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12 KRISTA L. FREITAG

13 UNITED STATES DISTRICT COURT
14 CENTRAL DISTRICT OF CALIFORNIA

15
16 SECURITIES AND EXCHANGE
COMMISSION,

17 Plaintiff,

18 vs.

19 INTEGRATED NATIONAL
20 RESOURCES, INC. dba
WEEDGENICS, ROLF MAX
21 HIRSCHMANN aka "MAX
BERGMANN," PATRICK EARL
22 WILLIAMS,

23 Defendants, and

24 WEST COAST DEVELOPMENT LLC,
25 INR CONSULTING LLC (WYOMING
ENTITY), OCEANS 19 INC.,
26 AUTOBAHN PERFORMANCE LLC,
ONE CLICK GENERAL MEDIA INC.,
27 OPUS COLLECTIVE, JOHN ERIC
FRANCOM, INR-CA INVESTMENT
28 HOLDINGS, LLC, MICHAEL
DELGADO, TOTAL SOLUTION
CONSTRUCTION LLC. BAGPIPE

Case No. 8:23-cv-00855-JWH-KES

**FIRST REPORT AND
RECOMMENDATIONS OF
TEMPORARY RECEIVER**

1 HOLDINGS LLC, BAGPIPE
MULTIMEDIA LLC, TYLER
2 CAMPBELL, INR CONSULTING LLC
(CALIFORNIA ENTITY), HIDDEN
3 SPRINGS HOLDINGS GROUP LLC,
and ALEXANDRIA PORTER BOVEE
4 aka "AIA MONTGOMERY",

5 Relief Defendants.

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1 On May 19, 2023, this Court entered the Temporary Restraining Order and
2 Orders: (1) Freezing Assets; (2) Appointing a Temporary Receiver; (3) Requiring
3 Accountings; (4) Prohibiting the Destruction of Documents; and (5) Granting
4 Expedited Discovery; and Order to Show Cause why a Preliminary Injunction
5 should not be Granted and a Permanent Receiver should not be Appointed. (the
6 "Temporary Restraining Order" or "TRO"). The TRO appointed Krista L. Freitag
7 ("Receiver") temporary receiver for Defendant, INTEGRATED NATIONAL
8 RESOURCES, INC., DBA WEEDGENICS, and Relief Defendants, WEST COAST
9 DEVELOPMENT LLC, INR CONSULTING LLC (WYOMING ENTITY),
10 OCEANS 19 INC., AUTOBAHN PERFORMANCE LLC, ONE CLICK
11 GENERAL MEDIA INC., OPUS COLLECTIVE, INR-CA INVESTMENT
12 HOLDINGS, LLC, TOTAL SOLUTION CONSTRUCTION LLC, BAGPIPE
13 HOLDINGS LLC, BAGPIPE MULTIMEDIA LLC, INR CONSULTING LLC
14 (CALIFORNIA ENTITY), AND HIDDEN SPRINGS HOLDINGS GROUP LLC,
15 and their subsidiaries and affiliates (collectively the "Receivership Entities" or
16 individually, a "Receivership Entity") with full powers of an equity receiver.

17 This initial report summarizes the Receiver's work performed thus far
18 pursuant to the TRO, along with her preliminary observations.

19 **I. EXECUTIVE SUMMARY**

20 Upon entry of the TRO, the Receiver and her team worked to review as much
21 of the Complaint and evidence submitted by the Commission as possible. To date,
22 despite being served with the TRO and despite repeated requests for meetings and
23 demands for turnover of assets, books and records,¹ other than Relief Defendants
24 Eric Francom and Alexandria Montgomery, the individual Defendants and Relief
25

26 _____
27 ¹ The Receiver, through counsel, has sent a detailed demand for records, turnover
28 of assets, etc. to each of the individual defendants and relief defendants other
than relief defendant Delgado.

1 Defendants have not provided any requested information or documents, or complied
2 with the Receiver's requests that Receivership Entity assets be turned over.

