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FILED
Superior Court of California
County of Los Angeles

NOV 16 2021

Sherril R. Carter, Executive Officer/Clerk of Court
By: J. De Luna, Deputy

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

THE PEOPLE OF THE STATE OF CALIFORNIA, by and through the Commissioner of Financial Protection and Innovation,)	Case No. 21STCP01822
)	
)	PROPOSED ORDER APPOINTING LIMITED
)	RECEIVER TO LIQUIDATE AND WIND UP
)	TRUST ACCOUNT AFFAIRS
Petitioner,)	
)	
v.)	
)	
BUILDERS DISBURSEMENTS, INC.,)	
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Respondent.)	
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1 The Motion for an Order Appointing a Limited Receiver to Liquidate and Wind Up Trust
2 Account Affairs was heard on September 16, 2021 at 9:30 a.m. by this Court, the Honorable James C.
3 Chalfant presiding. Petitioner, the People of the State of California, by and through the Commissioner
4 of Financial Protection and Innovation (Commissioner) appeared by Senior Counsel, attorney Blaine
5 A. Noblett. Respondent, Builders Disbursements, Inc. (Builders Disbursements) did not appear.

6 This Court having considered the motion, petition, memorandum of points and authorities,
7 and supporting declarations and exhibits filed in the above-captioned matter by the Commissioner,
8 any opposition filed and upon a hearing before this Court, and GOOD CAUSE APPEARING
9 THEREFORE:

10 IT IS ORDERED:

11 That Byron Z. Moldo, of the law firm of Ervin Cohen & Jessup LLP, is appointed as receiver
12 (Receiver) over the escrow trust funds of Builders Disbursements, including, but not limited to, the
13 subsidiary escrow trust accounts, trust account, any indemnity funds paid by the Escrow Agents'
14 Fidelity Corporation, any bond or insurance policy maintained by Builders Disbursements or which it
15 is a beneficiary of, and all bank and escrow records pertinent thereto (collectively, Trust Property),
16 whether directly or indirectly, owned beneficially or otherwise by, or in the possession, custody or
17 control of Builders Disbursements or Ryan C. Murphy (Murphy), or to which Builders
18 Disbursements or Murphy, have any right of possession, custody or control, irrespective of
19 whomsoever holds such property, in order to obtain an adequate accounting of the Trust Property and
20 trust liabilities; secure a marshaling of such property; and to forthwith begin winding-up and
21 liquidating the Trust Property affairs of Builders Disbursements in accord with the provisions of the
22 Escrow Law (Fin. Code, § 17000 et seq.).

23 IT IS FURTHER ORDERED THAT:

24 1. Byron Z. Moldo, prior to entry upon the duties described herein, shall take an oath to
25 faithfully perform the duties of Receiver and to observe all of the instructions of this Court.

26 2. The Receiver is authorized, empowered, and directed:

27 (a) To review, observe, discover, and make notes regarding all the Trust Property of, or in
28 the possession of Builders Disbursements, wherever situated, including all trust accounts of Builders

1 Disbursements in financial depository institutions and of any other Trust Property in which Builders
2 Disbursements has an interest regardless by whom it may be held on an ongoing basis pursuant to this
3 Court's order;

4 (b) To retain and employ Ervin Cohen & Jessup, LLP as his attorney(s) to assist, advise,
5 and represent the Receiver in the performance of his duties and responsibilities as the Court may
6 approve upon written application of the Receiver;

7 (c) To retain and employ Dominic LoBuglio, CPA, Inc. as his accountants, and such other
8 such persons, clerical and professional, to perform such tasks as may be necessary to aid the Receiver
9 in the performance of his duties and responsibilities;

10 (d) To be the sole signatory on all trust bank accounts and bank accounts of Builders
11 Disbursements;

12 (e) To bring such proceedings as are necessary to enforce the provisions hereof;

13 (f) To bring such actions as are necessary to modify the provisions hereof;

14 (g) To make such payments and disbursements from the Trust Property taken into
15 custody, control, and possession of the Receiver or otherwise received by him, as may be necessary
16 and advisable in discharging his duties as Receiver;

17 (h) To preserve Trust Property;

18 (i) To institute, prosecute, defend, compromise, intervene and become a party either in
19 his own name or in the name of Builders Disbursements to such suits, actions, or proceedings as may
20 be necessary for the protection, maintenance, recoupment or preservation of the Trust Property of
21 Builders Disbursements and their escrow parties, with prior court approval; and

22 (j) To divert, take possession of and secure all mail of Builders Disbursements and in
23 order to screen such mail for correspondence relating to the Trust Property, returning non-property
24 mail to Murphy, CEO, CFO, and registered agent of Builders Disbursements, and to effect a change
25 in the rights to use any and all post office boxes and other mail collection facilities used by Builders
26 Disbursements.

27 3. The Receiver is hereby vested with, and is authorized, directed, and empowered to
28 exercise all of the powers of Builders Disbursements' officers and directors or persons who exercise

1 similar powers and perform similar duties with respect to the Trust Property, whose authority is
2 hereby suspended; and Builders Disbursements' officers, agents, employees, representatives,
3 directors, successors in interest, attorneys in fact and all persons acting in the concert or participating
4 with them, are hereby divested of, restrained and barred from exercising any of the powers herein
5 vested in the Receiver.

