

Accom 11-85-1-TO

1 FRANKLIN TOM  
 2 Commissioner of Corporations  
 3 G. W. MC DONALD  
 4 Assistant Commissioner  
 5 DORENE B. WOLF  
 6 Senior Corporations Counsel  
 7 600 South Commonwealth Avenue  
 8 Los Angeles, California 90005  
 9 Telephone: (213) 736-3150  
 10  
 11 Attorneys for Plaintiff

FILED - Central District  
San Bernardino County Clerk

OCT 30 1985

By Dolores Callera  
Deputy

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
 9 FOR THE COUNTY OF SAN BERNARDINO

11 THE PEOPLE OF THE STATE )  
12 OF CALIFORNIA, )

Case No. 229612

13 Plaintiff, )

1. ORDER RE  
PERMANENT  
INJUNCTION

14 v. )

2. ORDER RE  
APPOINTMENT  
OF RECEIVER

15 BRETCOURT FINANCIAL, INC., )  
 16 B.F.I. GROUP, INC., B.F.I. EQUITY )  
 17 GROUP, INC., CROWDER DEVELOPMENT )  
 18 CORPORATION, BRETCOURT PROPERTY )  
 19 MANAGEMENT, INCORPORATED, all )  
 20 California corporations, )  
 21 WILLIAM E. CROWDER; )  
 22 B.F.I.-XIV REALTY FUND, LTD., )  
 23 B.F.I.-XV REALTY FUND, LTD., )  
 24 B.F.I.-XVI REALTY FUND, LTD., )  
 25 DOES 1 through 100, )

Date:  
Time:  
Dept:

26 Defendants. )

24 Recording Requested By  
25 And When Recorded Mail To:

26 Reavis & McGrath  
27 700 South Flower Street  
Suite 600  
Los Angeles, CA 90017

Attention: William G. Wilson, Esq.

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1 This matter came on regularly for hearing by the Court on  
2 October , 1985 at in Department of the above  
3 entitled Court before the Honorable ,  
4 Judge Presiding.

5 Upon stipulation made to the satisfaction of the Court, and  
6 GOOD CAUSE APPEARING THEREFOR, IT IS ORDERED that the defendants,  
7 and each of them, their officers, directors, successors in  
8 interest, agents, employees, attorneys-in-fact, and all persons  
9 and entities under their control and all persons or entities  
10 acting in concert or participating with them, or any of them, are  
11 permanently enjoined from directly or indirectly:

12 1. Offering to sell, selling, arranging for the sale,  
13 issuing, engaging in the business of selling, negotiating for the  
14 sale of, or otherwise in any way dealing or participating, with  
15 respect to public or private offerings of securities of any kind,  
16 whether as a part of the offerings complained of herein or  
17 otherwise, for a period of five years commencing on the date of  
18 obtaining a preliminary injunction herein; and after five (5)  
19 years, without qualification or exemption as required by Corpora-  
20 tions Code Section 25110.

21 2. Offering to sell or selling any security or  
22 wilfully filing with the Commissioner any application, notice or  
23 report by means of any written or oral communication of any kind  
24 whatsoever which includes any untrue statement of any material  
25 fact or omits or fails to state any material fact necessary in  
26 order to make the statements made, in the light of the circum-  
27 stances under which they are made, not misleading, including but

1 not limited to the misrepresentations and omissions complained of  
2 in this action.

3 3. Removing, destroying, mutilating, concealing,  
4 altering, transferring, or otherwise disposing of, in any manner,  
5 any books, records, documents, correspondence, brochures,  
6 manuals, or other documentation of any kind, in the possession,  
7 custody or control of any of the defendants, other than to  
8 transfer them to the receiver as hereinafter provided.

9 4. Directly or indirectly, withdrawing from any bank  
10 account, transferring, changing, disbursing, selling, dissipa-  
11 ting, converting, pledging, assigning or otherwise disposing of  
12 any real property or personal property in their possession or  
13 under their control, or in the possession of, or under the  
14 control of, any of them, which property or other assets were  
15 derived or emanated from, directly or indirectly, the sale and  
16 issuance of the securities as described herein.

17 5. Disposing of, conveying or encumbering in any  
18 manner whatsoever any real property, or personal property held  
19 for the account or benefit of defendants' investors and/or  
20 creditors.

21 6. Disposing, conveying or encumbering in any manner  
22 whatsoever any real or personal property held by said defendants,  
23 for the benefit of defendants' investors and/or creditors, or by  
24 any person for the benefit of any investors and/or creditors of  
25 defendants, and each of them, whether in trust or otherwise.

26 7. From directly or indirectly, doing, attempting to  
27 do, or causing to be done any act whatsoever to interfere with

1 the responsibilities and acts over which the receiver herein  
2 appointed is given power, or otherwise in any way interferes with  
3 the receiver in the discharge of his duties.

