

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

**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

NATIONSTAR MORTGAGE LLC

Plaintiff,

vs.

PATRICK JOSEPH SORIA, an individual; WEST H&A, LLC, a Delaware Limited Liability Company; WARRANTED EFFECTUATION OF SUBSTITUTE TRANSFEREE INC, AKA W.E.S.T Inc., a Delaware Corporation; WESTWOOD LEGAL, a California Corporation; WESTWARD LEGAL, a California Corporation; BRIGHTON LEGAL GROUP, PC, a dissolved California Corporation; BLG PC NATIONAL BY BRIGHTON LEGAL GROUP, INC., a Delaware Corporation; DEUTSCHE MELLON NATIONAL ASSET, LLC, a Wyoming Limited Liability Company; CHRISTIANA WILMINGTON GLOBAL ASSET CORP., a Delaware Corporation; HSBC US IN ITS CAPACITY AS LEGAL TITLE HOLDER INCORPORATED, a Delaware Corporation; CAMDEN LEGAL GROUP, PC, a dissolved California Corporation; TAMYRA WHITE, an individual; GEORGE WESLEY JR. PIERCE, an individual; GRICELA MENDOZA, an individual; BERNARD GERMANI, an individual; REBEKAH BROWN, an individual; MICHAEL C. JACKSON, an

CASE NO. 2:18-cv-03041 DSF (RAOx)

**ORDER GRANTING PLAINTIFF NATIONSTAR MORTGAGE LLC'S EX PARTE APPLICATION FOR A TEMPORARY RESTRAINING ORDER WITH ASSET FREEZE; ORDER TO SHOW CAUSE WHY PRELIMINARY INJUNCTION SHOULD NOT ISSUE; GRANTING NATIONSTAR MORTGAGE LLC'S EX PARTE APPLICATION FOR AN APPOINTMENT OF TEMPORARY RECEIVER AND OTHER EQUITABLE RELIEF; AND ORDER TO SHOW CAUSE WHY A PERMANENT RECEIVER SHOULD NOT BE APPOINTED**

1 individual; CYNTHIA LARA, an  
individual; F. MARTINEZ, an  
2 individual; JENNY DE LEON, an  
individual; ELBA CHAVEZ, an  
3 individual; RYAN ALEXANDER  
URQUIZU, an individual; ROGER  
4 FRANKLIN, an individual; AND  
WHATEVER NAME THEY MAY DO  
5 BUSINESS UNDER; and DOES 1  
through 10 inclusive  
6  
7 Defendants.

8 Plaintiff Nationstar Mortgage LLC (“Nationstar”) has filed *ex parte*  
9 applications for entry of a temporary restraining order (“TRO”) and for the  
10 appointment of a receiver (“RECEIVER”).

11 Plaintiff’s TRO application requests that the Court enjoin certain acts of  
12 Defendants WEST H&A, LLC (“West H&A”); WARRANTED EFFECTUATION  
13 OF SUBSTITUTE TRANSFEREE INC, AKA W.E.S.T Inc. (“Warranted”);  
14 WESTWOOD LEGAL (“Westwood”); WESTWARD LEGAL (“Westward”);  
15 BRIGHTON LEGAL GROUP, PC (a.k.a. BRIGHTON LEGAL TITLE CO. and  
16 BLG PC NATIONAL) (“Brighton”); BLG PC NATIONAL BY BRIGHTON  
17 LEGAL GROUP, INC. (“BLG”); DEUTSCHE MELLON NATIONAL ASSET,  
18 LLC (a.k.a. INTEGRITITLE) (“Deutsche Mellon”); CHRISTIANA  
19 WILMINGTON GLOBAL ASSET CORP. (“Christiana Wilmington”); HSBC US  
20 IN ITS CAPACITY AS LEGAL TITLE HOLDER INCORPORATED  
21 (“HUCLTH”); CAMDEN LEGAL GROUP, PC (d.b.a. HOMEOWNER HELP  
22 INITIATIVE) (“Camden”) (collectively, “Corporate Defendants”);PATRICK  
23 JOSEPH SORIA (“Soria”); TAMYRA WHITE (a.k.a. TAMMY WHITE)  
24 (“White”); GEORGE WESLEY JR. PIERCE (“Pierce”); GRICELA MENDOZA  
25 (“Mendoza”); BERNARD GERMANI (a.k.a. BERNIE GERMANI) (“Germani”);  
26 REBEKAH BROWN (“Brown”); MICHAEL C. JACKSON (“Jackson”);  
27 CYNTHIA LARA (“Lara”); F. MARTINEZ (“Martinez”); JENNY DE LEON  
28 (“Leon”); ELBA CHAVEZ (“Chavez”); RYAN ALEXANDER URQUIZU