3 As such, among other tasks completed, the Receiver and her team have
4 worked quickly and diligently to identify and secure Receivership Entity assets and
5 related information, to obtain operational information, and to identify investors,
6 primarily through public information and initial bank records obtained. Based on
7 the Receivership Entity records obtained and those publicly available, no physical
8 office or business locations - only personal residence and virtual office addresses -
9 have been found to be associated with the Receivership Entities. Change of address
10 forms (where possible) and notices of the TRO have been processed for the business
11 addresses identified thus far.

12 Receivership Entity bank accounts previously identified by the Securities and
13 Exchange Commission ("Commission") and any additional accounts identified
14 through an investigation of documents and information reviewed thus far have been
15 frozen and are in the process of being transitioned to the Receiver. To date, banks
16 have confirmed approximately **\$5.34 million** is frozen in Receivership Entity
17 accounts (this includes amounts in the accounts of the five affiliated entities
18 identified below). In addition to the \$5.34 million, the Receiver is awaiting
19 additional detail on what one bank reported as "business account balances" of
20 **\$1.24 million**, and the Receiver is also awaiting return of **\$200,000** used as a
21 retainer for potential counsel for Defendant Patrick Earl Williams.

22 As discussed further below, six (6) real properties have been identified as
23 owned by a Receivership Entity, and numerous (mostly exotic and luxury vehicles)
24 have been identified as purchased by and are presently registered in the name of a
25 Receivership Entity (one vehicle has been recovered thus far). While the Receiver
26 has taken several steps to locate and secure these assets identified to date through
27 bank records, it should be noted that the Receiver, directly and through counsel has
28 made several demands on and requests from Defendant Rolf Max Hirschmann

1 regarding asset information and specifically for vehicle locations and turnover
2 thereof. To date, Mr. Hirschmann has failed to comply with these requests and in
3 the deposition taken by the Commission, specifically asserted his Fifth Amendment
4 right and declined to answer when questioned about specific assets, their locations,
5 and whether he would comply with the TRO and turn assets belonging to the
6 Receivership Entities over to the Receiver.

7 Because the individual Defendants have not responded to or cooperated with
8 the Receiver, a comprehensive investor database does not exist at this time.
9 However, the Receiver is working diligently to obtain investor information from
10 banking records, the relief defendants who have been responsive, and other sources
11 available to her, and importantly has set up a receivership website at
12 www.INRreceivership.com. On this site, the Receiver has posted a copy of the
13 Complaint, TRO and an introductory communication to investors. Via the website,
14 investors are encouraged to confidentially provide their contact information and sign
15 up to receive email updates about the receivership and are also provided a project-
16 specific email and phone number to help facilitate communications with the
17 Receiver and her staff.

18 The Receiver and her staff are working diligently to takeover Receivership
19 Entity domains and social media accounts to enable the takedown of and redirection
20 of these sites to the receivership website and to control the historical and future
21 communications. Again, with no cooperation from individual defendants, this
22 process is taking a bit of time as subpoenas are necessary to get the host sites to
23 cooperate with the Receiver through this transition.

24 Although the Receiver and her professionals have made significant progress
25 in the short period of time since entry of the TRO, this report is very preliminary
26 and its contents will likely need to be updated and revised. As discussed below in
27 Section V, the Receiver has set out her recommendations for proceeding if her
28 appointment as receiver is made permanent.

1 **II. SEC COMPLAINT**

2 In its Complaint, the Commission alleges that from June 2019 to April 2023,
3 defendants Patrick Earl Williams ("Williams") and Rolf Max Hirschmann, also
4 known as "Max Bergmann" ("Hirschmann"), along with Integrated National
5 Resources, Inc. (dba "WeedGenics") ("INR") have raised approximately \$61.7
6 million—including over \$22.4 million from November 2022 to April 2023—from
7 approximately 350 investors nationwide. The Complaint alleges Defendants lied
8 about the existence of, revenue from, and permits associated with INR facilities that
9 supposedly cultivated cannabis in Adelanto, California, and Las Vegas, Nevada, and
10 fraudulently used investor funds to enrich themselves rather than to fund their
11 purported business.

