

GURBIR S. GREWAL
ATTORNEY GENERAL OF NEW JERSEY
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, New Jersey 07101
Attorney for Plaintiff
(973) 648-4802

By: Brian F. McDonough (ID No. 026121980) ✓
Assistant Attorney General

Andrew H. Yang (ID No. 066382013) ✓
Alex Schmidt (ID No. 199232016) ✓
Deputy Attorneys General

GURBIR S. GREWAL,
Attorney General of New Jersey,
on behalf of
CHRISTOPHER W. GEROLD,
Chief of the New Jersey Bureau
of Securities,

Plaintiff,

v.

FIRST STANDARD FINANCIAL
COMPANY, LLC, a New York
limited liability company,

Defendant.

SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION: GENERAL
EQUITY

ESSEX COUNTY

DOCKET NO. ESX-C-

204-19

Civil Action

EX PARTE ORDER TO SHOW CAUSE
FOR TEMPORARY RESTRAINTS
PURSUANT TO R. 4:52

THIS MATTER being brought before the Court by Gurbir S. Grewal, Attorney General of New Jersey, (Brian F. McDonough, Assistant Attorney General, appearing), on behalf of Christopher W. Gerold, Chief of the New Jersey Bureau of Securities ("Bureau" or "Plaintiff"), seeking relief by way of temporary restraints pursuant to R. 4:52, based upon the facts set forth

in the Verified Complaint, Certifications of Stephen A. Bouchard (and certain investors' certifications attached thereto), and Brian F. McDonough, Assistant Attorney General, and the accompanying Memorandum of Law filed herewith, and Plaintiff having made a prima facie case that Defendant has engaged in, is engaging in, and/or will continue to engage in acts or practices that are illegal under or prohibited by the Uniform Securities Law (1997), N.J.S.A. 49:3-47 to -83 (the "Securities Law"), and that immediate and irreparable damage will probably result before notice can be given and a hearing held, and for good cause shown,

IT IS on the 31st day of October, 2019 ORDERED that Defendant First Standard Financial Company, LLC ("First Standard"), appear and show cause before the Honorable JAMES R. PAGANELLI, J.S.C., Superior Court of New Jersey, Chancery Division, General Equity Part, Essex County, Robert N. Wilentz Justice Complex, 212 Washington Street, 8th Floor, Newark, New Jersey 07102, at 9:30^{AM} o'clock in the fore noon, or as soon thereafter as counsel can be heard, on the 20th day of November, 2019 why an Order should not be issued:

1. preliminarily enjoining and restraining Defendant First Standard from engaging in the conduct set forth in the Verified Complaint;

2. preliminarily enjoining and restraining Defendant First Standard from violating N.J.S.A. 49:3-52;
3. preliminarily enjoining and restraining Defendant First Standard and such persons who receive actual or constructive notice of this Order from destroying, altering, concealing, transferring, disposing of or removing in any manner, directly or indirectly, any books, records, documents, and information stored in electronic format, including on computers or electronic devices, maintained in any form, relating in any way to the business affairs of Defendant First Standard;
4. freezing the assets, real and personal, of Defendant First Standard, in which it holds a legal or equitable interest including, but not limited to accounts at TD Bank, N.A. - account numbers xxx-xxx-0921 and xxx-xxx-0939, and any assets held by Hilltop Securities, Inc., in that such assets shall not be disposed of, transferred, dissipated, encumbered, withdrawn, removed, or sold pending further Order of this Court;
5. requiring Defendant First Standard to provide Plaintiff within ten (10) days of November 20, 2019:
 - a. a verified written accounting, signed under penalty of perjury and supporting documentation of all assets and

liabilities, from January 1, 2019 to the present day with the following information:

- i. a list of all accounts at all banks, brokerage firms or financial institutions (including the name of the financial institution and name and last four digits of the account number); a list of all other assets, liabilities and property held directly or indirectly by or for the benefit of Defendant First Standard, including, but not limited to, investments, business interests, loans, lines of credit, and real and personal property wherever situated, describing each asset and liability, its current location and amount;
- ii. a list of all money, property, assets, and other income received by Defendant First Standard, or for the direct or indirect benefit of First Standard, in or at any time from January 1, 2019, to the date of the accounting, describing the source, amount, disposition, and current location of each of the items listed;
- iii. a list of all assets, funds, securities, and real or personal property of Defendant First Standard transferred to or for the benefit of any other person or entity from January 1, 2019, to the

date of the accounting, including a description of each transferred asset, the name of the recipient, and the date, and purpose of the transfer; and

- iv. a list of the names and last known addresses of all bailees, debtors, and other persons and entities that are currently holding the assets, funds, or property of Defendant First Standard;
6. providing that any person with actual or constructive notice of this Order who aids, abets, counsels, commands or instructs any person or entity to perform any act prohibited by this Order shall be subject to punishment;
 7. affording Plaintiff and affected third parties such other relief as the Court deems just and equitable; and
 8. entering a Case Management Order setting forth discovery periods and such Order shall not preclude Plaintiff from immediately issuing subpoenas and/or taking depositions of Defendant First Standard, its members, officers, directors, employees, agents, consultants and any third parties.

And it is further **ORDERED** that pending the return date herein, Defendant First Standard and its members are temporarily enjoined and restrained from:

9. engaging in the conduct set forth in the Verified Complaint;
10. violating N.J.S.A. 49:3-52;

11. destroying, altering, concealing, transferring, disposing of or removing in any manner, directly or indirectly, any books, records, documents, and information stored in electronic format, including on computers or electronic devices, maintained in any form, relating in any way to the business affairs of Defendant First Standard; and
12. disposing of, transferring, dissipating, encumbering, withdrawing, removing, or selling the assets, real and personal, of Defendant First Standard, in which it holds a legal or equitable interest including, but not limited to accounts at TD Bank, N.A. - account numbers xxx-xxx-0921 and xxx-xxx-0939, and any assets held by Hilltop Securities, Inc.

