	Case 2:15-cv-00884-NVW Document 305	Filed 03/29/16	Page 1 of 69
1 2 3 4 5 6 7 8 9 10	MARK BRNOVICH ATTORNEY GENERAL (Firm State Bar No. 14000) NANCY VOTTERO ANGER (No. 006810) ASSISTANT ATTORNEY GENERAL MATTHEW DU MEE (No. 028468) ASSISTANT ATTORNEY GENERAL OFFICE OF THE ATTORNEY GENERAL 1275 West Washington Street Phoenix, Arizona 85007-2997 Telephone: (602) 542-8327 Facsimile: (602) 542-4377 Attorneys for the Plaintiff States consumer@azag.gov		
11 12	Federal Trade Commission; all Fifty		-15-00884-PHX-NVW
13	States; and the District of Columbia;	STIPULATIO	
14	Plaintiffs, vs.		LIQUIDATING VER CANCER FUND
15 16	Cancer Fund of America, Inc., a Delaware corporation, et al.;	OF AMERICA SUPPORT SEI	A, INC., AND CANCER RVICES, INC.
17 18	Defendants.		
19	Plaintiffs, the Federal Trade Commission ("FTC" or "Commission") and the		
20	states of Alabama, Alaska, Arizona, Arkansa	s, California, Col	orado, Connecticut,
21	Delaware, Florida, Georgia, Hawaii, Idaho, I	llinois, Indiana, I	owa, Kansas, Kentucky,
22	Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi,		
23	Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico,		Jersey, New Mexico,
24	New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania,		Dregon, Pennsylvania,
25	Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont,		
26	Virginia, Washington, West Virginia, Wisconsin, Wyoming, and the District of		
27	Columbia, and Defendants Cancer Fund of America, Inc. ("CFA") and Cancer Support		
28	Services, Inc. ("CSS"), having stipulated to the entry of a separate and concurrently filed		
	STIPULATION RE ORDER APPOINTI Pag		VER CFA AND CSS

1	"Stipulated Order for Permanent Injunction and Monetary Judgment Against Cancer		
2	Fund of America, Inc., Cancer Support Services, Inc., and James Reynolds, Sr.," further		
3	stipulate to the entry of this Stipulated Order Appointing a Receiver Over Cancer Fund		
4	of America, Inc., and Cancer Support Services, Inc.		
5	THEREFORE, IT IS ORDERED as follows:		
6	FINDINGS		
7	1. Plaintiffs and CFA and CSS have consented to entry of a Stipulated Order		
8	for Permanent Injunction and Monetary Judgment Against Cancer Fund of America,		
9	Inc., Cancer Support Services, Inc., and James Reynolds, Sr. ("Permanent Injunction").		
10	2. The Permanent Injunction requires that the assets of CFA and CSS be		
11	liquidated to partially satisfy the monetary judgment entered against them and that their		
12	corporate existences be dissolved.		
13	3. Plaintiffs, CFA, and CSS have consented to entry of this Stipulated Order		
14	Appointing Liquidating Receiver Over Cancer Fund of America, Inc., and Cancer		
15	Support Services, Inc. ("CFA and CSS Receivership Order").		
16	4. Pursuant to the Federal Rules of Civil Procedure, this Court's general		
17	equitable authority, and Sections 13(b) and 19 of the Federal Trade Commission Act, 15		
18	U.S.C. § 53(b) and 57b, this Court has the authority to enter the requested relief.		
19	DEFINITIONS		
20	For purposes of this Order, the following definitions shall apply:		
21	1. "CFA" means Cancer Fund of America, Inc. ("CFA"), also dba Breast		
22	Cancer Financial Assistance Fund, and its successors and assigns.		
23	2. "CSS" means Cancer Support Services, Inc. ("CSS"), and its successors		
24	and assigns.		
25	3. "Receiver" means the receiver appointed by this CFA and CSS		
26	Receivership Order.		
27	4. "GAIC Policies" means the Great American Insurance Company		
28	("GAIC") "Nonprofit Solution" Insurance Policies, Policy No. EPP8184213, for the		
	STIPULATION RE ORDER APPOINTING RECEIVER OVER CFA AND CSS Page 2		

Policy Periods of: (1) September 30, 2008, to September 30, 2009; (2) September 30,
2009 to September 30, 2010; (3) September 30, 2010, to September 30, 2011; (4)
September 30, 2011, to September 30, 2012; (5) September 30, 2012, to September 30,
2013; and (6) the Endorsement to the 2013-16 Policy providing a "Discovery Period"
from September 30, 2013 to September 30, 2016.

"MVF Policies" means the Mount Vernon Fire Insurance Company 5. 6 7 ("MVF") Nonprofit Directors and Officers Liability Insurance Policies, beginning with 8 Policy No. NDO2009078, for the Policy Period of August 1, 2007 - August 1, 2008; 9 followed sequentially by 12 month policies under policy numbers NDO2009078A, NDO2009078B, NDO2009078C, NDO2009078D, and concluding with policy number 10 11 NDO2009078E which had a policy period that commenced on August 1, 2012 and remained in effect till August 30, 2013. Policy number NDO2009078E was endorsed to 12 13 include an Extended Reporting Period till August 1, 2016.

¹⁴ 6. "Permanent Injunction" means the "Stipulated Order for Permanent
 ¹⁵ Injunction and Monetary Judgment Against Cancer Fund of America, Inc., Cancer
 ¹⁶ Support Services, Inc., and James Reynolds, Sr." agreed to by CFA, CSS, and James
 ¹⁷ Reynolds, Sr. ("Reynolds, Sr.").

7. "STCO Fund" means the Litigation Deposits Trust Fund (Fund Code "Txx-909N"), an interest bearing trust fund held by the Hawaii Attorney General's Office
in trust for the Plaintiff States into which Section VIII.E.1 of the Permanent Injunction
requires the CFA and CSS Receiver to deposit all monies to be paid to the Plaintiff
States.

8. "Person" means a natural person, an organization or other legal entity,
including a corporation, partnership, sole proprietorship, limited liability company,
association, cooperative, or any other group or combination acting as an entity.

9. "Fundraising" means a plan, program, or campaign that is conducted to
induce charitable contributions by mail, telephone, electronic mail, social media, or any
other means.

- 1 10. "Nonprofit organization" means any person that is, or is represented to be, 2 a nonprofit entity, or that has, or is represented to have, a charitable purpose, specifically 3 including but not limited to any entity that purports to benefit, either in whole or in part, individuals who suffer or have suffered from cancer. 4
- "And" and "or" shall be construed both conjunctively and disjunctively to 11. 5 make the applicable sentence or phrase inclusive rather than exclusive. 6
 - **ORDER**

8

I.

II.

7

APPOINTMENT OF LIQUIDATING RECEIVER

IT IS FURTHER ORDERED that Receivership Management, Inc., 1101 Kermit 9 Drive, Suite 735, Nashville, TN 37217, is appointed by this Court as Liquidating 10 11 Receiver ("Receiver") with all the rights and privileges of an equity receiver over CFA and CSS for the purposes of taking charge of the property and assets of CFA and CSS, 12 13 conducting the necessary steps to wind down the affairs of CFA and CSS, liquidating their assets, dissolving their corporate existences, and paying all net assets to the STCO 14 Fund. For purposes of this appointment, the Receiver may treat CFA and CSS as a 15 single economic entity. The Receiver shall be the agent of this Court, and solely the 16 17 agent of this Court, in acting as Receiver under this Order. The Receiver shall be 18 accountable directly to this Court.

19

RECEIVER'S DUTIES AND AUTHORITIES

IT IS FURTHER ORDERED that the Receiver shall be authorized and directed to 20 21 do any and all acts necessary to the proper and lawful conduct of this receivership, 22 subject to the control of this Court, including but not limited to:

23

24

A. Take any and all steps that the Receiver concludes are appropriate to wind down the affairs of CFA and CSS, liquidate their assets, and dissolve their corporate existences; 25

26 Β. Exercise full control of CFA and CSS and collect, marshal, and take 27 custody, control, and possession of all the funds, property, premises, accounts, 28 documents, mail, and other assets of, or in the possession or under the control of, CFA 1 and CSS (except the GAIC Policies and the MVF Policies or any payments or refunds in 2 connection with such policies), wherever situated, the income and profits therefrom, and 3 all sums of money now or hereafter due or owing to CFA and CSS, with full power to collect, receive and take possession of all goods, chattels, rights, credits, monies, rents, 4 effects, lands, leases, books and records, limited partnership records, work papers, and 5 6 records of accounts, including computer maintained information, contracts, financial 7 records, monies on hand in banks and other financial institutions, and other papers and documents of other individuals, partnership or corporations whose interest are now held 8 9 by or under the direction, possession, custody, or control of CFA and CSS;

C. Perform all acts necessary or advisable to complete an accounting of the
 assets of CFA and CSS, prevent unauthorized transfer, withdrawal, or misapplication of
 the assets of CFA and CSS, and preserve and pursue recovery of the assets of CFA and
 CSS from third parties (except the GAIC Policies and the MVF Policies or any
 payments or refunds in connection with such policies);

D. Make disbursements for operating expenses as may be appropriate to wind
 down the affairs of CFA and CSS, such as for undertaking repairs, and take any other
 actions necessary to efficiently manage all real and personal property in order to
 maintain its value;

E. Purchase insurance as advisable or necessary. The Receiver may keep in
force the existing insurance coverage(s), each of which shall name the Receiver as an
additional insured thereunder. The Receiver acknowledges and agrees that when this
Order is entered, the GAIC Policies and MVF Policies are not part of this Order;

F. Enter into new or amended contracts, agreements, understandings, or other
commitments and terminate or abrogate, in the Receiver's sole sound business
discretion, any or all agreements, contracts, understandings, or commitments entered
into by CFA and CSS, to the extent permitted by applicable law. The Receiver shall not
be bound by any unsecured contracts, agreements, understandings, or other
commitments in the nature of service contracts that CFA and CSS had, have, or may

have with third parties, whether oral or written. The Receiver may agree to become
bound by any such contracts, agreements, understandings, or other commitments by
affirmative written ratification executed by the Receiver. *Provided that* the Receiver
shall immediately terminate any and all fundraising contracts and cease all fundraising;

G. Make payments and disbursements from the assets of CFA and CSS that
are necessary or advisable for carrying out the provisions of, or exercising the authority
granted by, this Order. The Receiver shall apply to the Court for prior approval of any
payment of any debt or obligation incurred by CFA or CSS prior to the date of entry of
this Order, except payments that the Receiver deems necessary or advisable to secure
and liquidate assets of CFA and CSS, such as rental payments or payment of liens;

H. Request that the Clerk of the Court issue subpoenas, or have subpoenas
issued by the Receiver's attorney pursuant to Rule 45(a)(3) of the Federal Rules of Civil
Procedure, to obtain documents and records pertaining to the assets of CFA and CSS,
and otherwise to conduct discovery on behalf of CFA and CSS as permitted by the
Federal Rules of Civil Procedure, directly or through the Receiver's attorney;

I. 16 Institute, prosecute, defend, compromise, intervene, adjust, appear in, and 17 become a party either in the Receiver's own name or in the name of CFA or CSS to such 18 suits, actions, or proceedings in state, federal, or foreign courts as may be necessary for 19 the protection, maintenance, recovery, recoupment, or preservation of the assets of CFA 20 and CSS, including proceedings seeking the avoidance of fraudulent transfers, 21 disgorgements of profits, imposition of constructive trusts, and any other legal and 22 equitable relief that the Receiver deems necessary and appropriate to preserve and 23 recover the assets of CFA and CSS, however, CFA, CSS and their respective counsel of 24 record in the two (2) separate pending actions styled MOUNT VERNON FIRE INSURANCE COMPANY v. CANCER FUND OF AMERICA, INC.; JAMES 25 26 REYNOLDS, SR.; and KYLE EFFLER, civil action no. 3:14-cv-00568-PLR-HBG in the 27 United States District Court for the Eastern District of Tennessee, and GREAT AMERICAN INSURANCE COMPANY v. CANCER SUPPORT SERVICES, INC., civil 28

1 action no. 2:14-CV-14309 in the United States District Court for the Eastern District of 2 Michigan, ("Coverage Actions") shall retain the right and authority to approve for entry 3 any stipulations, joint motions, or agreed orders necessary to allow those courts to enter final orders declaring the rights of MVF and GAIC under their respective policies of 4 insurance, including, but not limited to, the right of CFA and CSS (and their counsel) to: 5 (i) agree to rescission of the respective MVF and GAIC Policies; and (ii) for CFA and 6 7 CSS to waive and forgo any rights for the return of any premiums for said Policies, in exchange for MVF and GAIC not pursuing their rights for monetary damages against 8 CFA and CSS, respectively; 9 J. 10 Bring such proceedings and actions as are necessary to enforce or modify the provisions of this Order; 11

Κ. Perform all incidental acts that the Receiver deems to be advisable or 12 necessary to manage the affairs of CFA and CSS during the winding down phase, 13 liquidate their assets, and dissolve their corporate existences, including, without 14 limitation, the following powers and responsibilities to: 15

16

17

18

19

20

21

22

23

24

25

27

28

Retain, hire, or dismiss any employees, independent contractors, 1. and agents as the Receiver deems advisable or necessary;

2. Supervise and oversee the management of CFA and CSS, including making payments and paying taxes as and when the Receiver has funds available from CFA and CSS, or from the liquidation thereof;

3. Employ such counsel, real estate agents, auctioneers, appraisers, accountants, contractors, other professionals, and other such persons as may be necessary in order to carry out the duties as Receiver and to preserve, maintain, recover, recoup, and protect the assets of CFA and CSS;

4. Open new accounts with, or negotiate, compromise or otherwise 26 modify the existing obligations of CFA and CSS with third parties, including utility companies and other service providers or suppliers of goods and services, and to otherwise enter into such agreements, contracts, or understandings with

such third parties as are necessary to maintain, preserve, and protect the assets of CFA and CSS;

5. Open new bank, brokerage or investment accounts with respect to the Receiver's management and operation of CFA and CSS, and deposit any cash or other assets into said accounts; and

6. Surrender for cash value the universal life insurance policy#VPB401223, held by The Lincoln National Life Insurance Company and use the proceeds as necessary to operate the Receivership.