1 (“Urquizu”); AND WHATEVER NAME THEY MAY DO BUSINESS UNDER  
2 (collectively, “Defendants”), as well as their officers, servants, agents, and/or  
3 attorneys, including any other not named parties wholly or partially owned,  
4 contracted with, successors of, and/or assigns of the Defendants

5 Plaintiff’s RECEIVER application requests that this Court appoint a  
6 temporary receiver over Defendants WEST H&A, LLC (“West H&A”);  
7 WARRANTED EFFECTUATION OF SUBSTITUTE TRANSFEREE INC, AKA  
8 W.E.S.T Inc. (“Warranted”); WESTWOOD LEGAL (“Westwood”); WESTWARD  
9 LEGAL (“Westward”); BRIGHTON LEGAL GROUP, PC (a.k.a. BRIGHTON  
10 LEGAL TITLE CO. and BLG PC NATIONAL) (“Brighton”); BLG PC  
11 NATIONAL BY BRIGHTON LEGAL GROUP, INC. (“BLG”); DEUTSCHE  
12 MELLON NATIONAL ASSET, LLC (a.k.a. INTEGRITITLE) (“Deutsche  
13 Mellon”); CHRISTIANA WILMINGTON GLOBAL ASSET CORP. (“Christiana  
14 Wilmington”); HSBC US IN ITS CAPACITY AS LEGAL TITLE HOLDER  
15 INCORPORATED (“HUCLTH”); CAMDEN LEGAL GROUP, PC (d.b.a.  
16 HOMEOWNER HELP INITIATIVE) (“Camden”), (collectively, “Receivership  
17 Defendants”).

18 **FINDINGS OF FACT**

19 This Court, having considered Plaintiff’s Complaint, the *ex parte*  
20 Applications, declarations, exhibits and memoranda filed in support of Plaintiff’s  
21 Applications, and the evidence presented by all parties, GRANTS the *ex parte*  
22 Applications, and finds that:

23 1. This Court has jurisdiction over the subject matter of this case, there is  
24 good cause to believe it will have jurisdiction over all the parties hereto, and venue  
25 in this district is proper.

26 2. Plaintiff has established that Defendants have engaged and are likely to  
27 continue to engage in acts or practices that violate California Business &  
28 Professions Code §17200 and that equity requires that such conduct cease. The

1 evidence shows an egregious, knowing fraud that victimizes financial institutions,  
2 investors, and the public. There is no question that the recording of forged  
3 documents followed by attempt to enforce rights purportedly given by the  
4 documents satisfies several of the prongs of § 17200.

5 3. Plaintiff has established that immediate and irreparable harm will result  
6 from Defendants' ongoing violations unless Defendants are restrained and enjoined  
7 by Order of this Court. Defendants have, and continue to interfere with the normal  
8 functioning of Plaintiff's business and the property system at large. The resulting  
9 title issues could potentially cause problems well into the future.

10 4. Immediate and irreparable damage to the Court's ability to grant  
11 effective final relief to Nationstar is likely to occur from the transfer, dissipation, or  
12 concealment by Defendants of their assets or business records unless Defendants are  
13 restrained by Order of this Court.

14 5. It is appropriate to appoint a temporary receiver over the Receivership  
15 Defendants for the preservation of assets and evidence, as well as to limit harm to  
16 the public.

17 6. In accordance with Fed. R. Civ. P. 65(b), the interest of justice requires  
18 that Plaintiff's application is to be heard *ex parte* without prior notice to Defendants.  
19 because of the strong possibility of dissipation of assets or concealment or  
20 destruction of evidence if notice were given.

21 7. The public interest and the balance of the hardships strongly favors  
22 Plaintiff due to the fraudulent nature of the alleged scheme.

