)
19 an individual, and DOES 1 through 10,)
inclusive,)

20 Defendants.)

21 And,)

22 MARIAN G. DUCREUX, an individual,)
23 CLIFFORD J. REYNOLDS, an individual,)
24 WAYNE A. PEDERSEN, an individual, and)
Relief Does 1 through 10, inclusive,)

25 Relief Defendants.)
26)
27)
28)

FILED UNDER SEAL

FILED

Clerk of the Superior Court

SEP 24 2019

By: A. Taylor

CASE NO.: **37-2019-00049151-CU-MC-CTL**
[PROPOSED] TEMPORARY RESTRAINING
ORDER; ASSET FREEZE; APPOINTMENT
OF A RECEIVER; AND ORDER TO SHOW
CAUSE RE: PRELIMINARY INJUNCTION

(Corporations Code sections 25110, 25401,
25530 and CCP 527(c)(2)(C), CA Rules of
Court sections 3.1175(a), 3.1201, 3.1202,
3.1204(b)(3); Gov. Code section 6103)

Date:
Time:
Dept.:

1 TO ALL DEFENDANTS AND THEIR COUNSEL OF RECORD:

2 The Ex Parte Application for Temporary Restraining Order; Asset Freeze; Appointment of
3 Receiver; and Order to Show Cause Re: Preliminary Injunction, came on at the above date and time
4 and in the department indicated. Plaintiff, the People of the State of California, by and through the
5 Commissioner of Business Oversight (Commissioner), was represented by Senior Counsel Robert
6 Lux and Counsel Boryana Arsova.

7 After consideration of Plaintiff's Ex Parte Application, Complaint, Memorandum of Points
8 and Authorities in support thereof, Declarations in support thereof; and other supporting declarations
9 and exhibits filed by Plaintiff in this action, and FOR GOOD CAUSE APPEARING,

10 IT IS HEREBY ORDERED THAT:

11 Pursuant to Code of Civil Procedure section 527(d)(1), an Order to Show Cause hearing shall
12 be held on October 16, 2019, at 1:30 a.m./p.m., in Department 73 of this Court, at which
13 time Defendants shall show why a preliminary injunction should not be granted and the receiver
14 should not be confirmed. The hearing shall be held in accordance with Code of Civil Procedure
15 section 527(e).

16 The following briefing schedule shall apply: If Defendants choose to submit written
17 statements or objections to the issuance of a preliminary injunction, papers must be filed in
18 Department 73 no later than October 10, 2019, by noon a.m./p.m., and served by
19 facsimile/electronic and overnight mail on Robert Lux, Senior Counsel, 1350 Front Street, Suite
20 2034, San Diego, CA 92101, telephone: (619) 525-3729, facsimile: (619) 525-4045, email:
21 Robert.Lux@dbo.ca.gov. If the Commissioner chooses to file a reply, papers must be filed in
22 Department 73 no later than October 14, 2019, by noon a.m./p.m., and served by
23 facsimile/electronic and overnight mail on the Defendants at their attorneys' business address or, if
24 they do not have an attorney, on them personally.

25 A copy of the Ex Parte Application, the Order Issuing this Temporary Restraining Order,
26 Asset Freeze, and Appointment of Receiver, the Complaint, the Memorandum of Points and
27 Authorities in support thereof, the Declarations in support thereof, and all other exhibits in support
28 thereof, together with a copy of the Order to Show Cause shall be served on all Defendants no later

1 than October 1, 2019, pursuant to Code of Civil Procedure section 527(d)(2) and
2 California Rules of Court section 3.1176(b). Proof of service shall be filed in Department 73 no
3 later than October 4, 2019, by ~~_____~~ a.m./p.m.

4 IT IS FURTHER ORDERED THAT:

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

9 a. Selling or purchasing or offering to sell or purchase any security as defined by
10 California law, without first qualifying that security as required by law.

