

**ROBB EVANS &  
ROBB EVANS & ASSOCIATES, LLC**

**Receiver of**

**Fortune Hi-Tech Marketing, Inc., et al.**

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**Federal Trade Commission, State of Illinois,  
Commonwealth of Kentucky and State of North Carolina**

**v.**

**Fortune Hi-Tech Marketing, Inc., et al.**

**CASE No. 5:13-CV-123 GFVT-REW**

**Notice of Filing of Motion for Approval of Settlements with  
Multiple Defendants in Burrell Action**

**Filed May 22, 2017**

**UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF KENTUCKY**

FEDERAL TRADE COMMISSION,  
STATE OF ILLINOIS,  
COMMONWEALTH OF KENTUCKY, and  
STATE OF NORTH CAROLINA,

Plaintiffs

v.

FORTUNE HI-TECH MARKETING, INC.,  
a Kentucky corporation, *et al.*,

Defendants.

No. 5:13-cv-123-GFVT-REW

**NOTICE OF FILING OF MOTION FOR APPROVAL OF SETTLEMENTS  
WITH MULTIPLE DEFENDANTS IN BURRELL ACTION**

PLEASE TAKE NOTICE that Robb Evans and Robb Evans & Associates LLC appointed herein as Permanent Receiver for Fortune Hi-Tech Marketing, Inc. and other related and affiliated entities (“Receiver”), has filed the Motion for Approval of Settlements with Multiple Defendants in Burrell Action (“Second Settlement Motion”). Pursuant to the Second Settlement Motion, the Receiver moves the Court for an order approving the Receiver’s settlements of the Receiver’s claims against defendants Michael Chorost (“Chorost”), Liger Marketing International, LLC (“Liger”), Quang Nguyen (“Q. Nguyen”) and Quang & Crystal Enterprise, LLC (“Quang & Crystal”) in *Evans v. Burrell, et al.*, U.S.D.C., E.D. Ky. Case No. 5:14-cv-00330-GFVT-REW (“Burrell Action”).

A. Summary of the Compromises

The Receiver specifically seeks approval of settlements with the following defendants (the “Settling Defendants”) for the following amounts and terms:

Defendant	Total Settlement Amount	Payment Terms
Quang Nguyen and Quang & Crystal Enterprise, LLC	\$35,000	Stipulation for Entry of Judgment for \$50,000 (Filed Only Upon Default); \$20,000 Initial Cash Payment on June 16, 2017 (not credited to judgment amount if judgment is entered for default); Three Additional Payments of \$5,000 each on December 15, 2017, June 16, 2018 and December 16, 2018 (Ex. 2 to Kane Decl.)
Michael Chorost and Liger Marketing International, Inc.	\$20,000	Stipulation for Entry of Judgment for \$50,000 (Filed Only Upon Default); \$12,500 Initial Cash Payment on Execution (not credited to judgment amount if judgment is entered for default); Three Additional Payments of \$2,500 each on October 1, 2017, February 1, 2018 and June 1, 2018 (Ex. 1 to Kane Decl.)

Each of the Stipulations for Entry of Judgment signed by the Settling Defendants (“Compromises”) includes mutual releases, with the Receiver’s release of the Settling Defendants being deferred until 92 days following the last payment made under the settlement by each Settling Defendant. The Compromises include other customary provisions including (a) a “no admission of liability” by the Settling Defendants provision; (b) a provision for revival of the Receiver’s claims against the Settling Defendants if any portion of the settlement payments are recovered as Voidable Transfers (as fraudulent transfers, preferences or similar payment avoidance theory); (c) a provision for dismissal of the action as to the Settling Defendants subject to certain terms and conditions<sup>1</sup>; (d) representations and warranties in favor of the Receiver as to the accuracy and completeness of each of the individual Settling Defendant’s financial statements and any other financial information given to the Receiver in connection with the settlements, breach of which would be a material default under the settlements; and (e) a provision requiring Court approval of the Compromises. Copies of the Compromises are

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<sup>1</sup> The Stipulations for Entry of Judgment provide for a dismissal order to include a retention of jurisdiction provision whereby the Court retains jurisdiction over the action and the Receiver’s claims for purposes of entering a judgment pursuant to the Stipulations for Entry of Judgment if there is a later default. *See Kokkonen v. Guardian Life Insurance Co. of America*, 511 U.S. 375,381-82 (1994).

attached to the Declaration of Brick Kane filed concurrently in support of the Second Settlement Motion.

B. Relief Sought

This Motion is the Receiver's Second Settlement Motion seeking approval of Compromises of the Receiver's claims with defendants in the Burrell Action and in the related action by the Receiver, *Evans v. Armenta*, Case No. 5:14-cv-00329-GFVT-REW ("Armenta Action"). The Receiver seeks an order approving each of the Compromises, including an order authorizing the Receiver to take all steps necessary or reasonable to implement and perform thereunder. The Receiver further moves the Court for an order approving notice of this Second Settlement Motion as sufficient based on (a) service of the Second Settlement Motion and all supporting papers on the parties to this action; (b) service of this Notice of Filing of the Second Settlement Motion on all known non-consumer, non-employee creditors of the receivership estate with the Receiver offering to provide a complete copy of the Second Settlement Motion to any interested party upon written request; and (c) posting of the Second Settlement Motion and supporting pleadings on the Receiver's web site for this case, without copies of the Compromises attached, in order to limit the accessibility of information concerning the Settling Defendants through the internet. All interested parties will have access to copies of the Second Settlement Motion and all supporting pleadings through the Court's web site, and copies may be obtained by interested creditors upon written request to the Receiver through its counsel.

The Second Settlement Motion is made pursuant to Local Civil Rule 7.1, applicable authority cited in the memorandum in support of the Second Settlement Motion, the Stipulated Preliminary Injunction filed May 28, 2013 (Doc. No. 134) and the Stipulated Order for Permanent Injunction and Monetary Judgment entered on May 9, 2014 (Doc. No. 202) and is made and based on this separate Notice of Filing of the Second Settlement Motion, the Second Settlement Motion, the supporting memorandum of points and authorities, declaration of Brick Kane and proposed order granting the Second Settlement Motion filed concurrently herewith, the other pleadings, records and files of the Court in this case and in the related cases of *Evans v.*

*Armenta*, Case No. 5:14-cv-329-GFVT-REW and *Evans v. Burrell*, Case No. 5:14-cv-330-GFVT-REW of which the Receiver requests the Court take judicial notice, and on such further oral and documentary evidence and argument of counsel as may be presented at any hearing on the Second Settlement Motion.

PLEASE TAKE FURTHER NOTICE that copies of the complete Second Settlement Motion may be obtained by interested creditors upon written request to the Receiver through its counsel whose contact information is identified in the signature blocks below.

DATED: June 22, 2017

Respectfully submitted,

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