

UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA

FEDERAL TRADE COMMISSION, and  
STATE OF MINNESOTA, by its Attorney  
General, Keith Ellison,

Plaintiffs,

v.

SELLERS PLAYBOOK, INC., a corporation,  
EXPOSURE MARKETING COMPANY, a  
corporation also, d/b/a Sellers Online and  
Sellers Systems,

JESSIE CONNERS TIEVA, individually and  
as an officer of SELLERS PLAYBOOK, INC.  
and EXPOSURE MARKETING COMPANY,  
and

MATTHEW R. TIEVA, individually and as an  
officer of SELLERS PLAYBOOK, INC. and  
EXPOSURE MARKETING COMPANY,

Defendants.

CASE NO. 18-cv-02207-DWF-TNL

JOINT MOTION FOR ORDER  
EXTENDING DEADLINE TO FILE  
RECEIVER'S FINAL REPORT AND  
MOTION TO WIND UP THE  
RECEIVERSHIP ESTATE FOR 90  
DAYS TO AUGUST 26, 2019

Receiver Robb Evans & Associates LLC ("Receiver"), appointed as the Receiver under the Amended Stipulated Order for Permanent Injunction and Monetary Judgment (Doc. 64) ("Stipulated Judgment") requests that the Court issue an order extending the deadline by which the Receiver is required to serve and file its Final Report and file and serve its motion to wind up the receivership estate to August 26, 2019. By this Joint Motion, the parties to the action, including Plaintiffs Federal Trade Commission ("FTC")

and the State of Minnesota (“Minnesota”), and the Defendants, support the Receiver’s request.

This lawsuit was commenced by the FTC and Minnesota with a Complaint for Permanent Injunction and Other Equitable Relief (Doc. 1) (“Complaint”) on July 30, 2018 against Sellers Playbook, Inc. (“Sellers Playbook”), Exposure Marketing Company (“Exposure Marketing”), Jessie Connors Tieva (“Jessie Tieva”), individually and as an officer of those entities, and Matthew R. Tieva (“Matthew Tieva”), individually and as an officer of those entities (collectively, the “Defendants”). Under the Temporary Restraining Order (Doc. 29) (“TRO”) entered on July 30, 2018, the Receiver became temporary receiver over the “Receivership Entities,” defined in the TRO to mean Sellers Playbook, Exposure Marketing, and each of their subsidiaries, affiliates, successors and assigns, and “any other entity that the Receiver determines is controlled or owned by any Defendant and (1) conducted any business related to Defendants’ advertising, marketing, distributing, promoting, or selling of business opportunities, (2) commingled or pooled assets with any Defendant, or (3) otherwise participated in the transfer of assets stemming from the advertising, marketing, distributing, promoting, or selling of business opportunities.” (Definition M) The TRO was extended pursuant to a stipulated Order Extending the Duration of the Temporary Restraining Order and Postponing Preliminary Injunction Hearing (Doc. 39) (“Order Extending TRO”) until the Court issued a ruling on the Plaintiffs’ request for a preliminary injunction or further order of the Court.

Prior to the rescheduled preliminary injunction hearing, the parties entered into a global settlement of the litigation pursuant to the Stipulated Judgment which was entered on November 28, 2018. Under the Stipulated Judgment, the Receiver became the permanent equity receiver over Sellers Playbook and Exposure Marketing and their successors and assigns (collectively, the “Corporate Defendants”). Pursuant to Section IV.C and IV.D of the Stipulated Judgment, the Receiver was to take possession of the assets identified in Section IV.B of the Stipulated Judgment to the extent the assets were not already in the possession of the Receiver, and to commence the sale of the unliquidated assets identified therein as soon as practicable using a commercially reasonable procedure, and hold the surrendered assets and the proceeds from the sale of the unliquidated assets for future transfer in accordance with further instructions from the Court. Pursuant to Section VII of the Stipulated Judgment, the Receiver was authorized to pursue collection actions regarding the assets not already in its possession and enter into compromises with respect to the receivership estate, subject to notice to the FTC and Minnesota and their opportunity to object.

The Stipulated Judgment further provides at Section VIII that no later than 180 days from the date of the entry of judgment, or May 28, 2019 (since May 27, 2019 is a legal holiday), the Receiver shall file and serve on the parties a Final Report to the Court detailing the steps taken to dissolve the receivership estate, including a final accounting of the estate’s finances and assets and a description of what other actions must be taken to wind up the receivership. No later than 14 days after submission of the Final Report, the Receiver shall file an application for final payment of compensation and expenses. After

completion of the wind up of the receivership estate, and payment of administrative fees and costs, all remaining funds are to be turned over to the Plaintiffs or their designated agent.

The Receiver is not presently in a position to issue its Final Report by May 28, 2019 and take the other steps necessary to wind up the receivership estate. Despite diligently collecting and liquidating assets and resolving various disputes, there are still a few matters that need to be resolved before the estate can be closed. First, the pending settlement motion with Fidelity Bank is scheduled for hearing on May 30, 2019. Second, the Receiver is finalizing a settlement with Capsource, Inc. as it relates to Capsource's mortgage against certain real property in St. Paul which is property of the receivership estate pursuant to Section IV.B.18 of the Stipulated Judgment. The Receiver anticipates being able to complete that settlement and present it to the Court for approval pursuant to a motion to be filed in the next 30 days, although the motion probably will not be scheduled for hearing until sometime in late June or July. Third, there is a settlement in principal that has been reached with merchant processor Qualpay, Inc. and its merchant processing bank, Synovus Bank regarding reserve funds, which are property of the receivership estate and described at Section IV.B.11 and 12 of the Stipulated Judgment. While it does not require approval by the Court, the settlement agreement with these entities has not been reduced to writing and executed by the settling parties yet. The Receiver anticipates being able to complete that settlement within the next 30 days. Fourth, the Receiver is engaged in settlement discussions with another merchant processor, Unified Payments, concerning reserve funds. These funds are property of the

receivership estate and described at Section IV.B.14 of the Stipulated Judgment. The Receiver needs additional time to complete these discussions or otherwise seek a resolution of the Receiver's claim as to Unified Payments. In addition to these various tasks, the Receiver may have miscellaneous administrative tasks to complete.

In light of these outstanding issues, the Receiver will not be able to serve and file a Final Report by May 28, 2019 and thereafter promptly wind up the receivership as required by the Stipulated Judgment. The Receiver estimates that a reasonable extension of time to complete all outstanding matters is 90 days, or until August 26, 2019. All of the parties to the litigation consent to this relief and join in this Joint Motion. Therefore, it is respectfully requested that the Court grant this Joint Motion and order that the last day for the Receiver to file and serve its Final Report and file and serve its final wind-up motion, which will include the Receiver's final request for the payment of reasonable fees and costs for the Receiver and its professionals through the termination of the receivership estate, be extended for a period of 90 days, through and including August 26, 2019.

Dated: May 17, 2019

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