11 b. Violating Corporations Code section 25110 of the Corporate Securities Law of 1968
12 (CSL) by offering or selling unqualified, non-exempt securities, including, but not limited to, the
13 Galileo Project (also known as Landbanking Plus) investment contracts.

14 c. Violating Corporations Code section 25401 by offering or selling or buying or
15 offering to buy any securities by means of any written or oral communication which includes an
16 untrue statement of a material fact or omits to state a material fact necessary in order to make the
17 statements made, in light of the circumstances under which they were made, not misleading,
18 including, but not limited to, the Galileo Project.

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

24 e. Transferring, changing, disbursing, selling, dissipating, converting, pledging,
25 assigning, foreclosing or otherwise disposing of any real or personal property or other assets, in their
26 possession or under their control, or in the possession of, or under the control of, any of them, which
27 property or other assets are or were to be held for the benefit of Defendants' investors and/or

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1 creditors, or by any person for the benefit of any investors and/or creditors of Defendants, and each
2 of them, whether in trust or otherwise, without further Order from this Court.

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

9 IT IS FURTHER ORDERED THAT:

10 1. A freeze be placed on all funds, negotiable instruments and/or assets held in any
11 bank, savings or checking, brokerage or other accounts, certificates of deposit, safe deposit box, or
12 otherwise, without limitation, in the name of, or for the benefit of directly or indirectly, SILVER
13 SADDLE COMMERCIAL DEVELOPMENT, LP; SILVER SADDLE RANCH & CLUB, INC.;
14 THE GALILEO COMMERCIAL PROPERTY OWNERS ASSOCIATION, INC., and Does 1
15 through 10, inclusive, including, but not limited to:

16 A. JP Morgan Chase Bank, N.A.;

17 B. Wells Fargo Bank, N.A.;

18 C. Mission Bank;

19 D. One West Bank;

20 E. Frost Bank;

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

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

25 THE COURT FURTHER FINDS THAT:

26 1. Good cause exists for the appointment of a receiver and that Thomas W. McNamara
27 of Regulatory Resolutions, 655 W. Broadway, Suite 1600, San Diego, CA 92101, is qualified to act
28 as such receiver (Receiver).

1 IT IS THEREFORE ORDERED THAT:

2 1. Receiver be authorized and directed to take possession of all real and personal
3 property and assets of Defendants SILVER SADDLE COMMERCIAL DEVELOPMENT, LP;
4 SILVER SADDLE RANCH & CLUB, INC.; THE GALILEO COMMERCIAL PROPERTY
5 OWNERS ASSOCIATION, INC. as well as any other entity that has conducted any business
6 related to Defendants’ offering and selling of the Galileo Project investment contracts, including
7 receipt of assets derived from any activity that is the subject of the Complaint in this matter, and that
8 the Receiver determines is controlled or owned by any Defendant (hereinafter “Receivership
9 Defendants”), and their respective subsidiaries and affiliates, and their successors and assigns
10 wherever situated, or to which Receivership Defendants have any right of possession, custody or
11 control, beneficially or otherwise, irrespective of whosoever holds such assets, including all such
12 assets which Receivership Defendants carry or maintain, or which may be received during the
13 pendency of this receivership, in order to obtain an adequate accounting of Receivership Defendants’
14 assets and liabilities and to secure a marshalling of said assets.

15 2. For good cause appearing, the Receiver’s bond is set at \$50,000.