4 IT IS FURTHER ORDERED that:

5 8. Dennis B. Schmucker be and he hereby is, appointed  
6 receiver for all defendants, except WILLIAM E. CROWDER, individu-  
7 ally, during the pendency of this action or until further order  
8 of the court, of all real and personal property directly or  
9 indirectly, owned beneficially or otherwise by, or in the posses-  
10 sion, custody or control of defendants, or to which defendants or  
11 any of them have any right of possession, custody, or control,  
12 irrespective of whosoever holds such assets, including all such  
13 assets which any, or all, of said defendants carries or main-  
14 tains, in order to obtain an adequate accounting of said defen-  
15 dants' assets and liabilities and to secure a marshaling of said  
16 assets; and for said order appointing such receiver to further  
17 provide that:

18 9. Said receiver prior to entry upon the duties  
19 herein described, take an oath and be bonded according to  
20 law.

21 10. The receiver is authorized, empowered and  
22 directed:

23 (a) To review, observe, discover and make notes  
24 regarding all the real and personal property, premises and other  
25 assets of, or in the possession of or under the control of defen-  
26 dants, wherever situated, including all accounts of defendants in  
27 financial depository institutions, and of any other property in

1 which said defendants have an interest, regardless by whom it may  
2 be held on an ongoing and continual basis pursuant to this  
3 court's order. To report to the court the results of the review,  
4 observation, discovery and abstracts resulting from the activ-  
5 ities of the receiver as ordered by this court. The receiver is  
6 to specifically report to this court on any commingling of funds,  
7 loans of property of whatever description between any and each of  
8 the defendants herein and/or any person, corporation, entity,  
9 sole proprietorship, affiliate, association of whatever type, or  
10 structure, whether or not said entities are or are not defendants  
11 in this action.

12 (b) To undertake an independent review into the  
13 financial condition, other affairs and transactions of defen-  
14 dants and render a report to this court within 120 days reflect-  
15 ing the existence and value of all assets and property subject to  
16 the review, observation and/or discovery by the receiver of the  
17 extent of any liabilities, both those claimed by others to exist  
18 and those which the receiver believes to be the legal obligations  
19 of each of the said defendants, including a review of any  
20 possible conflicts of interest and any further information the  
21 receiver believes may assist in an equitable disposition of this  
22 matter, and to include in its report the receiver's opinion  
23 regarding the ability of said defendants to meet their obliga-  
24 tions as they come due, and his recommendation regarding the  
25 necessity for, and the best method of handling, preserving or  
26 disposing of said assets.

27 (c) To file with this court, within 120 days of

1 his qualification and appointment hereunder, a preliminary  
2 inventory of all property of which he shall then have reviewed,  
3 observed and/or discovered pursuant to this court's order.  
4 Additionally, the receiver is to file one or more supplemental  
5 inventories when and if he shall subsequently come into knowledge  
6 of additional items appropriate to said inventory.

7 (d) To employ attorneys, appraisers and title  
8 companies to assist the receiver in the performance of his duties  
9 and responsibilities.

10 (e) To employ other such persons, including  
11 clerical and professional personnel, to perform such tasks as may  
12 be necessary to aid said receiver in the performance of his  
13 duties and responsibilities.

14 (f) To be the sole signator on all bank accounts  
15 of the defendants, and each of them.

16 (g) To bring such proceedings as are necessary to  
17 enforce the provisions hereof.

18 (h) To bring an action to remove the existing  
19 general partners, and to request a court supervised election to  
20 replace the general partners.

21 (i) To bring such proceedings as are necessary to  
22 modify the provisions hereof.

23 (j) To make such payments and disbursements from  
24 the funds so taken into custody, control and possession of the  
25 receiver or otherwise received by him, as may be necessary and  
26 advisable in discharging his duties as receiver.

27 (k) To carry on the lawful business activity of

1 the entities and person in receivership, to preserve investors'  
2 assets and to foreclose and/or actively seek and negotiate with  
3 potential buyers, assignees or other parties who may be interest-  
4 ed in acquiring, purchasing, leasing, subleasing or renting real  
5 or personal property of defendants and to sell, lease, sublease  
6 or rent such real or personal property subject to court approval.

7 (l) To institute, prosecute, defend, compromise,  
8 intervene and become a party to such suits, actions, or proceed-  
9 ings as may be necessary for the protection, maintenance, recoup-  
10 ment or preservation of the assets or property of defendants,  
11 subject to court approval.

12 (m) Such receiver's powers shall be in addition  
13 to and not by way of limitation on the powers described in  
14 Section 25530, Corporations Code.

15 11. To cooperate with any state and federal law  
16 enforcement agency having jurisdiction over matters relating to  
17 defendants' business to review, without exception, all reports of  
18 the receiver and all books, records, and files of said defendants  
19 and each of them at any time during normal business hours, and to  
20 make any abstracts or copies of said documents as it desires.

