

**ROBB EVANS & ASSOCIATES LLC**

**Receiver of**

**Universal Premium Services, Inc. AKA Premier Benefits, Inc.**

**Consumer Reward Network, Inc.**

**Star Communications LLC**

**Membership Services Direct, Inc. AKA Continuity Partners Inc.**

**Connect2USA, Inc., et al.**

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**Federal Trade Commission v. Universal Premium Services, Inc, et al.  
CASE No. CV06-0849 GW (OPx)**

**Order:**

- (1) Approving Proposed Sale Procedures for Real Property Located at 745 Bridges Lane, Mammoth Lakes, California, and Authorizing and Confirming Sale of Mammoth House without Further Hearing; and**  
**(2) Granting Relief From Local Rule 66-7 Pertaining to Notice to Creditors**

**Filed April 11, 2008**

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7 ROBB EVANS & ASSOCIATES LLC

8 UNITED STATES DISTRICT COURT  
9 CENTRAL DISTRICT OF CALIFORNIA

10  
11 FEDERAL TRADE COMMISSION,

12 Plaintiff,

13 v.

14 UNIVERSAL PREMIUM SERVICES,  
INC., a California corporation (also  
15 known as Premier Benefits, Inc.), et al.,

16 Defendants.  
17  
18

CASE NO. CV 06-0849 GW (OPx)

**ORDER (1) APPROVING  
PROPOSED SALE PROCEDURES  
FOR REAL PROPERTY LOCATED  
AT 745 BRIDGES LANE,  
MAMMOTH LAKES,  
CALIFORNIA, AND  
AUTHORIZING AND  
CONFIRMING SALE OF  
MAMMOTH HOUSE WITHOUT  
FURTHER HEARING; AND (2)  
GRANTING RELIEF FROM  
LOCAL RULE 66-7 PERTAINING  
TO NOTICE TO CREDITORS**

Date: April 10, 2008  
Time: 8:30 a.m.  
Courtroom: 10  
Judge: Honorable George Wu

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24 The Motion for Order (1) Approving Proposed Sale Procedures for Real  
25 Property Located at 745 Bridges Lane, Mammoth Lakes, California, and  
26 Authorizing and Confirming Sale of Mammoth House Without Further Hearing;  
27 and (2) Granting Relief from Local Rule 66-7 Pertaining to Notice of Creditors  
28 (“Motion”) filed by Robb Evans & Associates LLC, the permanent receiver

1 (“Receiver”) of Universal Premium Services, Inc. aka Premier Benefits, Inc.,  
2 Consumer Reward Network, Inc., Star Communications, LLC, Membership Direct  
3 Services, Inc. aka Continuity Partners, Inc., Connect2USA, Inc. and their  
4 subsidiaries and affiliates (collectively, the “Receivership Defendants”), came on  
5 for hearing at the above-referenced date, time and place before the Honorable  
6 George H. Wu, United States District Judge presiding, pursuant to a stipulation for  
7 continuance of the hearing on the Motion by the Receiver and defendant Christine  
8 MacGregor, a further continuance of the hearing on the Court’s own motion to 3:00  
9 p.m. on April 3, 2008, and a further continuance after oral argument on April 3,  
10 2008 to 8:30 a.m. on April 10, 2008. Gary Owen Caris of McKenna Long &  
11 Aldridge LLP appeared on behalf of the Receiver; Faye Chen Barnouw appeared on  
12 behalf of plaintiff Federal Trade Commission; and Gregory W. Jessner and Kristin  
13 M. Kellet of Phillips Jessner LLP appeared on behalf of defendant Christine  
14 MacGregor. Other appearances, if any, were noted in the record at the hearing.  
15 The Court having reviewed and considered the Motion and the pleadings and  
16 papers filed in support thereof (the Motion and the pleadings and papers filed in  
17 support thereof being collectively referred to as the “Sale Procedures Motion”), and  
18 Defendant Christine MacGregor’s Objections to Receiver’s Proposed Sale  
19 Procedures for Real Property Located at 745 Bridges Lane, Mammoth Lakes,  
20 California (“Objections”), and having heard and considered the arguments of  
21 counsel, and good cause appearing therefor,

22 IT IS ORDERED that:

23 1. The Receiver’s Sale Procedures Motion is granted and the Receiver’s  
24 proposed procedures for the sale of the real property located at 745 Bridges Lane,  
25 Mammoth Lakes, California and legally described in Exhibit A attached hereto  
26 (“Mammoth House”) as described in the Sale Procedures Motion are hereby  
27 approved and the Objections thereto are overruled;

28 2. Without limiting the generality of the foregoing:

1           A.     The sale of the Mammoth House by private sale to Hirshberg  
2 Family Trust (“Proposed Buyer”) at a purchase price of \$3.3 million pursuant to the  
3 California Residential Purchase Agreement and Joint Escrow Instructions and  
4 related sale contract documents attached collectively as Exhibit 1 to the Declaration  
5 of Kenton Johnson in support of the Sale Procedures Motion (collectively  
6 “Proposed Purchase Agreement”), or to such higher qualified overbidder who  
7 hereafter submits the highest qualified overbid at the subsequent overbid session to  
8 be conducted under the terms and conditions set forth hereinbelow, is hereby  
9 approved and confirmed without further notice, hearing or order;

10           B.     The overbid session shall be conducted in accordance with the  
11 following terms and conditions:

12                     1.     The overbid session shall be conducted by the Receiver  
13 on or before April 26, 2008 at the offices of ReMax in Mammoth Lakes.  
14 Participation will also be available at the Los Angeles office of the Receiver’s  
15 attorney.