16 3. Upon his appointment and entering upon his duties, the Receiver is authorized,
17 empowered and directed: to marshal, collect, review, observe, discover and take charge of all the
18 real and personal property, premises and other assets of, or in the possession of or under the control
19 of, Receivership Defendants, beneficially or otherwise, or wherever else situated, including, but not
20 limited to the following premises:

21 A. Silver Saddle Ranch & Club, Inc.: 20751 Aristotle Dr, California City, CA 93505,
22 and 7635 North San Fernando Road, Suite A; Burbank, CA 91505;

23 B. Silver Saddle Commercial Development, LP: 7635 North San Fernando Road, Suite
24 A; Burbank, CA 91505, and 15315 Magnolia Boulevard, Suite 201, Sherman Oaks,
25 CA 91403;

26 C. The Galileo Commercial Property Owners Association, Inc.: 7635 North San
27 Fernando Road, Suite A; Burbank, CA 91505;

28 and all accounts or safe deposit boxes of Receivership Defendants in financial depository or other

1 institutions, including, but not limited to the following:

- 2 A. JP Morgan Chase Bank, N.A.;
- 3 B. Wells Fargo Bank, N.A.;
- 4 C. Mission Bank;
- 5 D. One West Bank;
- 6 E. Frost Bank;

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

18 4. To take all steps necessary to secure all premises that Receivership Defendants are
19 using to conduct business operations that relate to the unlawful activity alleged in the Complaint,
20 including, but not limited to the premises listed in paragraph 3 above. Steps to secure premises may
21 include, but are not limited to, any of the following, as Receiver deems necessary or advisable: (a)
22 serving this Order; (b) completing a written inventory of all receivership assets; (c) obtaining
23 pertinent information from all employees and other agents of Receivership Defendants, including,
24 but not limited to, requiring such employees and agents to complete a questionnaire provided by
25 Receiver; (d) photographing and videotaping any or all portions of the premises; (e) securing the
26 location by changing any locks or security codes and disconnecting any computer modems or other
27 means of access to the computer or other records maintained at that location; (f) obtaining access to
28 any locked storage containers believed to contain assets or documents; (g) requiring any persons

1 present on the premises at the time this Order is served to leave the premises, to provide Receiver
2 with proof of identification, or to demonstrate to the satisfaction of Receiver that such persons are
3 not removing from the premises assets or documents of Receivership Defendants or otherwise
4 subject to this Order; and (h) securing the assistance of law enforcement officers. Law enforcement
5 officers may assist Receiver in implementing these provisions to keep the peace and maintain
6 security.

7 5. To employ the law firm of McNamara Smith LLP where the Receiver is a partner.
8 The Receiver may employ such other attorneys and persons upon further order of this Court to assist
9 the Receiver in the performance of his duties and responsibilities, such employment to be approved
10 by the Court upon ex parte application of the Receiver.

11 6. To employ other such persons, including accountants, investigators, clerical and
12 professional personnel, and the Receiver’s in-house staff and counsel, to perform such tasks as may
13 be necessary to aid the Receiver in the performance of his duties and responsibilities, without further
14 order of the Court.

15 7. To file, within 30 days of his qualification and appointment hereunder, an initial
16 inventory of all property which he shall then have reviewed, observed and/or discovered pursuant to
17 this Court’s Order. Additionally, the Receiver is to file one or more supplemental inventories when
18 and if he shall subsequently come into knowledge of additional items appropriate to the inventory.

19 8. To undertake an independent review into the affairs and transactions of Receivership
20 Defendants and to file with this Court, within 120 days, and every six months thereafter, a report
21 detailing the Receiver’s findings of his review of the condition of Receivership Defendants, other
22 affairs and transactions of Receivership Defendants, reflecting the existence of any liabilities, both
23 those claimed by others to exist and those to which the Receiver believes to be the legal obligations
24 of each of said Receivership Defendants, including a review of any possible conflicts of interest and
25 any further information the Receiver believes may assist in an equitable disposition of this matter,
26 and to include in the report the Receiver’s opinion regarding the ability of said Receivership
27 Defendants to meet their obligations as they come due, and the Receiver’s recommendation
28 regarding the necessity for, and the best method of handling, preserving, or disposing of said assets.

