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CONFORMED COPY
OF ORIGINAL FILED
Los Angeles Superior Court
MAY 05 2010
John A. Clarke, Executive Officer/Clerk
By R. Miklos, Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
WEST DISTRICT

THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

v.

ALFRED ROBLES VILLALOBOS,
ARVCO CAPITAL RESEARCH, LLC,
FEDERICO R. BUENROSTRO JR., and
DOES 1 - 100, inclusive,

Defendants.

CASE NO: *SC107850*
UNREDACTED
~~PROPOSED~~ TEMPORARY
RESTRAINING ORDER, ORDER
APPOINTING RECEIVER AND ORDER
TO SHOW CAUSE RE PRELIMINARY
INJUNCTION

1 On May 5, 2010, the Court heard the *Ex Parte* Application of Plaintiff, the People of the
2 State of California (“Plaintiff” or “the People”), for a Temporary Restraining Order, an Order
3 Appointing Receiver, or in the Alternative an Asset Freeze, and an Order to Show Cause
4 Regarding Preliminary Injunction (“Plaintiff’s *Ex Parte* Application”). Having reviewed the
5 Complaint, Plaintiff’s *Ex Parte* Application, the Memorandum of Points and Authorities,
6 Declarations and attached exhibits, and all other papers submitted in support of Plaintiff’s *Ex*
7 *Parte* Application, and good cause appearing therefore,

8 **IT IS HEREBY ORDERED** that, pursuant to Business and Professions Code section
9 17203 and Government Code sections 12527 and 12658:

10 1. David J. Pasternak (the “Receiver”) is hereby appointed as Receiver to take
11 possession, custody, and control of:

12 a. All real properties in which any of the Defendants ARVCO Capital Research, LLC
13 and Alfred Robles Villalobos (collectively, “defendants”) purport to control or own any interest
14 including, but not limited to, all of the real properties identified in this paragraph (“REAL
15 PROPERTIES”):

- 16 i. 1000 Holly Lane., Stateline, Douglas, NV 89449; APN #1318-23-
17 201-001 / APN #07-050-04; Villalobos, Alfred J.;
- 18 ii. 121 Holly Lane. B, C, D, Zephyr Cove, Douglas, NV 89448; APN
19 # 1318-23-212-065; Villalobos, Alfred;
- 20 iii. 150 Holly Lane., Stateline, Douglas, NV 89448; APN #1318-23-
21 216-001; Villalobos, Alfred;
- 22 iv. 166 Holly Lane., Stateline, Douglas, NV 89448; APN # 1318-23-
23 216-017; Villalobos, Alfred R.;
- 24 v. 200 Silver Dr., Zephyr Cove, Douglas, NV 89448; APN # 1318-15-
25 714-028; Villalobos, Alfred;
- 26 vi. 216 Gold Hill Rd., Zephyr Cove, Douglas, NV 89448; APN #
27 1318-15-714-038; Villalobos, Alfred;

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- vii. 295 Hwy. 50, Units #16, #18, #20, Stateline, Douglas, NV 89448; APN # 1318-23-314-002, APN # 1318-23-314-003 and APN # 1318-23-314-020; Villalobos, Alfred;
- viii. 112 Cypress Way, Stateline, Douglas, NV 89449; APN # 1318-26-101-083; Villalobos, Alfred R. and Carrissa ;
- ix. 120 Snowbird Ct., Stateline, Douglas, NV 89449; APN # 1318-23-212-068 and APN # 1318-23-069; Villalobos, Alfred R Trustee;
- x. 119 Snowbird Ct., Stateline, Douglas, NV 89449; APN # 1318-23-212-071, APN # 1318-23-212-072, APN # 1318-23-212-073, and APN # 1318-23-212-074; Villalobos, Alfred R Trustee;
- xi. 98 Lake Village #B, Stateline, Douglas, NV 89449; APN # 1318-23-218-002; Villalobos, Alfred R Trustee;
- xii. 81 S. Rubicon Cir., #A, #B, #C, Stateline, Douglas, NV 89449; APN # 1318-23-311-015, APN # 1318-23-311-016, APN # 1318-23-311-017, and APN # 1318-23-311-018; Villalobos, Alfred R Trustee ;
- xiii. 4171 Vivian Ct., Reno Washoe, NV 89502; APN # 021-334-13; Villalobos, Alfred J R, The Alfred J R Villalobos Family Trust;
- xiv. 14035 Moonrise Ct., Reno Washoe, NV 89511-6746; APN # 150-111-21; Villalobos, Alfred;
- xv. 20546 Chatsboro Dr. (Woodland Hills area) Los Angeles, CA 91364; APN #2174-029-022; John M. Gerro, trustee under declaration of trust, dated 9/9/99; and
- xvi. 197 Plantation Club Drive, Lahaina, Hawaii 96761
Mortgage – PIN #(2)4-2-005-040-0000; Alfred J.R. Villalobos

