

**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.**

11450 Sheldon Street

Sun Valley, California 91352-1121

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**Federal Trade Commission v. Universal Premium Services, Inc, et al.**

**CASE No. CV06-0849 SJO (OPx)**

**Stipulation and Order Re: Disposition of Proceeds from Sale of Real  
Property by Defendant Midwest Properties, Inc.**

**Filed June 2, 2006**

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PROPERTIES, INC.

FILED  
CLERK, U.S. DISTRICT COURT  
JUN - 2 2006  
CENTRAL DISTRICT OF CALIFORNIA  
BY [initials] DEPUTY

SCANNED

CLERK, U.S. DISTRICT COURT  
LODGED  
JUN - 1 2006  
CENTRAL DISTRICT OF CALIFORNIA  
DEPUTY

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

12 FEDERAL TRADE COMMISSION,  
13 Plaintiff,

14 vs.

15 UNIVERSAL PREMIUM SERVICES,  
16 INC., a California corporation (also  
known as Premier Benefits, Inc.);  
17 CONSUMER REWARD NETWORK,  
INC., a California corporation; STAR  
18 COMMUNICATIONS LLC, a  
California limited liability company;  
19 MEMBERSHIP SERVICES DIRECT,  
INC., a Nevada corporation (also  
20 known as Continuity Partners, Inc.),  
CONNECTION2USA, INC., a Nevada  
21 corporation; BRIAN K.  
MACGREGOR; HARIJINDER  
22 SIDHU; JOSEPH F. LAROSA, JR.;  
PRANOT SANGPRASIT; WILLIAM  
23 THOMAS HEICHERT; MICHAEL  
HOWARD CUSHING; PAUL P. TOSI;  
24 MANH D. CAO; MIDWEST  
PROPERTIES, INC.; and CHRISTINE  
25 MACGREGOR,

26 Defendants.

CASE NO. CV 06-0849-SJO

STIPULATION AND [PROPOSED]  
ORDER RE DISPOSITION OF  
PROCEEDS FROM SALE OF  
REAL PROPERTY BY  
DEFENDANT MIDWEST  
PROPERTIES, INC.

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JUN 5 2006  
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1 WHEREAS, plaintiff FTC has alleged that defendant Brian MacGregor  
2 previously held and fraudulently transferred legal interests in several parcels of real  
3 property, including real estate located on Cliffside Drive in Malibu, California (The  
4 "Cliffside Property"), to fraudulent transfer defendants Christine MacGregor and  
5 Midwest Properties, Inc. (together, the "Midwest Parties");

6 WHEREAS, the Cliffside Property is subject to a Notice of Pending Action  
7 recorded by the FTC;

8 WHEREAS, the Midwest Parties have represented to the FTC and hereby  
9 represent to the Court that the purchaser of the Cliffside Property is unrelated to the  
10 Midwest Parties;

11 WHEREAS, the Midwest Parties have represented to the FTC and hereby  
12 represent to the Court that the sale of the Cliffside Property is an arms-length  
13 transaction, free of collusion;

14 WHEREAS, the Midwest Parties have represented to the FTC and hereby  
15 represent to the Court that the Midwest Parties received reasonably equivalent value  
16 in exchange for the three deeds of trust recorded against the Cliffside Property;

17 WHEREAS, the Midwest Parties understand that the FTC has relied on the  
18 Midwest Parties' representations in consenting to the sale of the Cliffside Property  
19 and entering into this stipulation;

20 WHEREAS, the Cliffside Property currently is in escrow to be sold at a price  
21 that the parties hereto believe affords a fair price for the property, and it is in the  
22 best interests of all parties to see that the equity currently in the property be realized  
23 through such sale;

24 WHEREAS, the Midwest Parties dispute the FTC's fraudulent transfer  
25 allegations, but have agreed in order to reach an accommodation that is intended to  
26 permit the pending sale to go forward to deposit the net proceeds of the sale of the  
27 Cliffside Property into an escrow account to provide assurance to the FTC that such  
28 proceeds will remain available pending the resolution of the fraudulent transfer

1 allegations;

2 It is hereby STIPULATED by the parties hereto, who request that the Court  
3 ORDER:

4 1. The disposition of the gross sales proceeds shall be subject to plaintiff  
5 FTC's review and approval. The net closing proceeds of the sale of the Cliffside  
6 Property (the "Cliffside Proceeds") shall be placed in a discrete escrow account  
7 where they shall be held in accordance with the Stipulation and Order, and not  
8 disbursed or removed therefrom except as specified herein. The Midwest Parties  
9 shall promptly provide the escrow officer, and any subsequent escrow officer  
10 managing the escrow account, with a copy of this Stipulation and Order.

11 2. The FTC shall promptly execute such documentation that may be  
12 required to withdraw the Lis Pendens as an impediment to the sale of the Cliffside  
13 Property.

14 3. The Cliffside Proceeds shall not be disbursed, removed, or transferred  
15 from the designated escrow account except as (1) agreed by counsel for the Midwest  
16 Parties and the FTC; or (2) ordered by this Court.

17 4. The Midwest Parties shall provide the FTC with a copy of the final  
18 closing statement from the sale of the Cliffside Property, all other documents from  
19 the escrow file for the sale of the Cliffside Property which the FTC may request, and  
20 any statements or other documentation relating to the escrow account holding the  
21 Cliffside Proceeds that shall be reasonably requested by counsel for the FTC.

