

**ROBB EVANS OF
ROBB EVANS & ASSOCIATES LLC
Receiver of I Works, Inc., et al. and
the Assets of Jeremy Johnson**

11450 Sheldon Street
Sun Valley, California 91352-1121
Telephone No.: (818) 768-8100
Facsimile No.: (818) 768-8802

**Federal Trade Commission v. Jeremy Johnson, I Works, Inc., et al.
CASE No. 2:10-CV-02203-MMD-GWF**

**Notice of Filing of Motion for Order Approving Settlement with Peterson
Parties and for Order Authorizing Receiver to Market and List for Sale
Paradise Ranch if Settlement is not Approved or Settlement Payment is not
Made;
and for Order for Limited Notice Under Local Rule 66-5 if Applicable;**

Filed October 11, 2013

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**Notice of Filing of Motion for Order Approving Settlement with Peterson Parties and for Order Authorizing Receiver to Market and List for Sale Paradise Ranch if Settlement is not Approved or Settlement Payment is not Made;
and for Order for Limited Notice Under Local Rule 66-5 if Applicable;**

Filed October 11, 2013

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11 **ROBB EVANS OF ROBB EVANS & ASSOCIATES
LLC**

12
13 **UNITED STATES DISTRICT COURT**

14
15 **DISTRICT OF NEVADA**

16 FEDERAL TRADE COMMISSION,

17 Plaintiff,

18 v.

19 JEREMY JOHNSON, etc., et al.,

20 Defendants.
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23

Case No. 2:10-CV-02203-MMD-GWF

**NOTICE OF FILING OF MOTION FOR
ORDER APPROVING SETTLEMENT
WITH PETERSON PARTIES AND FOR
ORDER AUTHORIZING RECEIVER TO
MARKET AND LIST FOR SALE
PARADISE RANCH IF SETTLEMENT
IS NOT APPROVED OR SETTLEMENT
PAYMENT IS NOT MADE; AND FOR
ORDER FOR LIMITED NOTICE
UNDER LOCAL RULE 66-5 IF
APPLICABLE**

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25 PLEASE TAKE NOTICE that Robb Evans of Robb Evans & Associates LLC

26 (“Receiver”), the Receiver appointed pursuant to the Court’s Preliminary Injunction Order issued
27 February 10, 2011 (“Preliminary Injunction”), has filed with the Court his Motion for Order
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1 Approving Settlement with Peterson Parties and for Order Authorizing Receiver to Market and
2 List for Sale Paradise Ranch If Settlement Is Not Approved or Settlement Payment Is Not Made;
3 and For Order for Limited Notice under Local Rule 66-5 If Applicable ("Motion"). Pursuant to
4 the Motion, the Receiver moves the Court for an order approving the Receiver's proposed
5 Settlement Agreement (the "Peterson Settlement") with Paradise Ranch Development LLC, a
6 Utah limited liability company ("Paradise Ranch Utah"), Brent F. Peterson and Loretta S.
7 Peterson (the "Petersons") (collectively Paradise Ranch Utah and the Petersons are referred to as
8 the "Peterson Parties"), a true and correct copy of which is attached as Exhibit 1 to the
9 Declaration of M Val Miller in support of the Motion filed concurrently herewith.

10 Under the Clarifying Order,¹ Paradise Ranch Development LLC and its assets are
11 receivership property subject to the Receiver's administration. The Peterson Settlement resolves
12 the Receiver's rights, claims and interests in the entity Paradise Ranch Utah and its assets,
13 consisting of the approximate 48 acres of land in Hurricane, Utah known as Paradise Ranch (the
14 "Ranch") and its associated water rights, Water Right No. 81-1102 ("Water Right") in exchange
15 for a cash payment to the receivership estate of \$200,000 due by November 15, 2013 or five
16 business days after the date of entry of an order of the Court approving the Peterson Settlement,
17 whichever is later. The total settlement amount is \$257,178.00, with the Petersons receiving a
18 credit for \$57,178 based on their claims for services and expenditures which they contend they
19 made in connection with the Ranch.