9 L. Dispose of, or arrange for the disposal of, the records of CFA and CSS no 10 later than six months after the Court's approval of the Receiver's final report; except 11 that, to the extent that any federal, state, or local law regulating the activities of CFA and CSS requires the retention of particular records for a specified period, the Receiver shall 12 13 arrange for such records to be disposed of after the specified period has expired. For any such records, the Receiver may elect to retain records in their original form, or to retain 14 photographic or electronic copies. Records containing personal financial information, 15 personal identifying information, or sensitive health information must be shredded, 16 incinerated, or otherwise disposed of in a secure manner. Records containing the name, 17 address, email address and/or telephone number of any person who made a donation to 18 19 CFA or CSS (i.e., any donor list) may not be sold, rented, leased, transferred, or otherwise disclosed to any third party and must be destroyed; and 20

M. Pay to the STCO Fund any and all sums collected over and above those
 necessary to wind down the affairs of CFA and CSS, liquidate their assets, and dissolve
 them, or those necessary to make payments authorized by this CFA and CSS
 Receivership Order.

25

III.

1

2

3

4

5

6

7

8

TRANSFER OF RECEIVERSHIP PROPERTY TO RECEIVER

IT IS FURTHER ORDERED that CFA, CSS, and their representatives, agents,
 officers, directors, employees, managers, members, and any other persons with

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

possession, custody, interest in, or control of property or records relating to CFA and CSS shall:

A. Upon notice of this Order by personal service or otherwise, immediately notify the Receiver of all such property and records and, upon receiving a request from the Receiver, immediately transfer or deliver to the Receiver possession, custody, and control of the following:

1. All assets of CFA and CSS, including but not limited to any legal or equitable interest in, right to, or claim to, any real, personal, or intellectual property, including chattel, goods, instruments, equipment, fixtures, general intangibles, effects, leaseholds, contracts, mail or other deliveries, shares or stock, securities, inventory, checks, notes, accounts, credits, receivables (as those terms are defined in the Uniform Commercial Code), insurance policies (except for the GAIC Policies and the MVF Policies or any payments or refunds in connection with such policies), lines of credit, cash, trusts (including asset protection trusts), lists of donor names, and reserve funds or any other accounts associated with any donations or other payments processed by, or on behalf of, CFA or CSS, including such reserve funds held by payment processors, credit card processors, caging companies, banks, or other financial institutions;

2. All documents of CFA and CSS, including books and records of accounts, all financial and accounting records, balance sheets, income statements, bank records (including monthly statements, canceled checks, records of wire transfers, and check registers), client lists, donor lists, title documents, and all other materials listed in Federal Rule of Civil Procedure 34(a), including writings, drawings, graphs, charts, photographs, audio and video recordings, computer records, digital records, and other data compilations from which information can be obtained and translated, if necessary, into reasonably usable form through detection devices;

28

27

1

2

3

4

5

6

7

8

9

10

16

17

3. All computers, electronic devices, machines, and data in whatever form used to conduct the business of CFA and CSS, and all passwords and other credentials related thereto;

4. All assets and documents belonging to other persons or entities whose interests are under the direction, possession, custody, or control of CFA and CSS; and

5. All keys, codes, user names, and passwords necessary to gain or to secure access to any assets or documents of CFA and CSS, including access to their business premises, means of communication, accounts, computer systems, or other property.

B. Waive all claims to, and unconditionally release and consent to transfer
 possession and legal and equitable title of all property of CFA and CSS to the Receiver
 or a trust designated by the Receiver;

C. Until CFA and CSS surrender possession and legal and equitable title of
 all property of CFA and CSS to the Receiver:

1. Maintain and take no action to diminish the value of any property of CFA and CSS, including any structures, fixtures, and appurtenances thereto;

Remain current on all amounts due and payable on the property of
 CFA and CSS, including but not limited to taxes, insurance, maintenance, and
 similar fees; and

3. Cause existing insurance coverage for the property of CFA and CSS
to remain in force until the surrender of possession and legal and equitable title,
and both notify the insurance carrier(s) immediately of the appointment of the
Receiver and request that the Receiver be added to the insurance policy or
policies as an additional insured thereunder.

D. Notwithstanding any other term, condition, or provision of this Order, the
 Receiver shall not have any legal or equitable rights to the GAIC Policies and MVF
 Policies, or any payments or refunds in connection with such policies (including, but not

limited to, the payment of \$200,000 each being made by GAIC and MVF into the STCO
Fund (the "GAIC and MVF Payment"). The Receiver expressly agrees that: (i) the
GAIC Policies and MVF Policies, and any payments or refunds in connection with such
policies, and the GAIC and MVF Payment are not assets that are subject to this Order;
and (ii) prior to this Order becoming effective, CFA and CSS have stipulated in the
Coverage Actions as noted in Section II.I, above, that the GAIC and MVF Policies are
completely rescinded, null and void, and of no effect whatsoever.

8

IV.

SALE OF PERSONAL PROPERTY OF REYNOLDS, SR.

IT IS FURTHER ORDERED that any personal property transferred to the
 Receiver by Reynolds, Sr., pursuant to Section VII.C. of the Permanent Injunction or
 otherwise, shall be treated by the Receiver as assets of the receivership estate and
 liquidated accordingly. The Receiver shall credit the net proceeds of the sale to the
 outstanding debt owed by Reynolds, Sr. to CFA.

- 14
- 15

V. COOPERATION

IT IS FURTHER ORDERED that:

CFA, CSS, their representatives, agents, officers, directors, employees, 16 A. 17 managers, members or any other persons with possession, custody, or control of 18 property or records relating to CFA and CSS, specifically including Reynolds, Sr., must 19 cooperate fully with the Receiver and take such other steps as the Receiver may require 20 to transfer to the Receiver, or to the Receiver's designated trust, possession and legal and equitable title to all assets of CFA and CSS within five days of request by the 21 22 Receiver, including executing any documents, procuring the signature of any person or 23 entity under their control, providing access to the property of CFA and CSS and any 24 necessary information, and turning over any property of CFA and CSS; and

B. In the event that any person fails to deliver or transfer any asset or
document, or otherwise fails to comply with any provision of this Order, the Receiver
may file, ex parte, an affidavit of non-compliance regarding the failure. Upon filing of
the affidavit, the Court may authorize, without additional process or demand, writs of

possession or sequestration or other equitable writs requested by the Receiver. The writs
 shall authorize and direct the United States Marshal, any sheriff or deputy sheriff of any
 county, or any other federal, state, or local law enforcement officer, to seize the asset,
 document, or other item covered by this Section and to deliver it to the Receiver.

5

VI. PROVISION OF INFORMATION TO RECEIVER

IT IS FURTHER ORDERED that CFA, CSS, and Reynolds, Sr., shall provide to
the Receiver, immediately upon request, the following:

A. Lists of all assets and property, including accounts, of CFA and CSS that
are held in the name of CFA or CSS, any name other than the name of CFA and CSS, or
by any person or entity other than CFA and CSS; and

B. A list of all agents, employees, officers, directors, managers, members,
 employees, agents, or those persons in active concert and participation with CFA or
 CSS, who have been associated with or done business with CFA or CSS.

14

VII.

PROHIBITION ON INTERFERENCE WITH THE RECEIVER

IT IS FURTHER ORDERED that CFA, CSS, and their representatives, whether
 acting directly or through any entity, corporation, subsidiary, division, director,

¹⁷ manager, member, employee, agent, affiliate, independent contractor, attorney,

accountant, financial advisor, or other device, except as provided herein, as stipulated by
 the parties, or as directed by further order of the Court, specifically including Reynolds,

²⁰ Sr., are hereby restrained and enjoined from:

A. Interfering with the Receiver's efforts to manage, or take custody, control,
 or possession of, the assets or documents subject to this receivership;

23

B. Transacting any of the business of CFA and CSS;

C. Transferring, receiving, altering, selling, encumbering, pledging,
 assigning, liquidating, or otherwise disposing of any assets owned, controlled, or in the
 possession or custody of, or in which an interest is held or claimed by, CFA, CSS, or the
 Receiver; and

28

1D.Refusing to cooperate with the Receiver or the Receiver's duly authorized2agents in the exercise of their duties or authority under any order of this Court.

3

4

5

6

7

8

9

VIII. STAY OF ACTIONS AGAINST CFA AND CSS

IT IS FURTHER ORDERED that, except by leave of this Court, during pendency of the receivership ordered herein CFA, CSS, their representatives, and other persons seeking to establish or enforce any claim, right, or interest against or on behalf of CFA and CSS, and all others acting for or on behalf of such persons, are hereby enjoined from taking action that would interfere with the exclusive jurisdiction of this Court over the assets or documents of CFA and CSS, including:

10

11

A. Petitioning, or assisting in the filing of a petition, that would cause CFA and CSS to be placed in bankruptcy;

- B. Commencing, prosecuting, or continuing a judicial, administrative, or
 other action or proceeding against CFA or CSS, including the issuance or employment
 of process against CFA or CSS, except that such actions may be commenced if
 necessary to toll any applicable statute of limitations;
- C. Filing or enforcing any lien on any asset of CFA or CSS, taking or
 attempting to take possession, custody, or control of any asset of CFA or CSS, or
 attempting to foreclose, forfeit, alter, or terminate any interest in any asset of CFA or
 CSS, whether such acts are part of a judicial proceeding, are acts of self-help, or
 otherwise; and

21 D. Initiating any other process or proceeding that would interfere with the 22 Receiver's efforts to manage or take custody, control, or possession of the assets or 23 documents subject to this receivership; *provided that*, this Order does not stay: (i) the commencement or continuation of a criminal action or proceeding; (ii) the 24 commencement or continuation of an action or proceeding by a governmental unit to 25 26 enforce such governmental unit's police or regulatory power; (iii) the enforcement of a 27 judgment, other than a monetary judgment, obtained in an action or proceeding by a 28

¹ governmental unit to enforce such governmental unit's police or regulatory power;

(iv) the coverage actions referenced in Section II.I, above.

X.

3

2

IX. RECEIVER'S BOND

IT IS FURTHER ORDERED that the Receiver shall file with the Clerk of this Court
a bond in the sum of \$25,000 with sureties to be approved by the Court, conditioned that
the Receiver will well and truly perform the duties of the office and abide by and
perform all acts the Court directs. 28 U.S.C. § 754.

8

COMPENSATION OF RECEIVER

IT IS FURTHER ORDERED that the Receiver and all personnel hired by the 9 Receiver as herein authorized, including counsel to the Receiver and accountants, are 10 11 entitled to reasonable compensation for the performance of duties undertaken pursuant to this Order and for the cost of actual out-of-pocket expenses incurred. The Receiver's 12 13 compensation and the compensation of any persons hired by the Receiver is to be paid 14 solely from the assets of CFA and CSS and any proceeds from the liquidation of CFA and CSS, and such payments shall have priority over all other distributions except for 15 16 any transfer fees, recording fees, or other payments owed through the transfer of the assets of CFA and CSS. The Receiver shall file with the Court and serve on the parties 17 18 a request for the payment of reasonable compensation at the time of the filing of periodic 19 reports and no less than every 60 days. The Receiver shall not increase the fees or rates used as the basis for such fee applications without prior approval of Plaintiffs and the 20 21 Court. CFA and CSS shall have no right to object to the Receiver's fees or compensation. Absent a violation of this Order that causes the Receiver to incur fees or 22 expenses, CFA and CSS shall not be liable for the Receiver's fees or expenses. 23

24

XI. RECEIVER REPORTS

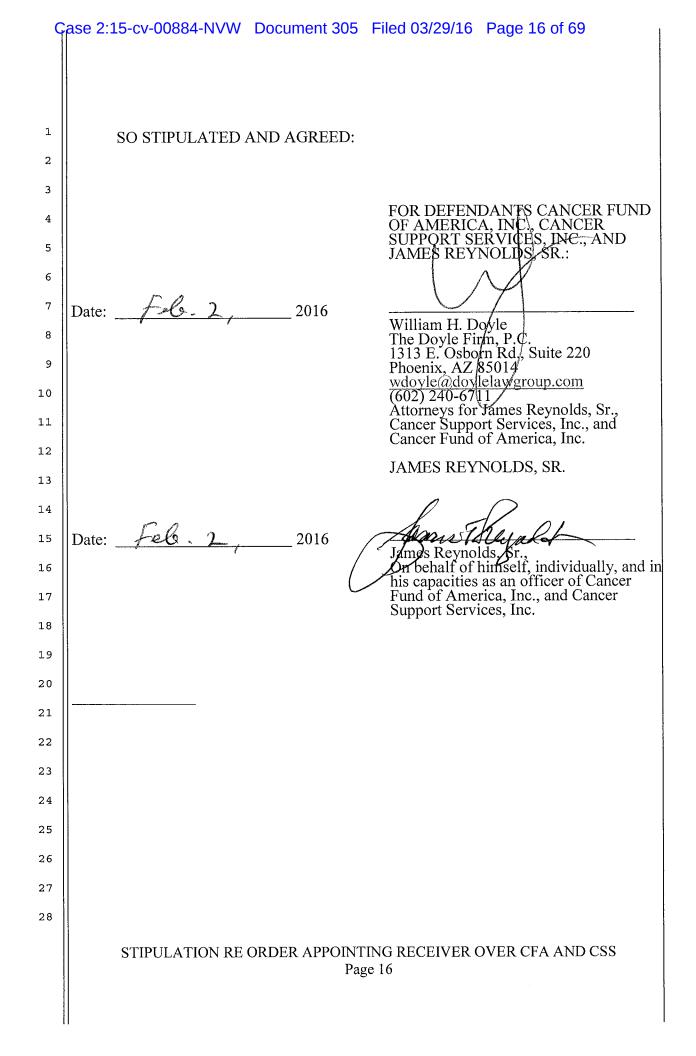
IT IS FURTHER ORDERED that the Receiver shall periodically file with the
 Court, no less than every 60 days, a Receivership Report, under oath, accurately
 identifying any and all revenues received and expenditures made, including adequately
 detailed information concerning income, expenses, payables, and receivables. These