21 IT IS FURTHER ORDERED that:

22 12. Defendants and their respective officers,  
23 directors, that defendants and each of them and their respective  
24 officers, directors, agents, servants, employees, attorneys,  
25 salespersons, successors, assigns, subsidiaries, affiliates, and  
26 other persons or entities under their control and all persons or  
27 entities in active concert or participation with them, and each

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1 of them, shall turn over to said receiver records, documentation,  
2 charts and/or descriptive material of all funds, assets, property  
3 owned beneficially or otherwise, and all other assets of defen-  
4 dants and each of them wherever situated, and all books and  
5 records of accounts, title documents and other documents in the  
6 possession or under their control, which relate, directly or  
7 indirectly, to assets of defendants, and each of them, or  
8 belonging to investors, now held by defendants and each of them  
9 or to the business or operations of defendants and each of them.

10 13. Defendants, and each of them, will pay \$2,500 as a  
11 civil penalty for each violation of the Corporate Securities Law,  
12 as authorized by Corporations Code Section 25535, according to  
13 proof, with the assessment of the penalties to be subordinated to  
14 the making of restitution to investors of invested funds.

15 14. Defendants, and each of them will pay attorneys  
16 fees, and costs reasonably incurred herein, pursuant to Cali-  
17 fornia Corporations Code Section 25608(r), according to proof.

18 15. Defendants, and each of them, will make full  
19 restitution to each person determined to have been subjected to  
20 defendants' unlawful sales of securities, all in the amounts and  
21 manner provided for at law, according to proof.

22 16. This court will retain jurisdiction of this action  
23 in order to implement and carry out the terms of all orders and  
24 decrees that may be entered herein or to entertain any suitable  
25 application or motion by plaintiff and/or receiver for additional  
26 relief or modification of any order made herein within the  
27 jurisdiction of this court.

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1                   17. Except by leave of court during pendency of this  
2 action, all investors, creditors, and other persons seeking  
3 relief of any kind, in law or in equity, from the defendants, and  
4 each of them, and all others acting on behalf of any such  
5 investor, creditor or other person including sheriffs, marshals,  
6 servants, agents and employees are restrained from:

7                   1. Commencing, prosecuting, continuing or  
8 enforcing any suit or proceeding;

9                   2. Executing or issuing or causing the execution  
10 or issuance of any court attachment, subpoena, replevin, execution  
11 or other process for the purpose of impounding or taking posses-  
12 sion of or interfering with or creating or enforcing a lien upon  
13 any property owned or in the possession of defendants, and lack  
14 of them or its subsidiaries or affiliates or the receiver  
15 appointed herein; wheresoever situated;

16                   3. Commencing or continuing judicial or non-  
17 judicial foreclosure proceedings or proceedings for the appoint-  
18 ment of a receiver for any property owned or claimed by any  
19 defendant in this action; and

20                   4. Doing any act or thing whatsoever to interfere  
21 with the possession of or management by the receiver herein and  
22 of the property and assets owned, controlled or in the possession  
23 of defendants and each of them or to in any way interfere with  
24 said receiver or to interfere in any manner during the pendency  
25 of this proceeding with the exclusive jurisdiction of this court  
26 over the defendants.

27                   18. Said receiver shall be paid bi-weekly the sum of

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1 \$175 per hour plus out-of-pocket expenses. In the event extra-  
2 ordinary services are performed by said receiver, he shall be  
3 entitled to extraordinary compensation, according to proof.

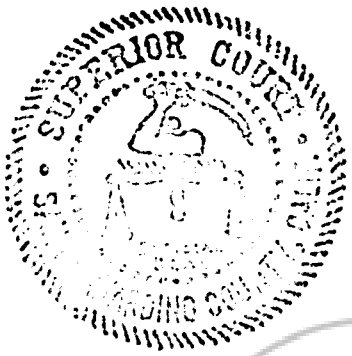
4 19. That the plaintiff may have such other and further  
5 relief as this Court may deem necessary and proper.


6 Dated: October <sup>30</sup>, 1985

7  
8 

JUDGE OF THE SUPERIOR COURT

9 THE DOCUMENT TO WHICH THIS CERTIFICATION IS  
10 ATTACHED IS A FULL TRUE AND CORRECT COPY OF THE  
11 ORIGINAL ON FILE AND OF RECORD IN MY OFFICE  
12 ATTEST NOV 13 1985




13 County Clerk and ex-officio Clerk of the Superior Court  
14 of the State of California, in and for the County of San  
15 Bernardino.  
16 BY  DEPUTY

17  
18  
19  
20  
21  
22  
23  
24 REQUESTED BY  
Northern Nevada Title Company  
25 IN OFFICIAL RECORDS OF  
DOUGLAS COUNTY, NEVADA

26 '85 NOV 25 P2:05

27 SUZANNE BEAUDREAU  
RECORDER

5 <sup>14.00</sup> PAID  DEPUTY BOOK 127400 1185 PAGE 2494

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