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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

THE PEOPLE OF THE STATE OF CALIFORNIA, BY AND THROUGH THE CALIFORNIA CORPORATIONS COMMISSIONER,)	Case No.: BS120172
)	
)	PROPOSED ORDER APPOINTING LIMITED RECEIVER
)	
Petitioner,)	Assigned To: Judge David P. Yaffe
)	
vs.)	DATE: June 4, 2009
)	TIME: 9:30 a.m.
WEST ESCROW, INC., a California Corporation, and WEST EXCHANGE, INC. a California Corporation,)	DEPT: '86'
)	No Trial Date
)	Action Filed: April 17, 2009
Respondents.)	

The application for an Order Appointing a Limited Receiver to Liquidate and Wind Up Trust Account Affairs was heard this date, June 4, 2009 at 9:30 a.m. by this Court, the Honorable David P. Yaffe presiding. Petitioner appeared by Counsel Blaine A. Noblett. Respondents appeared by Counsel _____.

This Court having considered the application, petition, points and authorities and supporting declarations and exhibits filed in the above-captioned matter by the California Corporations Commissioner, the opposition filed by Respondents and upon a hearing before this Court, and GOOD CAUSE APPEARING THEREFOR:

///

1 IT IS HEREBY ORDERED:

2 That Peter A. Davidson be appointed as receiver over the escrow trust funds of West Escrow,
3 Inc. ("West Escrow"), including, but not limited to, the escrow trust account(s) and any indemnity
4 funds paid by Escrow Agents' Fidelity Corporation pursuant to an anticipated proof of claim filing,
5 any bond or insurance policy maintained by West Escrow or which it is a beneficiary of, and all
6 bank and escrow records pertinent thereto, and the books and records pertaining to accommodator
7 transactions, all bank accounts and banking records of West Exchange, Inc. ("West
8 Exchange")(collectively "trust property"), whether directly or indirectly, owned beneficially or
9 otherwise by, or in the possession, custody or control of West Escrow, West Exchange, or Ms. West,
10 or to which West Escrow, West Exchange, or Ms. West, has any right of possession, custody or
11 control, irrespective of whomsoever holds such property, in order to obtain an adequate accounting
12 of the trust property and trust liabilities; secure a marshaling of such property; and to forthwith begin
13 winding up and liquidating the trust property affairs of West Escrow in accord with the provisions of
14 the California Escrow Law.

15 IT IS FURTHER ORDERED THAT:

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

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

20 (a) To review, observe, discover and make notes regarding all the trust property of, or in
21 the possession of West Escrow and West Exchange, wherever situated, including all trust accounts
22 of West Escrow in financial depository institutions, all bank accounts of West Exchange in financial
23 depository institutions, and of any other trust property in which West Escrow and West Exchange
24 have an interest regardless by whom it may be held on an ongoing basis pursuant to this Court's
25 order;

26 (b) To undertake an independent review into the financial condition of the trust property
27 and escrow and accommodator transactions of West Escrow and West Exchange and render a report
28 within 90 days reflecting the existence and value of all trust property subject to the review,

1 observation and/or discovery by the receiver and of the extent of the trust liabilities, both those
2 claimed by others to exist and those which the receiver believes to be the legal trust obligations of
3 West Escrow, and any further information the receiver believes may assist in an equitable
4 disposition of this matter, and to include in its report the receiver's opinion regarding the ability of
5 West Escrow to meet its trust obligations, and his recommendation regarding the best method of
6 distributing the trust property to the owners thereof;

7 (c) To file within 30 days of his qualification and appointment hereunder, a preliminary
8 inventory of all trust property of which he shall then have reviewed, observed and/or discovered
9 pursuant to this Court's order. Additionally, the receiver is to file one or more supplemental
10 inventories when and if he shall subsequently come into knowledge of additional items appropriate
11 to said inventory;

12 (d) To retain and employ such attorney(s) to assist, advise and represent the receiver in
13 the performance of his duties and responsibilities as the Court may approve upon written application
14 of the receiver;

15 (e) To retain and employ LoBuglio & Sigman as his accountants, and such other such
16 persons, clerical and professional, to perform such tasks as may be necessary to aid the receiver in
17 the performance of his duties and responsibilities;

18 (f) To be the sole signator on all trust bank accounts and bank accounts of West Escrow
19 and West Exchange;

20 (g) To bring such proceedings as are necessary to enforce the provisions hereof;

21 (h) To bring such actions as are necessary to modify the provisions hereof;

22 (i) To make such payments and disbursements from the trust property so taken into
23 custody, control, and possession of the receiver or otherwise received by him, as may be necessary
24 and advisable in discharging his duties as receiver;

25 (j) To preserve trust property;

26 (k) To institute, prosecute, defend, compromise, intervene and become a party either in
27 his own name or in the name of West Escrow and/or West Exchange to such suits, actions, or
28 proceedings as may be necessary for the protection, maintenance, recoupment or preservation of the

1 trust property of West Escrow and West Exchange and their escrow and accommodator parties, with
2 prior court approval; and

3 (l) To divert, take possession of and secure all mail of West Escrow and West Exchange,
4 in order to screen such mail for correspondence relating to the trust property, returning non-property
5 mail to the legal heirs of Ms. West, the president, director, escrow manager, and sole shareholder of
6 West Escrow and West Exchange, and to effect a change in the rights to use any and all post office
7 boxes and other mail collection facilities used by West Escrow and West Exchange.