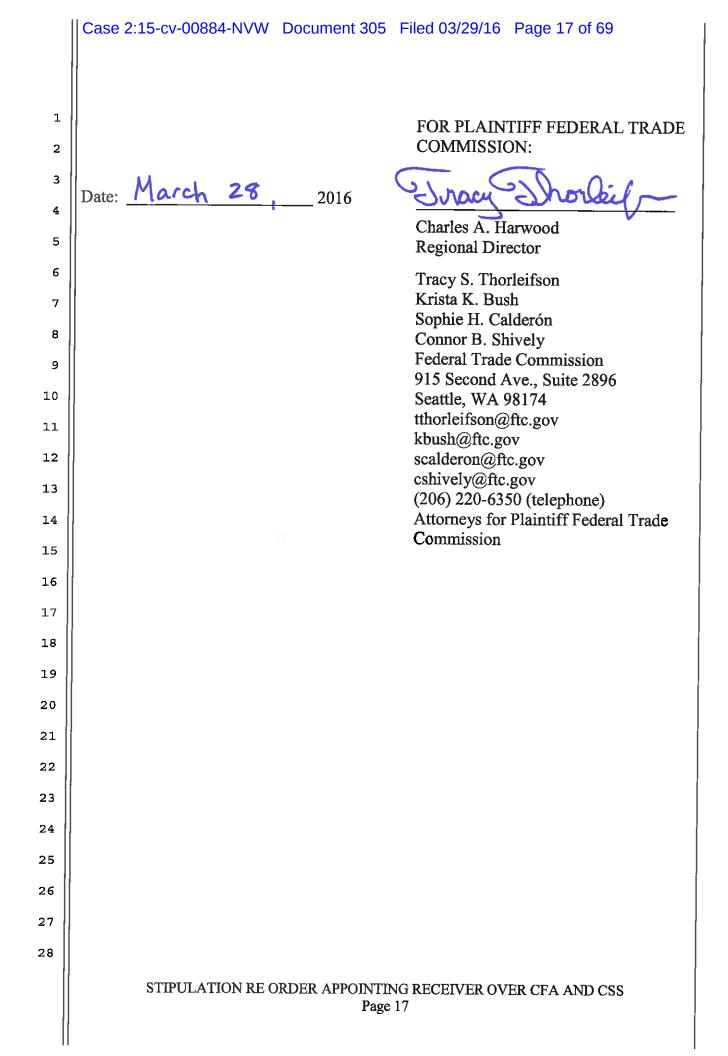
periodic filings shall be served by the Receiver on Plaintiffs, CFA, CSS, and their
 respective counsel.

б

XII. TERMINATION OF RECEIVERSHIP

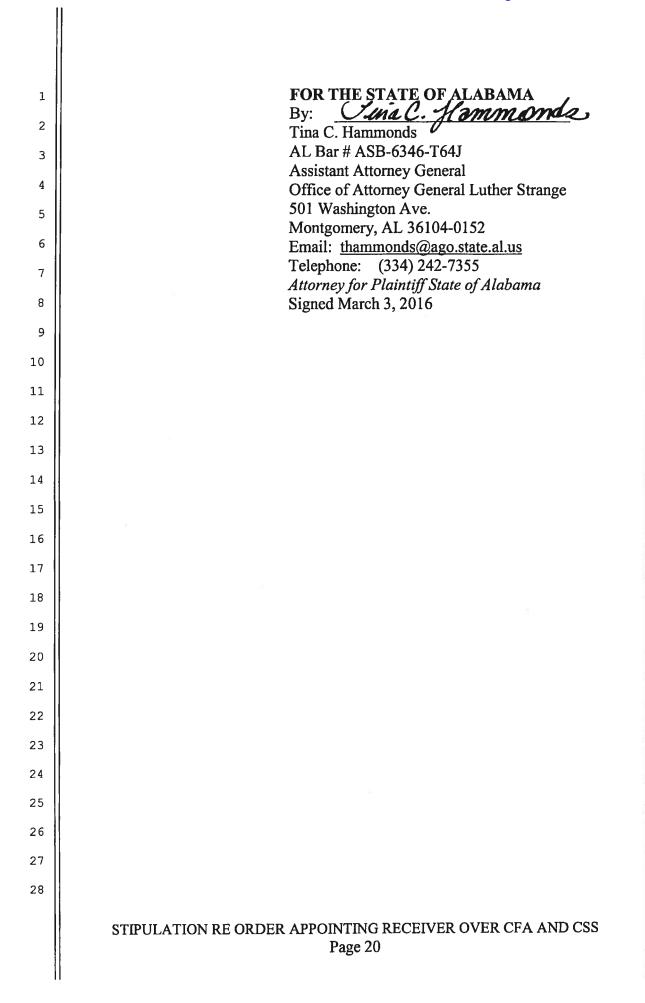
IT IS FURTHER ORDERED that the Receivership shall continue until terminated by Order of the Court. At the termination of the Receivership, the Receiver shall transfer all assets of CFA and CSS to the STCO Fund described in Paragraph VIII.E of the Permanent Injunction.



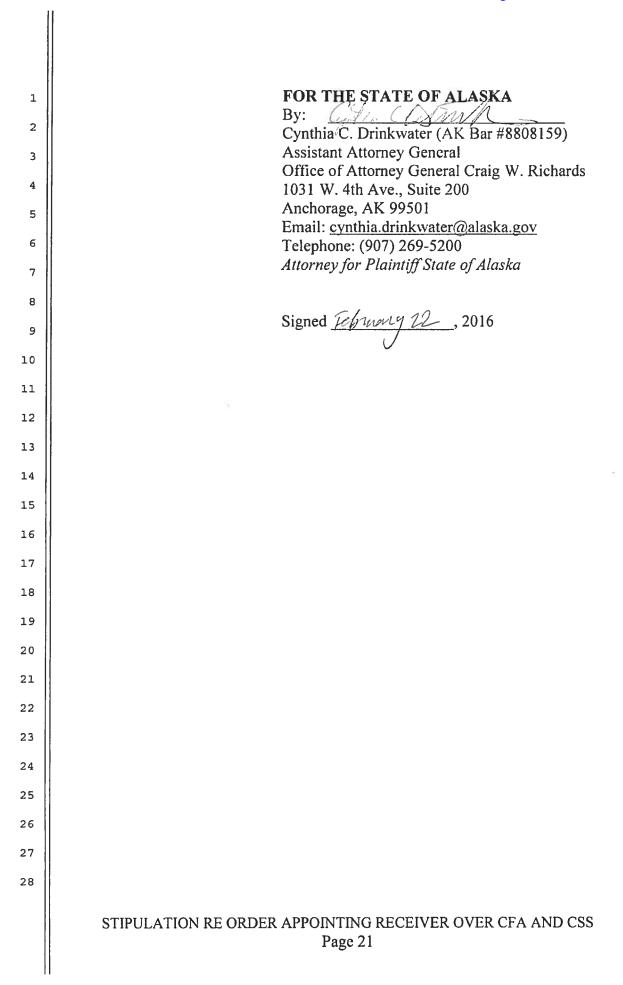


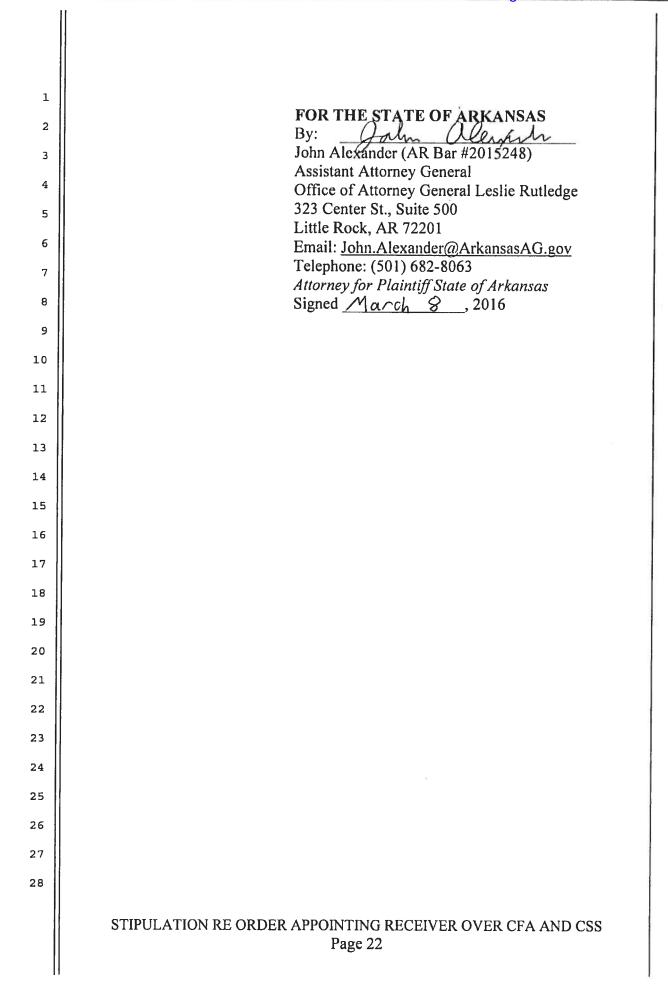
Case 2:15-cv-00884-NVW Document 305 Filed 03/29/16 Page 18 of 69 FOR THE STATE OF NEW MEXICO By: Elizabeth Korsmo (NM Bar # 8989)* Assistant Attorney General Office of Attorney General Hector Balderas 408 Galisteo St. Santa Fe, New Mexico 87501 ekorsmo@nmag.gov Telephone: (505) 827-6000 Attorney for Plaintiff State of New Mexico Signed 3 / ,2016 STIPULATION RE ORDER APPOINTING RECEIVER OVER CFA AND CSS Page 18

FOR THE STATE OF ARIZONA M. du Vila By: Nancy V. Anger (AZ Bar 006810) Matthew du Mee (AZ Bar 028468) Assistant Attorneys General Office of Attorney General Mark Brnovich 1275 West Washington Phoenix, Arizona 85007-2997 Nancy.Anger@azag.gov Matthew.duMee@azag.gov Telephone: (602) 542-3725 Attorney for Plaintiff State of Arizona Signed March 2, 2016 STIPULATION RE ORDER APPOINTING RECEIVER OVER CFA AND CSS Page 19



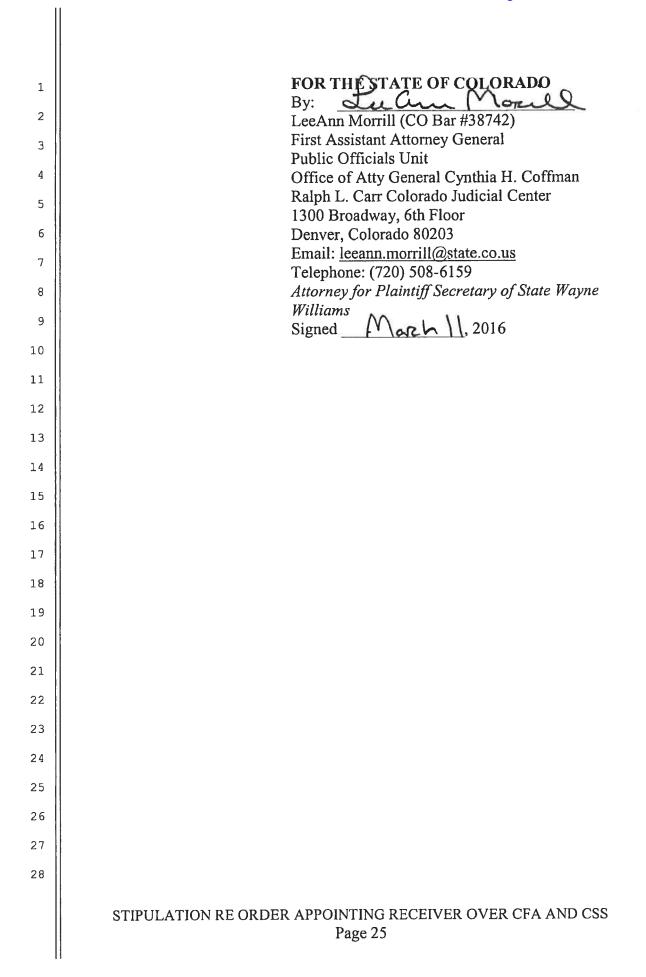
Case 2:15-cv-00884-NVW Document 305 Filed 03/29/16 Page 21 of 69



