1 2 3 4 5 6 7 UNITED STATES DISTRICT COURT 8 FOR THE CENTRAL DISTRICT OF CALIFORNIA 9 10 SECURITIES AND EXCHANGE Case No. 8:23-cv-00855-JWH-KES 11 COMMISSION, 12 Plaintiff, PRELIMINARY INJUNCTION 13 ORDER WITH RESPECT TO CERTAIN DEFENDANTS AND v. RELIEF DEFENDANTS AND 14 INTEGRATED NATIONAL ORDERS: (1) FREEZING ASSETS; RESOURCES, INC. dba WEEDGENICS, (2) APPOINTING A PERMANENT *15* RECEIVER; (3) REQUIRING ACCOUNTINGS; AND ROLF MAX HIRSCHMANN aka 16 <u>"MAX BERGMANN,"</u> (4) PROHIBITING THE DÉSTRUCTION OF DOCUMENTS PATRICK EARL WILLIAMS, 17 Defendants, and 18 WEST COAST DEVELOPMENT 19 LLC, INR CONSULTING LLC 20 (WYOMING ENTITY), OCEANS 19 INC., AUTOBAHN PERFORMANCE LLC, 21 ONE CLICK GENERAL MEDIA 22 INC., OPUS COLLECTIVE 23 IOHN ERIC FRANCOM, INR-CA INVESTMENT HOLDINGS, 24 LLC, MICHÁEL DELGADO, 25 TOTAL SOLUTION CONSTRUCTION LLC, 26 BAGPIPE HOLDINGS LLC, BAGPIPE MULTIMEDIA LLC, 27 TYLER CAMPBELL. 28

INR CONSULTING LLC
(CALIFORNIA ENTITY),
HIDDEN SPRINGS HOLDINGS
GROUP LLC, and
ALEXANDRIA PORTER BOVEE aka
"AIA MONTGOMERY," Relief Defendants.

On May 16, 2023, Plaintiff Securities and Exchange Commission (the "SEC") filed a Complaint seeking a preliminary injunction against Defendants Integrated National Resources Inc. dba WeedGenics ("INR"), Rolf Max Hirschmann aka "Max Bergmann" ("Hirschmann"), and Patrick Earl Williams ("Williams") (collectively, "Defendants"), and various Relief Defendants, including West Coast Development LLC ("WCD"), INR Consulting LLC (Wyoming Entity) ("INR Consulting/Williams"), Oceans 19 Inc. ("Oceans 19"), Autobahn Performance LLC ("Autobahn"), One Click General Media Inc. ("One Click"), and Opus Collective ("Opus") (collectively, the "Non-Stipulating Relief Defendants"), and seeking the appointment of a permanent receiver over INR and the entity-Relief Defendants.¹ On the same day, the SEC filed a Memorandum of Points and Authorities, and supporting declarations and exhibits, seeking the same relief initially on a temporary basis via a Temporary Restraining Order ("TRO").2 On May 19, 2023, the Court entered the TRO.3 On June 1, 2023, the SEC filed a Reply in support of the SEC's request for a preliminary injunction and appointment of a permanent receiver.4 On June 2, 2023, the Court conducted a hearing to determine whether a preliminary injunction should be granted and a permanent receiver should be appointed.

I. FINDINGS OF FACT

The Court, having considered the SEC's Complaint, the Memorandum and its supporting declarations and exhibits, the Reply, and the other evidence and argument presented to the Court, hereby **FINDS** as follows:

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Compl. [ECF No. 1].

SEC's Mem. of P. & A.; Supporting Declarations [ECF Nos. 4-10.]

³ Temporary Restrarining Order [ECR No. 17].

SEC's Reply in Supp. of Req. for Prelim. Inj. [ECF No. 24].