8 3. The receiver is hereby vested with, and is authorized, directed, and empowered to
9 exercise, all of the powers of West Escrow's and West Exchange's officers and directors or persons
10 who exercise similar powers and perform similar duties, with respect to the trust property, whose
11 authority is hereby suspended; and West Escrow's and West Exchange's officers, agents, employees,
12 representatives, directors, successors in interest, attorneys in fact and all persons acting in the
13 concert or participating with them, are hereby divested of, restrained and barred from exercising any
14 of the powers herein vested in this receiver.

15 4. Any local, state or federal law enforcement and regulatory agency having jurisdiction
16 over matters relating to West Escrow's and West Exchange's business shall be entitled to review,
17 without exception, all reports of the receiver and all books, records, and files on West Escrow and
18 West Exchange in the possession of the receiver at any time during normal business hours, and to
19 make any abstract or copies of said documents as it desires.

20 5. West Escrow and West Exchange and their respective officers, directors, agents,
21 servants, employees, successors, assigns, affiliates, and other persons or entities under their control
22 and all persons or entities in active concert or participation with them, and each of them, to turn over
23 to the receiver records, documentation, charts and/or descriptive material, which relate, directly or
24 indirectly, to the trust property of West Escrow and West Exchange or otherwise belonging to their
25 escrow and accommodator transaction parties, now held by West Escrow and West Exchange or any
26 of them.

27 6. This Court will retain jurisdiction of this action in order to implement and carry out
28 the terms of all orders and decrees that may be entered herein or to entertain any suitable application

1 or motion by Petitioner and/or receiver for additional relief or modification of any order made herein
2 within the jurisdiction of this Court.

3 7. During the pendency of this receivership, except by leave of court, all parties to
4 escrows held by West Escrow and accommodator transactions held by West Exchange and any other
5 persons seeking relief of any kind, in law or in equity, from West Escrow and West Exchange
6 relating to the trust property, and all others acting on behalf of any such parties or other persons
7 including sheriffs, marshals, servants, agents and employees are restrained from:

8 (a) Commencing, prosecuting, continuing or enforcing any suit or proceeding;

9 (b) Executing or issuing or causing the execution or issuance of any court attachment,
10 subpoena, replevin, execution or other process for the purpose of impounding or taking possession of
11 or interfering with or creating or enforcing a lien upon any trust property owned or in the possession
12 of West Escrow and West Exchange or its affiliates, or the receiver appointed herein, wherever
13 situated;

14 (c) Taking, retaining, retaking or attempting to retake possession of any trust property;

15 (d) Withholding or diverting any trust property obligation;

16 (e) Doing any act or other thing whatsoever to interfere with the possession of or
17 management by the receiver herein and of the trust property, controlled by or in the possession of
18 West Escrow and West Exchange or to in any way interfere with said receiver or to interfere in any
19 manner during the pendency of this proceeding with the exclusive jurisdiction of this Court over the
20 West Escrow and West Exchange trust property.

21 8. At such time as the financial condition of the property has been ascertained by the
22 receiver and at such time as the trust property has been marshaled and all trust liabilities have been
23 determined, the receiver shall file an application with the Court for disposition of such trust property.
24 The application shall propose in detail the winding up and the distribution of trust funds. If
25 necessary, the receiver shall be authorized to propose and carry out a partial distribution, retaining
26 such funds pending final distribution as are necessary to finance any pertinent litigation or the
27 remaining operation of the receivership.

28 9. The receiver shall be paid an hourly rate of \$460.00 for his services and shall be

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

27 10. The disbursement of West Escrow's trust account funds and West Exchange's
28 accommodator account funds is prohibited until a reconciliation of West Escrow's and West

1 Exchange's account(s) has been completed and Petitioner has approved the reconciliation of which
2 said approval shall not be unreasonably withheld, except to pay the costs and expenses of the
3 receivership as provided for in paragraph 9., above.

4 11. The receiver shall file a bond with the Court in this matter in the amount of
5 \$200,000.00.

6 Dated: June 8, 2009

Judge of the Superior Court

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