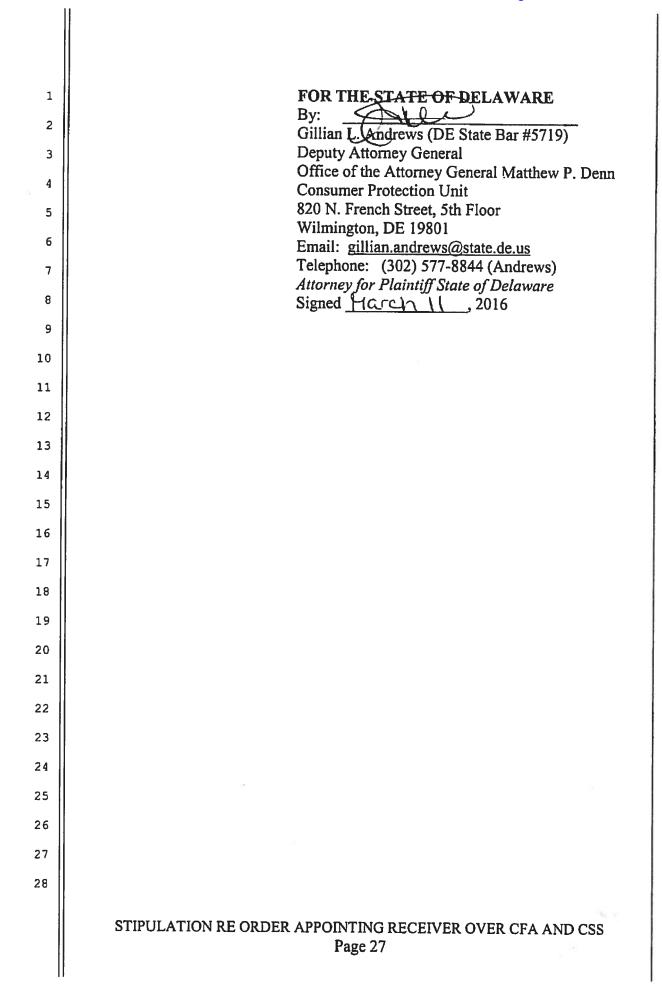


FOR THE/STATE OF CALIFORNIA Som By: K Ben. | # Sonja K. Berndt (CA State Bar#131358) Deputy Attorney General Office of Attorney General Kamala D. Harris 300 S. Spring St., Suite 1702 Los Angeles, CA 90013 Email: sonja.berndt@doj.ca.gov Telephone: (213) 897-2179 Attorney for Plaintiff State of California Signed March 10, 2016 STIPULATION RE ORDER APPOINTING RECEIVER OVER CFA AND CSS Page 23

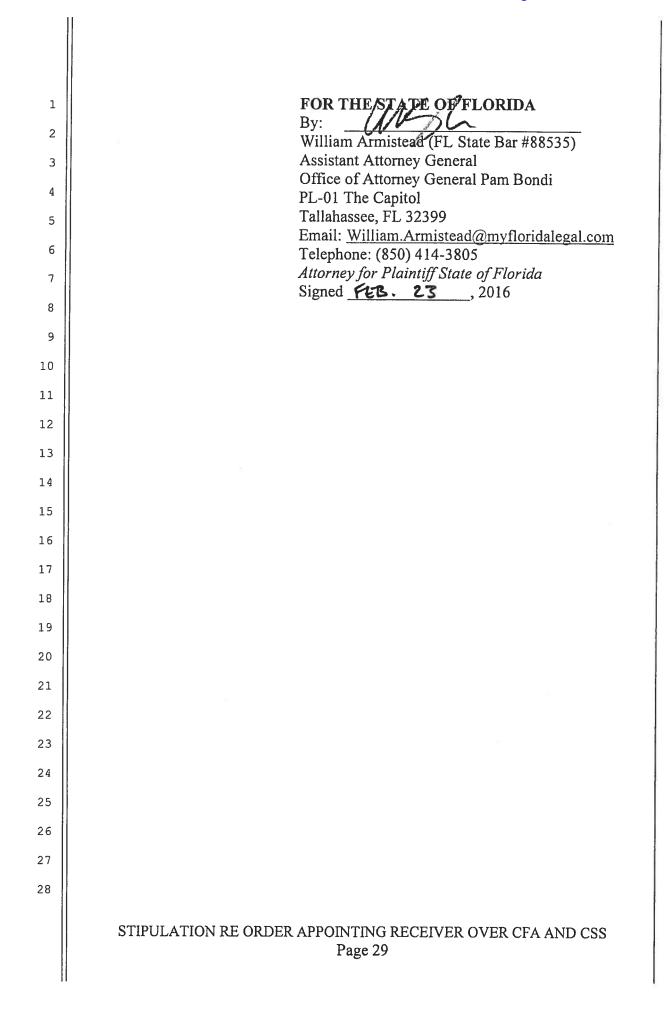
1	FOR THE STATE OF COLORADO By:
2	By: Alissa Hecht Gardenswartz (CO Bar #36126)
3	Deputy Attorney General
4	John Feeney-Coyle (CO State Bar #44970) Assistant Attorney General
5	Office of Atty General Cynthia H. Coffman
6	Ralph L. Carr Colorado Judicial Center 1300 Broadway, 7th Floor
7	Denver, CO 80203
8	Email: <u>alissa.gardenswartz@state.co.us</u> john.feeney-coyle@state.co.us
9	Telephone: (720) 508-6204 (Gardenswartz)
10	(720) 508-6232 (Feeney-Coyle) Attorneys for Plaintiff State of Colorado
10	Signed M_{ATL} [1], 2016
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	
28	
	STIPULATION RE ORDER APPOINTING RECEIVER OVER CFA AND CSS Page 24

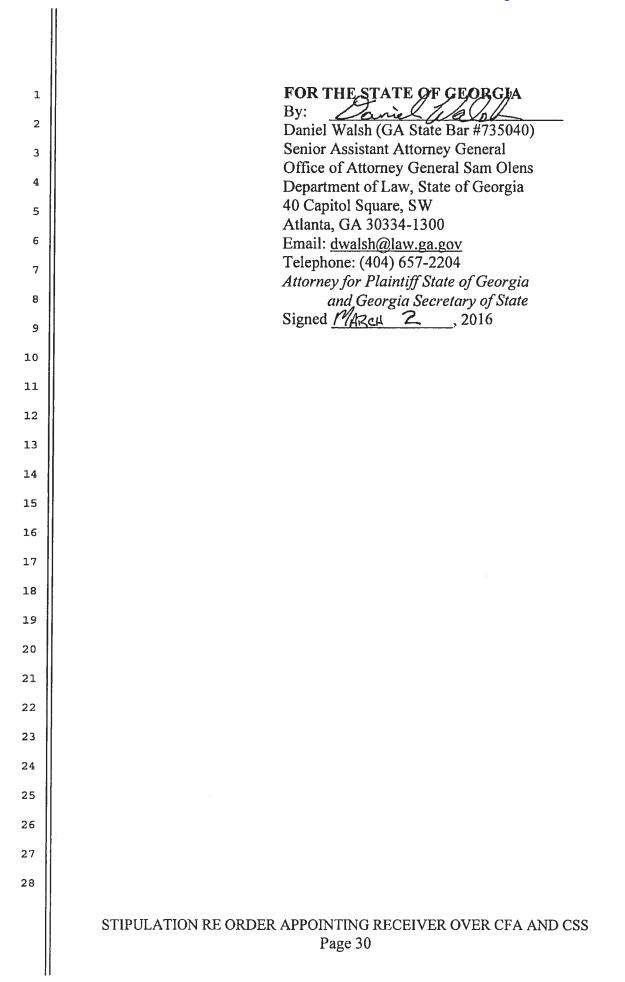


FOR THE STATE OR CONNECTICUT MMMH ANK By: (Gary W. Hawes (CT State Bar #415091) Assistant Attorney General Office of Attorney General George Jepsen 55 Elm St., P.O. Box 120 Hartford, CT 06141-0120 Email: gary.hawes@ct.gov Telephone: (860) 808-5020 Attorney for Plaintiff State of Connecticut Signed March 7, 2016 STIPULATION RE ORDER APPOINTING RECEIVER OVER CFA AND CSS Page 26

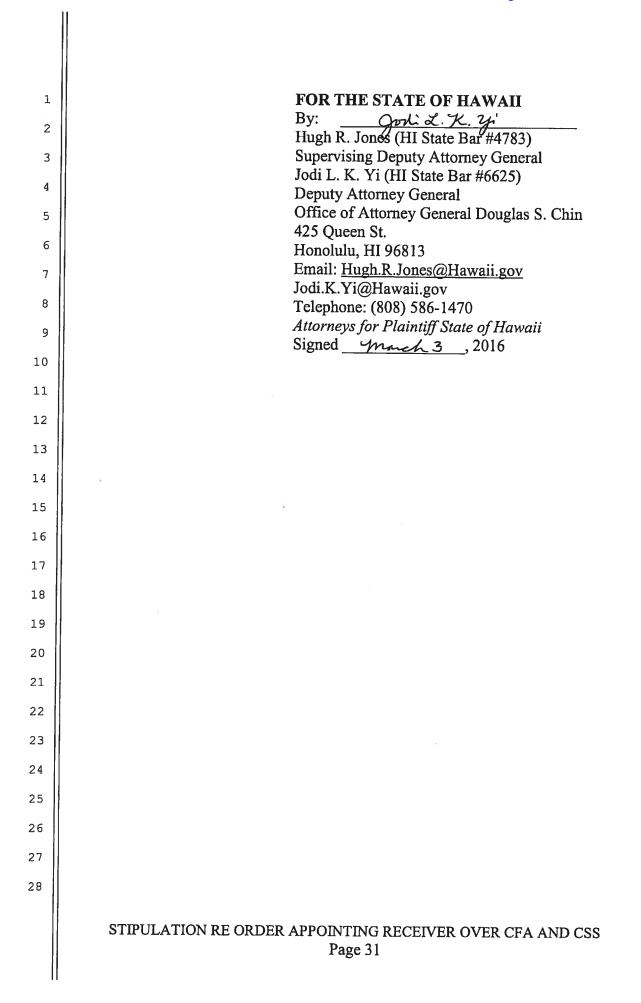


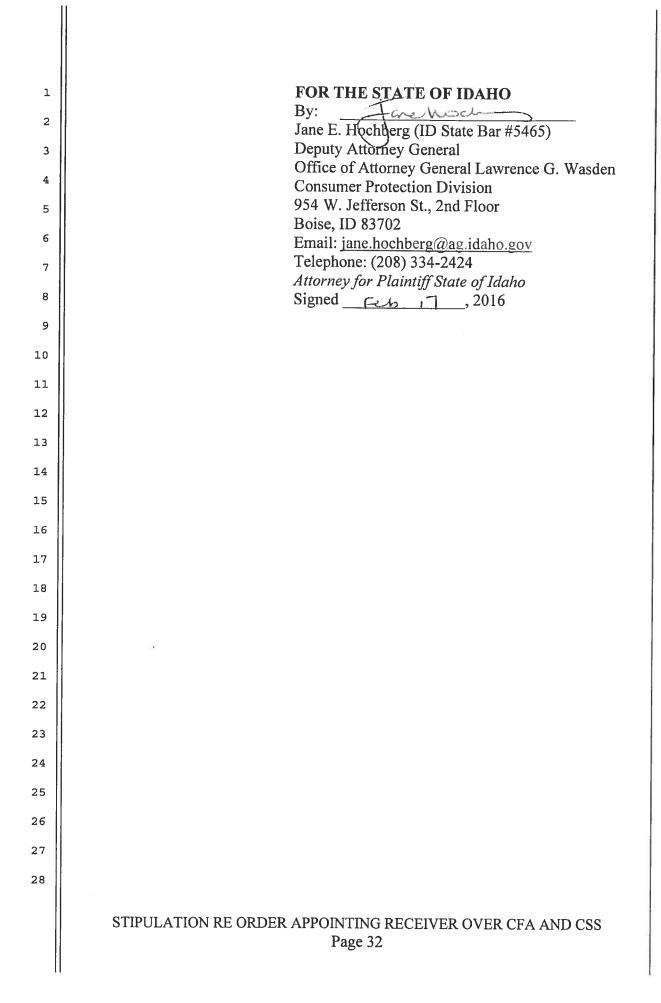
1	FOR THE DISTRICT OF COLUMBIA	
2	KARL A. RACINE	
3	Attorney General for the District of Columbia	
4	ELIZABETH SARAH GERE	
5	Deputy Attorney General Public Interest Division	
6	r uone interest Division	
7	BENNETT RUSHKOFF Assistant Deputy Attorney General	
8	Public Integrity Unit	
9	1 1.	
10	By: Jin alderell	
11	BRIAN R. CALDWELL (DC Bar # 979680)* Assistant Attorney General	
12	Office of Attorney General Karl A. Racine	
13	441 Fourth Street, N.W., Suite 650-S Washington, D.C. 20001	
14	Telephone: (202) 727-6211	
15	Brian.caldwell@dc.gov	
16	* Admitted pro hac vice	
17	Attorney for Plaintiff District of Columbia	
18	Signed: March 10, 2016	
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
	STIPULATION RE ORDER APPOINTING RECEIVER OVER CFA AND CSS Page 28	