1 9. To invest funds of the receivership estate in any interest-bearing obligations of the
2 United States or in any interest-bearing accounts in financial institutions approved by the United
3 States Trustee as an authorized depository for funds of bankruptcy estate, without further order of
4 the Court; and to be the signatory on all bank accounts of Receivership Defendants, and each of
5 them, including, but not limited to:

- 6 A. JP Morgan Chase Bank, N.A.;
- 7 B. Wells Fargo Bank, N.A.;
- 8 C. Mission Bank;
- 9 D. One West Bank;
- 10 E. Frost Bank;

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

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

17 11. To bring such proceedings as are necessary to modify the provisions hereof, as the
18 Receiver deems appropriate.

19 12. To make such payments and disbursements from the funds so taken into custody,
20 control and possession of the Receiver or otherwise received by him, as may be necessary and
21 advisable in discharging his duties as receiver, without further order of the Court, including, without
22 limitation, the payment of interim compensation to the Receiver and persons or entities under
23 subparagraphs (5) and (6) above, subject to the provisions of subparagraph (27) and (28). The
24 Receiver shall apply to the Court for prior approval of any payment of any debt or obligation
25 incurred by the Receivership Defendants prior to the date of entry of this order, except payments that
26 the Receiver deems necessary or advisable to secure assets of the Receivership Defendants.

27 13. To carry on any lawful business activity of the entities and persons or entities in
28 receivership, to preserve investors' assets and to foreclose and/or actively seek and negotiate with

1 potential buyers, assignees or other parties who may be interested in acquiring, purchasing, leasing,
2 subleasing or renting real or personal property of Receivership Defendants and to sell, lease,
3 sublease or rent such real or personal property of Receivership Defendants, subject to court approval.

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

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

14 16. Upon the Receiver’s appointment, the Receiver shall undertake an immediate review
15 of all readily available assets of the Receivership Defendants in order to determine the economic
16 viability of a receivership. Upon such review, if the Receiver determines that sufficient assets are
17 readily available to fund the receivership, then the Receiver shall file such finding with the Court,
18 and the receivership shall continue until further order of the Court. If upon initial review the
19 Receiver determines that readily available assets are insufficient to maintain the receivership, then
20 the Receiver shall so notify the Court, and may request that the Court dissolve the receivership, or
21 modify the duties and responsibilities of the Receiver, and Plaintiff will not oppose such request, it
22 being understood that the Receiver and professionals employed by the Receiver shall not be
23 expected to perform services unless readily available assets exist to pay the expenses of the
24 receivership.

25 17. The Receiver shall cooperate fully with the Plaintiff, and any other state and federal
26 law enforcement and regulatory agencies having jurisdiction over matters relating to the conduct or
27 business of Receivership Defendants so as not to impair the ability of said state and federal law

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1 enforcement regulatory agencies to perform their duly authorized investigative and enforcement
2 duties.

3 18. The Receiver’s powers shall be in addition to, and not by way of limitation of, the
4 powers described in Corporations Code section 25530, subdivision (a), and Government Code
5 section 12896 and Code of Civil Procedure section 564 et seq.

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

12 20. The Receiver shall be vested with, and is authorized, directed and empowered to
13 exercise, all of the power of Receivership Defendants, their officers, directors, shareholders, general
14 partners or persons who exercise similar powers and perform similar duties; Receivership
15 Defendants, their officers, agents, employees, representatives, directors, successors in interest,
16 attorneys in fact and all persons acting in concert or participating with them, are hereby divested of,
17 restrained and barred from exercising any of the powers vested herein in the Receiver.

18 21. If the Receiver identifies a nonparty entity as a Receivership Defendant, the Receiver
19 shall promptly notify the entity as well as the parties and inform the entity that it can challenge the
20 Receiver’s determination by filing a motion with the Court. Provided, however, that the Receiver
21 may delay providing such notice until the Receiver has established control of the nonparty entity and
22 its assets and records, if the Receiver determines that notice to the entity may result in the
23 destruction of records, dissipation of assets, or any other obstruction of the Receiver’s control of the
24 entity.