12 **III. THE TRO**

13 Pursuant to the TRO, the Receiver is, among other things, authorized and
14 directed to:

15 Assume full control of Receivership Entities by removing any director,
16 officer, independent contractor, employee, attorney, or agent of any Receivership
17 Entity from control of, management of, or participation in, the affairs of the
18 Receivership Entity;

- 19 1. Take exclusive custody, control, and possession of all assets and
20 documents of, or in the possession, custody, or under the control of,
21 any Receivership Entity;
- 22 2. Take such action as is necessary and appropriate to preserve and take
23 control of and to prevent the dissipation, concealment, or disposition of
24 any assets of the Receivership Entities;
- 25 3. Choose, engage, and employ attorneys, accountants, appraisers, and
26 other independent contractors and technical specialists, as the Receiver
27 deems advisable or necessary in the performance of duties and
28 responsibilities;

1 4. To have access to and monitor all mail, electronic mail, and video
2 phone of the Receivership Entities;

3 5. To make an accounting, as soon as practicable, to this Court and the
4 Commission of the assets and financial condition of the Receivership
5 Entities, and to file the accounting with the Court and deliver copies
6 thereof to all parties.

7 **IV. ACTIONS TO IMPLEMENT TRO**

8 **1. Business Operations**

9 As mentioned above, only virtual and no physical premises for the
10 Receivership Entities have been located to date. As such, the Receiver and her team
11 have worked to notice/serve upon all known virtual office locations a copy of the
12 TRO with demands to freeze assets (if any), forward mail and otherwise preserve
13 and turnover books and records of the Receivership Entities. Eight (8) separate
14 virtual office locations have been noticed and five (5) separate registered agents
15 have also been noticed. Where possible, change of addresses have also been
16 completed with the United States Postal Service (the USPS does not allow change of
17 addresses for commercial mail receiving agencies – e.g., a UPS Store).

18 Based upon her initial review of limited bank records obtained to date, the
19 Receiver has not seen any material transactions associated with revenue generating
20 operational activities, but has seen a significant amount of credit card payments,
21 cash withdrawals, real and personal property purchases (see detail herein on real
22 property, personal property (including jewelry) and vehicle purchases), real property
23 renovation/improvement related and other personal affect-type transactions.

24 **2. Funds Recovered, Known To Date**

25 In addition to the Commission's asset freeze, the Receiver has also promptly
26 notified each bank and known financial institution identified as having an account
27 associated with the Receivership Entities. As previously mentioned, the
28 Receivership Entities' known frozen cash balances total approximately

1 \$5.34 million. In addition to the \$5.34 million, the Receiver is awaiting additional
2 detail on what one bank reported as "business account balances" of \$1.24 million,
3 and the Receiver is also awaiting receipt of a \$200,000.

4 The Receiver, through her counsel, has also subpoenaed all known financial
5 institutions for all account records, which will be necessary for the Receiver to
6 complete an accounting, as ordered by the Court.

7 **3. Takeover of Physical Assets**

8 Upon entry of the TRO, the Receiver promptly began diligent efforts to take
9 possession of and protect the physical assets of the Receivership Entities. Based on
10 preliminary research and available information, 66 subpoenas issued with the
11 assistance of the Receiver's counsel (with another 19 subpoenas set to go out today),
12 and numerous notices issued, the Receiver was able to confirm that six (6) real
13 properties (all residential with the exception of one commercial storage unit) are
14 owned by the Receivership Entities. These properties are located in Boise, Idaho,
15 Las Vegas, Nevada, and Fort Lauderdale, Florida. In addition to the real property,
16 the Receiver noted dozens of vehicle purchases by Receivership Entities. Based on
17 the best information available at this time, the Receiver believes approximately 10
18 high-end and exotic cars are owned by Receivership Entities – one of which has
19 been recovered and secured.

20 In addition to FedEx service of the TRO on three (3) of the real property
21 locations in Boise, Las Vegas, and Fort Lauderdale, on May 23, 2023, a member of
22 the Receiver's staff traveled to the Boise area to deliver the TRO to the four
23 Receivership Entity properties located there. One of the properties is an owned
24 secured storage unit, which held a McLaren 620R sports car and a full-sized car
25 sculpture. The Receiver was able to take possession of the unit, take photos to
26 inventory the contents and secure this location. Other than the valuable sports car
27 and the car sculpture, the other items of value appeared to be a set of tires and
28 wheels for a BMW and a pair of sport tires.