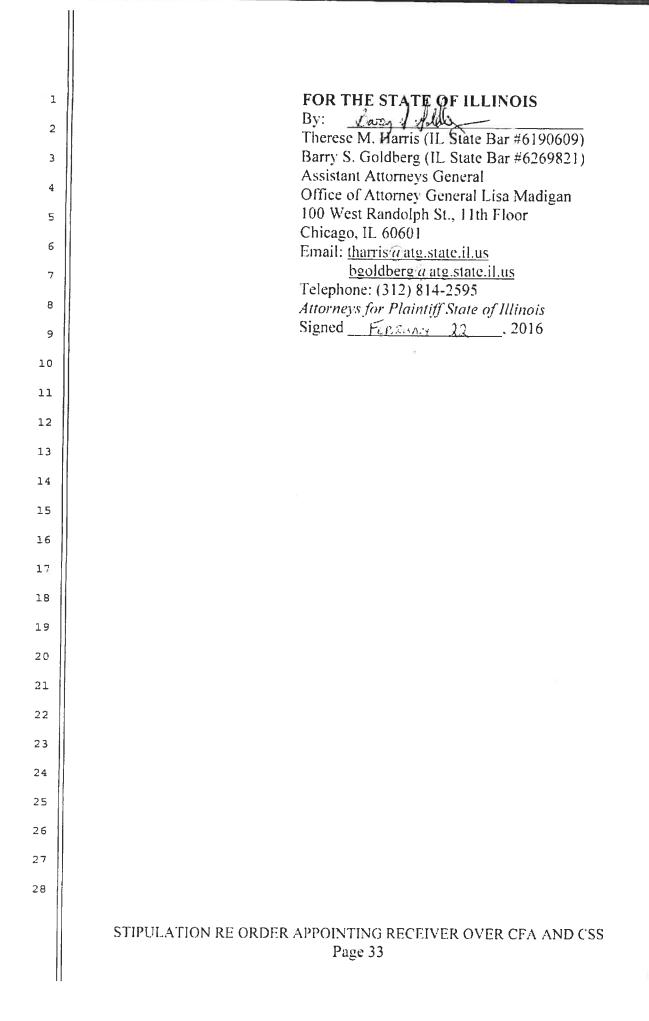


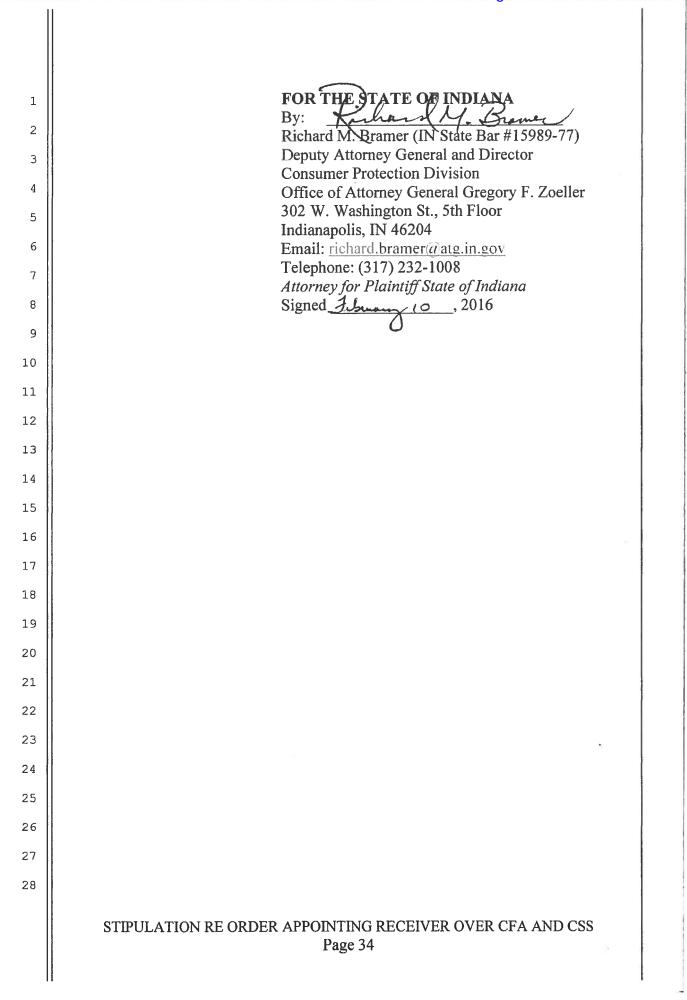


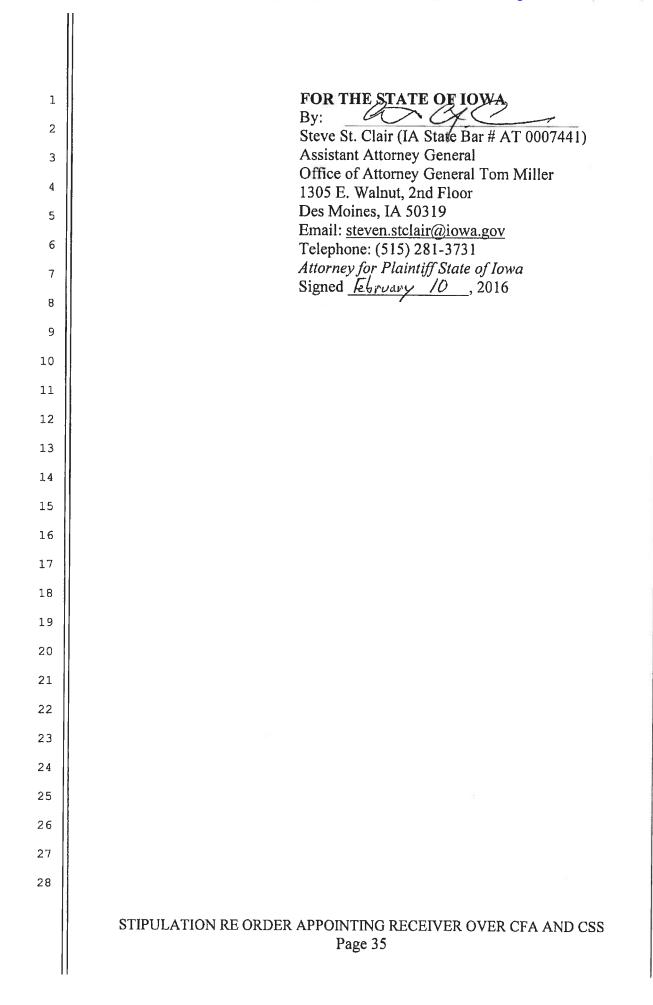
Case 2:15-cv-00884-NVW Document 305 Filed 03/29/16 Page 31 of 69

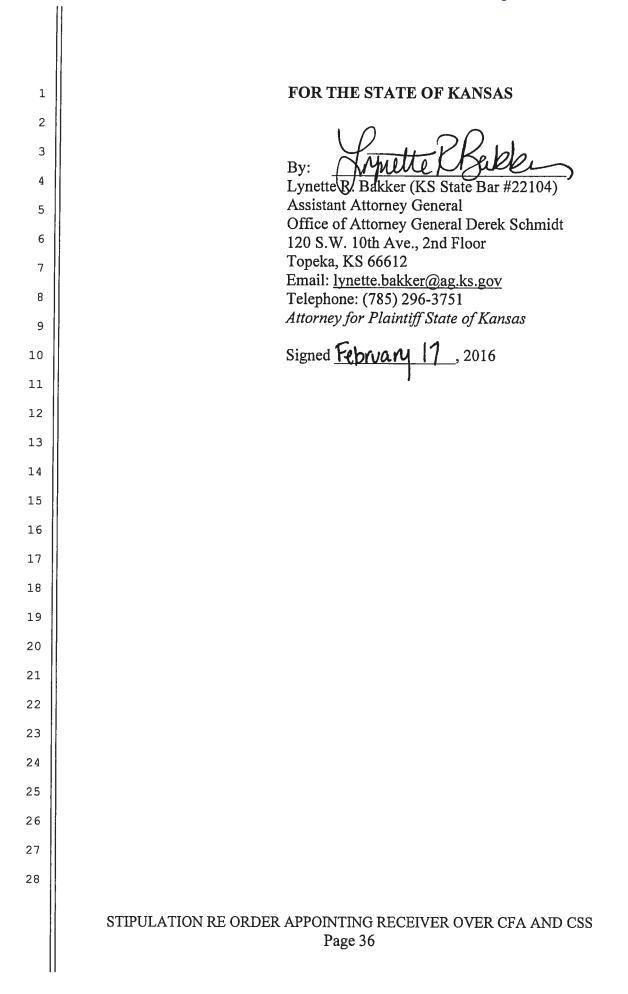


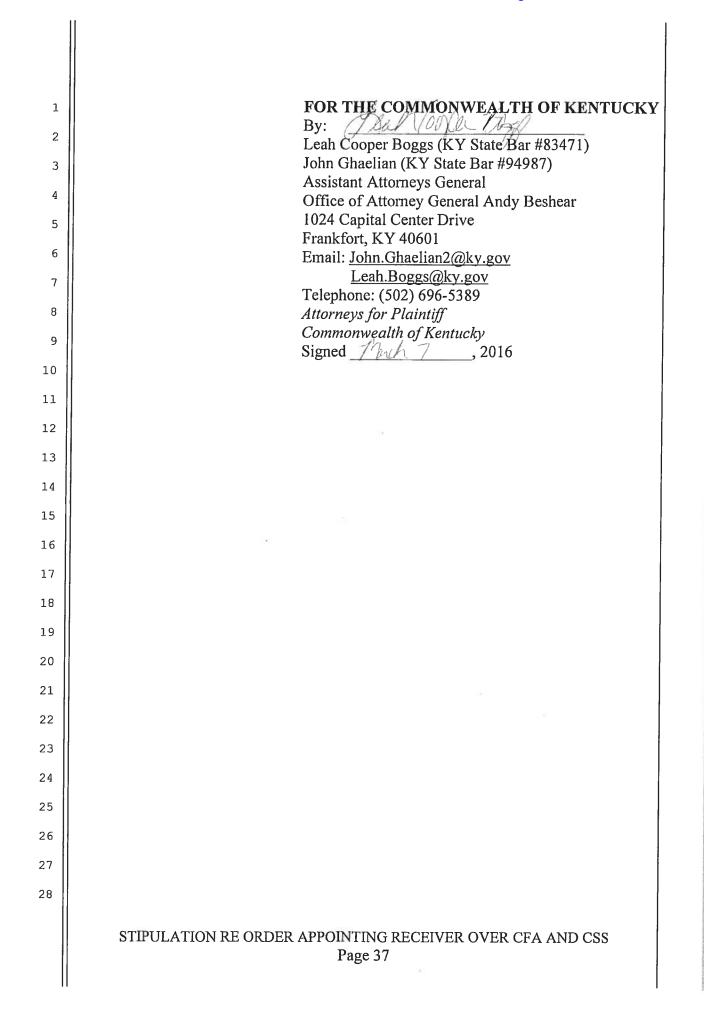










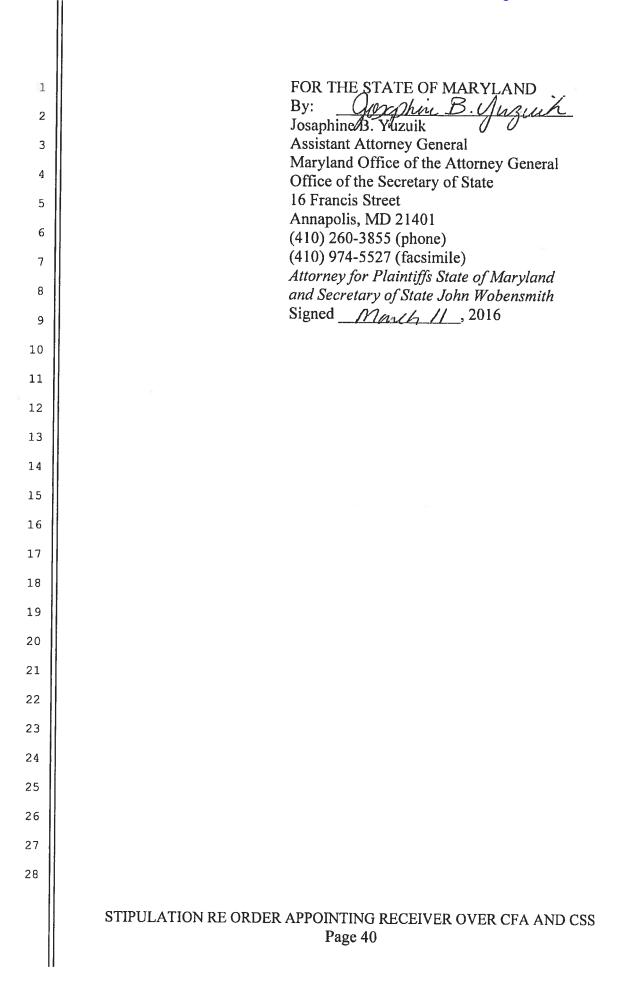


Case 2:15-cv-00884-NVW Document 305 Filed 03/29/16 Page 38 of 69

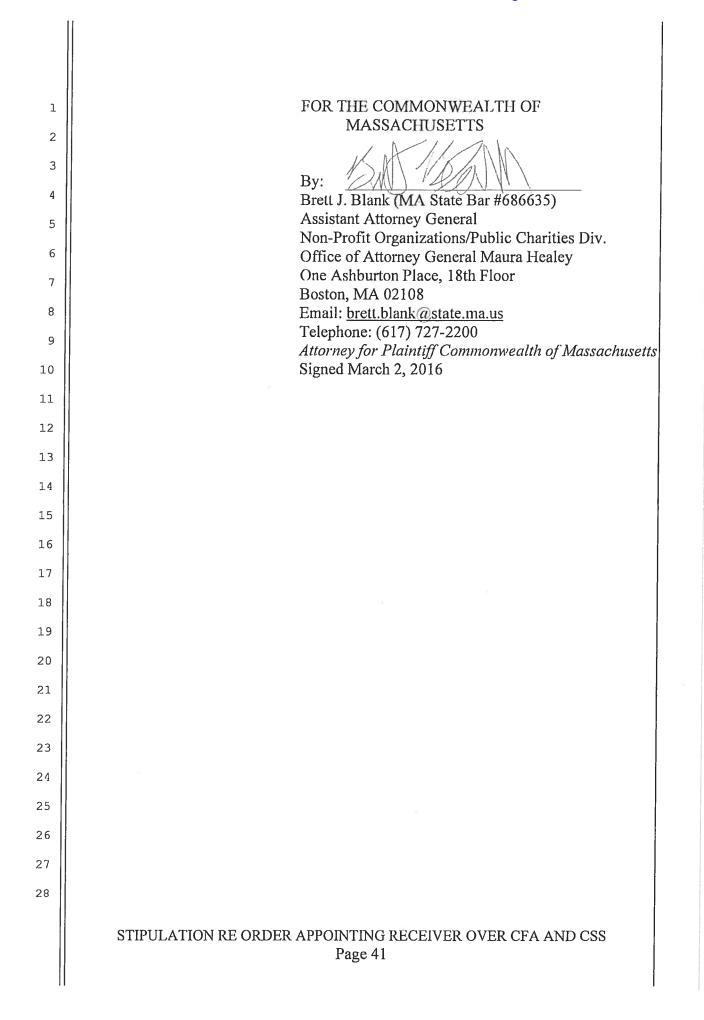
1 2 3 4 5 6 7 8	FOR THE STATE OF LOUISIANA By: <u>Cathuyn E. Gub</u> Cathryn E. Gits (UA State Bar #35144) Assistant Attorney General Office of Attorney General Jeff Landry 1885 N. Third St. Baton Rouge, LA 70802 Email: <u>gitsc@ag.state.la.us</u> Telephone: (225) 326-6400 Attorney for Plaintiff State of Louisiana Signed <u>Mayon</u> <u>St.</u> , 2016
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	
	STIPULATION RE ORDER APPOINTING RECEIVER OVER CFA AND CSS Page 38