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- A. This Court has jurisdiction over the parties to, and the subject matter of, this action.
- B. The SEC has made a sufficient and proper showing in support of the relief granted herein, as required by Section 20(b) of the Securities Act of 1933 (the "Securities Act"), 15 U.S.C. § 77t(b); by Sections 21(d) and 21(e) of the Securities Exchange Act of 1934 (the "Exchange Act"), 15 U.S.C. §§ 78u(d) and 78u(e); by evidence establishing a *prima facie* case and the reasonable likelihood that Defendants have engaged in, are engaging in, are about to engage in, and will continue to engage in unless restrained transactions, acts, practices, and courses of business that constitute violations of Section 10(b) of the Exchange Act, 15 U.S.C. §§ 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5, and Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).
- C. Good cause exists to warrant the appointment of a permanent receiver over Defendant INR, and Relief Defendants WCD, INR Consulting/Williams, Oceans 19, Autobahn, One Click, and Opus.
- D. Good cause exists to believe that, unless restrained and enjoined by order of this Court, Defendants and Non-Stipulating Relief Defendants will dissipate, conceal, or transfer assets that could be the subject to an order directing disgorgement or the payment of civil money penalties in this action. It is thus appropriate for the Court to issue this Preliminary Injunction preventing the dissipation of assets.
- E. Good cause exists to believe that an accounting of assets by each of Defendants and Non-Stipulating Relief Defendants is necessary.
- F. Good cause exists to believe that, unless restrained and enjoined by order of this Court, Defendants and Non-Stipulating Relief Defendants may alter or destroy documents relevant to this action.

II. ORDER

Good cause appearing therefor, it is hereby **ORDERED** as follows:

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- The SEC's request for a Preliminary Injunction and Orders: 1. (1) Freezing Assets; (2) Appointing a Permanent Receiver; (3) Requiring Accountings; and (4) Prohibiting the Destruction of Documents is **GRANTED**.
- Defendants and their officers, agents, servants, employees, 2. attorneys, subsidiaries and affiliates, and those persons in active concert or participation with any of them, who receive actual notice of this Order, by personal service or otherwise, and each of them, be and hereby are preliminarily **RESTRAINED** and **ENJOINED** from, directly or indirectly, in the offer or sale of any securities, by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails:
 - employing any device, scheme, or artifice to defraud; a.
 - obtaining money or property by means of any untrue b. statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
 - engaging in any transaction, practice, or course of business that operates or would operate as a fraud or deceit upon the purchaser; in violation of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).
- As provided in Rule 65(d)(2) of the Federal Rules of Civil 3. Procedure, the foregoing paragraph also binds the following who receive actual notice of this Order by personal service or otherwise:
 - Defendants' officers, agents, servants, employees, and attorneys; and
 - b. other persons in active concert or participation with any of Defendants or with anyone described in Paragraph 3.a.
- Defendants and their officers, agents, servants, employees, 4. attorneys, subsidiaries, and affiliates, and those persons in active concert or participation with any of them, who receive actual notice of this Order, by

RESTRAINED and **ENJOINED** from, directly or indirectly, in connection with the purchase or sale of any security, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange:

- a. employing any device, scheme, or artifice to defraud;
- b. making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- c. engaging in any act, practice, or course of business that operates or would operate as a fraud or deceit upon any person; in violation of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.
- 5. As provided in Rule 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Order by personal service or otherwise:
 - a. Defendants' officers, agents, servants, employees, and attorneys; and
 - b. other persons in active concert or participation with any of Defendants or with anyone described in Paragraph 5.a.
- 6. Defendants Williams and Hirschmann, including but not limited to, through any entity owned or controlled by Defendants Williams or Hirschmann, respectively, are hereby preliminarily **RESTRAINED** and **ENJOINED** from participating in the issuance, purchase, offer, or sale of any security in an unregistered offering by any issuer, provided, however, that such injunction shall not prevent them from purchasing or selling securities for their own personal accounts.