1 Another of the Boise properties is an attached townhome that is currently
2 vacant and undergoing a remodel. At the time the TRO was entered, the remodel
3 was largely complete with only minor punch list items remaining to be completed.
4 The Receiver secured the property and advised the homeowner's association
5 manager of the status of the unit. The remodel work has been suspended, at least
6 temporarily, pending the June 2, 2023 hearing.

7 The other two Boise properties are both single family residences that are
8 currently believed to be occupied by Hirschmann and his father. The Receiver was
9 able to deliver a notice of the receivership, along with a copy of the TRO, directly to
10 Hirschmann's father at the property he occupies. The property occupied by
11 Hirschmann was also undergoing an extensive remodel. That work has likewise
12 been temporarily suspended pending review of further details and the June 2, 2023
13 hearing.

14 On May 26, 2023, a member of the Receiver's staff traveled to Las Vegas to
15 take possession of the Receivership Entity property located there. The property is a
16 single-family residence located in the northern Las Vegas neighborhood of
17 Centennial. Upon arrival, it was discovered that the unit is occupied (dogs were
18 observed inside the house and a package for the occupant was delivered).

19 At this point, occupants of Receivership Entity properties have received
20 notice of the TRO and there has been no response from them. Therefore, it appears
21 that legal actions to gain possession of the occupied residences may be necessary in
22 the near term. With respect to the property located in Fort Lauderdale, Florida, the
23 Receiver has been in contact with the homeowner's association and is working with
24 a local management company to secure the condominium, which was purchased
25 shortly before entry of the TRO.

26 **4. Affiliated Entities**

27 While a dozen or more entities with ties to the Defendants and Relief
28 Defendants have been identified thus far, the Receiver believes the following five

1 (5) additional entities should be considered affiliates of the Receivership Entities,
2 and therefore included in the receivership under the TRO:

- 3 1. Construction Consulting, LLC
- 4 2. INR Consulting 2023, LLC
- 5 3. INR Media Group, LLC
- 6 4. Luxevale Inc.
- 7 5. Raw Sports LLC

8 Several bank accounts associated with these affiliated entities have been
9 frozen and the Receiver is in the process of securing the balances therein.

10 **5. Digital Records**

11 Without a physical operation and without cooperation from the individual
12 Defendants, the Receiver has also been working diligently to identify any payments
13 to and companies associated with the Receivership Entities. As part of her effort to
14 identify, obtain, control and preserve the business records associated with the
15 Receivership Entities, with the assistance of counsel, the Receiver has also served
16 various vendors, and other third parties (including the internet service provider,
17 website host, and other key vendors believed to service the Receivership Entities)
18 with subpoenas and copies of the TRO, and has made a demand that they each
19 preserve all electronic and other documents in their possession, custody or control,
20 as provided for in the TRO.

21 An account with one domain hosting company has been obtained, but it does
22 not include all domains or email accounts known to be associated with the
23 Receivership Entities. Subpoenas have been served on additional domain hosting
24 providers and the Receiver and her team are still in the process of obtaining
25 administrative control of all the domains and social media accounts known to be
26 registered to the Receivership Entities. Once administrative access is obtained, all
27 of the domains and social media accounts will be preserved and taken offline to help
28 prevent any further marketing of the investments previously offered by Defendants

1 that are the subject of this action. Additionally, all surrendered domains will be
2 redirected to the receivership website to notify visitors of the receivership.

3 **6. Territorial Jurisdiction over Receivership Assets.**

4 By filing the Complaint and the TRO with other federal district courts in the
5 United States, the territorial jurisdiction of this Court over receivership assets is
6 extended to such districts. 28 U.S.C. § 754, *see also Haile v. Henderson Nat'l Bank*,
7 657 Fed. 2d 816, 822 (6th Cir. 1981). Based on information obtained to date, the
8 Receiver has filed the Complaint and TRO in the Eastern District of California,
9 District of Colorado, Southern District of Florida, District of Idaho, District of
10 Nevada, District of South Carolina, Northern District of Texas, and District of
11 Wyoming. As additional information becomes available, the Receiver will file and
12 record the Complaint and the appointment order in applicable districts and counties
13 in conformity with Section 754 and federal law.