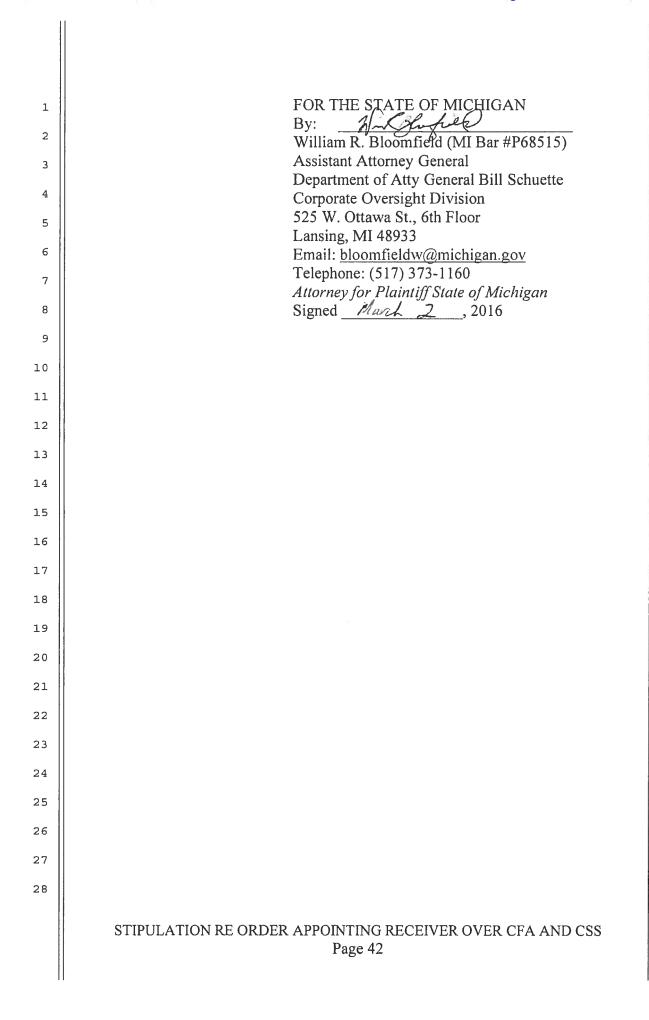
FOR THE STATE OF MAINE By: Charles Lis Carolyn A. Silsby/(ME Bar # 3030) Assistant Attorney General Office of Attorney General Janet T. Mills Burton M. Cross Office Building 111 Sewall St. 6 State House Station Augusta, ME 04333 Email: carolyn.silsby@maine.gov Telephone: (207) 626-8829 Attorney for Plaintiff State of Maine Signed Feb. 12, 2016 STIPULATION RE ORDER APPOINTING RECEIVER OVER CFA AND CSS Page 39

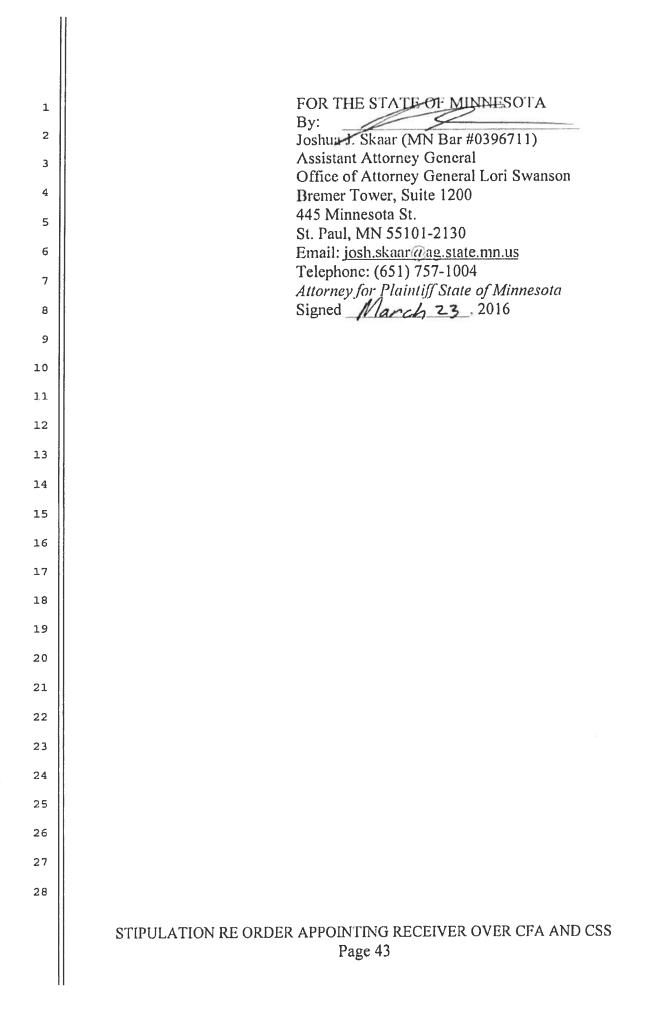
Case 2:15-cv-00884-NVW Document 305 Filed 03/29/16 Page 40 of 69

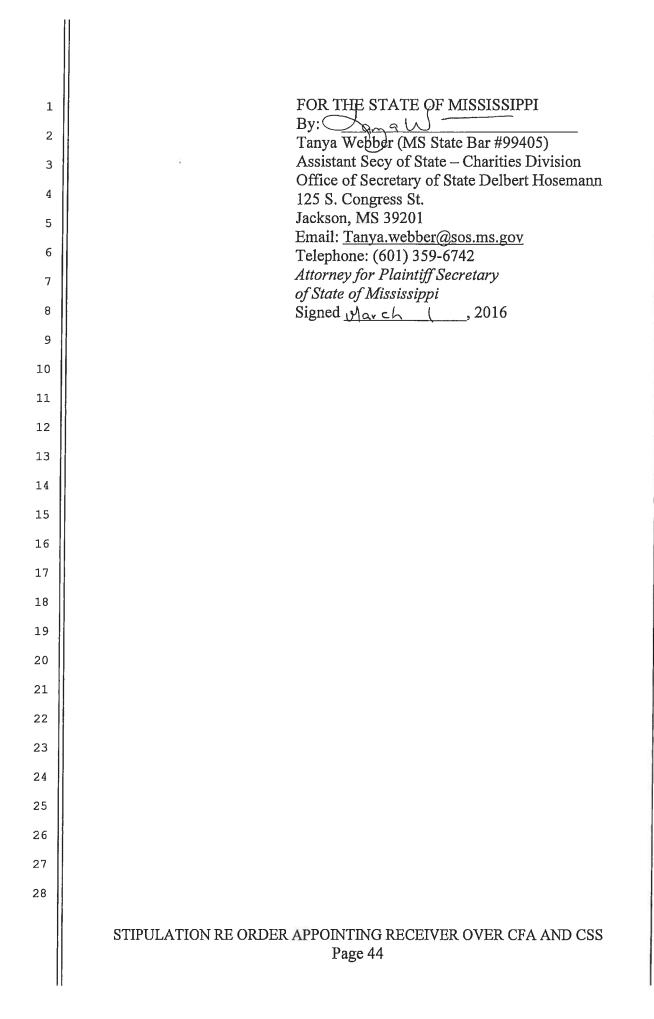


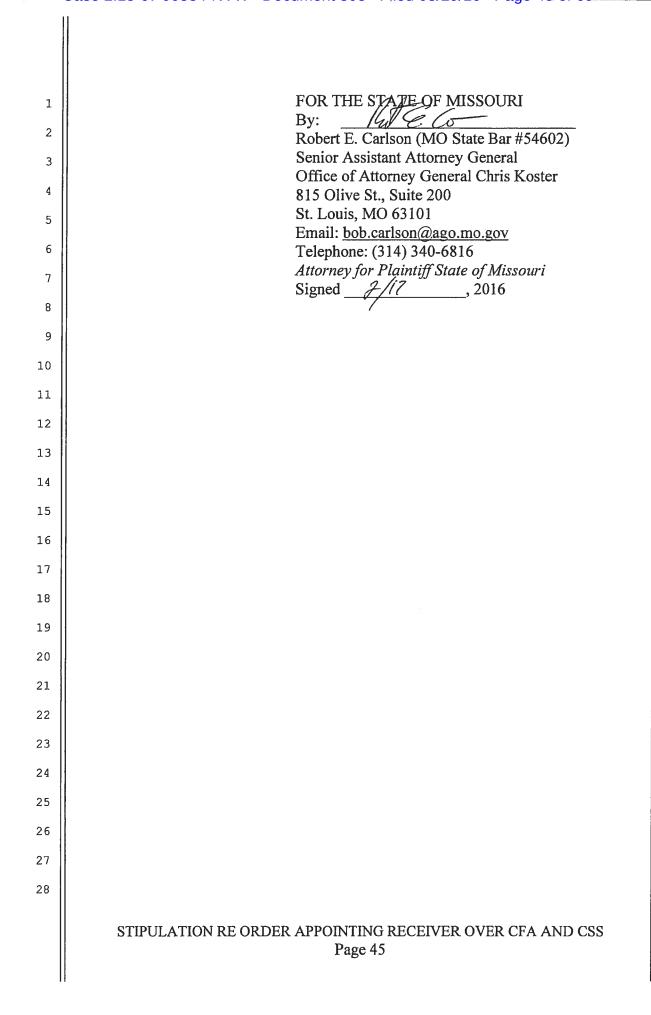
Case 2:15-cv-00884-NVW Document 305 Filed 03/29/16 Page 41 of 69