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- Except as otherwise ordered by this Court, Defendants and Non-7. Stipulating Relief Defendants, and their officers, agents, servants, employees, 2 3 attorneys, subsidiaries and affiliates, and those persons in active concert with them, who receive actual notice of this Order, by personal service or otherwise, 4 and each of them, be and hereby are preliminarily RESTRAINED and 5 ENJOINED from, directly or indirectly, transferring, assigning, selling, 6 hypothecating, changing, wasting, dissipating, converting, concealing, 7 encumbering, or otherwise disposing of, in any manner, any funds, assets, 8 securities, claims, or other real or personal property, including any notes or 9 deeds of trust or other interest in real property, wherever located, of any one of *10* Defendants or Non-Stipulating Relief Defendants, or their subsidiaries or 11 affiliates, owned by, controlled by, managed by, or in the possession or custody *12* 13 of any of them and from transferring, encumbering dissipating, incurring charges or cash advances on any debit or credit card of the credit arrangement of any one 14 of Defendants or Non-Stipulating Relief Defendants or their subsidiaries and *15* affiliates. 16
 - 8. Except as otherwise ordered by this Court, an immediate freeze shall be placed on all monies and assets (with an allowance for necessary and reasonable living expenses to be granted only upon good cause shown by application to the Court with notice to and an opportunity for the SEC to be heard) in all accounts at any bank, financial institution or brokerage firm, or third-payment payment processor, all certificates of deposit, and other funds or assets, held in the name of, for the benefit of, or over which account authority is held by Defendants or Relief Defendants, including but not limited to the accounts listed below:

BROKERAGE/ BANK NAME	ACCOUNT HOLDER	ACCOUNT NO.
NAME		
Wells Fargo	Oceans 19 Inc.	x0622
Wells Fargo	Oceans 19 Inc.	x0630
Wells Fargo	Autobahn Performance LLC	x7580
Bank of America	Hidden Springs Holdings LLC	x2906
Bank of America	Integrated National Resources, Inc.	x2774
Bank of America	Integrated National Resources, Inc.	x2826
Bank of America	Integrated National Resources, Inc.	x8179
Bank of America	West Coast Development LLC	x1154
Bank of America	West Coast Development LLC	x5209
J.P. Morgan Chase Bank	West Coast Development LLC	x5967
Wells Fargo Bank	INR Consulting LLC (Wyoming Entity)	x8663
J.P. Morgan Chase Bank	Oceans 19 Inc.	x5553

BROKERAGE/ BANK NAME	ACCOUNT HOLDER	ACCOUNT NO.
J.P. Morgan Chase Bank	Oceans 19 Inc.	x7558
J.P. Morgan Chase Bank	Autobahn Performance LLC	x7189
J.P. Morgan Chase Bank	Autobahn Performance LLC	x9971
J.P. Morgan Chase Bank	Opus Collective	x7336
J.P. Morgan Chase Bank	One Click General Media Inc.	x9280
Bank of the West	Total Solution Construction LLC	x1424
American Express Bank	Rolf Hirschmann	Unknown
Capital One Bank	Rolf Hirschmann	Unknown
Citibank	Rolf Hirschmann	Unknown
Comenity Bank	Rolf Hirschmann	Unknown
Wells Fargo Bank	Opus Collective	Unknown
Navy Federal Credit Union	Patrick Williams	x3977
Truist Bank	Patrick Williams	x5936
Bank of America	Patrick Williams	x9852
Capital One	Patrick Williams	Unknown

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BROKERAGE/ BANK NAME	ACCOUNT HOLDER	ACCOUNT NO.
Credit One Bank	Patrick Williams	Unknown
First Savings Bank	Patrick Williams	Unknown
Continental Finance	Patrick Williams	Unknown
Navy Federal Credit Union	West Coast Development LLC	Unknown
Truist Bank	Traffic Jam Promotion (Patrick Williams Entity)	x2113

Any bank, financial institution or brokerage firm, or third-party payment processor holding such monies and assets described above shall hold and retain within their control and prohibit the withdrawal, removal, transfer, or other disposal of any such funds or other assets except as otherwise ordered by this Court.

9. Defendants and Non-Stipulating Relief Defendants, no later than June 7, 2023, shall prepare and deliver to the SEC a detailed and complete schedule of all of their personal assets, including all real and personal property exceeding \$5,000 in value, and all bank, securities, and other accounts identified by institution, branch address, and account number. The accounting shall include a description of the sources of all such assets. Such accounting shall be simultaneously filed with the Court and a copy shall be delivered to the SEC to the attention of Gary Y. Leung, Daniel S. Lim, and Christopher A. Nowlin, counsel for the SEC, U.S. Securities and Exchange Commission, 444 S. Flower Street, Suite 900, Los Angeles, CA 90071, email addresses: leungg@sec.gov,

