

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

Telephone No.: (818) 768-8100

Facsimile No.: (818) 768-8802

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

CASE No. CV06-0849 GW (OPx)

Order:

- (1) Approving Proposed Sale Procedures for Undeveloped Real Property Located at 775 Bridges Lane, Mammoth Lakes, California, and Authorizing and Confirming Sale of Mammoth Lot Without Further Hearing; and**
- (2) Granting Relief from Local Rule 66-7 Pertaining to Notice to Creditors;**

Filed June 8, 2009

1 GARY OWEN CARIS (SBN 088918)
E-mail: gcaris@mckennalong.com
2 LESLEY ANNE HAWES (SBN 117101)
E-mail: lhawes@mckennalong.com
3 MCKENNA LONG & ALDRIDGE LLP
444 South Flower Street, 8th Floor
4 Los Angeles, CA 90071
Telephone: (213) 688-1000
5 Facsimile: (213) 243-6330

6 Attorneys for Receiver
ROBB EVANS & ASSOCIATES LLC
7

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
19

CASE NO. CV 06-0849 GW (OPx)

**ORDER (1) APPROVING
PROPOSED SALE PROCEDURES
FOR UNDEVELOPED REAL
PROPERTY LOCATED AT 775
BRIDGES LANE, MAMMOTH
LAKES, CALIFORNIA, AND
AUTHORIZING AND
CONFIRMING SALE OF
MAMMOTH LOT WITHOUT
FURTHER HEARING; AND (2)
GRANTING RELIEF FROM
LOCAL RULE 66-7 PERTAINING
TO NOTICE TO CREDITORS**

Date: June 4, 2009
Time: 8:30 a.m.
Courtroom: 10
Judge: Honorable George Wu

20
21
22
23
24 The Motion for Order (1) Approving Proposed Sale Procedures for Real
25 Property Located at 775 Bridges Lane, Mammoth Lakes, California, and
26 Authorizing and Confirming Sale of Mammoth Lot Without Further Hearing; and
27 (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. Gary Owen Caris of
7 McKenna Long & Aldridge LLP appeared on behalf of the Receiver, and other
8 appearances, if any, were noted in the record at the hearing. The Court having
9 reviewed and considered the Motion and the pleadings and papers filed in support
10 thereof (the Motion and the pleadings and papers filed in support thereof being
11 collectively referred to as the “Sale Procedures Motion”), and the Statement of
12 Non-Opposition to the Sale Procedures Motion filed by plaintiff Federal Trade
13 Commission, and no opposition to the Sale Procedures Motion having been timely
14 filed or served, and having heard and considered the arguments of counsel, and
15 good cause appearing therefor,

16 IT IS ORDERED that:

17 1. The Receiver’s Sale Procedures Motion is granted and the Receiver’s
18 proposed procedures for the sale of the real property located at 775 Bridges Lane,
19 Mammoth Lakes, California and legally described in Exhibit A attached hereto
20 (“Mammoth Lot”) as described in the Sale Procedures Motion are hereby approved;

21 2. Without limiting the generality of the foregoing:

22 A. The Receiver is authorized to sell the Mammoth Lot by private
23 sale to Terry Plum and/or Assignee (“Proposed Buyer”), an arm’s length buyer, at a
24 purchase price of \$375,000.00 pursuant to the Vacant Land Purchase Agreement
25 and Joint Escrow Instructions and related sale contract documents attached
26 collectively as Exhibit 1 to the Declaration of Kenton Johnson in support of the
27 Sale Procedures Motion (collectively “Proposed Purchase Agreement”), or to such
28 higher qualified overbidder who hereafter submits the highest qualified overbid at a

1 subsequent overbid session to be conducted under the following terms and
2 conditions:

3 (1) The overbid session shall be conducted by the Receiver
4 on or after June 17, 2009 at the offices of ReMax in Mammoth Lakes. Participation
5 will also be available at the Los Angeles office of the Receiver's attorney.