20 The Receiver recommends the approval of the Peterson Settlement and requests that the
21 Receiver be authorized to implement the Peterson Settlement pursuant to its terms. The Peterson
22 Settlement it is fair and equitable and in the best interests of the receivership estate in that the
23 Peterson Settlement provides the estate with an immediate cash payment of \$200,000 for the
24 value of the estate's interest in the Ranch and Water Right. Based on the fact the Ranch is subject
25 to an existing first deed of trust with a balance due of over \$438,000 that is all due on December

26
27 ¹ The full title of the order is the Order Granting Motion for Order Clarifying Preliminary
28 Preliminary Injunction Order and for Further Instructions Regarding Scope of Receivership Defendants under
Preliminary Injunction Order and Report of Receiver's Financial Reconstruction and Granting
Relief from Local Rule 66-5 Pertaining to Notice to Creditors After Hearing ("Clarifying Order").

1 15, 2015, and the Ranch has other issues regarding its use, development and potential sale to third
2 parties that would require significant administrative expense and supervision over a period of
3 months or years with the risks and uncertainties associated with market forces, local zoning and
4 other land use and regulatory issues and other matters affecting the estate's recovery from this
5 property, the Receiver believes the settlement with the proposed prompt substantial cash payment
6 for the estate's interest is the best alternative for the disposition of the estate's interests in the
7 Ranch and Paradise Ranch Utah. In connection with the approval of the Peterson Settlement, the
8 Receiver seeks Court approval for the Receiver to take all steps necessary or convenient to
9 implement and perform under the Peterson Settlement and to execute all documents provided for
10 the Receiver to execute under the Peterson Settlement.

11 The Peterson Settlement provides for a cash payment to the estate by the Petersons by the
12 later of November 15, 2013 or five business days after the effective date of the agreement, which
13 is the date of entry of an order of this Court approving the settlement. In the event that the Court
14 for any reason does not approve the Peterson Settlement, or in the unlikely event that the Peterson
15 Parties fail to make the settlement payment required under the Peterson Settlement, then the
16 Receiver also seeks an order of the Court authorizing the Receiver to market and list the Ranch
17 and the Water Right for sale with a local real estate broker to be selected by the Receiver and
18 engaged pursuant to a listing agreement providing for the payment of ordinary and customary
19 sales commissions consistent with the type of property being sold. In such event, the Receiver
20 seeks permission to sell the Ranch either in bulk or in parcels with separate listings, as determined
21 by the Receiver in his business judgment.

22 The Receiver further seeks an order deeming notice of the Motion to be sufficient under
23 Local Civil Rules 66-5 and 66-10 based on the service of the Motion on all parties and service of
24 this notice of the filing of the Motion on all parties and all known non-consumer creditors of the
25 estate, and on all known taxing authorities with a potential claim in the receivership estate
26 concurrent with the filing of the Motion with the Court, but not on the tens of thousands of
27 potential consumer creditors.

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1 The Motion is made under 28 U.S.C. §§ 2001 and 2004, Local Civil Rules 7-2, 66-5 and
2 66-10 and other applicable law and is based on this separate notice of filing of the Motion, the
3 Motion, the Memorandum of Points and Authorities and Declaration of M. Val Miller filed
4 concurrently herewith in support of the Motion, the proposed order lodged concurrently herewith,
5 and on the pleadings, records and files of the Court in this receivership proceeding of which the
6 Receiver requests the Court take judicial notice, including without limitation the Preliminary
7 Injunction (Doc. No. 130) and the Clarifying Order entered March 25, 2013 and on such further
8 oral and documentary evidence and arguments of counsel as may be presented at any hearing on
9 the Motion.

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Dated: October 11, 2013

RANDOLPH L. HOWARD
KOLESAR & LEATHAM, CHTD.

MCKENNA LONG & ALDRIDGE LLP
GARY OWEN CARIS
LESLEY ANNE HAWES

By: /s/ Gary Owen Caris

Gary Owen Caris
Attorneys for Receiver
**ROBB EVANS OF ROBB EVANS &
ASSOCIATES LLC**