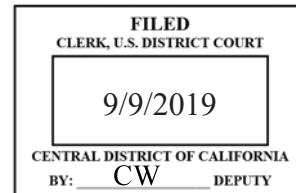


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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

RALPH T. IANNELLI and ESSEX
CAPITAL CORP.,

Defendants.

Case No. 2:18-cv-05008-FMO-AFM

ORDER REGARDING
PERMANENT INJUNCTION

Ctrlm: 6D
Judge Hon. Fernando M. Olguin

ORDER REGARDING PERMANENT INJUNCTION

WHEREFORE, the Court having and retaining jurisdiction over Defendants Ralph T. Iannelli and Essex Capital Corporation ("Essex") and the subject matter hereof; the Court having entered a December 21, 2018 Order Regarding Preliminary Injunction and Appointment of a Permanent Receiver appointing Geoff Winkler (as the permanent receiver for Essex and all of its subsidiaries and affiliates [Dkt. No. 66]); Defendant Iannelli having consent to the Court's entry of a June 5, 2019 final judgment against him [Dkt. No. 93]; and Essex since having consented to the entry of judgment against it; and Plaintiff Securities and Exchange Commission

1 ("SEC") having submitted a proposed final judgment to the Court, the Court hereby
2 ORDERS as follows:

3 **I.**

4 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that, except as
5 otherwise ordered by this Court, until such time as this Court terminates the
6 receivership established in this action and discharges the Receiver, Defendants
7 Iannelli and Essex, and their officers, agents, servants, employees, attorneys,
8 subsidiaries and affiliate, and those persons in active concert with them, who receive
9 actual notice of this Order, by personal service or otherwise, and each of them, shall
10 remain permanently restrained and enjoined from:

11 A. directly or indirectly, transferring, assigning, selling,
12 hypothecating, changing, wasting, dissipating, converting, concealing,
13 encumbering, or otherwise disposing of, in any manner, any funds, assets,
14 securities, claims or other real or personal property, including any notes or
15 deeds of trust or other interest in real property, wherever located, of any one
16 of the Defendants or their subsidiaries or affiliates, owned by, controlled by,
17 managed by or in the possession or custody of any of them on or before
18 December 21, 2018; or

19 B. from transferring, encumbering dissipating, incurring charges or
20 cash advances on any debit or credit card of the credit arrangement of
21 Defendant Essex, or its subsidiaries and affiliates.

22 **II.**

23 IT IS FURTHER ORDERED that Paragraph I and III shall not apply to the
24 following transactions:

25 A. any compensation or funds received by Defendant Iannelli after
26 November 30, 2018, so long as it is in no way related to Essex and its
27 subsidiaries and affiliates, or Defendant Iannelli's association or prior control
28 of Essex and its subsidiaries and affiliates;

1 B. social security payments to Defendant Iannelli; and

2 C. any deposits, withdrawals, or payments from the following
3 accounts at Montecito Bank & Trust ("MBT") and Merrill Lynch ("ML"):

4 i. Ralph T. Iannelli and Melissa R. Iannelli, MBT Acct.
5 No. xxxxx3331;

6 ii. Ralph Iannelli Jr. Family Irrevocable Trust, MBT Acct.
7 No. xxxxx8912;

8 iii. Ralph Iannelli Family Irrevocable Trust, MBT Acct.
9 No. xxxxx8920;

10 iv. Iannelli Family Irrevocable Trust, MBT Acct.
11 No. xxxxx8939;

12 v. Melissa R. Iannelli, ML Acct. No. xxxx4225;

13 or

14 vi. Melissa R. Iannelli, ML Acct. No. xxxxx8702

15 **III.**

16 IT IS FURTHER ORDERED that, except as provided in Paragraph II, above,
17 or as otherwise ordered by this Court, until such time as this Court terminates the
18 receivership established in this action and discharges the Receiver, the freeze
19 previously imposed by this Court on all monies and assets in all accounts at any
20 bank, financial institution or brokerage firm, or third-party payment processor, all
21 certificates of deposit, and other funds or assets, held in the name of, for the benefit
22 of, or over which account authority was held by Defendants Iannelli and Essex on or
23 before the entry of the December 21, 2018 Order Regarding Preliminary Injunction
24 and Appointment of a Permanent Receiver (the "Appointment Order") [Dkt.
25 No. 66], shall remain in full force and effect.

26 **IV.**

27 IT IS FURTHER ORDERED that, except as otherwise ordered by this Court,
28 until such time as this Court terminates the receivership established in this action

1 and discharges the Receiver, the asset freeze imposed by the Appointment Order on
 2 the title of the following properties, which shall not be mortgaged, transferred, or
 3 otherwise hypothecated, shall remain in full force and effect:

LISTED OWNER	ADDRESS
Ralph T. Iannelli	266 Penny Lane, Santa Barbara, CA 93108
Ralph T. Iannelli	257 Central Park West, Apt. 4C, New York, NY 10024
Ralph T. Iannelli	915 Elm Avenue, Carpinteria, CA 93013

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9 **V.**

10 IT IS FURTHER ORDERED that, unless otherwise ordered by this Court, at
 11 the Receiver's request, Defendants, any bank, financial institution or brokerage firm,
 12 and each of them, shall transfer to the Receiver assets, funds, and other property
 13 held in foreign locations in the name of any Defendant, or for the benefit or under
 14 the direct or indirect control of any of them, or over which any of them exercises
 15 control or signatory authority.