and all rents, proceeds, profits, and income of all such real properties; and

b. All funds and property possessed by Defendants in any safety deposit box or account at any financial institution including, but not limited to, the following:

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- i. Colonial Bank, Account Number 8040380324, Account Title “Alfred R. Villalobos DBA ARVCO Properties,” signatory Alfredo R. Villalobos;
- ii. Colonial Bank, Account Number 8046221084, Account Title “Alfred R. Villalobos DBA ARVCO Properties,” signatory Alfredo R. Villalobos;
- iii. Colonial Bank, Account Number 1155768, Account Title “Alfred J.R. Villalobos Family Trust by Alfred R. Villalobos Trustee,” signatory Alfredo R. Villalobos ;
- iv. Colonial Bank, Account Number 8042262181, Account Title “Alfred R. Villalobos Defined Benefit Plan by Alfred R. Villalobos Trustee,” signatory Alfredo R. Villalobos;
- v. Colonial Bank, Account Number 8042515323, Account Title “Alfred J.R. Villalobos LLC Vol Emp Welfar, by Alfred R. Villalobos, Trustee,” signatory Alfredo R. Villalobos ;
- vi. Colonial Bank, Account Number 8046217421, Account Title “Alfred J.R. Villalobos Family Trust, by Alfred R. Villalobos Trustee,” signatory Alfredo R. Villalobos;
- vii. Colonial Bank, Account Number 8052783936, Account Title “The Alfred James Villalobos Education Tr, by Alfred R. Villalobos Trustee,” signatory Alfredo R. Villalobos;
- viii. Colonial Bank, Account Number 8040378427, Account Title “Alfred R. Villalobos,” signatory Alfredo R. Villalobos;
- ix. Colonial Bank, Account Number 8040379672, Account Title “Alfred R. Villalobos DBA ARVCO Properties Payroll Account,” signatories Alfredo R. Villalobos and Carrissa M. Villalobos;

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- x. Colonial Bank, Account Number 8052783951, Account Title “The Adrianna Ivette Villalobos Trust by Alfred R. Villalobos, Trustee,” signatory Alfredo R. Villalobos;
- xi. Colonial Bank, Account Number 8052783969, Account Title “The Carrissa Dolores Villalobos Education Tr, by Alfred R. Villalobos, Trustee,” signatory Alfredo R. Villalobos;
- xii. Colonial Bank, Account Number 8052783977, Account Title “The Christian Villalobos Education Tr by Alfred R. Villalobos, Trustee,” signatory Alfredo R. Villalobos;
- xiii. Colonial Bank, Account Number 8052783985, Account Title “The Emiliano Villalobos Education Tr by Alfred R. Villalobos, Trustee,” signatory Alfredo R. Villalobos ;
- xiv. Colonial Bank, Account Number 8052783993, Account Title “The Jessica Kinley Rae Villalobos Education Tr by Alfred R. Villalobos, Trustee,” signatory Alfredo R. Villalobos;
- xv. Colonial Bank, Account Number 8040379854, Account Title “ARVCO Capital Research, LLC,” signatories Alfredo R. Villalobos and Carrissa Michelle Villalobos;
- xvi. Colonial Bank, Account Number 8040380209, Account Title “CAPITAL MARKETS ADVISORY COUNCIL, INC.,” signatories Alfred Villalobos and Brian;
- xvii. Colonial Bank, Account Number 8048117959, Account Title “ARVCO Art Inc.,” signatories Alfred R. Villalobos and Dustin T. Fox;
- xviii. Colonial Bank, Account Number 8048118130, Account Title “ARVCO Capital Research, LLC,” signatories Alfredo R. Villalobos and Carrissa M. Villalobos;