23 **TEMPORARY RESTRAINING ORDER**

24 **THEREFORE, IT IS ORDERED:**

25 1. That Defendants and their successors, assigns, officers, servants,  
26 agents, employees and/or attorneys, and those persons in active concert or  
27 participation with any of the Defendants including any other not named parties  
28 wholly or partially owned, contracted with, successors of, and/or assigns of the

1 Defendants, are hereby temporarily restrained and enjoined from either directly or  
2 indirectly engaging in the following:

3 a) Conducting any and all operations of West H&A; Warranted;  
4 Westwood; Westward; Brighton; BLG; Deutsche Mellon; Christiana Wilmington;  
5 HUCLTH; Camden; or any and all other related business entities known or  
6 unknown at this time.

7 b) From destroying or altering documents, whether in physical or  
8 electronic form, or any other potential evidence and/or moving office locations.

9 c) From engaging in any negotiations, business transactions, recordings,  
10 or further activities whatsoever related to the properties listed in Exhibit 1.

11 d) From engaging in communications whatsoever, oral, written, or  
12 otherwise, with any borrowers on mortgage loans serviced, owned, or invested in by  
13 Plaintiff.

14 e) Misrepresenting, or assisting others in misrepresenting, expressly or by  
15 implication, any material fact, including but not limited to:

16 (1) That Defendants conducted any foreclosure or other sale, or that  
17 Defendants have any interest, lien, or right in any of the properties with  
18 mortgage loans that have been or are serviced, owned, and/or invested  
19 in by Plaintiff;

20 (2) That Defendants were, are, or will be the trustee, assignee,  
21 successor, and/or any other entity or party to any Deed of Trust or  
22 mortgage that has been or is serviced, owned, and/or invested in by  
23 Plaintiff;

24 (3) That any recorded document is evidence of any interest, right, or  
25 lien by Defendants in any property with a Deed of Trust or mortgage  
26 that has been or is serviced, owned, and/or invested in by Plaintiff;

27  
28

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

(4) That Defendants have any interest, lien, or right in any of the mortgage loans that have been or are serviced, owned, and/or invested in by Plaintiff;

(5) That Defendants own or could grant any interest or right in any of the properties with mortgage loans that have been or are serviced, owned, and/or invested in by Plaintiff;

(6) That borrowers on mortgage loans that have been or are serviced, owned, and/or invested in by Plaintiff should not make their mortgage payments to the true/prior lender;

(7) That Plaintiff, or Trusts for which Plaintiff is Trustee, do not have authority to foreclose on a mortgage;

(8) That borrowers on mortgage loans that have been or are serviced, owned, and/or invested in by Plaintiff should make their mortgage payments and/or any other payments to Defendants, or any person or entity acting on their behalf or at their direction;

(9) That borrowers on mortgage loans that have been or are serviced, owned, and/or invested in by Plaintiff owe any payments to Defendants, or any person or entity acting on their behalf or at their direction;

(10) That Defendants were able to, did, or could improve or otherwise affect any consumer's loan terms, or any extension or alteration of credit;

(11) That Defendants were able to, did, or could refinance, cancel, and/or refund (fully or partially) any borrower's loan;

(12) That Defendants were able to, did, or could offer, provide, and/or recommend any legal advice, services, and/or products, or that Defendants work on behalf of any attorneys or can provide any legal representation;

