

APN: 1318-23-216-017

RECORDING REQUESTED BY:
TSI TITLE & ESCROW, INC.

WHEN RECORDED MAIL TO:

Mr. Alfred J.R. Villalobos, Trustee
P.O. Box 3720
Zephyr Cove, NV. 89448

Douglas County - NV
Karen Ellison - Recorder
Page: 1 Of 7 Fee: 20.00
BK-0211 PG-0608 RPTT: 0.00



Stipulation and Order For Turnover of Property by State Court Receiver David J. Pasternak to Debtors Vacating Trial on the Motion by the People of the State of California for an Order Maintaining David J. Pasternak as Custodian Pursuant to 11USC

This page added to provide additional information required by NRS 111.312 Sections 1-2 (Additional recording fees apply)



BK- 0211
PG- 609

0778053 Page: 2 Of 7 02/03/2011

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Entered on Docket
August 18, 2010

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Attorneys for People of the State of California

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re

ALFRED J.R. VILLALOBOS, an individual,

- Affects this Debtor
- Affects all Debtors
- Affects Arvco Capital Research, LLC
- Affects Arvco Financial Ventures, LLC
- Affects Arvco Art, Inc.

Debtors.

Case No. 10-52248-GZ (Chapter 11)
Jointly Administered with:

- 10-52249 Arvco Capital Research, LLC
- 10-52251 Arvco Financial Ventures, LLC
- 10-52252 Arvco Art, Inc.

STIPULATION AND ORDER FOR (i) TURNOVER OF PROPERTY BY STATE COURT RECEIVER DAVID J. PASTERNAK TO DEBTORS; (ii) VACATING TRIAL ON THE MOTION BY THE PEOPLE OF THE STATE OF CALIFORNIA FOR AN ORDER MAINTAINING DAVID J. PASTERNAK AS CUSTODIAN PURSUANT TO 11 USC

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1658121 v2/NY

ORDER FOR (I) TURNOVER OF PROPERTY BY STATE COURT RECEIVER ETC.

I certify that this is a true copy.

Attest: *Liz Winder*
Deputy Clerk, U.S. Bankruptcy Court

1-11-2011 6 pages



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Section 543(d)(1), OR IN THE ALTERNATIVE, FOR APPOINTMENT OF CHAPTER 11 TRUSTEE (11 USC Section 1104); AND; (iii) VACATING PENDING DEPOSITIONS

DATE: August 31, 2010
TIME: 10 a.m.
CRTM: 3
JUDGE: The Hon. John L. Peterson

The parties hereto having considered the Notice of Withdrawal of Motion for an Order Maintaining David J. Pasternak as Custodian Pursuant to 11 U.S.C. § 543(d)(1), Or In The Alternative, for Appointment of a Chapter 11 Trustee (11 U.S.C. § 1104) filed by the People of the State of California (the "State") on August 9, 2010, hereby stipulate as follows:

1. The trial on the Motion for an Order Maintaining David J. Pasternak as Custodian Pursuant to 11 U.S.C §543(d)(1), Or in the Alternative for Appointment of a Chapter 11 Trustee (11 U.S.C. §1104) (the "Trustee Motion") scheduled for August 31, 2010 shall be vacated.
2. The hearing on the Motion for Order Directing State Court Appointed Receiver to Turnover Property Pursuant to 11 U.S.C. § 543(b) ("Turnover Motion") scheduled for August 31, 2010 shall be vacated.
3. All depositions currently scheduled between August 10 and August 31, 2010 in connection with either the Trustee Motion or the Turnover Motion shall go off calendar without prejudice to any party to noticing those witnesses for deposition at some future point in the litigation and without prejudice to any objections that parties, including third parties, may raise. The State shall return forthwith to the Debtors all documents produced to date by the Debtors pursuant to the Trustee Motion. Nothing contained herein shall affect the Debtors' or the State's right to file a motion to compel regarding the respective discovery responses in conjunction with any future action in the bankruptcy court where such discovery would be relevant.