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- xix. Colonial Bank, Account Number 8042515000, Account Title “ARVCO Capital Research, LLC, Payroll Account,” signatories Alfredo R. Villalobos and Carrissa Michelle Villalobos;
- xx. Colonial Bank, Account Number 8052785618, Account Title “ARVCO Financial Ventures LLC,” signatories Alfredo R. Villalobos and Carrissa M. Villalobos;
- xxi. Colonial Bank, Account Number 8040379862, Account Title “Capital Formation Partners, LLC,” signatories Alfredo R. Villalobos and Carrissa Michelle Villalobos.

c. All artwork possessed or owned by Defendants in which the Receiver reasonably believes there is sufficient equity to make it worthwhile for the Receiver to take possession of such artwork.

- d. All vehicles possessed or owned by Defendants including, but not limited to:
- i. 2005 Bentley, VIN: SCBCR63W55C030044, License Plate Number: LT30497 (registered to Alfred J R Villalobos Family Trust / Alfred R. Villalobos, trustee) (Req. for Judicial Notice, Exhibit 31);
 - ii. 2008 BMW, VIN: 5UXFE43598L002171, License Plate Number: LT37856 (registered to Alfred J R Villalobos Family Trust / Alfred R. Villalobos, trustee) (Req. for Judicial Notice, Exhibit 32);
 - iii. 2007 Bentley, VIN: SCBBR93W57C046096, License Plate Number: ARVCO (registered owner Alfred J R Villalobos Family Trust / Alfred R. Villalobos, trustee);
 - iv. 2004 Hummer, VIN: 5GRGN23U44H100604, License Plate Number: 284USL (Owner: Alfred R. Villalobos); and
 - v. 2010 BMW, VIN: 5UXFG4C50AL225862, License Plate Number: 838WFX (Owner: Alfred J R Villalobos Family Trust / Alfred R. Villalobos);

1 in which the Receiver reasonably believes that there is sufficient equity to make it
2 worthwhile for the Receiver to take possession of such vehicles.

3 2. Before performing his duties, the Receiver shall execute a receiver's oath and file an
4 undertaking in this Court from an admitted surety insurer in the sum of \$100,000, conditioned
5 upon the faithful performance of the Receiver's duties.

6 3. The Receiver may charge as interim fees his standard hourly billing rate, which is
7 currently \$495 per hour, and the standard hourly billing rates of other personnel in his office
8 (which for non-attorneys currently ranges from \$50 to \$225 per hour) plus reimbursement of
9 costs for the Receiver's services. The Receiver is authorized to employ the services of unlawful
10 detainer attorneys and attorneys Pasternak, Pasternak & Patton, A Law Corporation (in which the
11 Receiver and his wife are shareholders) and Buchalter Nemer, as well as such other attorneys as
12 may be required in Nevada or Hawaii to assist the Receiver in taking control of the REAL
13 PROPERTIES; property managers; accountants; computer consultants; and other professionals in
14 connection with his duties administering the receivership estate and pay for those services in the
15 amount of the normal fees charged by those professionals.

16 4. After so qualifying, the Receiver shall:

17 A. Take possession, custody, and control of, and exclusively and in his sole authority,
18 operate, manage, and control the REAL PROPERTIES;

19 B. Collect all rents, profits, and any other type of income resulting from the operation of
20 the REAL PROPERTIES;

21 C. Care for, preserve, operate, and maintain the REAL PROPERTIES, artwork and
22 vehicles;

23 D. Hire and fire employees;

24 E. The Receiver may use any tax identification or social security numbers previously
25 used in connection with the operation of the REAL PROPERTIES;