14 **7. Investor Communications.**

15 The Receiver has established a dedicated web page with a link to same on the
16 Receiver's company's website which will be used to provide case information,
17 regular updates, and answers to frequently asked questions to investors. The
18 Internet address for the webpage is as follows: www.INRreceivership.com. In
19 addition, the Receiver is maintaining a dedicated e-mail address and telephone line
20 for all inquiries.

21 The Receiver is working to communicate with investors through the
22 receivership website and is also working to compile a list of investors through a
23 preliminary review of banking records. The Receiver has also been working to
24 identify any payments to accounting software, customer relationship manager
25 (CRM) entities, or similar types of programs. To date, only one such vendor has
26 been identified and a subpoena for records is being issued.

27 Due to the lack of an available investor list (or any books and records of the
28 Receivership Entities), the Receiver requests relief from the requirement in Local

1 Rule 66-5 that she file a schedule of known creditors. As investors and creditors are
2 identified, they will be directed to the receivership website and encouraged to
3 provide their full contact information (confidentially) so they can receive email
4 notices and updates about the receivership. At the appropriate time, the Receiver
5 will seek approval of an efficient process for investor and creditor claims to be
6 submitted, reviewed by the Receiver, and (in the case of any disputes) resolved by
7 the Court.

8 **V. PRELIMINARY RECOMMENDATIONS**

9 The Receiver's efforts to marshal and recover assets and relevant
10 Receivership Entity documents and records are in their early stages and are ongoing.
11 In the near term, the Receiver and her professionals make the following
12 recommendations.

13 **A. Document Recovery Efforts**

14 The Receiver will obtain records from relevant parties, vendors, and other
15 payees identified and associated with the Receivership Entities, including all
16 financial institutions where the Receivership Entities maintained accounts, as well
17 as from attorneys and accountants engaged by the Receivership Entities.

18 **B. Receivership Asset Recovery Efforts and Investigation**

19 The Receiver will seek to locate any presently unaccounted for receivership
20 assets that may exist. As part of her investigation, the Receiver will evaluate claims
21 to pursue recovery of assets of the Receivership Entities from third parties. The
22 Receiver will seek Court approval before pursuing any such claims.

23 **C. Accounting**

24 The Receiver will proceed with an accounting to establish, among other
25 things, identification of all assets not already identified, the identification of
26 investors and the money in-money out account balances associated with the
27 investors identified.

28

1 **D. Engagement of Counsel**

2 Pursuant to the authority granted to her in Section 13 of the TRO, the
3 Receiver has engaged Allen Matkins Leck Gamble Mallory & Natsis, LLP ("Allen
4 Matkins") as her general counsel for the receivership. Considering the scope of the
5 Receivership Entities and their affiliated entities, the serious legal issues involved in
6 this case, and what appears to be substantial harm done to investors, it is critical the
7 Receiver have counsel experienced and qualified in federal equity receiverships,
8 litigation, real estate, tax and other applicable areas of law. Out of an abundance of
9 caution, the Receiver plans to file a motion seeking approval of her engagement of
10 Allen Matkins, as well as other administrative-type relief to aid in the operation of
11 the receivership, including the filing of reports and fee applications on a quarterly
12 basis, and use of the receivership website (and email updates therefrom) as the
13 means of providing required notices to investors.

14 **VI. CONCLUSION**

15 Based upon the Receiver's preliminary investigation and findings, the
16 Receiver recommends and requests that the Court order the Receiver to continue her
17 work pursuant to the TRO and supplemental orders issued by the Court. The
18 Receiver also requests the Court authorize her continuing investigation and approve
19 this first report and recommendations.

20
21 Dated: June 1, 2023

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP

By: /s/Edward G. Fates
EDWARD G. FATES
Attorneys for Court-Appointed
Temporary Receiver
KRISTA L. FREITAG

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