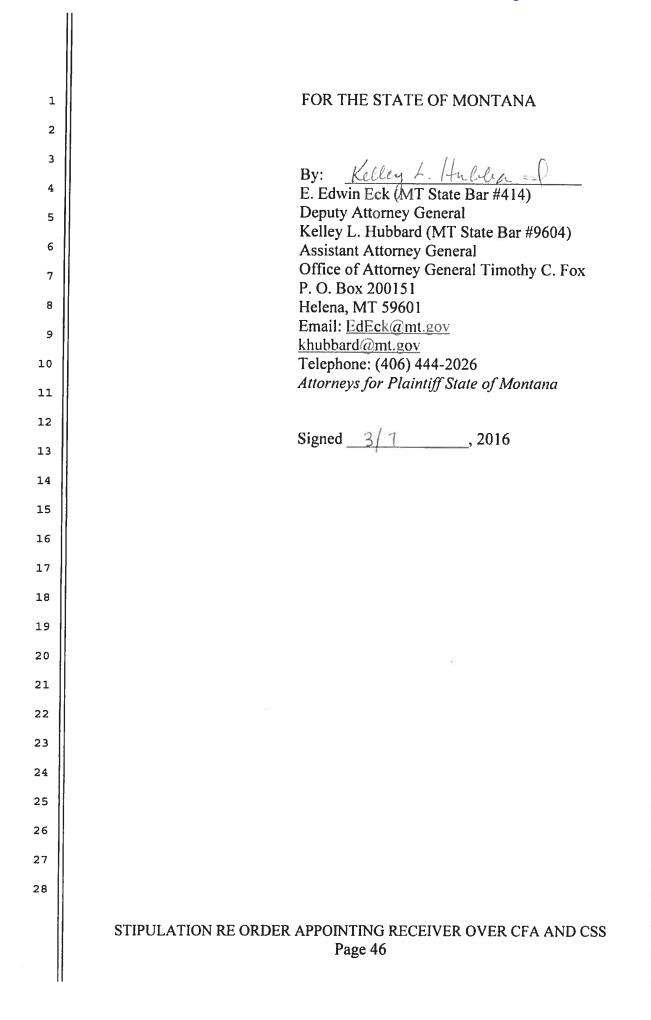


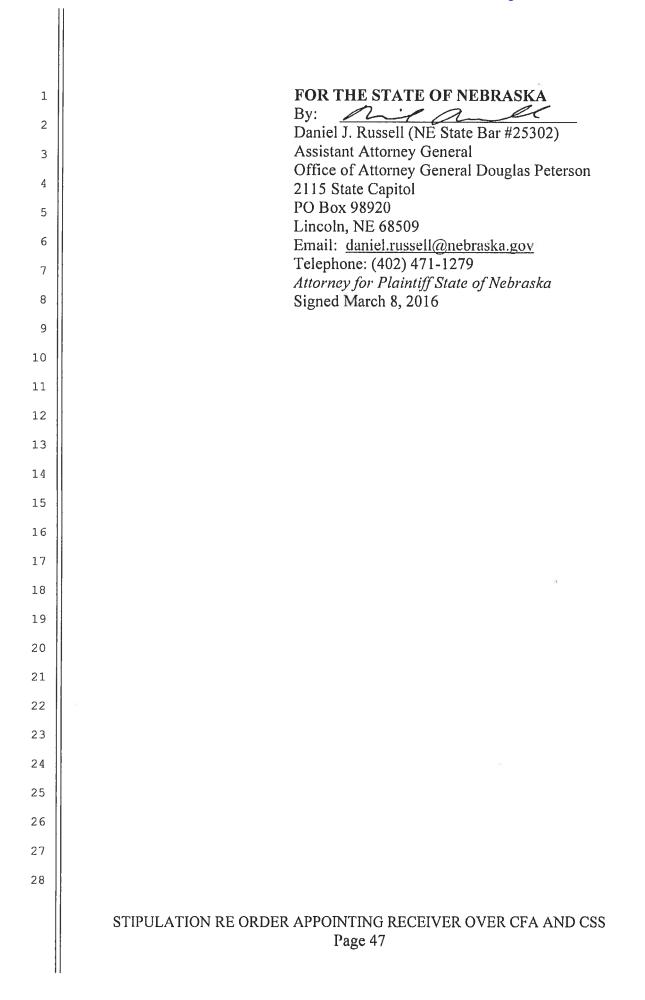


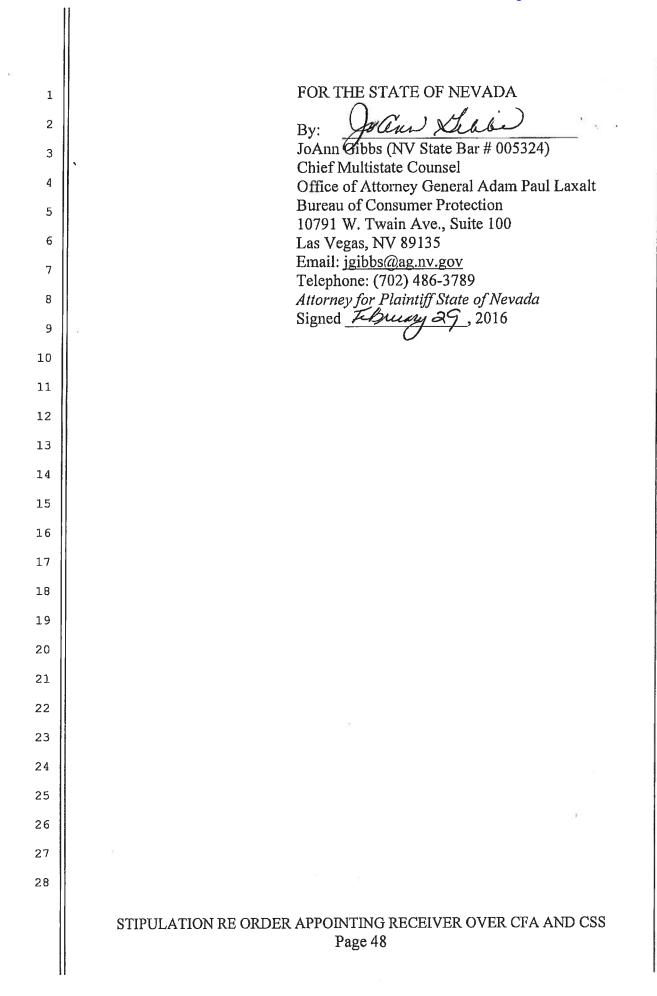




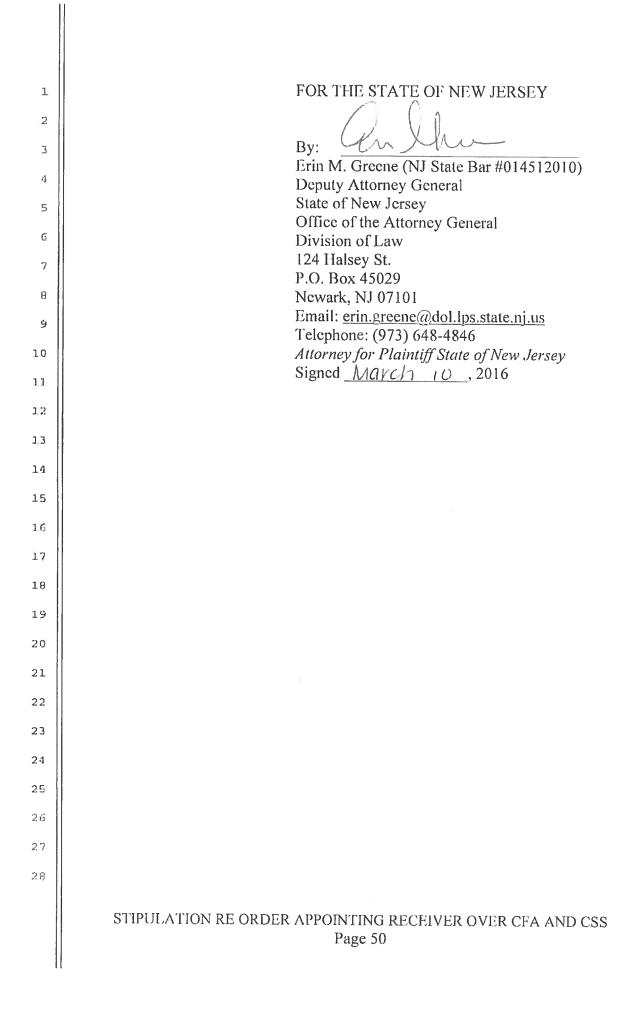








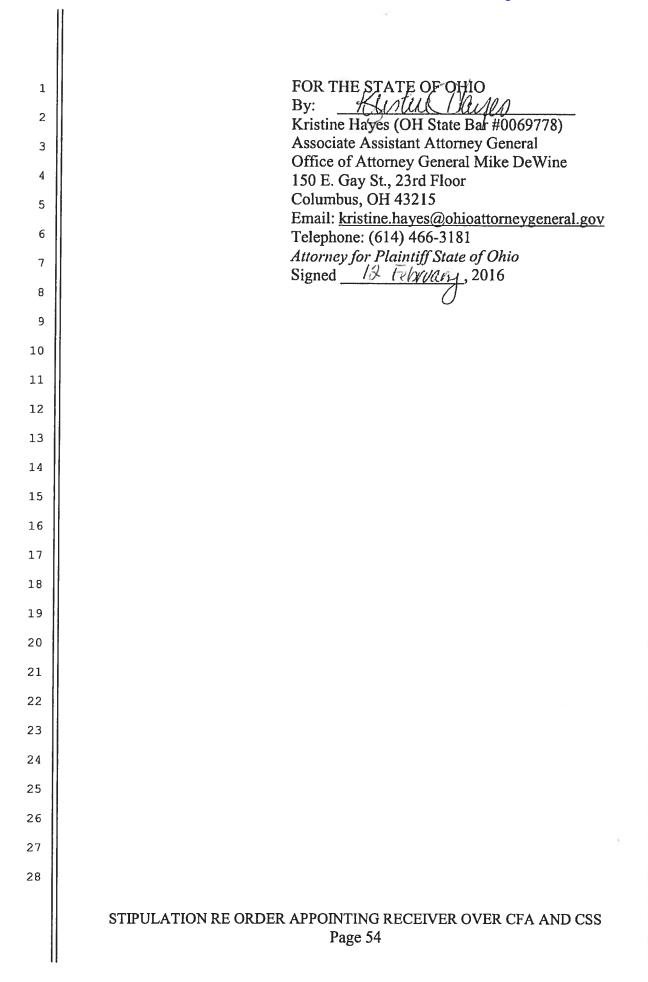
FOR THE STATE OF NEW HAMPSHIRE By: Thomas J. Dopovan (NH State Bar #664) Director of Charitable Trusts Office of Attorney General Joseph A. Foster 33 Capitol St. Concord, NH 03301 Email: tom.donovan@doj.nh.gov Telephone: (603) 271-1288 Attorney for Plaintiff State of New Hampshire Signed March 8, 2016 STIPULATION RE ORDER APPOINTING RECEIVER OVER CFA AND CSS Page 49

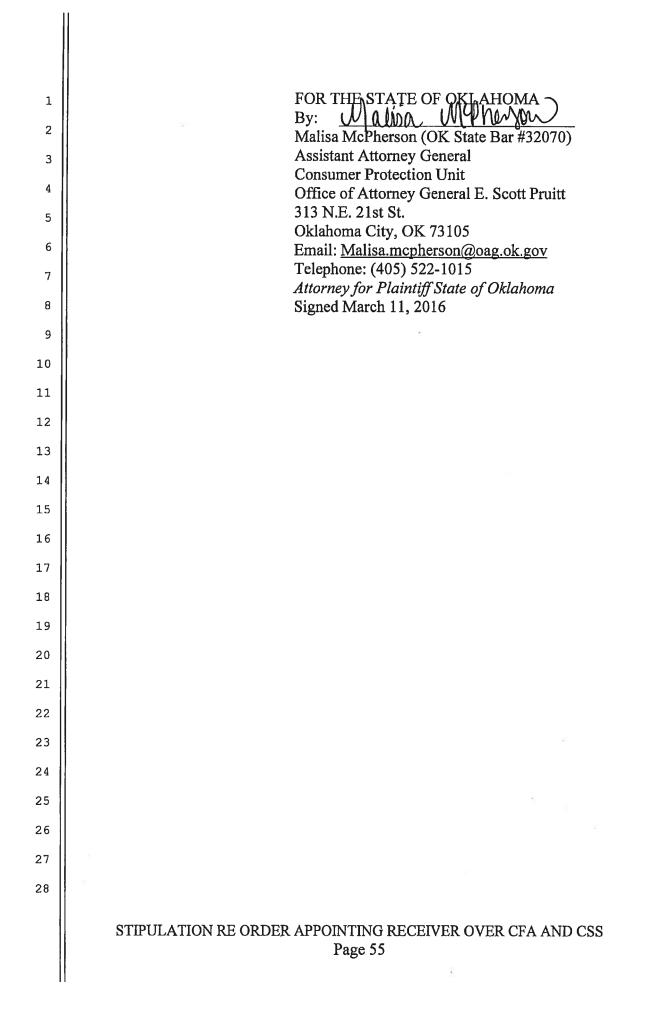


FOR THE STATE OF NEW YORK By: yable Sean Courtney (NY State Bar #2085363) Yael Fuchs (NY State Bar # 4542684) Assistant Attorneys General Office of Atty General Eric T. Schneiderman 120 Broadway New York, NY 10271 Email: sean.courtney@ag.ny.gov yael.fuchs@ag.ny.gov Telephone: (212) 416-8402 Attorneys for Plaintiff State of New York Signed March 9, 2016 STIPULATION RE ORDER APPOINTING RECEIVER OVER CFA AND CSS Page 51

FOR THE STATE OF NORTH CAROLINA 1 2 ROY COOPER, ATTORNEY GENERAL 3 By: Reed 4 Creecy Johnson (AC State Bar #32619) Special Deputy Attorney General 5 Office of Attorney General Roy Cooper 6 9001 Mail Service Center Raleigh, NC 27699 7 Email: ccjohnson@ncdoj.gov Telephone: (919) 716-6000 8 9 ELAINE F. MARSHALL, SECRETARY OF STATE 10 niel Super Johnson By: 11 Daniel Snipes Johnson (NC State Bar #9289) Special Deputy Attorney General 12 Counsel for North Carolina Secretary of State Elaine 13 F. Marshall P.O. Box 629 14 Raleigh, NC 27699 15 Email: djohnson@ncdoj.gov Telephone: (919) 716-6610 16 17 Signed March 10, 2016 18 19 20 21 22 23 24 25 26 27 28 STIPULATION RE ORDER APPOINTING RECEIVER OVER CFA AND CSS Page 52

FOR THE STATE OF NORTH DAKOTA 1 2 STATE OF NORTH DAKOTA Wayne Stenehjem 3 Attorney General 4 5 By: 6 Elin S. Alm (ND Bar # 05924) Assistant Attorney General 7 Office of Atty General Wayne Stenehjem Consumer Protection and Antitrust Div. 8 Gateway Professional Center 9 1050 E. Interstate Ave., Ste. 200 Bismarck, ND 58503 10 Email: <u>ealm@nd.gov</u> 11 Telephone: (701) 328-5570 12 Attorney for Plaintiff State of North Dakota 13 Signed <u>Feb. 16</u>, 2016 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 STIPULATION RE ORDER APPOINTING RECEIVER OVER CFA AND CSS Page 53





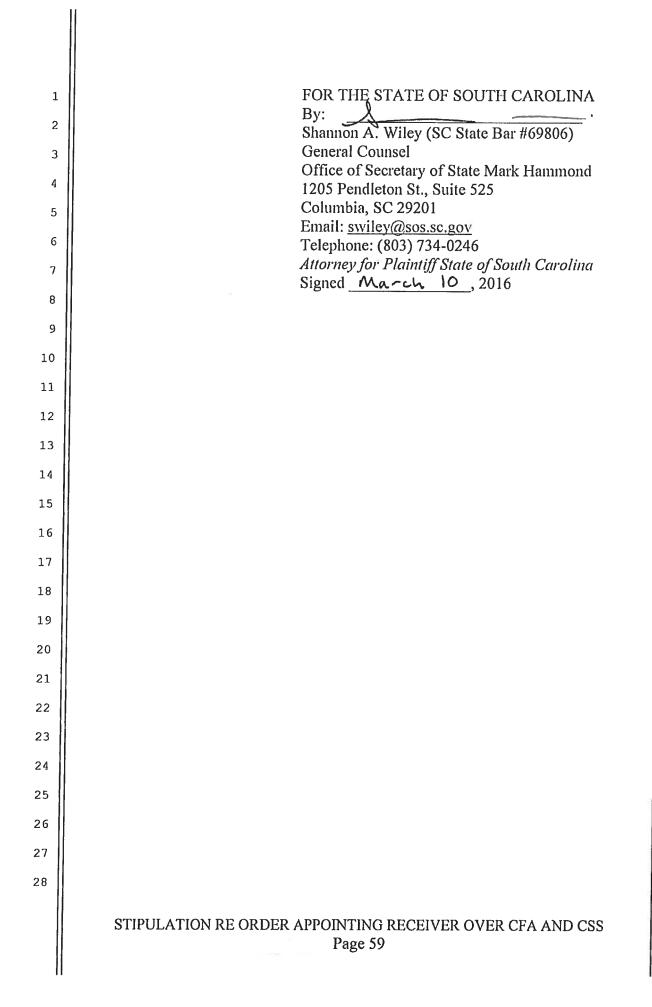
Case 2:15-cv-00884-NVW Document 305 Filed 03/29/16 Page 56 of 69

