



1 IT IS HEREBY ORDERED:

2 That Peter A. Davidson be appointed a receiver over the escrow trust funds of Platinum  
3 Coast Escrow, Inc. ("Platinum Coast"), including, but no limited to, the escrow trust account(s) and  
4 the restitution paid by Miguel A. Vazquez ("Vazquez") to the Orange County Probation Department  
5 in the sum of \$24,671.16, and all bank and escrow records pertinent thereto (the "trust property"),  
6 whether directly or indirectly, owned beneficially or otherwise by, or in the possession, custody or  
7 control of Platinum Coast or Sadek or to which Platinum Coast has any right of possession, custody  
8 or control, irrespective of whomsoever holds such property, in order to obtain an adequate  
9 accounting of Platinum Coast's trust property and trust liabilities; secure a marshalling of such  
10 property; and to forthwith begin winding up and liquidating the trust property affairs of Platinum  
11 Coast in accord with the provisions of the Escrow Law.

12 IT IS FURTHER ORDERED THAT:

13 1. Peter A. Davidson (the "receiver") prior to entry upon the duties described herein,  
14 take an oath to faithfully perform the duties of a receiver and to observe all of the instructions of this  
15 Court.

16 2. The receiver is authorized, empowered, and directed:

17 (a) To review, observe, discover and make notes regarding all the trust property of, or in  
18 the possession of Platinum Coast, wherever situated, including all trust accounts of Platinum Coast  
19 in financial depository institutions, and of any other trust property in which Platinum Coast has an  
20 interest regardless by whom it may be held on an ongoing basis pursuant to this Court's order;

21 (b) To retain and employ such attorney(s) to assist, advise, and represent the receiver in  
22 the performance of his duties and responsibilities as the Court may approve upon written application  
23 of the receiver;

24 (c) To retain and employ Dominic LoBuglio, CPA, as his accountant, and such other  
25 such persons, clerical and professional, to perform such tasks as may be necessary to aid the receiver  
26 in the performance of his duties and responsibilities;

27 (d) To be the sole signator on all trust bank accounts of Platinum Coast;

28 (e) To bring such proceedings as are necessary to enforce the provisions hereof;

- 1 (f) To bring such actions as are necessary to modify the provisions hereof;
- 2 (g) To make such payments and disbursements from the trust property so taken into  
3 custody, control, and possession of the receiver or otherwise received by him, as may be necessary  
4 and advisable in the discharging of his duties as receiver;
- 5 (h) To preserve trust property;
- 6 (i) To institute, prosecute, defend, compromise, intervene, and become a party either in  
7 his own name or in the name of Platinum Coast to such suits, actions, or proceedings as may be  
8 necessary for the protection, maintenance, recoupment or preservation of the trust property of  
9 Platinum Coast and its escrow parties, with prior court approval; and
- 10 (j) To divert, take possession of and secure all mail of Platinum Coast, in order to screen  
11 such mail for mail relating to the trust property, returning non-trust property mail to Sadek, director,  
12 chief financial officer, and sole shareholder of Platinum Coast, and to effect a change in the rights to  
13 use any and all post office boxes and other mail collection facilities used by Platinum Coast.

14 3. The receiver is hereby vested with, and is authorized, directed, and empowered to  
15 exercise, all of the powers of Platinum Coast's officers and directors or persons who exercise similar  
16 powers and perform similar duties, with respect to trust property, whose authority is hereby  
17 suspended; and Platinum Coast's officers, agents, employees, representatives, directors, successors in  
18 interest, attorneys in fact and all persons acting in the concert or participating with them, are hereby  
19 divested of, restrained and barred from exercising any of the powers herein vested in this receiver.

20 4. Any local, state or federal law enforcement and regulatory agency having jurisdiction  
21 over matters relating to Platinum Coast's business shall be entitled to review, without exception, all  
22 reports of the receiver and all books, records, and files on Platinum Coast in the possession of the  
23 receiver at any time during normal business hours, and to make any abstract or copies of said  
24 documents it desires.

25 5. Platinum Coast and its respective officers, directors, agents, servants, employees,  
26 successors, assigns, affiliates, and other persons or entities under their control and all persons or  
27 entities in active concert or participation with them, and each of them, shall turn over to the receiver  
28 records, documentation, charts and/or descriptive material, which relate, directly or indirectly, to the

1 trust property of Platinum Coast or otherwise belonging to its escrow parties, now held by Platinum  
2 Coast or any of them.

3           6.       This Court will retain jurisdiction of this action in order to implement and carry out  
4 the terms of all order and decrees that may be entered herein or to entertain any suitable application  
5 or motion by Petitioner and/or receiver for additional relief or modification of any order made herein  
6 within the jurisdiction of this Court.