6 (2) The Receiver shall cause to be published a notice of the
7 proposed sale of the Mammoth Lot to a qualified bidder at the overbid session, the
8 date, time and places of the overbid session and requirement for pre-qualification
9 by overbidders in the following publications two times prior to the scheduled
10 overbid session, at least one time on the weekend preceding the overbid session
11 date: the *Mammoth Times* and the *Register*, another local Mammoth publication,
12 both of which are circulated throughout Mammoth Lakes, Mono and Inyo Counties
13 and to subscribers in the Southern California area.

14 (3) Any person wishing to overbid at the overbid session
15 shall be required to pre-qualify with the Receiver no later than 10:00 a.m. the
16 business day preceding the overbid session by submitting a notice in writing of the
17 bidder's intent to overbid together with a written verification from a financial
18 institution demonstrating to the Receiver's satisfaction, in the Receiver's sole
19 opinion and judgment, the bidder's ability to complete and close a purchase of the
20 Mammoth Lot through sufficient funds or credit facilities within 20 days of the date
21 of the overbid session and a cashier's check in the sum of \$100,000 payable to
22 Robb Evans & Associates LLC as Receiver over the assets of Universal Premium
23 Services QSF, which cashier's check shall become non-refundable upon acceptance
24 of the bidder's overbid at the conclusion of the overbid session.

25 (4) Overbidders bidding at the overbid session will be
26 deemed to have completed all inspections of the Mammoth Lot and will be deemed
27 to have waived and/or satisfied all contingencies in favor of the buyer under the
28 Proposed Purchase Agreement, including any financing contingency, and will be

1 required to close the purchase of the Mammoth Lot within 20 days of the date of
2 the overbid session. The successful overbidder will be required to execute a
3 purchase agreement for the Mammoth Lot substantially in the form of the Proposed
4 Purchase Agreement together with a waiver of all buyer contingencies promptly
5 after conclusion of the overbid session.

6 (5) The initial overbid shall be in the amount of \$410,000.00
7 (an amount that is \$35,000 higher than the purchase price under the Proposed
8 Purchase Agreement), and all subsequent overbids shall be in an amount at least
9 \$10,000 but no more than \$50,000 higher than the preceding bid.

10 (6) Pursuant to the Proposed Purchase Agreement and the
11 Receiver's listing agreement with its broker ReMax, a sales commission in the
12 amount of 5% of the purchase price is payable to the listing agent from seller's
13 proceeds in connection with the sale, and from the listing agent's payment, a
14 cooperating broker representing the Proposed Buyer, if the Proposed Buyer is the
15 successful buyer or bidder, or a cooperating broker representing the successful
16 overbidder, shall be paid a 50% share of the commission pursuant to the Proposed
17 Purchase Agreement upon close of the Court-approved sale of the Mammoth Lot
18 pursuant to this Order.

19 B. The sale of the Mammoth Lot to the Proposed Buyer, or such
20 successful overbidder whose bid is made and accepted by the Receiver in
21 accordance with the foregoing overbid procedures, shall be deemed approved and
22 confirmed without further notice, hearing or order;

23 C. The Receiver is authorized to execute all documents and
24 instruments necessary or convenient to complete, implement, effectuate and close
25 the sale of the Mammoth Lot to the purchaser, including but not limited to the deed
26 conveying title to the Mammoth Lot;


27 D. In connection with the approved sale, the Receiver is authorized
28 to permit and/or cause to be paid from the proceeds of sale all ordinary and

1 customary closing costs, all costs and expenses required to be paid under the terms
2 of the Proposed Purchase Agreement by the seller from the proceeds of sale, all
3 commissions provided for in the Proposed Purchase Agreement and the Receiver's
4 listing agreement for the property, and all real property tax liens, and any other
5 valid liens of record encumbering the Mammoth Lot prior to closing; and

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

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Dated: June 8, 2009



GEORGE H. WU
United States District Judge

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT A

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

LOT 9 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 AS
AMENDED IN BOOK 10 PAGES 58-58C OF MAPS, IN
THE OFFICE OF THE COUNTY RECORDER OF
SAID COUNTY.