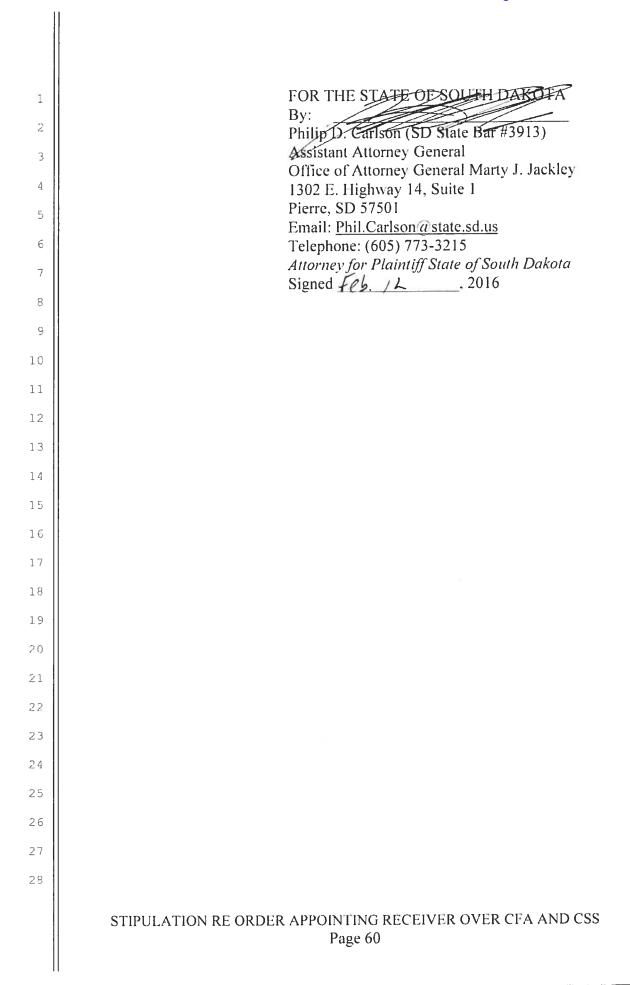
FOR THE STATE OF OREGON By: Hoal Mall Heather L. Weigler (OR State Bar #03590) Assistant Attorney General Office of Attorney General Ellen Rosenblum 1515 SW 5th Ave., Suite 410 Portland, OR 97201 Email: <u>heather.l.weigler@state.or.us</u> Telephone: (971) 673-1880 Attorney for Plaintiff State of Oregon Signed March 9, 2016 STIPULATION RE ORDER APPOINTING RECEIVER OVER CFA AND CSS Page 56

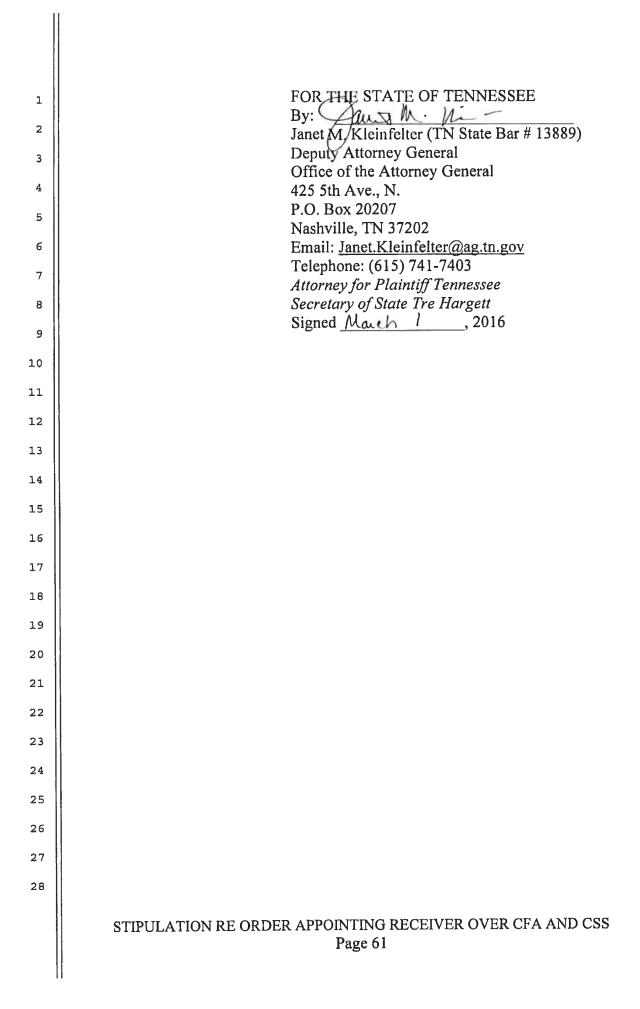
Case 2:15-cv-00884-NVW Document 305 Filed 03/29/16 Page 57 of 69

1	FOR THE COMMONWEALTH OF PENNSYLVANIA
2	I LIVIUS I LIVAIUA
3 4	By: Meeste
5	MICHAEL T. FOERSTER (PA Bar #78766) Senior Deputy Attorney General
6	Office of Attorney General 14th Floor Strawberry Square
7	Harrisburg, Pennsylvania 17120
8	Email: <u>mfoerster@attorneygeneral.gov</u> Telephone: (717) 783-2853
9	GENE J. HERNE (PA Bar #82033)
10	Senior Deputy Attorney General-in-Charge Charitable Trusts and Organizations Section
11	Office of Attorney General
12	564 Forbes Ave., 6th Floor Manor Complex Pittsburgh, Pennsylvania 15219
13	Email: <u>eherne@attorneygeneral.gov</u> Telephone: (412) 565-3581
14	retephone. (412) 505-5581
15 16	Attorneys for Plaintiff Commonwealth of Pennsylvania Signed February 18, 2016
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	
28	
	STIPULATION RE ORDER APPOINTING RECEIVER OVER CFA AND CSS Page 57

FOR THE SPATE OF RHODE ISLAND 72/-By: h Genevieve M. Martin (RI State Bar #3918) Assistant Attorney General Dept. of Attorney General Peter F. Kilmartin 150 South Main St. Providence, RI 02903 Email: gmartin@riag.ri.gov Telephone: (401) 274-4400 x2300 Attorney for Plaintiff State of Rhode Island Signed **3/***H* , 2016 STIPULATION RE ORDER APPOINTING RECEIVER OVER CFA AND CSS Page 58

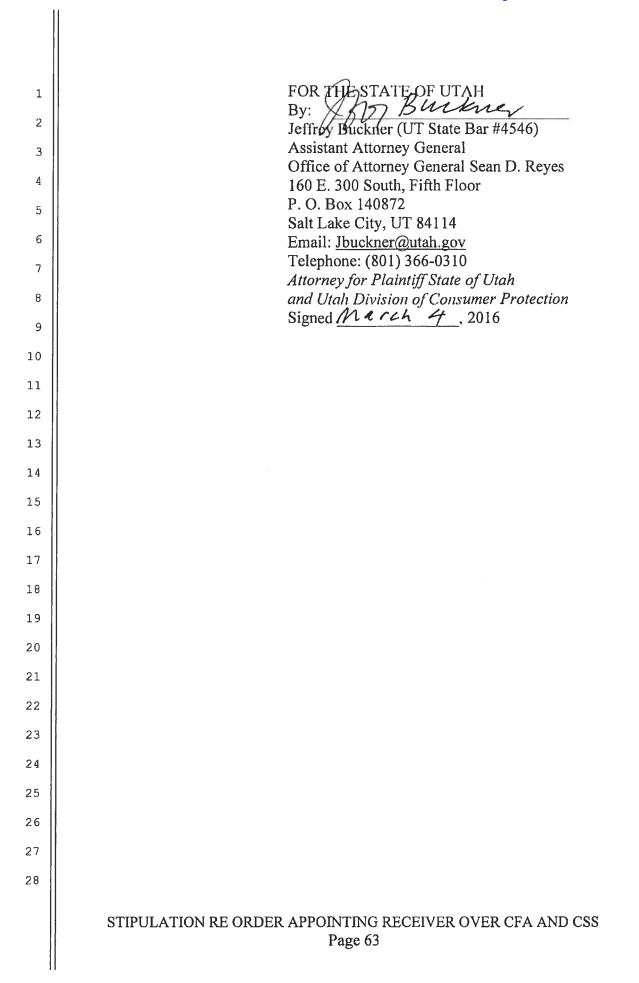






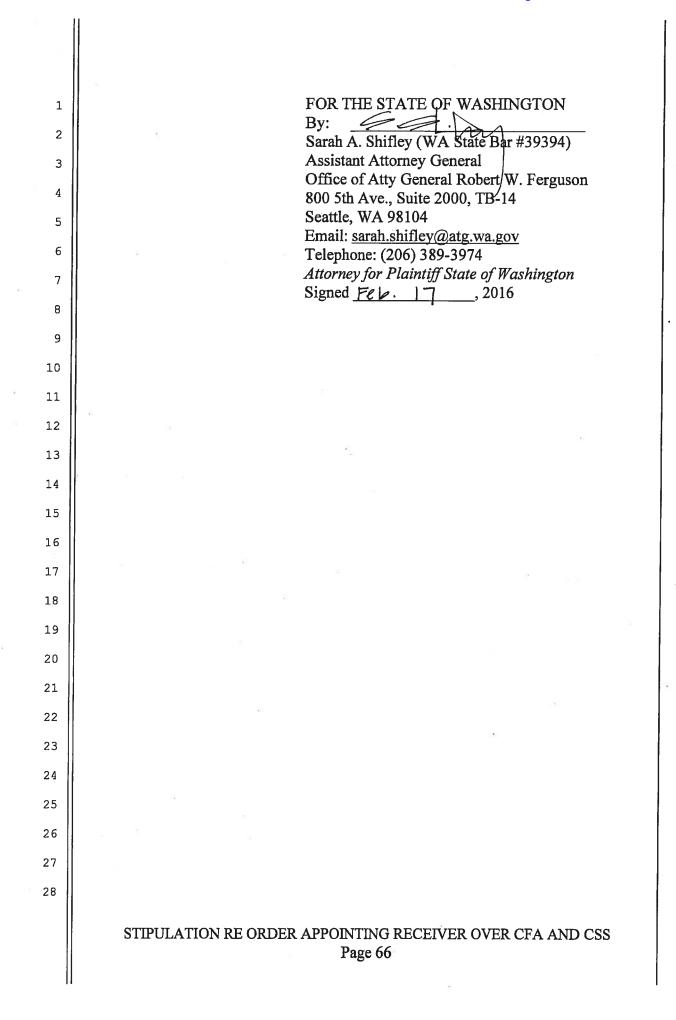
Case 2:15-cv-00884-NVW Document 305 Filed 03/29/16 Page 62 of 69

1	FOR THE STATE OF TEXAS
2	KEN PAXTON Attorney General of Texas
4	
5	JEFFREY C. MATEER First Assistant Attorney General
6	JAMES E. DAVIS Deputy Attorney General for Civil Litigation
7	
8 9	DAVID A. TALBOT Chief, Consumer Protection Division
10	By: ImmerAs
11	Jennifer M. Roscetti (TX Bar #24066685) Assistant Attorneys General
12	Office of Attorney General Ken Paxton 300 W. 15th St., 9th Floor
13	Austin, TX 78701
14	Email: <u>Jennifer.Roscetti@texasattorneygeneral.gov</u> Telephone: (512) 475-4183
15	Attorneys for Plaintiff State of Texas
16 17	Signed March 16, 2016
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	
28	
	STIPULATION RE ORDER APPOINTING RECEIVER OVER CFA AND CSS Page 62



FOR THE ST VERMONT B Todd W. Daloz (VT State Bar #4734) Assistant Attorney General Office of Atty General William H. Sorrell 109 State Street Montpelier, VT 05609 Email: todd.daloz@vermont.gov Telephone: (802) 828-4605 Attorney for Plaintiff State of Vermont Signed Mar. 10¹¹, 2016 STIPULATION RE ORDER APPOINTING RECEIVER OVER CFA AND CSS Page 64

1	FOR THE COMMONWEALTH OF VIRGINIA
2	By: Richard Schweiter A.
3	Richard S. Schweiker, Jr. (VA Bar #34258)
4	Senior Assistant Attorney General and Chief
5	Office of Attorney General Mark R. Herring Consumer Protection Section
6	900 East Main Street
7	Richmond, VA 23219
8	Email: <u>rschweiker@oag.state.va.us</u>
9	Telephone: (804) 786-5643
10	Attorney for Plaintiff Commonwealth of Virginia
11	Signed March 11, 2016
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
23	
24	
25	
26	
27	
28	
	STIPULATION RE ORDER APPOINTING RECEIVER OVER CFA AND CSS Page 65



FOR THE STATE OF WEST VIRGINIA 1 By: Michael M. Morrison (WV State Bar #9822) 2 Assistant Attorney General 3 Office of Attorney General Patrick Morrisey 4 P.O. Box 1789 Charleston, WV 25326 5 Email: Matt.M.Morrison@wvago.gov Telephone: (304) 558-8986 6 7 By: nn Laurel K. Lackey (WV State Bar #10267) 8 Assistant Attorney General 9 Counsel for SOS Natalie E. Tennant 269 Aikens Center 10 Martinsburg, WV 25404 11 Email: Laurel.K.Lackey@wvago.gov Telephone: (304) 267-0239 12 Attorneys for Plaintiff State of West Virginia Signed March 10, 2016 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 STIPULATION RE ORDER APPOINTING RECEIVER OVER CFA AND CSS Page 67

FOR THE STATE OF VISCONSIN By: <u>Hancis (Jullich</u> Francis X. Sullivan (WI State Bar #1030932) Assistant Attorney General Office of Attorney General Brad D. Schimel 17 W. Main St., P.O. Box 7857 Madison, WI 53707-7857 Email: sullivanfx@doj.state.wi.us Telephone: (608) 267-2222 б Attorney for Plaintiff State of Wisconsin Signed March 4, 2016 STIPULATION RE ORDER APPOINTING RECEIVER OVER CFA AND CSS Page 68

Case 2:15-cv-00884-NVW Document 305 Filed 03/29/16 Page 69 of 69