7           7.       During the pendency of this receivership, except by leave of court, all parties to  
8 escrows held by Platinum Coast and any other persons seeking relief of any kind, in law or in equity,  
9 from Platinum Coast relating to the trust property, and all others acting on behalf of any such escrow  
10 parties or other persons including sheriffs, marshals, servants, agents and employees are restrained  
11 from:

- 12           (a)       Commencing, prosecuting or enforcing any suit or proceeding;
- 13           (b)       Executing or issuing or causing the execution or issuance of any court attachment,  
14 subpoena, replevin, execution or other process for the purpose of impounding or taking possession of  
15 or interfering with or creating or enforcing a lien upon any property owned or in the possession of or  
16 interfering with or creating or enforcing a lien upon any property owned or in the possession of  
17 Platinum Coast or its affiliates, or the receiver appointed herein, wherever situated;
- 18           (c)       Taking, retaining, retaking or attempting to retake possession of any trust property;
- 19           (d)       Withholding or diverting any trust property obligation;
- 20           (e)       Doing any act or other thing whatsoever to interfere with the possession of or  
21 management by the receiver herein and of the trust property, controlled by or in the possession of  
22 Platinum Coast or to in any way interfere with said receiver or to interfere in any manner during the  
23 pendency of this proceeding with the exclusive jurisdiction of this Court over the Platinum Coast  
24 escrow property.

25           8.       At such time as the financial condition of the trust property has been ascertained by  
26 the receiver and at such time as the trust property has been marshaled and all trust liabilities have  
27 been determined, the receiver shall file an application with the Court for disposition of such trust  
28 property. The application shall propose in detail the winding up and the distribution of trust funds.

1 If necessary, the receiver shall be authorized to propose and carry out a partial distribution, retaining  
2 such funds pending final distribution as are necessary to finance any pertinent litigation or the  
3 remaining operation of the receivership.

4 9. The receiver shall be paid an hourly rate of \$460.00 for his services and shall be  
5 entitled to reimbursement for usual and customary expenses, including out-of-pocket expenditures  
6 on behalf of the receivership estate, which shall be paid from the trust funds of Platinum Coast,  
7 including the restitution paid by Vazquez, and that the State of California shall have no liability  
8 whatsoever for any costs, fees and/or out-of-pocket expenses that may result from such receivership.  
9 The receiver and any professional hired by him shall make application to this Court on a monthly  
10 basis for payment of reasonable fees and expenses incurred by the receiver or such professional, and  
11 shall be entitled to payment of said fees and expenses on account as hereinafter provided. Copies of  
12 such applications to the Court shall be promptly served on all attorneys of record for parties in this  
13 action, who shall have ten (10) calendar days following the filing and service of such application to  
14 file any objections thereto with the Court, and serve any such objections by facsimile and mail on the  
15 receiver. If no objections are filed with the Court and served within the ten (10) calendar day period,  
16 the receiver shall thereupon draw funds from the receivership estate sufficient to pay one-hundred  
17 percent (100%) of out-of-pocket expenses and seventy-five percent (75%) of such fees, including all  
18 professional fees, and other expenses such as in office copying and facsimile charges, without  
19 further order of the Court. If any objections are filed, the receiver may draw funds from the  
20 receivership estate sufficient to pay any amounts as to which there is no objection, and the Court will  
21 conduct a hearing on any objections upon motion of the receiver or the objecting party. At such  
22 hearing, the compensation of the receiver or other professional making application, as well as  
23 allowable disbursements and expenses, will be determined by the Court, and the receiver will be  
24 directed to draw funds from the receivership estate to pay one-hundred percent (100%) and seventy-  
25 five percent (75%) respectively, of the amounts so determined by the Court. Notwithstanding such  
26 interim monthly payments of fees and expenses, all fees and expenses shall be submitted to the  
27 Court for its approval by a properly noticed request for fees, stipulation of all parties or the receiver's  
28 Final Account and Report. Upon approval of the fees and expenses of the receiver or other

1 professional, any hold back amounts still due and owing to the receiver or other professional shall be  
2 paid from the receivership estate.

3 10. Notwithstanding the provisions of paragraph 9., above, in no event shall fees and  
4 expenses be approved beyond that which would leave at least 60% of the existing trust account funds  
5 available for distribution to the trust fund claimants. Petitioner asserts that the existing trust account  
6 balance, as of this petition, not taking into consideration the restitution paid by Vazquez, is  
7 \$515,086.09.

8 11. With the exception of acquiring the ledgers and other pertinent documentation from  
9 First American SMS relevant to support the final trust account reconciliation, that the receiver shall  
10 not be required (i) to undertake an independent review into the financial condition, other affairs and  
11 transactions of Platinum Coast nor render a report reflecting the existence and value of all assets and  
12 property subject to review, observation and/or any discovery by the receiver of the extent of any  
13 liabilities, or (ii) to file a preliminary inventory of all property of which he shall have reviewed,  
14 observed and/or discovered, in that a prior review revealed that (a) the only trust funds held by  
15 Platinum Coast are dormant trust funds in the amount of \$515,086.09, exclusive of the restitution  
16 paid by Vazquez, (b) there are no pending escrow transactions, (c) the trust account has been  
17 reconciled to the date of cessation of escrow operations by Platinum Coast to the extent possible  
18 without the further expenditure of significant funds, (d) this petition is seeking appointment of a  
19 receiver over the trust affairs and records only, and (e) the full extent of the trust account balances  
20 has been determined.

21 12. The receiver shall file a bond with the Court in this matter in the amount of

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23 Dated: March 16, 2009

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Judge of the Superior Court

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