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- <u>limda@sec.gov</u>, and <u>nowlinc@sec.gov</u>. After completion of the accounting, each of Defendants and Non-Stipulating Relief Defendants shall produce to the SEC at a time agreeable to the SEC, all books, records, and other documents supporting or underlying their accounting.
- 10. Any person who receives actual notice of this Order by personal service or otherwise, and who holds, possesses or controls assets exceeding \$5,000 for the account or benefit of any one of Defendants or Non-Stipulating Relief Defendants, shall within 5 days of receiving actual notice of this Order provide counsel for the SEC with a written statement identifying all such assets, the value of such assets, or best approximation thereof, and any account numbers or account names in which the assets are held.
- Non-Stipulating Relief Defendants, and their officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons in active concert or participation with any of them, who receive actual notice of this Order, by personal service or otherwise, and each of them, be and hereby are preliminarily **RESTRAINED** and **ENJOINED** from, directly or indirectly: destroying, mutilating, concealing, transferring, altering, or otherwise disposing of, in any manner, any documents, which includes all books, records, computer programs, computer files, computer printouts, contracts, emails, correspondence, memoranda, brochures, or any other documents of any kind in their possession, custody, or control, however created, produced, or stored (manually, mechanically, electronically, or otherwise), pertaining in any manner to Defendants or Relief Defendants.
- 12. Krista L. Freitag of E3 Advisors is **APPOINTED** as permanent receiver over Defendant INR, and Relief Defendants WCD, INR Consulting/Williams, Oceans 19, Autobahn, One Click, and Opus (collectively, the "Receivership Entities"), their subsidiaries and affiliates, with full powers of

an equity receiver, including, but not limited to, full power over all funds, assets, collateral, premises (whether owned, leased, occupied, or otherwise controlled), choses in action, books, records, papers, and other property belonging to, being managed by or in the possession of or control of the Receivership Entities, and that such receiver is immediately authorized, empowered, and directed:

- a. to have access to and to collect and take custody, control, possession, and charge of all funds, assets, collateral, premises (whether owned, leased, pledged as collateral, occupied, or otherwise controlled), choses in action, books, records, papers and other real or personal property, wherever located, of or managed by Receivership Entities and its subsidiaries and affiliates (collectively, the "Assets"), with full power to sue, foreclose, marshal, collect, receive, and take into possession all such Assets (including access to and taking custody, control, and possession of all such Assets);
- b. to assume full control of Receivership Entities and their subsidiaries and affiliates by removing, as the receiver deems necessary or advisable, any director, officer, attorney, independent contractor, employee, or agent of Receivership Entities and their subsidiaries and affiliates, and any named Defendant or Relief Defendant, from control of, management of, or participation in, the affairs of Receivership Entities and their subsidiaries and affiliates;
- c. to have control of, and to be added as the sole authorized signatory for, all accounts of the Receivership Entities, including all accounts at any bank, title company, escrow agent, financial institution, or brokerage firm (including any futures commission merchant) that has possession, custody, or control of any Assets, or that maintains accounts over which Receivership Entities and their subsidiaries and affiliates, and/or any of their employees or agents have signatory authority;

- d. to conduct such investigation and discovery as may be necessary to locate and account for all of the assets of or managed by Receivership Entities and their subsidiaries and affiliates, and to engage and employ attorneys, accountants, and other persons to assist in such investigation and discovery;
- e. to take such action as is necessary and appropriate to preserve and take control of and to prevent the dissipation, concealment, or disposition of any Assets;
- f. to choose, engage, and employ attorneys, accountants, appraisers, and other independent contractors and technical specialists, as the receiver deems advisable or necessary in the performance of duties and responsibilities under the authority granted by this Order;
- g. to make an accounting, as soon as practicable, to this Court and the SEC of the assets and financial condition of Receivership Entities and their subsidiaries and affiliates, and to file the accounting with the Court and deliver copies thereof to all parties;
- h. to make such payments and disbursements from the Assets taken into custody, control, and possession or thereafter received by him or her, and to incur, or authorize the making of, such agreements as may be necessary and advisable in discharging his or her duties as permanent receiver;
- i. to investigate and, where appropriate, to institute, pursue, and prosecute all claims and causes of action of whatever kind and nature that may now or hereafter exist as a result of the activities of present or past employees or agents of Receivership Entities and their subsidiaries and affiliates;