16 **VI.**

17 IT IS FURTHER ORDERED that, except as otherwise ordered by this Court,
 18 until such time as this Court terminates the receivership established in this action
 19 and discharges the Receiver, each of the Defendants Essex and Iannelli, and their
 20 officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those
 21 persons in active concert or participation with any of them, who receive actual
 22 notice of this Order, by personal service or otherwise, and each of them, shall
 23 remain restrained and enjoined from, directly or indirectly: destroying, mutilating,
 24 concealing, transferring, altering, or otherwise disposing of, in any manner, any
 25 documents, which includes all books, records, computer programs, computer files,
 26 computer printouts, contracts, emails, correspondence, memoranda, brochures, or
 27 any other documents of any kind in their possession, custody or control, however
 28 created, produced, or stored (manually, mechanically, electronically, or otherwise),

1 pertaining in any manner to Defendant Essex and its subsidiaries and affiliates
2 (collectively, the "Receivership Entities").

3 **VII.**

4 IT IS FURTHER ORDERED that, until such time as this Court terminates the
5 receivership established in the above-entitled action and discharges the Receiver,
6 Geoff Winkler shall remain appointed as the permanent receiver for Defendant
7 Essex and its subsidiaries and affiliates (again, collectively, the "Receivership
8 Entities"), with full powers of an equity receiver, including, but not limited to, full
9 power over all funds, assets, collateral, premises (whether owned, leased, occupied,
10 or otherwise controlled), choses in action, books, records, papers and other property
11 belonging to, being managed by or in the possession of or control of the
12 Receivership Entities, and that the Receiver is immediately authorized, empowered
13 and directed:

14 A. to have access to and to collect and take custody, control,
15 possession, and charge of all funds, assets, collateral, premises (whether
16 owned, leased, pledged as collateral, occupied, or otherwise controlled),
17 choses in action, books, records, papers, and other real or personal property,
18 wherever located, of or managed by the Receivership Entities (collectively,
19 the "Assets"), with full power to sue, foreclose, marshal, collect, receive, and
20 take into possession all such Assets (including access to and taking custody,
21 control, and possession of all such Assets);

22 B. to assume full control of the Receivership Entities by removing,
23 as the Receiver deems necessary or advisable, any director, officer, attorney,
24 independent contractor, employee, custodian, or agent of any of the
25 Receivership Entities, including any named Defendant, from control of,
26 management of, or participation in, the affairs of the Receivership Entities;

27 C. to have control of, and to be added as the sole authorized
28 signatory for, all accounts of the entities in receivership, including all

1 accounts at any bank, title company, escrow agent, financial institution or
2 brokerage firm (including any futures commission merchant) which has
3 possession, custody or control of any Assets, or which maintains accounts
4 over which the Receivership Entities and/or any of their employees or agents
5 have signatory authority;

6 D. to conduct such investigation and discovery as may be necessary
7 to locate and account for all of the assets of or managed by the Receivership
8 Entities, and to engage and employ attorneys, accountants and other persons
9 to assist in such investigation and discovery;

10 E. to take such action as is necessary and appropriate to preserve
11 and take control of and to prevent the dissipation, concealment, or disposition
12 of any Assets;

13 F. to choose, engage, and employ attorneys, accountants,
14 appraisers, and other independent contractors and technical specialists, as the
15 Receiver deems advisable or necessary in the performance of duties and
16 responsibilities under the authority granted by the Appointment Order and
17 this Order;

18 G. to make an accounting, as soon as practicable, to this Court and
19 the SEC, of the assets and financial condition of the Receivership Entities,
20 and to file the accounting with the Court and deliver copies thereof to all
21 parties;

22 H. to make such payments and disbursements from the Assets taken
23 into custody, control, and possession or thereafter received by him, and to
24 incur, or authorize the making of, such agreements as may be necessary and
25 advisable in discharging his duties as Receiver;

26 I. to investigate and, where appropriate, to institute, pursue, and
27 prosecute all claims and causes of action of whatever kind and nature that
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1 may now or hereafter exist as a result of the activities of present or past
2 employees or agents of the Receivership Entities;

3 J. to institute, compromise, adjust, appear in, intervene in, or
4 become party to such actions or proceedings in state, federal, or foreign
5 courts, which (i) the Receiver deems necessary and advisable to preserve or
6 recover any Assets, or (ii) the Receiver deems necessary and advisable to
7 carry out the Receiver's mandate under the Appointment Order and this
8 Order; and

9 K. to have access to and monitor all mail, electronic mail, and video
10 phone of the entities in receivership in order to review such mail, electronic
11 mail, and video phone which he or she deems relates to their business and the
12 discharging of his duties as Receiver. The Receiver shall be authorized to
13 review any communications between Essex and its counsel in this action.
14 Should a dispute arise over the Receiver's authority to review or disclose any
15 of Defendants' communications with counsel, the Receiver or the parties may
16 petition the Court after making good faith efforts to resolve the dispute.