26 F. Enter into contracts as the Receiver reasonably believes necessary for the operation
27 and maintenance of the REAL PROPERTIES;

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1 G. Institute and prosecute all suits as the Receiver, upon obtaining permission of the
2 Court, may reasonably believe to be necessary in connection with the operation of the REAL
3 PROPERTIES, artwork, and vehicles, and may without further Order of this Court institute
4 unlawful detainer proceedings and defend all such suits and actions as may be instituted
5 concerning the REAL PROPERTIES, artwork, or vehicles, or against the Receiver;

6 H. Obtain and pay for any licenses or permits that the Receiver reasonably believes to be
7 necessary for the operation of the REAL PROPERTIES, artwork, and vehicles;

8 I. Issue subpoenas, conduct and participate in discovery, take depositions, pursue
9 contempt actions, and otherwise pursue all remedies available by law to ensure compliance with
10 the Receiver's authority granted herein; and

11 J. Incur the expenses necessary for the care, preservation, and maintenance of the REAL
12 PROPERTIES, artwork, and vehicles.

13 5. The Receiver shall prepare and serve monthly statements reflecting the Receiver's
14 fees and administrative expenses, including fees and costs of accountants and attorneys and other
15 professionals authorized by the Court, incurred for each monthly period in the operation and
16 administration of the receivership estate. Upon service of each statement, the Receiver may
17 disburse from estate funds, if any, the amount of each statement. Notwithstanding periodic
18 payment of fees and expenses, all fees and expenses shall be submitted to the Court for its
19 approval and confirmation, in the form of either a properly noticed interim request for fees, a
20 stipulation of all parties, or in the Receiver's Interim or Final Account and Report.

21 6. Subject to further Order of this Court, the Receiver shall operate and manage the
22 REAL PROPERTIES and preserve the artwork and vehicles. The Receiver may employ agents,
23 employees, clerks, accountants, and property managers to administer the receivership estate,
24 purchase materials, supplies, and services, and pay for them at the ordinary and usual rates out of
25 the funds which shall come into the Receiver's possession and shall do all things and incur the
26 risks and obligations ordinarily incurred by owners, managers, and operators of similar real and
27 personal property. No such risk or obligation so incurred shall be the personal risk or obligation
28 of the Receiver, but shall be the risk and obligation of the receivership estate.

1 7. The Receiver is empowered to establish bank accounts for the deposit of monies and
2 funds collected and received in connection with the receivership estate at federally insured
3 banking institutions or savings associations which are not parties to this case. Monies coming
4 into the possession of the Receiver and not expended for any purposes herein authorized shall be
5 held by the Receiver in interest-bearing accounts.

6 8. The Receiver and the parties to this case may at any time apply to this Court for
7 further or other instructions or orders and for further powers necessary to enable the Receiver to
8 perform the Receiver's duties properly.

9 9. All monies coming into the Receiver's possession shall only be expended for the
10 purposes herein authorized, and the balance of funds shall be held by the Receiver pending
11 further order of this Court.

12 10. The Receiver shall determine upon taking possession of the REAL PROPERTIES,
13 artwork, and vehicles whether in the Receiver's judgment there is sufficient insurance coverage.
14 With respect to any insurance coverage, the Receiver shall be named as an insured on the policies
15 for the period that the Receiver shall be in possession of any of the REAL PROPERTIES, artwork
16 or vehicles. If sufficient insurance coverage does not exist, the Receiver shall immediately notify
17 the parties to this lawsuit and shall have thirty (30) calendar days to procure sufficient all risk and
18 liability insurance for the REAL PROPERTIES, artwork, and vehicles; provided, however, that if
19 the Receiver does not have sufficient funds to do so, the Receiver shall seek instructions from the
20 Court with regard to whether insurance shall be obtained and how it is to be paid for. If
21 consistent with existing law, the Receiver shall not be responsible for claims arising from the lack
22 of procurement or inability to obtain insurance.

23 11. Discharge of the Receiver shall require a court order after a properly noticed motion
24 approving the Receiver's Final Report and Account and exoneration of the Receiver's bond.