- 1 (13) That a borrower can avoid foreclosure; and
- 2 (14) That any Defendant is affiliated with, endorsed or approved by,
- 3 or otherwise connected to any lender, beneficiary, bank, servicer,
- 4 trustee, loan owner/investor, government entity, any federal
- 5 homeowner relief or financial stability program, public, non-profit, or
- 6 other non-commercial program, or any other program.
- 7 f) Any and all efforts to market, advertise, sell, or take any actions related
- 8 to any properties listed in Exhibit 1;
- 9 g) Any and all efforts to create and/or alter any documents intended to
- 10 mimic any loan, financial, or other documents related to any loan or mortgage
- 11 serviced, owned, and/or invested in by Plaintiff at any time;
- 12 h) Any and all efforts to execute, draft, revise, stamp, and/or alter
- 13 documents related to any loan or mortgage serviced, owned, and/or invested in by
- 14 Plaintiff ;
- 15 i) Any and all efforts to draft, prepare, execute, or take any action related
- 16 to borrower complaints, borrower requests, alleged Qualified Written Requests, or
- 17 any other documents related to any loan or mortgage serviced, owned, and/or
- 18 invested in by Plaintiff at any time;
- 19 j) Any and all efforts to falsify records and/or documents in any manner;
- 20 k) Recording any documents and/or instruments related to any loan or
- 21 mortgage serviced, owned, and/or invested in by Plaintiff at any time;
- 22 l) Advertising or assisting others in advertising credit terms other than
- 23 those terms that actually are or will be arranged or offered by a creditor or lender;
- 24 m) Utilize, spend, sell, liquidate, assign, transfer, convert, disburse, gift,
- 25 convey, encumber, pledge, conceal, and/or move any asset, money, and/or bank
- 26 accounts maintained by any of the Defendants;
- 27 and
- 28

1 n) Any and all efforts to create, establish, register, and/or promote any  
2 new entities to perpetuate the fraudulent schemes as described further below.

3 2. **IT IS FURTHER ORDERED** pursuant to Federal Rule of Civil  
4 Procedure 65(b), each of the Defendants shall appear before this Court on May 7,  
5 2018, at 1:30 p.m. to show cause why this Court should not enter a preliminary  
6 injunction enjoining the violations of law alleged in Plaintiff's Complaint and  
7 imposing such additional relief as may be appropriate. Defendants shall file any  
8 opposing pleadings, and serve the same on Plaintiff's counsel, no later than five  
9 business days prior to the preliminary injunction hearing. Plaintiff may file and  
10 serve a responsive or supplemental pleading no later than one business day prior to  
11 the preliminary injunction hearing.

12 3. A bond of \$5,000 is appropriate given that Defendants are not likely to  
13 be harmed from an injunction of the blatantly fraudulent conduct shown in the ex  
14 parte application.

15 **APPOINTMENT OF A TEMPORARY RECEIVER**

16 **IT IS FURTHER ORDERED:**

17 1. That Robb Evans & Associates is appointed Temporary Receiver for  
18 the business activities of Receivership Defendants with the full power of an equity  
19 receiver. The Temporary Receiver shall be the agent of this Court and solely the  
20 agent of this Court in acting as Temporary Receiver under this Order. The  
21 Temporary Receiver shall be accountable directly to this Court. The Temporary  
22 Receiver shall comply with all laws and Local Rules of this Court governing federal  
23 equity receivers, including but not limited to Local Rules 66-1 through 66-5.1 and  
24 Local Rule 66-8.

25 2. **IT IS FURTHER ORDERED** that the Temporary Receiver is directed  
26 and authorized to accomplish the following:

27 A. Assume full control of the Receivership Defendants, by  
28 removing, as the Temporary Receiver deems necessary or advisable, any director,



1 officer, independent contractor, employee, or agent of any of the Receivership  
2 Defendants, including any named Defendant, from control of, management of, or  
3 participation in, the affairs of the Receivership Defendants;

4 B. Take exclusive custody, control, and possession of all assets and  
5 documents of, or in the possession, custody, or under the control of, the  
6 Receivership Defendants, wherever situated. The Temporary Receiver shall have  
7 full power to divert mail and to sue for, collect, receive, take into possession, hold,  
8 and manage all assets and documents of the Receivership Defendants and other  
9 persons whose interests are now held by or under the direction, possession, custody,  
10 or control of the Receivership Defendants, provided, however, that the Temporary  
11 Receiver shall not attempt to collect or receive any amount from a consumer if the  
12 Temporary Receiver believes the consumer was a victim of the unlawful conduct  
13 alleged in the complaint in this matter;

14 C. Take all steps necessary to secure the business premises of the  
15 Receivership Defendants. Such steps may include, but are not limited to, the  
16 following, as the Temporary Receiver deems necessary or advisable:

- 17 1. serving and filing this Order;
- 18 2. completing a written inventory of the all receivership  
19 assets;
- 20 3. obtaining pertinent information from all employees and  
21 other agents of the Receivership Defendants, including, but not limited to, the name,  
22 home address, social security number, job description, method of compensation, and  
23 all accrued and unpaid commissions and compensation of each such employee or  
24 agent, and all computer hardware and software passwords;
- 25 4. videotaping and/or photographing all portions of the  
26 location;