25 22. Defendants, including, but not limited to the Receivership Defendants, their officers,
26 directors, shareholders, agents, servants, employees, attorneys, salespersons, successors, assigns,
27 subsidiaries, affiliates, and other persons or entities under their control and all persons or entities in
28 active concert or participation with Receivership Defendants, and all persons owing a duty of

1 disclosure to Receivership Defendants, and each of them, and all individually named Defendants,
2 shall cooperate with the Receiver in his investigation and shall immediately turn over to the Receiver
3 records, computers and passwords, and/or access codes for all computers and any security systems,
4 documentation, charts and/or descriptive material of all funds, assets, property owned beneficially or
5 otherwise, and all other assets of Receivership Defendants wherever situated, and all books and
6 records of accounts, title documents and other documents in the possession or under their control,
7 which relate, directly or indirectly, to assets of Receivership Defendants.

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

13 a. Commencing, prosecuting, continuing or enforcing any suit or proceeding,
14 except by motion before this Court;

15 b. Executing or issuing or causing the execution or issuance of any court
16 attachment, subpoena, replevin, execution or other process for the purpose of impounding or taking
17 possession of or interfering with or creating or enforcing a lien upon any property owned or in the
18 possession of Receivership Defendants, their subsidiaries or affiliates, or the receiver appointed
19 therein, wherever situated;

20 c. Commencing or continuing judicial or non-judicial foreclosure proceedings or
21 proceedings for the appointment of a receiver for any property owned or claimed by Receivership
22 Defendants in this action;

23 d. Creating, perfecting, or enforcing any lien or encumbrance against any real or
24 personal property;

25 e. Accelerating the due date of any obligation or claimed obligation;

26 f. Exercising any right of set-off;

27 g. Taking, retaining, retaking or attempting to retake possession of any real or
28 personal property;

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

7 24. This Order does not stay:

- 8 a. The commencement or continuation of a criminal action or proceeding;
- 9 b. The commencement or continuation of an action or proceeding by a
- 10 government unit, to enforce such government unit’s police or regulatory power;
- 11 c. The enforcement of a judgment, other than a money judgment, obtained in an
- 12 action or proceeding by a government unit to enforce such government unit’s police or regulatory
- 13 power; or
- 14 d. The issuance to a Defendant of a notice of tax deficiency.

15 25. Any and all provisions of any agreement entered into by and between any third party

16 and Receivership Defendants, including, by way of illustration, but not limited to, the following

17 types of agreements (as well as any amendments or modifications thereto), mortgages, partnership

18 agreements, financial guarantee bonds, joint venture agreements, promissory notes, remarketing

19 agreements, loan agreements, security agreements, indemnification agreements, subrogation

20 agreements, subordination agreements, deeds of trust, pledge agreements, assignments of rents and

21 other collateral, financing statements, letters of credit, leases, insurance policies, guarantees, escrow

22 agreements, management agreements, real estate brokerage and rental agreements, servicing

23 agreements, consulting agreements, easement agreements, license agreements, franchise agreements,

24 construction contracts, or employment contracts that provide in any manner that the selection,

25 appointment, or retention of a receiver or trustee by any court, or the entry of an order such as

26 hereby made, shall be deemed to be, or otherwise operate as a breach, violation, event of default,

27 termination, event of dissolution, event of acceleration, insolvency, bankruptcy, or liquidation, shall

28 be stayed, and the assertion of any and all rights, remedies relating thereto shall also be stayed and

1 barred, except as otherwise ordered by this Court, and this Court shall retain jurisdiction over any
2 causes of action that have arisen or may otherwise arise under any such provision.