16                     2.     The Receiver shall cause to be published a notice of the  
17 proposed sale of the Mammoth House to a qualified bidder at the overbid session,  
18 the date, time and place of the overbid session and requirement for pre-qualification  
19 by overbidders in the following publications two times prior to the scheduled  
20 overbid session, at least one time on the weekend preceding the overbid session  
21 date: the *Mammoth Times* and the *Register*, another local Mammoth publication,  
22 both of which are circulated throughout Mammoth Lakes, Mono and Inyo Counties  
23 and to subscribers in the Southern California area.

24                     3.     Any person wishing to overbid at the overbid session  
25 shall be required to pre-qualify with the Receiver no later than 10:00 a.m. the  
26 business day preceding the overbid session by submitting a notice in writing of the  
27 bidder’s intent to overbid together with a written verification from a financial  
28 institution demonstrating to the Receiver’s satisfaction, in the Receiver’s sole

1 opinion and judgment, the bidder's ability to complete and close a purchase of the  
2 Mammoth House through sufficient funds or credit facilities within 20 days of the  
3 date of the overbid session and a cashier's check in the sum of \$100,000 payable to  
4 Robb Evans & Associates LLC as Receiver over the assets of Universal Premium  
5 Services QSF, which cashier's check shall become non-refundable upon acceptance  
6 of the bidder's overbid at the conclusion of the overbid session.

7 4. Overbidders bidding at the overbid session will be  
8 deemed to have completed all inspections of the Mammoth House and will be  
9 deemed to have waived and/or satisfied all contingencies in favor of the buyer  
10 under the Proposed Purchase Agreement, including any financing contingency, and  
11 will be required to close the purchase of the Mammoth House within 20 days of the  
12 date of the overbid session. The successful overbidder will be required to execute a  
13 purchase agreement for the Mammoth House substantially in the form of the  
14 Proposed Purchase Agreement together with a waiver of all buyer contingencies  
15 promptly after conclusion of the overbid session.

16 5. The initial overbid shall be in the amount of  
17 \$3,350,000.00 (an amount that is \$50,000 higher than the purchase price under the  
18 Proposed Purchase Agreement), and all subsequent overbids shall be in an amount  
19 at least \$25,000 but no more than \$50,000 higher than the preceding bid.

20 6. Pursuant to the Proposed Purchase Agreement and the  
21 Receiver's listing agreement with its broker ReMax, a sales commission in the  
22 fixed amount of \$75,000 is payable to the listing agent and a sales commission in  
23 the fixed amount of \$75,000 is payable to the selling/winning bidder's agent, if any,  
24 upon close of the sale of the Mammoth House from seller's proceeds.

25 7. If a party other than the Proposed Buyer under the  
26 Proposed Purchase Agreement is the winning bidder at the overbid session, then the  
27 Receiver shall be authorized to reimburse the Proposed Buyer for certain actual out-  
28 of-pockets expenses up to a maximum of \$10,000 for costs incurred by the potential

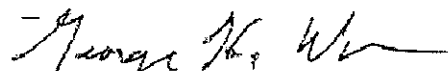
1 buyer in connection with the Proposed Purchase Agreement, including expenses for  
2 one appraisal report, one physical inspection, one roof inspection, and travel  
3 expenses to the property. The Proposed Buyer must submit to the Receiver  
4 invoices and other evidence of the expenses incurred in order to obtain such  
5 reimbursement.

6 C. The Receiver is authorized to execute all documents and  
7 instruments necessary or convenient to complete, implement, effectuate and close  
8 the sale of the Mammoth House to the purchaser, including but not limited to the  
9 deed conveying title to the Mammoth House;

10 D. In connection with the approved sale, the Receiver is authorized  
11 to permit and/or cause to be paid from the proceeds of sale all ordinary and  
12 customary closing costs, all costs and expenses required to be paid under the terms  
13 of the Proposed Purchase Agreement by the seller from the proceeds of sale, all  
14 commissions provided for in the Proposed Purchase Agreement and the Receiver's  
15 listing agreement for the property, as modified by the Receiver, all real property tax  
16 liens, and the balance due under the first deed of trust in favor of EMC Mortgage;  
17 and

18 E. Relief from Local Rule 66-7 pertaining to the giving of notice to  
19 all creditors of the receivership estate is hereby granted, and notice of the Sale  
20 Procedures Motion and the opportunity to be heard provided by the Receiver is  
21 hereby deemed adequate and appropriate under the circumstances.

22 Dated: April 11, 2008

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25 GEORGE H. WU  
26 United States District Judge  
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**EXHIBIT A**

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LOT 6 OF TRACT NO. 36-189, IN THE TOWN OF  
MAMMOTH LAKES, COUNTY OF MONO, STATE  
OF CALIFORNIA, AS PER MAP RECORDED IN  
BOOK 10 PAGES 57-57C OF MAPS, AND BOOK 10  
PAGES 58-58C OF MAPS, IN THE OFFICE OF THE  
COUNTY RECORDER OF SAID COUNTY.