27

28

1                   5.     securing the location by changing the locks and  
2     disconnecting any computer modems or other means of access to the computer or  
3     other records maintained at that location;

4                   6.     requiring any persons present on the premises at the time  
5     of this Order is served to leave the premises, to provide the Temporary Receiver  
6     with proof of identification, or to demonstrate to the satisfaction of the Temporary  
7     Receiver that such persons are not removing from the premises documents or assets  
8     of the Receivership Defendants; and

9                   7.     requiring all employees, independent contractors, and  
10    consultants of the Receivership Defendants to complete a Questionnaire submitted  
11    by the Temporary Receiver;

12                 D.     Conserve, hold, and manage all receivership assets and perform  
13    all acts necessary or advisable to preserve the value of those assets, in order to  
14    prevent any irreparable loss, damage, or injury to consumers or to creditors of the  
15    Receivership Defendants, including, but not limited to, obtaining an accounting of  
16    the assets and preventing transfer, withdrawal, or misapplication of assets;

17                 E.     Manage and administer the business of the Receivership  
18    Defendants until further order of this Court by performing all incidental acts that the  
19    Temporary Receiver deems to be advisable or necessary, which includes retaining,  
20    hiring, or dismissing any employees, independent contractors, or agents;

21                 F.     Choose, engage, and employ attorneys, accountants, appraisers,  
22    and other independent contractors and technical specialists, as the Temporary  
23    Receiver deems advisable or necessary in the performance of duties and  
24    responsibilities under the authority granted by this Order;

25                 G.     Make payments and disbursements from the receivership estate  
26    that are necessary or advisable for carrying out the directions of, or exercising the  
27    authority granted by, this Order. The Temporary Receiver shall apply to the Court  
28    for prior approval of any payments of any debt or obligation incurred by the

1 Receivership Defendants prior to the date of entry of this Order, except payments  
2 that the Temporary Receiver deems necessary or advisable to secure assets of the  
3 Receivership Defendants, such as rental payments;

4 H. Determine and implement measures to ensure that the  
5 Receivership Defendants comply with, and prevent violations of, this Order and all  
6 other applicable laws, including, but not limited to, revising sales materials and  
7 implementing monitoring procedures;

8 I. Institute, compromise, adjust, appear in, intervene in, or become  
9 party to such actions or proceedings in state, federal, or foreign courts that the  
10 Temporary Receiver deems necessary and advisable to preserve or recover the  
11 assets of the Receivership Defendants, or that the Temporary Receiver deems  
12 necessary and advisable to carry out the Temporary Receiver's mandate under this  
13 Order;

14 J. Defend, compromise, adjust, or otherwise dispose of any or all  
15 actions or proceedings instituted in the past or in the future against the Temporary  
16 Receiver in its role as Temporary Receiver, or against the Receivership Defendants,  
17 that the Temporary Receiver deems necessary and advisable to preserve the assets of  
18 the Receivership Defendants or that the Temporary Receiver deems necessary and  
19 advisable to carry out the Temporary Receiver's mandate under this Order;

20 K. Continue and conduct the business of the Receivership  
21 Defendants in such manner, to such extent, and for such duration as the Temporary  
22 Receiver may in good faith deem to be necessary or appropriate to operate the  
23 business profitably and lawfully, if at all; provided, however, that the continuation  
24 and conduct of the business shall be conditioned upon the Temporary Receiver's  
25 good faith determination that the business can be lawfully operated at a profit using  
26 the assets of the receivership estate;

27 L. Take depositions and issue subpoenas to obtain documents and  
28 records pertaining to the receivership estate and compliance with this Order.