3 26. In the event Receiver receives notice that a bankruptcy has been filed by any
4 Defendant and part of the bankruptcy estate includes assets that are the subject to this Order,
5 Receiver shall immediately contact the People and determine whether the People intend to move in
6 the bankruptcy court for an order for (i) relief from the automatic stay, and (ii) relief from Receiver's
7 obligation to turn over assets in the receivership estate (11 U.S.C. § 543). If the People have no
8 intention to make such a motion, Receiver shall immediately turn over the appropriate receivership
9 assets to the appropriate entity – either to the trustee in bankruptcy if one has been appointed or, if
10 not, to the debtor in possession – and otherwise comply with 11 U.S.C. § 543. If the People intend to
11 seek relief from the automatic stay and from Receiver's obligation to turn over assets in the
12 receivership estate, Receiver may remain in possession and preserve the receivership estate pending
13 ruling on those motions (11 U.S.C. § 543, subd. (a).) Receiver's authority to preserve assets that are
14 subject to the bankruptcy shall be limited as follows: (a) Receiver may continue to collect rents and
15 other income; (b) Receiver may make only those disbursements necessary to preserve and protect
16 those assets; (c) Receiver shall not execute any new leases or other long-term contracts; and (d)
17 Receiver shall do nothing that would affect a material change in the circumstances of those assets.

18 27. The Receiver, the Receiver's employees and agents, and professionals employed by
19 the Receiver, are entitled to monthly payment of interim compensation for services rendered, at their
20 normal hourly rates, and monthly reimbursement for all expenses incurred by them on behalf of the
21 receivership estate, and the Receiver is authorized to make such payments without further order of
22 the Court. Within 10 days after such monthly payments, the Receiver shall serve written notice upon
23 the counsel of record for Receivership Defendants of the amount paid to each payee, with an
24 itemization of the services rendered or expenses incurred.

25 28. Interim monthly fees paid shall be subject to review and approval by this Court, on a
26 quarterly basis. This Court retains jurisdiction to award a greater or lesser amount as the full, fair and
27 final value of such services. In the event that extraordinary services are performed by the Receiver,

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1 or any professionals employed by the Receiver, the Court may approve extraordinary compensation
2 to such persons.

3 29. Neither Plaintiff, nor any officer, employee or agent of Plaintiff, shall have any
4 liability for the payment, at any time, for any such fees or expenses in connection with said
5 receivership.

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

10 IT IS FURTHER ORDERED that until further order of the Court and in order to ensure the
11 effectiveness of the Court’s appointment of Receiver, as follows:

12 1. Each Receivership Defendant shall provide the People and Receiver with the
13 following information regarding its assets (Asset Information):

- 14 a. For any real property (i) owned in whole or in part or controlled by any
15 Receivership Defendant, in whole or in part, (ii) in the actual or constructive
16 possession of any Receivership Defendant, (iii) held by an agent of any
17 Receivership Defendant on its behalf, or (iv) owned, controlled by, or in the
18 actual or constructive possession of, or otherwise held for the benefit of, any
19 Receivership Defendant or any corporation, partnership, or other entity directly or
20 indirectly owned or controlled by any Receivership defendant, as of the date of
21 this Order, the legal description and address of each property.
22 b. For each and every bank account or investment account, including checking
23 accounts, saving accounts, money market accounts, retirement accounts, mutual
24 fund and stock brokerage accounts, that are (i) owned in whole of in part or
25 controlled by any Receivership Defendant, in whole or in part, (ii) in the actual or
26 constructive possession of any Receivership Defendant, (iii) held by an agent of
27 any Receivership Defendant on its behalf, or (iv) owned, controlled by, or in the
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1 actual or constructive possession of, or otherwise held for the benefit of, any
2 Receivership Defendant or any corporation, partnership, or other entity directly or
3 indirectly owned or controlled by any Receivership Defendant, as of the date of
4 this Order, the account number, name(s) on the account, current balance, and the
5 name and contact information of the financial institution.