17 **VIII.**

18 IT IS FURTHER ORDERED that the Receivership Entities, and their
19 officers, agents, servants, employees and attorneys, and any other persons who are
20 in custody, possession or control of any assets, collateral, books, records, papers or
21 other property of or managed by any of the entities in receivership shall forthwith
22 give access to and control of such property to the Receiver.

23 **IX.**

24 IT IS FURTHER ORDERED that no officer, agent, servant, employee or
25 attorney of the Receivership Entities shall take any action or purport to take any
26 action, in the name of or on behalf of the Receivership Entities without the written
27 consent of the Receiver or order of this Court.

28 **X.**

1 IT IS FURTHER ORDERED that, except by leave of this Court, during the
2 pendency of the receivership established in the above-entitled action, all clients,
3 investors, trust beneficiaries, note holders, creditors, claimants, lessors and all other
4 persons or entities seeking relief of any kind, in law or in equity, from Defendant
5 Iannelli or the Receivership Entities, and all persons acting on behalf of any such
6 investor, trust beneficiary, note holder, creditor, claimant, lessor, consultant group or
7 other person, including sheriffs, marshals, servants, agents, employees and
8 attorneys, are hereby restrained and enjoined from, directly or indirectly, with
9 respect to these persons and entities:

10 A. commencing, prosecuting, continuing or enforcing any suit or
11 proceeding (other than the above-entitled action by the SEC or any other
12 action by the government) against any of them;

13 B. using self-help or executing or issuing or causing the execution
14 or issuance of any court attachment, subpoena, replevin, execution or other
15 process for the purpose of impounding or taking possession of or interfering
16 with or creating or enforcing a lien upon any property or property interests
17 owned by or in the possession of Defendant Iannelli or the Receivership
18 Entities; and

19 C. doing any act or thing whatsoever to interfere with taking
20 control, possession or management by the Receiver appointed hereunder of
21 the property and assets owned, controlled or managed by or in the possession
22 of Defendant Iannelli or Defendant Essex or in any way to interfere with or
23 harass the Receiver or his or her attorneys, accountants, employees, or agents
24 or to interfere in any manner with the discharge of the Receiver's duties and
25 responsibilities hereunder.

26 **XI.**

27 IT IS FURTHER ORDERED that the Receivership Entities and their officers,
28 agents, servants, employees and attorneys, shall cooperate with and assist the

1 Receiver and shall take no action, directly or indirectly, to hinder, obstruct, or
2 otherwise interfere with the Receiver or his attorneys, accountants, employees or
3 agents, in the conduct of the Receiver's duties or to interfere in any manner, directly
4 or indirectly, with the custody, possession, management, or control by the Receiver
5 of the funds, assets, collateral, premises, and choses in action described above.

6 **XII.**

7 IT IS FURTHER ORDERED that the Receivership Entities, shall pay the
8 costs, fees and expenses of the Receiver incurred in connection with the
9 performance of his or her duties described in the Appointment Order and this Order,
10 including the costs, fees and expenses of those persons who may be engaged or
11 employed by the Receiver to assist him in carrying out his duties and obligations.

12 All applications for costs, fees, and expenses for services rendered in
13 connection with the receivership, other than routine and necessary business
14 expenses in conducting the receivership, such as salaries, rent, and any and all other
15 reasonable operating expenses, shall be made by application setting forth in
16 reasonable detail the nature of the services and shall be heard by the Court.

17 **XVIII.**

18 IT IS FURTHER ORDERED that, as initially established in the Appointment
19 Order, no bond shall be required in connection with the appointment of the
20 Receiver. Except for an act of gross negligence, the Receiver shall not be liable for
21 any loss or damage incurred by any of the defendants, their officers, agents,
22 servants, employees and attorneys or any other person, by reason of any act
23 performed or omitted to be performed by the Receiver in connection with the
24 discharge of his duties and responsibilities.

25 **XIV.**

26 IT IS FURTHER ORDERED that representatives of the SEC are authorized
27 to have continuing access to inspect or copy any or all of the corporate books and
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1 records and other documents of the Receivership Entities, and continuing access to
2 inspect their funds, property, assets and collateral, wherever located.

3 **XV.**

4 IT IS FURTHER ORDERED that this Court shall retain jurisdiction over this
5 action for the purpose of implementing and carrying out the terms of all orders and
6 decrees which may be entered herein, including, but not limited to, with respect to
7 the Receiver's ongoing administration of the receivership, the Receivership Entities,
8 and their Assets, and to entertain any suitable application or motion for additional
9 relief, or modification of the orders of this Court, until such time as, on motion of
10 the Receiver, the Court terminates the instant receivership and discharges the
11 Receiver.

12
13 **SO ORDERED.**

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15 Dated: September 9, 2019

/s/

16 Hon. Fernando M. Olguin
17 Judge, United States District Court
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