And it is further ORDERED that:

13. Defendant First Standard may move to dissolve or modify the temporary restraints herein contained on two (2) days' notice to Plaintiff's attorney, whose address is:

Brian F. McDonough, AAG
Division of Law
124 Halsey Street, 5th Floor
Newark, New Jersey 07101
(973) 648-4802
(973) 648-4887 (facsimile)
Brian.McDonough@law.njoag.gov

14. A copy of this Order to Show Cause, Verified Complaint, legal memorandum and any supporting affidavits or certifications in support of this application be served upon

Defendant First Standard ~~within~~ by November 1, 2019 ~~_____~~ _____ days of the ~~date hereof,~~ in accordance with R. 4:4-3 and R. 4:4-4, this being original process.

15. Plaintiff must file with the Court the proof of service of the pleadings on the Defendant First Standard no later than three (3) days before the return date.

16. Plaintiff may have this Order delivered to Hilltop Securities, Inc. and TD Bank, N.A., and any other person or entity who Plaintiff reasonably believes may be in possession of assets belonging directly or indirectly to First Standard via electronic mail, in addition to other methods of delivery, in order to put Hilltop Securities, Inc. and TD Bank, N.A., and any such other person or entity on notice that First Standard's accounts and assets are subject to this asset freeze.

17. Defendant First Standard shall file and serve a written response to this order to show cause and the request for entry of injunctive relief and proof of service by November 11, 2019. The original documents must be filed with the clerk of the Superior Court in the county listed above. A directory of these offices is available in the Civil Division Management Office of the county listed above and online at http://www.njcourts.gov/forms/10153_deptyclerklawref.pdf.

You must send a copy of your opposition directly to the Honorable JAMES R. PAGANELLI, J.S.C., whose address is Superior Court of New Jersey, Chancery Division, General Equity Part, Essex County, Robert N. Wilentz Court Complex, 212 Washington Street, 8th Floor, Newark, New Jersey 07102. You must also send a copy of your opposition papers to the Plaintiff's attorney whose name and address appears above. A telephone call will not protect your rights; you must file your opposition and pay the required fee of \$ 125 and serve your opposition on your adversary, if you want the court to hear your opposition to the injunctive relief the Plaintiff is seeking.

18. Plaintiff must file and serve any written reply to the Defendant First Standard's Order to Show Cause opposition by November 15, 2019. The reply papers must be filed with the Clerk of the Superior Court in Essex County and a copy of the reply papers must be sent directly to the chambers of the Honorable JAMES R. PAGANELLI, J.S.C.

19. If Defendant First Standard does not file and serve opposition to this Order to Show Cause, the application will be decided on the papers on the return date and relief may be granted by default, provided that Plaintiff files a proof

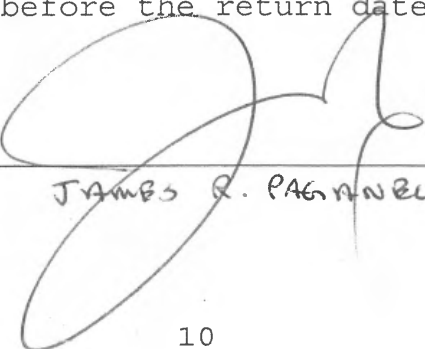
of service and a proposed form of Order at least three (3) days prior to the return date.

20. If Plaintiff has not already done so, a proposed form of Order addressing the relief sought on the return date (along with a self-addressed return envelope with return address and postage) must be submitted to the Court no later than three (3) days before the return date.
21. Defendant First Standard take notice that Plaintiff has filed a lawsuit against you in the Superior Court of New Jersey. The verified complaint attached to this Order to Show Cause states the basis of the lawsuit. If you dispute the complaint, you, or your attorney, must file a written Answer to the complaint and proof of service within 35 days from the day of service of this order to show cause; not counting the day you received it. These documents must be filed with the Clerk of the Superior Court in the county listed above. A directory of these offices is available in the Civil Division Management Office of the county listed above and online at njcourts.gov/forms/10153_deptyclerklawref.pdf. Include a \$ 175 filing fee payable to the "Treasurer, State of New Jersey." You must also send a copy of your Answer to the Plaintiff's attorney whose name and address appear above. A telephone call will not protect your rights; you must file

and serve your Answer (with the fee) or judgment may be entered against you by default. Please note: Opposition to the order to show cause is not an Answer and you must file both. Please note further: if you do not file and serve an Answer within 35 days of this Order, the Court may enter a default against you for the relief Plaintiff demands.

22. If you cannot afford an attorney, you may call the Legal Services office in the county in which you live or the Legal Services of New Jersey Statewide Hotline at 1-888-LSNJ-LAW (1-888-576-5529). If you do not have an attorney and are not eligible for free legal assistance you may obtain a referral to an attorney by calling one of the Lawyer Referral Services. A directory with contact information for local Legal Services Offices and Lawyer Referral Services is available in the Civil Division Management Office of the county listed above and online at njcourts.gov/forms/10153_deptyclerklawref.pdf.

23. The Court will entertain argument, but not testimony, on the return date of the Order to Show Cause, unless the court and parties are advised to the contrary no later than 3 days before the return date.



JAMES R. PAGNANELLI, J.S.C.