1 Subpoenas may be served by agents or attorneys of the Temporary Receiver and by  
2 agents of any process server retained by the Temporary Receiver;

3 M. Open one or more bank accounts as designated depositories for  
4 funds of the Receivership Defendants. The Temporary Receiver shall deposit all  
5 funds of the Receivership Defendants in such a designated account and shall make  
6 all payments and disbursements from the receivership estate from such account(s);

7 N. Maintain accurate records of all receipts and expenditures that he  
8 makes as Temporary Receiver;

9 O. Cooperate with reasonable requests for information or assistance  
10 from any state or federal law enforcement agency; and

11 P. Maintain the chain of custody of all of Defendants' records in  
12 their possession.

13 Q. The Temporary Receiver shall allow the Defendants and their  
14 representatives reasonable access to the premises of the Receivership Defendants.  
15 The purpose of this access shall be to inspect, inventory, and copy any and all  
16 documents and other property owned or in the possession of the Receivership  
17 Defendants, provided that those documents and property are not removed from the  
18 premises. The Temporary Receiver shall have the discretion to determine the time,  
19 manner, and reasonable conditions of such access.

20 3. **IT IS FURTHER ORDERED** that Defendants and their successors,  
21 assigns, officers, directors, agents, servants, employees, attorneys, and all other  
22 persons directly or indirectly, in whole or in part, under their control, and all other  
23 persons in active concert or participation with them who receive actual notice of this  
24 Order by personal service, facsimile, email, or otherwise, whether acting directly or  
25 through any corporation, subsidiary, division, or other entity, shall:

26 A. Allow the Temporary Receiver, and his respective  
27 representatives, agents, attorneys, investigators, paralegals, contractors, or assistants  
28 immediate access to:

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

1. All of the Defendants' business premises, including but

not limited to:

- a) 433 N. Camden Drive, Sixth Floor #7,  
Beverly Hills, CA 90210;
- b) 10940 Wilshire Blvd., Suite 1600,  
Los Angeles, CA 90024;
- c) 2500 Broadway Avenue, Suite F-125, Building F,  
Santa Monica, CA 90404;
- d) 10880 Wilshire Blvd., #1101,  
Los Angeles, CA 90024;
- e) 9663 Santa Monica Blvd., #1459,  
Beverly Hills, CA 90210;
- f) 433 N. Camden Drive, 4<sup>th</sup> Floor,  
Beverly Hills, CA 90210;
- g) Any storage facilities; and.
- h) Such other business locations that are wholly or  
partially owned, rented, leased, or under the temporary or  
permanent control of any Defendants;

2. Any other non-residential<sup>1</sup> premises where the Defendants  
conduct business, sales operations, or customer service operations;

3. Any non-residential premises where documents related to  
Defendants' businesses are stored or maintained, including but not limited to a  
storage unit;

4. Any non-residential premises where assets belonging to  
any Defendant are stored or maintained; and

---

<sup>1</sup> For the purposes of this order, "residential" or "residence" means property designed to be primarily used as a personal home where at least one person was actually residing on the date of this Order.

1                   5. Any documents located at any of the locations described in  
2 this Section.

3                   B. Immediately identify to the Temporary Receiver:

4                   1. All of Defendants' business premises and storage  
5 facilities;

6                   2. Any non-residential premises where any Defendant  
7 conducts business, sales operations, or customer service operations;

8                   3. Any non-residential premises where documents related to  
9 the business, sales operations, or customer service operations of any Defendant are  
10 hosted, stored, or otherwise maintained, including but not limited to the name and  
11 location of any electronic data hosts;

12                   4. Any non-residential premises where assets belonging to  
13 any Defendant are stored or maintained; and

14                   5. All known locations, forwarding addresses, and contact  
15 information for any non-residential business premises used by Receivership  
16 Defendants, or any of them.

17                   4. **IT IS FURTHER ORDERED** that:

18                   A. Defendants, and their successors, assigns, officers, agents,  
19 directors, servants, employees, salespersons, independent contractors, attorneys, and  
20 corporations, and all other persons or entities in active concert or participation with  
21 them, who receive actual notice of this Order by personal service or otherwise,  
22 whether acting directly or through any trust, corporation, subsidiary, division, or  
23 other device, or any of them, shall fully cooperate with and assist the Temporary  
24 Receiver. Defendants' cooperation and assistance shall include, but not be limited  
25 to:

26                   1. Providing any information to the Temporary Receiver that  
27 the Temporary Receiver deems necessary to exercising the authority and  
28 discharging the responsibilities of the Temporary Receiver under this Order,

1 including but not limited to allowing the Temporary Receiver to inspect documents  
2 and assets and to partition office space;

3           2. Providing any username or password and executing any  
4 documents required to access any computer or electronic files in any medium,  
5 including but not limited to electronically stored information stored, hosted or  
6 otherwise maintained by an electronic data host; and

7           3. Advising all persons who owe money to the Receivership  
8 Defendants that all debts should be paid to the Temporary Receiver.