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- j. to institute, compromise, adjust, appear in, intervene in, or become party to such actions or proceedings in state, federal, or foreign courts, that
 - i. the receiver deems necessary and advisable to preserve or recover any Assets, or
 - ii. the receiver deems necessary and advisable to carry out the receiver's mandate under this Order; and
- k. to have access to and monitor all mail, electronic mail, and video phone of the Receivership Entities in order to review such mail, electronic mail, and video phone that he or she deems relates to their business and the discharging of his or her duties as permanent receiver. The deadline for the permanent receiver to file the Schedule of Creditors set forth in L.R. 66-5 is **EXTENDED** to September 1, 2023. The permanent receiver is relieved of the obligation to include the addresses of known creditors in that Schedule of Creditors.
- 13. Defendants and Non-Stipulating Relief Defendants, and their subsidiaries and affiliates, including all of Receivership Entities, and their officers, agents, servants, employees and attorneys, and any other persons who are in custody, possession, or control of any assets, collateral, books, records, papers, or other property of or managed by any of the entities in receivership, shall forthwith give access to and control of such property to the permanent receiver.
- 14. No officer, agent, servant, employee, attorney of Defendants, or Non-Stipulating Relief Defendants shall take any action or purport to take any action, in the name of or on behalf of the Receivership Entities or their subsidiaries or affiliates without the written consent of the permanent receiver or order of this Court.

- 15. Except by leave of this Court, during the pendency of this receivership, all clients, investors, trust beneficiaries, note holders, creditors, claimants, lessors and all other persons or entities seeking relief of any kind, in law or in equity, from Defendants and Non-Stipulating Relief Defendants, or their subsidiaries or affiliates, and all persons acting on behalf of any such investor, trust beneficiary, note holder, creditor, claimant, lessor, consultant group or other person, including sheriffs, marshals, servants, agents, employees and attorneys, are hereby restrained and enjoined from, directly or indirectly, with respect to these persons and entities:
 - a. commencing, prosecuting, continuing, or enforcing any suit or proceeding (other than the present action by the SEC or any other action by the government) against any of them;
 - b. using self-help or executing or issuing or causing the execution or issuance of any court attachment, subpoena, replevin, execution, or other process for the purpose of impounding or taking possession of or interfering with or creating or enforcing a lien upon any property or property interests owned by or in the possession of Defendants or Non-Stipulating Relief Defendants; and
 - c. doing any act or thing whatsoever to interfere with taking control, possession or management by the permanent receiver appointed hereunder of the property and assets owned, controlled or managed by or in the possession of Defendants or Non-Stipulating Relief Defendants, or in any way to interfere with or harass the permanent receiver or her attorneys, accountants, employees, or agents or to interfere in any manner with the discharge of the permanent receiver's duties and responsibilities hereunder.
- 16. Defendants and Non-Stipulating Relief Defendants, and their subsidiaries and affiliates, shall pay the costs, fees and expenses of the

permanent receiver incurred in connection with the performance of her duties described in this Order, including the costs and expenses of those persons who may be engaged or employed by the permanent receiver to assist him or her in carrying out her duties and obligations. All applications for costs, fees, and expenses for services rendered in connection with the receivership other than routine and necessary business expenses in conducting the receivership, such as salaries, rent, and any and all other reasonable operating expenses, shall be made by application setting forth in reasonable detail the nature of the services and shall be heard by the Court.

- 17. No bond shall be required in connection with the appointment of the permanent receiver. Except for an act of gross negligence, the permanent receiver shall not be liable for any loss or damage incurred by any of Defendants or Non-Stipulating Relief Defendants, their officers, agents, servants, employees and attorneys or any other person, by reason of any act performed or omitted to be performed by the permanent receiver in connection with the discharge of her duties and responsibilities.
- 18. This Court shall retain jurisdiction over this action for the purpose of implementing and carrying out the terms of all orders and decrees that may be entered herein and to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

IT IS SO ORDERED.

Dated: June 2, 2023

UNITED STATES DISTRICT JUDGE