BK- 0211
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0778053 Page: 4 Of 7 02/03/2011

1 4. Within two (2) business days following the entry of this Order, (the date of entry
2 of this Order being the "Effective Date," and the date the Receiver turns over being the assets
3 contemplated herein being the "Turnover Date"), the Receiver shall turn over to the above-
4 captioned Debtors, custody, possession and control of all assets and property of any of Alfred J.R.
5 Villalobos, Arvco Capital Research, LLC and Arvco Art, Inc. in his present custody, possession
6 and control as set forth in and pursuant to (i) the Amended Preliminary Injunction and
7 Confirmation of Receiver filed on June 3, 2010 in the Los Angeles County Superior Court,
8 County of Los Angeles, California, and a copy of which was filed on June 10, 2010 in the Second
9 Judicial District of the State of Nevada, County of Washoe ("Nevada Court") and on June 10,
10 2010 in the Circuit Court of the Second Circuit, State of Hawai'i ("Hawai'i Court"); (ii) the Order
11 Recognizing Sister-State's Order Appointing Receiver and Appointing Petitioner as Ancillary
12 Receiver in Nevada To Effectuate and Carry Out Sister-State's Order filed May 11, 2010 in the
13 Nevada Court; and, (iii) the Order Recognizing Sister-State's Order Appointing Receiver and
14 Appointing Petitioner as Ancillary Receiver in Hawai'i to Effectuate and Carry out Sister State's
15 Order filed in the Hawai'i Court on May 19, 2010; provided, however, that the foregoing
16 sentence shall apply regardless of whether the Receiver is in actual or constructive possession of
17 such property. The Receiver has previously turned over to ARVCO Financial Ventures, LLC all
18 assets previously held by the Receiver related to that entity and the Receiver has advised the
19 Court that to the best of his knowledge none of the assets currently in his possession are assets of
20 that Debtor.

21 5. Within ten (10) business days of the Effective Date, the Receiver shall file
22 monthly operating reports for Mr. Villalobos, Arvco Capital and Arvco Art for the period of
23 August 1, 2010 through and including the Turnover Date.

24 6. As of Effective Date, the Order Authorizing David J. Pasternak to Remain as
25 Receiver Pending Further Court Order is vacated.

26 7. Effective as of the Turnover Date, the Receiver and his counsel in California,
27 Nevada, and Hawaii are relieved from undertaking any further responsibilities with regard to the

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1 continuing affairs of the Debtors, including, but not limited to, participation in the lawsuit entitled
2 Alfred J.R. Villalobos v. Gardner Enterprises, et al., Case No. CV0305, filed in the Ninth Judicial
3 District Court of the State of Nevada, in and for the County of Douglas and the cases pending in
4 this Court, and the Receiver shall not be considered a "party in interest" in these chapter 11
5 cases; provided, however, that the Receiver shall cooperate with the Debtors if the Debtors have
6 reasonable inquiries concerning the Receiver's conduct during the course of the receivership.

7 8. Within five (5) business days following the Effective Date, the Receiver shall
8 request that the Los Angeles County Superior Court, the Nevada Court, and the Hawai'i Court
9 enter orders discharging the Receiver, excusing the Receiver from having to file in said state
10 courts, final reports of accounting or fee applications in those courts, and immediately
11 exonerating his bonds posted in those same courts;

12 9. Effective as of the Turnover Date, the Receiver, and his counsel, shall be relieved
13 of any requirement to file further reports in this Court, except for the filing of the Receiver's final
14 report and accounting; his and his professionals' fee applications; and as otherwise provided
15 herein;

16 10. The Receiver and his counsel shall file applications for compensation and
17 reimbursement of expenses in accordance with the Bankruptcy Code and the State may support
18 same. The Debtors' rights to object to such applications on any and all grounds are hereby
19 preserved.



1 **APPROVED AS TO FORM AND CONTENT:**

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Dated: August 16, 2010 OFFICE OF THE ATTORNEY GENERAL

/s/ Irene K. Tamura
IRENE K. TAMURA,
Attorney for People of the State of
California

Dated: August 16, 2010 BELDING, HARRIS & PETRONI, LTD

/s/ Stephen R. Harris
STEPHEN R. HARRIS, ESQ.
Attorney for Debtors

Dated: August 16, 2010 BUCHALTER NEMER, A Professional Corporation

/s/ Michael L. Wachtell
MICHAEL L. WACHTELL, ESQ.
Attorneys for Receiver, David J.
Pasternak

Dated: August 16, 2010 HARTMAN & HARTMAN

/s/ Jeffrey L. Hartman
JEFFREY L. HARTMAN, ESQ.
Proposed Attorneys for Official Committee
of Unsecured Creditors

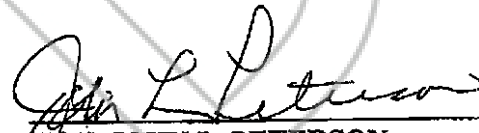
ORDER

BASED UPON the foregoing STIPULATION between the parties and good cause
appearing:

IT IS HEREBY ORDERED that the foregoing STIPULATION is approved according
to the terms and conditions set forth therein.

DATED this 18th day of August, 2010.

BY THE COURT



HON. JOHN L. PETERSON
United States Bankruptcy Judge.