25 12. The Receiver shall further be entitled to engage a locksmith for the purpose of
26 gaining entry to any property that is the subject of this receivership and through any security
27 system, in order to obtain any property or documents to which the Receiver is entitled pursuant to
28 this Order, as well as giving any notices which may be required in performing the Receiver's

1 duties. The Receiver may have locks or security codes changed, or have keys created that will
2 work for the existing locks.

3 13. The parties, and each of them, on receipt of this Order, shall provide the Receiver
4 with all tax identification numbers utilized in connection with the ownership and/or operation of
5 the REAL PROPERTIES, vehicles, and artwork. The Receiver shall also be entitled to utilize the
6 tax identification numbers during his operation of the receivership estate. The Receiver is
7 excused from filing any tax returns regarding the REAL PROPERTIES, artwork, vehicles, and
8 funds in this receivership estate.

9 14. The Receiver is authorized to have all mail addressed to any of the Defendants at the
10 REAL PROPERTIES or at any other addresses confirmed to belong to defendants' forwarded to
11 an address to be designated by him.

12 15. All banks, financial institutions, brokerage firms, including but not limited to ~~Bank of~~
13 ~~America~~, Wells Fargo Bank, Colonial Bank, ~~First Federal Bank~~, Chase and ~~Citibank~~, which hold
14 any accounts or safety deposit boxes in the names of any of the Defendants including, but not
15 limited to, the accounts specified in this Order, shall immediately turn over all funds and property
16 in any accounts or safety deposit boxes to the Receiver or his designated representative upon
17 presentation of a copy of this Order, and shall provide copies of any requested records regarding
18 any such accounts or safety deposit boxes to the Receiver.

19 **IT IS FURTHER ORDERED** that all Defendants and their respective agents, partners,
20 property managers, employees, assignees, successors, attorneys, representatives, and all persons
21 acting under, in concert with, or for them:

22 A. Shall immediately relinquish and turn over possession of the REAL PROPERTIES,
23 artwork, vehicles, and all specified accounts, funds, and property including, but not limited to, all
24 of the REAL PROPERTIES' rents, profits, and proceeds (including any cash) to the Receiver
25 forthwith upon his appointment becoming effective;

26 B. Shall turn over to the Receiver and direct all other third parties in possession thereof
27 to turn over all keys, leases, books, records, books of account, ledgers, operating statements,
28 budgets, bills, contracts, and all other business records relating to the REAL PROPERTIES,

1 artwork, and vehicles, wherever located, and in whatever mode maintained, including information
2 contained on computers and any and all software relating thereto, as well as all banking records,
3 statements, and canceled checks;

4 C. Shall turn over to the Receiver all documents which pertain to all licenses, permits, or
5 government approvals relating to the REAL PROPERTIES, artwork and vehicles, and all
6 specified accounts, funds and property, and shall immediately advise the Receiver of any social
7 security or taxpayer identification numbers used in connection with the operation or ownership of
8 the REAL PROPERTIES, artwork, vehicles and/or the specified accounts, funds and property;

9 D. Shall immediately advise the Receiver as to the nature and extent of insurance
10 coverage for the REAL PROPERTIES, artwork, and vehicles. The Defendants shall immediately
11 name the Receiver as an insured on the insurance policy(ies) for the period that the Receiver shall
12 be in possession of any of the REAL PROPERTIES, artwork, or vehicles. The Defendants and
13 their agents and representatives are prohibited from canceling, reducing or modifying any and all
14 insurance coverage currently in existence with respect to any of the REAL PROPERTIES,
15 artwork, or vehicles;

16 E. Shall cooperate with and reasonably assist the Receiver with respect to his possession
17 and operation of the REAL PROPERTIES, artwork, and vehicles including, but not limited to,
18 promptly responding to any inquiry by the Receiver for information; and

19 **IT IS FURTHER ORDERED** that immediately and until such further Order of this Court,
20 Defendants and their agents, partners, property managers, employees, assignees, successors,
21 attorneys, representatives, and all other persons acting in concert with them who have actual or
22 constructive knowledge of this Order, and their agents and employees shall not:

23 A. Commit or permit any waste on any of the REAL PROPERTIES, artwork, or
24 vehicles, or any of the specified accounts, funds, property, or any part thereof, or suffer or commit
25 or permit any act on or in connection with any of the REAL PROPERTIES, artwork, vehicles, or
26 any part thereof in violation of any law, or remove, transfer, encumber or otherwise dispose of
27 any of the specified accounts, funds, property, or any of the REAL PROPERTIES, artwork,
28 vehicles, or any part thereof;

1 B. Directly or indirectly interfere in any manner with the discharge of the Receiver's
2 duties under this Order or the Receiver's possession of and operation or management of any of
3 the REAL PROPERTIES, artwork, vehicles, or specified accounts, funds, or property;

4 C. Expend, disburse, transfer, assign, sell, convey, devise, pledge, mortgage, create a
5 security interest in, encumber, conceal or in any manner whatsoever deal in or dispose of the
6 whole or any part of the REAL PROPERTIES or any rents, proceeds or proceeds resulting
7 therefrom or any of the specified accounts, funds, artwork, vehicles, or property without prior
8 specific Order of this Court;

9 D. Withhold any of the REAL PROPERTIES, artwork, vehicles, books, or records
10 regarding any of them or their operation, or funds generated from their operation, or any books or
11 records regarding the specified accounts, funds, or property from the Receiver; and

12 E. Do any act which will, or which will tend to impair, defeat, divert, prevent or
13 prejudice the preservation of any of the REAL PROPERTIES, artwork, or vehicles, or their rents,
14 profits or proceeds.

15 **IT IS FURTHER ORDERED** that any and all payments due to Defendants from any
16 persons including, but not limited to: (1) Apollo Management VII, L.P., Apollo Investment Fund
17 VII, L.P., or Apollo Overseas Partners VII, L.P.; (2) Apollo European Principal Finance Fund,
18 L.P. or Apollo European Principal Finance Management, L.P.; (3) Apollo Special Opportunities
19 Managed Account, L.P. or Apollo SVP Management, L.P.; (4) Aurora Resurgence Capital
20 Partners LLC or Aurora Resurgence Fund (C) L.P.; or (5) Apollo Credit Opportunity
21 Management, LLC or Apollo Credit Opportunity Fund I, L.P. shall be paid directly to the
22 Receiver and shall be held as part of the receivership estate in this matter.

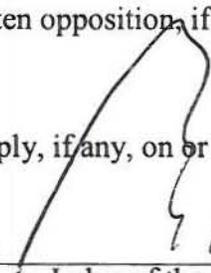
23 18. The parties shall serve the Receiver with all papers in this action and shall give notice
24 to the Receiver about all proceedings.

25 19. In accordance with California Code of Civil Procedure section 995.220, subdivision
26 (a), no bond is required of Plaintiff.

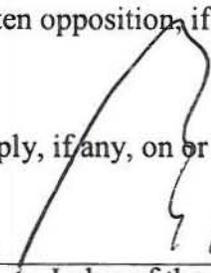
27 **IT IS FURTHER ORDERED** that Defendants appear in Department ^F~~X~~ of this Court,
28 located at 1725 Main Street, Santa Monica, CA 90401, on May 20, 2010, at 8:30 a.m. or as soon

1 thereafter as the matter can be heard, and then and there show cause, if any they have, why a
2 preliminary injunction should not be issued in accord with the Temporary Restraining Order.

3 **IT IS FURTHER ORDERED THAT:**

- 4 1. Plaintiff shall serve the Summons and Compliant, this Order, the *Ex Parte*
5 Application, and all supporting papers on Defendants by May ~~18~~¹⁷, 2010. 
- 6 2. Defendants shall file and serve their written opposition, if any, on or before May
7 ~~14~~¹³, 2010. 
- 8 3. Plaintiff shall file and serve its written reply, if any, on or before May 18, 2010.

9 Dated: 5-5-10

10 By:  Judge of the Superior Court

11 JUDGE GERALD ROSENBERG

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↓ 4. The Receiver or his representative shall appear on 5-20-10 and provide the Court with a report covering his efforts and defendants assets.