6 4. Any local, state, or federal law enforcement and regulatory agency having jurisdiction
7 over matters relating to Builders Disbursements' business shall be entitled to review, without
8 exception, all reports of the Receiver and all books, records, and files on Builders Disbursements in
9 the possession of the Receiver at any time during normal business hours, and to make any abstract or
10 copies of said documents as it desires.

11 5. Builders Disbursements and their respective officers, directors, agents, servants,
12 employees, successors, assigns, affiliates, and other persons or entities under their control and all
13 persons or entities in active concert or participation with them, and each of them, shall turn over to
14 the Receiver all records, documentation, charts and descriptive material, which relate, directly or
15 indirectly, to the Trust Property of Builders Disbursements or otherwise belonging to their escrow
16 transaction parties, now held by Builders Disbursements or any of them.

17 6. This Court will retain jurisdiction of this action in order to implement and carry out
18 the terms of all orders and decrees that may be entered herein or to entertain any suitable application
19 or motion by the Commissioner or Receiver or both for additional relief and modification of any
20 order made herein within the jurisdiction of this Court.

21 7. During the pendency of this receivership, except by leave of court, all parties to joint
22 control agreements (escrows) held by Builders Disbursements and any other persons seeking relief of
23 any kind, in law or in equity, from Builders Disbursements Trust Property, and all others acting on
24 behalf of any such parties or other persons including sheriffs, marshals, servants, agents and
25 employees are restrained from:

26 (a) Commencing, prosecuting, continuing, or enforcing any suit or proceeding;

27 (b) Executing or issuing or causing the execution or issuance of any court attachment,
28 subpoena, replevin, execution, or other process for the purpose of impounding or taking possession of

1 or interfering with or creating or enforcing a lien upon any Trust Property owned or in the possession
2 of Builders Disbursements or its affiliates, or the Receiver appointed herein, wherever situated;

3 (c) Taking, retaining, retaking, or attempting to retake possession of any Trust Property;

4 (d) Withholding or diverting any Trust Property obligation;

5 (e) Doing any act or other thing whatsoever to interfere with the possession of or
6 management by the Receiver herein and of the Trust Property, controlled by or in the possession of
7 Builders Disbursements or to in any way interfere with the Receiver or to interfere in any manner
8 during the pendency of this proceeding with the exclusive jurisdiction of this Court over the Builders
9 Disbursements Trust Property.

10 8. At such time as the financial condition of the property has been ascertained by the
11 Receiver and at such time as the Trust Property has been marshaled and all trust liabilities have been
12 determined, the Receiver shall file an application with the Court for disposition of such Trust
13 Property. The application shall propose in detail the winding-up and the distribution of trust funds. If
14 necessary, the Receiver shall be authorized to propose and carry out a partial distribution, retaining
15 such funds pending final distribution as are necessary to finance any existing or proposed litigation or
16 the remaining operation of the receivership.

17 9. The Receiver shall be paid an hourly rate of \$600.00 for his services and shall be
18 entitled to reimbursement for usual and customary expenses, including out-of-pocket expenditures on
19 behalf of the receivership estate, which shall be paid from the trust funds of Builders Disbursements,
20 and that the State of California shall have no liability whatsoever for any costs, fees, and out-of-
21 pocket expenses that may result from such receivership. The Receiver shall prepare interim
22 statements on a monthly basis for payment of reasonable fees and expenses incurred by the Receiver
23 and any professional retained by the Receiver, who, shall be entitled to payment of said fees and
24 expenses on account as hereinafter provided. Copies of such statements shall be promptly served on
25 all parties in this action through their attorneys of record, if any, who shall have ten calendar days
26 following the filing and service of such statement to serve any objections by email and first-class
27 mail to the Receiver and all other parties. If no objections are served on the Receiver and all other
28 parties within the ten calendar-day period, the Receiver is authorized to draw funds from the

1 receivership estate sufficient to pay 100 percent of out-of-pocket expenses and 75 percent of such
2 fees, including all professional fees, and other expenses such as in office copying charges, without
3 further order of the Court. If any objections are served, the Receiver is authorized to draw funds from
4 the receivership estate sufficient to pay any amounts as to which there is no objection, and the Court
5 will conduct a hearing on any objections upon motion of the Receiver or the objecting party. At such
6 hearing, the compensation of the Receiver or other professional making application, as well as
7 allowable disbursements and expenses, will be determined by the Court, and the Receiver will be
8 authorized to draw funds from the receivership estate to pay 100 percent and 75 percent, respectively,
9 of the amounts so determined by the Court. Notwithstanding such interim payments of fees and
10 expenses, all fees and expenses shall be submitted to the Court for its approval by a properly noticed
11 request for fees, stipulation of all parties, or the Receiver's Final Account and Report. Upon approval
12 of the fees and expenses of the Receiver or other professional, any hold back amounts still due and
13 owing to the Receiver or other professional shall be paid from the receivership estate.

14 10. The disbursement of Builders Disbursements' trust account funds is prohibited until a
15 reconciliation of Builders Disbursements' accounts has been completed and the Commissioner has
16 approved the reconciliation of which said approval shall not be unreasonably withheld, except to pay
17 the costs and expenses of the receivership as provided for in this or further order of this Court.

18 11. The Receiver shall post a bond in the amount of \$50,000.00.

19 Date: November 16, 2021

JUDGE OF THE SUPERIOR COURT