9           B. Defendants and their successors, assigns, officers, directors,  
10 agents, servants, employees, attorneys, and all other persons or entities directly, in  
11 whole or in part, under their control, and all other persons in active concert or  
12 participation with who receive actual notice of this Order by personal service or  
13 otherwise, shall not interfere in any manner, directly or indirectly with the custody,  
14 possession, management, or control by the Temporary Receiver of assets and  
15 documents, and are hereby temporary restrained and enjoined from directly or  
16 indirectly:

17           1. Transacting any of the business of the Receivership  
18 Defendants;

19           2. Destroying, secreting, erasing, mutilating, defacing,  
20 concealing, altering, transferring or otherwise disposing of, in any manner, directly  
21 or indirectly, any document or equipment of the Receivership Defendants, including  
22 but not limited to contracts, agreements, consumer files, consumer lists, consumer  
23 addresses and telephone numbers, correspondence, advertisements, brochures, sales  
24 material, sales presentations, documents evidencing or referring to Defendants'  
25 services, training materials, scripts, data, computer tapes, disks, or other  
26 computerized records, books, written or printed records, handwritten notes,  
27 telephone logs, "verification" or "compliance" tapes or other audio or video tape  
28 recordings, receipt books, invoices, postal receipts, ledgers, personal and business

1 canceled checks and check registers, bank statements, appointed books, copies of  
2 federal, state or local business or personal income or property tax returns,  
3 photographs, mobile devices, electronic storage media, accessories, and any other  
4 documents, records or equipment of any kind that relate to the business practices or  
5 business or personal finances of the Receivership Defendants or any other entity  
6 directly or indirectly under the control of the Receivership Defendants;

7           3. Transferring, receiving, altering, selling, encumbering,  
8 pledging, assigning, liquidating, or otherwise disposing of any assets owned,  
9 controlled, or in the possession or custody of, or in which an interest is held or  
10 claimed by, the Receivership Defendants, or the Temporary Receiver;

11           4. Excusing debts owed to the Receivership Defendants;

12           5. Failing to notify the Temporary Receiver of any asset,  
13 including accounts, of a Corporate Defendant held in any name other than the name  
14 of the Receivership Defendants, or by any person or entity other than the Corporate  
15 Defendant, or failing to provide any assistance or information requested by the  
16 Temporary Receiver in connection with obtaining possession, custody, or control of  
17 such assets;

18           6. Failing to create and maintain books, records, and  
19 accounts which, in reasonable detail, accurately, fairly, and completely reflect the  
20 incomes, assets, disbursements, transactions and use of monies by the Defendants or  
21 any other entity directly or indirectly under the control of the Defendants;

22           7. Doing any act or refraining from any act whatsoever to  
23 interfere with the Temporary Receiver's taking custody, control, possession, or  
24 managing of the assets or documents subject to this Receivership; or to harass or to  
25 interfere with the Temporary Receiver in any way; or to interfere in any manner  
26 with the exclusive jurisdiction of this Court over the assets or documents of the  
27 Receivership Defendants; or to refuse to cooperate with the Temporary Receiver or  
28



1 the Temporary Receiver's duly authorized agents in the exercise of their duties or  
2 authority under any Order of this Court; and

3 8. Filing, or causing to be filed, any petition on behalf of the  
4 Receivership Defendants for relief under the United States Bankruptcy Code, 11  
5 U.S.C. § 101 *et seq.*, without prior permission from this Court.