- 6 c. For all personal property with a fair market value in excess of \$2,500, that is (i)
7 owned in whole or in part or controlled by any Defendant, in whole or in part, (ii)
8 in the actual or constructive possession of any Receivership Defendant, (iii) held
9 by an agent of any Receivership Defendant on its behalf, or (iv) owned, controlled
10 by, or in the actual or constructive possession of, or otherwise held for the benefit
11 of, any Receivership Defendant or any corporation, partnership, or other entity
12 directly or indirectly owned or controlled by any Receivership Defendant, as of
13 the date of this Order, a list of the property, the location of the property, and a
14 reasonably detailed description of the property, including, as applicable, serial
15 numbers or other identification numbers and registration information.

16 2. Each Receivership Defendant shall provide this Asset Information by overnight
17 delivery service, facsimile, email, or hand delivery to:

- 18 a. Senior Counsel Robert Lux, 1350 Front Street, Suite 2034, San Diego, California
19 92101, fax (619) 525-4045, email Robert.Lux@dbo.ca.gov; and
20 b. Receiver Thomas McNamara of Regulatory Resolutions, 655 West Broadway,
21 Suite 1600, San Diego, California 92101, fax (619) 269-0401, email
22 tmcnamara@mcnamarallp.com

23 3. The Asset Information must be received by the People and Receiver within three (3)
24 business days of service of this Order on Receivership Defendants or their counsel.

25 IT IS FURTHER ORDERED that no officer, agent, servant, employee, or attorney of
26 Receivership Defendants or their subsidiaries or affiliates, shall take any action or purport to take
27 any action, in the name of or on behalf of any Receivership Defendant or any of their subsidiaries
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1 and affiliates, without the written consent of the Receiver or order of this Court.

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

- 8 A. using self-help or executing or issuing or causing the execution or issuance of any
9 court attachment, subpoena, replevin, execution or other process for the purpose of
10 impounding or taking possession of or interfering with or creating or enforcing a lien
11 upon any property or property interest owned by or in the possession of Receivership
12 Defendants and any partnerships or joint ventures for which Receivership Defendants
13 are the Managing General Partner, wherever situated; and
14 B. doing any act or thing whatsoever to interfere with taking control, possession or
15 management by the receiver appointed hereunder of the property and assets owned,
16 controlled or in the possession of Receivership Defendants or in any way to interfere
17 with or harass the temporary receiver or to interfere in any manner with the discharge
18 of his or her duties and responsibilities hereunder.
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20 IT IS FURTHER ORDERED that Receivership Defendants and their subsidiaries and
21 affiliates and their officers, agents, servants, employees and attorneys, shall cooperate with and assist
22 the Receiver and shall take no action, directly or indirectly, to hinder, obstruct, or otherwise interfere
23 with the Receiver in the conduct of his duties or to interfere in any manner, directly or indirectly,
24 with the custody, possession, management, or control by the Receiver of the funds, assets, collateral,
25 premises, and chooses in action described above.

26 IT IS FURTHER ORDERED that the Receiver shall determine upon taking possession of the
27 property whether in the Receiver’s judgment there is sufficient insurance coverage. With respect to
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1 any insurance coverage in existence or obtained, the Receiver shall be named as an additional
2 insured on the policies for the period that the Receiver shall be in possession of the property. If
3 sufficient insurance coverage does not exist, the Receiver shall immediately notify the parties to this
4 lawsuit and shall have thirty (30) calendar days to procure sufficient all-risk and liability insurance
5 on the property (excluding earthquake and flood insurance) provided, however, that if the Receiver
6 does not have sufficient funds to do so, the Receiver shall seek instructions from the Court with
7 regard to whether insurance shall be obtained and how it is to be paid for. If consistent with existing
8 law, the Receiver shall not be responsible for claims arising from the lack of procurement or
9 inability to obtain insurance.

10 IT IS SO ORDERED.

11 DATED: September 24, 2019

12 JOEL R. WOHLFEIL
13 JUDGE OF THE SUPERIOR COURT

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