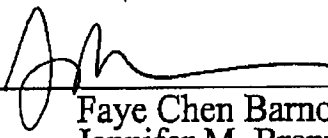
22 5. This Stipulation and Order are intended solely to facilitate a transaction  
23 that all parties believe to be desirable, regardless of the parties' dispute about the  
24 merits of the instant action. Accordingly, this Stipulation and Order are without  
25 prejudice to any parties' claims or contentions with respect to the fraudulent transfer  
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1 allegations asserted by the FTC and the Midwest Parties' disagreement with those  
2 allegations.

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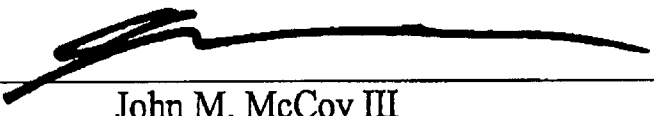
3  
4 Dated: May 31, 2006

FEDERAL TRADE COMMISSION

5  
6 By:   
7 Faye Chen Barnouw  
8 Jennifer M. Brennan  
9 Attorneys for the Federal Trade Commission


10 Dated: May 31, 2006

BIRD, MARELLA, BOXER, WOLPERT,  
NESSIM, DROOKS & LINCENBERG, P.C.

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12  
13 By:   
14 John M. McCoy III  
15 Attorneys for Defendants CHRISTINE  
16 MacGREGOR and MIDWEST PROPERTIES,  
17 INC.

18 GOOD CAUSE APPEARING, IT IS SO ORDERED.

19  
20 Dated: 6/3/06

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23 HON. S. JAMES OTERO  
24 Judge Of The United States District Court

1 **PROOF OF SERVICE**

2 **STATE OF CALIFORNIA, COUNTY OF LOS ANGELES**

3 I am employed in the County of Los Angeles, State of California. I am over the age  
4 of 18 and not a party to the within action; my business address is 1875 Century Park East,  
23rd Floor, Los Angeles, California 90067-2561.

5 On June 1, 2006, I served the following document(s) described as **STIPULATION**  
6 **AND [PROPOSED] ORDER RE DISPOSITION OF PROCEEDS FROM SALE OF**  
7 **REAL PROPERTY BY DEFENDANT MIDWEST PROPERTIES, INC.** on the  
interested parties in this action as follows:

8 **BY MAIL:** By placing a true copy thereof in sealed envelopes addressed to the parties  
9 listed on the attached Service List and causing them to be deposited in the mail at Los  
10 Angeles, California. The envelopes were mailed with postage thereon fully prepaid. I am  
11 readily familiar with our firm's practice of collection and processing correspondence for  
mailing. It is deposited with the U.S. Postal Service on that same day in the ordinary  
course of business. I am aware that on motion of party served, service is presumed invalid  
if postal cancellation date or postage meter date is more than one day after date of deposit  
for mailing affidavit.

12 I declare under penalty of perjury under the laws of the United States of America  
13 that the foregoing is true and correct and of my own personal knowledge.

14 Executed on June 1, 2006, at Los Angeles, California.

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16 Nicole A. Brosman

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**SERVICE LIST**  
**Federal Trade Commission v. Universal Premium Services, Inc., et al.**  
**USDC Case No. CV 06-0849-SJO**

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<p>Faye Chen Barnouw Jennifer M. Brennan Federal Trade Commission 10877 Wilshire Boulevard, Suite 700 Los Angeles, California 90024 Telephone: (310) 824-4343 Facsimile: (310) 824-4380 Email: <a href="mailto:fbarnouw@ftc.gov">fbarnouw@ftc.gov</a> <a href="mailto:jmbrennan@ftc.gov">jmbrennan@ftc.gov</a></p>	<p>Attorneys for Plaintiff, Federal Trade Commission</p>
<p>Tom Brown Brown &amp; White LLP 333 South Hope Street, 36th Floor Los Angeles, California 90071 Telephone: (213) 613-9494 Facsimile: (213) 613-0550 Email: <a href="mailto:tbrown@brownwhitelaw.com">tbrown@brownwhitelaw.com</a></p>	<p>Attorneys for Defendants Brian MacGregor and Membership Services Direct, Inc. (aka Continuity Partners, Inc.)</p>
<p>Jeffrey K. Riffer, Esq. Brian Yates, Esq. Jeffer, Mangels, Butler &amp; Marmaro LLP 1900 Avenue of the Stars, Seventh Floor Los Angeles, California 90067 Tel: (310) 203-8080 Fax: (310) 203-0567 Email: <a href="mailto:jriffer@jmbm.com">jriffer@jmbm.com</a></p>	<p>Attorneys for Defendant Harijinder Sidhu</p>
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<p>Kent Johnson Brick Kane Robb Evans &amp; Associates, LLC 11450 Sheldon Street, Simi Valley, CA 91352 Email: <a href="mailto:Kenton.johnson@robbevans.com">Kenton.johnson@robbevans.com</a> <a href="mailto:brick_kane@robbevans.com">brick_kane@robbevans.com</a></p>	<p>Permanent Receiver</p>

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Counsel for Permanent Receiver

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