6 5. **IT IS FURTHER ORDERED** that immediately upon service of this  
7 Order upon them or upon their otherwise obtaining actual knowledge of this Order,  
8 or within a period permitted by the Temporary Receiver, Defendants and any other  
9 person or entity, including but not limited to financial institutions and electronic  
10 data hosts, shall transfer or deliver access to, possession, custody, and control of the  
11 following to the Temporary Receiver:

12 A. All assets of the Receivership Defendants;

13 B. All documents of the Receivership Defendants, including but not  
14 limited to, books and records of accounts, all financial and accounting records,  
15 balance sheets, income statements, bank records (including monthly statements,  
16 canceled checks, records of wire transfers, records of ACH transactions, and check  
17 registers), client or customer lists, title documents and other papers;

18 C. All assets belonging to members of the public now held by the  
19 Receivership Defendants;

20 D. All keys, computer and other passwords, user names, entry  
21 codes, combinations to locks required to open or gain or secure access to any assets  
22 or documents of the Receivership Defendants, wherever located, including, but not  
23 limited to, access to their business premises, means of communication, accounts,  
24 computer systems, or other property; and

25 E. Information identifying the accounts, employees, properties, or  
26 other assets or obligations of the Receivership Defendants.

27 In the event any person or entity fails to deliver or transfer immediately any  
28 asset or otherwise fails to comply with any provision of this Section, the Temporary

1 Receiver may file *ex parte* with the Court an Affidavit of Non-Compliance  
2 regarding the failure. Upon filing of the affidavit, the Court may authorize, without  
3 additional process or demand, Writs of Possession or Sequestration or other  
4 equitable writs requested by the Temporary Receiver. The writs shall authorize and  
5 direct the United States Marshal or any sheriff or deputy sheriff of any county to  
6 seize the asset, document, or other thing and to deliver it to the Temporary Receiver.

7       6.     **IT IS FURTHER ORDERED** that the Temporary Receiver and all  
8 personnel hired by the Temporary Receiver as herein authorized, including counsel  
9 to the Temporary Receiver and accountants, are entitled to reasonable compensation  
10 for the performance of duties pursuant to this Order, and for the cost of actual out-  
11 of-pocket expenses incurred by them, from the assets now held by or in the  
12 possession or control of, or which may be received by, the Receivership Defendants.  
13 The Temporary Receiver shall file with the Court and serve on the parties periodic  
14 requests for the payment of such reasonable compensation, with the first such  
15 request filed no more than 60 days after the date of this Order. The Temporary  
16 Receiver shall not increase the hourly rates used as the bases for such fee  
17 applications without prior approval of the Court.

18       7.     **IT IS FURTHER ORDERED** that the Temporary Receiver shall  
19 report to this Court on or before the date set for the hearing to Show Cause  
20 regarding the Preliminary Injunction, regarding: (1) the steps taken by the  
21 Temporary Receiver to implement the terms of this Order; (2) the value of all  
22 liquidated and unliquidated assets of the Receivership Defendants; (3) the sum of all  
23 liabilities of the Receivership Defendants; (4) the steps the Temporary Receiver  
24 intends to take in the future to: (a) prevent any diminution in the value of assets of  
25 the Receivership Defendants, (b) pursue receivership assets from third parties, and  
26 (c) adjust the liabilities of the Receivership Defendants, if appropriate; (5) the  
27 Temporary Receiver's assessment of whether the business can be operated in  
28 compliance with this Order; and (6) any other matters which the Temporary

1 Receiver believes should be brought to the Court's attention. Provided, however, if  
2 any of the required information would hinder the Temporary Receiver's ability to  
3 pursue receivership assets, the portions of the Temporary Receiver's report  
4 containing such information may be filed under seal and not served on the parties.

5 8. **IT IS FURTHER ORDERED** that a bond of \$10,000 shall be  
6 required in connection with the appointment of the Temporary Receiver.

7 9. **IT IS FURTHER ORDERED that** each of the Receivership  
8 Defendants shall appear before this Court on May 7, 2018 at 1:30 p.m., to show  
9 cause why this Court should not appoint a permanent receiver. Receivership  
10 Defendants shall file any opposing pleadings, and serve the same on counsel, no  
11 later than five business days prior to the appointment of the hearing. Plaintiff may  
12 file a responsive or supplemental pleading no later than one business day prior to the  
13 hearing.

14 10. Plaintiff is to serve Defendants with process and a copy of this order no  
15 later than April 25, 2018.

16 **IT IS SO ORDERED**, April 23, 2018 at 11:25 a.m.

17  
18   
19

20 The Honorable Dale S. Fischer  
21 United States District Judge  
22  
23  
24  
25  
26  
27  
28