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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

INTEGRATED NATIONAL
RESOURCES, INC. dba
WEEDGENICS, ROLF MAX
HIRSCHMANN aka "MAX
BERGMANN," and
PATRICK EARL WILLIAMS,

Defendants, and

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

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

**ORDER REGARDING
RECEIVER'S UNOPPOSED
MOTIONS FOR AUTHORITY
[ECF Nos. 162 & 197]; RECEIVER'S
UNOPPOSED APPLICATIONS
FOR PAYMENT OF FEES AND
REIMBURSEMENT OF EXPENSES
[ECF Nos. 166, 167, 213, & 214];
DEFENDANTS' MOTION TO
STAY [ECF No. 174]; AND
PLAINTIFF'S MOTION FOR
MODIFIED SCHEDULE [ECF
No. 211]**

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

Relief Defendants.

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1 Before the Court are the following matters:

- 2 • two unopposed Motions for Authority to take certain actions filed by
- 3 Receiver Krista L Freitag;¹
- 4 • the Receiver’s four unopposed Applications for Payment of Fees and
- 5 Reimbursement of Expenses;²
- 6 • a Motion to Stay the case filed by Defendant Rolf Max Hirschmann and
- 7 Relief Defendants Autobahn Performance LLC, Oceans 19 Inc., One
- 8 Click General Media Inc., and Opus Collective;³ and
- 9 • a Motion by Plaintiff Security and Exchange Commission for a Modified
- 10 Schedule.⁴

11 The Court concludes that these matters are appropriate for resolution without a
12 hearing. *See* Fed. R. Civ. P. 78; L.R. 7-15. After considering the papers filed in
13 support and in opposition,⁵ the Court **GRANTS** the Receiver’s unopposed

14 _____
15 ¹ Receiver’s Mot. for Order for Authority (the “First Motion for Authority”) [ECF
16 No. 162]; Receiver’s Mot. for Authority (the “Second Motion for Authority”) [ECF
No. 197].

17 ² Receiver’s Appl. for Payment of Fees and Reimbursement of Expenses (the “First
18 Application for Reimbursement”) [ECF No. 166]; Receiver’s Appl. for Payment of Fees and
19 Reimbursement of Expenses (the “Second Application for Reimbursement”) [ECF No. 167];
Receiver’s Appl. for Payment of Fees and Reimbursement of Expenses (the “Third
20 Application for Reimbursement”) [ECF No. 213]; Receiver’s Appl. for Payment of Fees and
Reimbursement of Expenses (the “Fourth Application for Reimbursement”) [ECF No. 214].

21 ³ Defs.’ Mot. to Stay Case (the “Motion to Stay”) [ECF No. 174].

22 ⁴ Pl.’s Mot. for Order for Modifying Briefing Schedule (the “Motion for Modified
Schedule”) [ECF No. 211].

23 ⁵ The Court considered the documents of record in this action, including the following
24 papers: (1) Compl. (the “Complaint”) [ECF No. 1]; (2) TRO and Orders (the “First TRO
Order”) [ECF No. 17]; (3) Prelim. Inj. With Respect to Certain Defs. and Relief Defs. and
25 Orders (the “First PI Order”) [ECF No. 33]; (4) Order Extending TRO (the “Second TRO
Order”) [ECF No. 47]; (5) Order Granting Pl. and Relief Defs.’ Request for Prelim. Inj.
26 Order and Orders (the “Second PI Order”) [ECF No. 48]; (6) Order Granting Pl.’s Request
27 for a Prelim. Inj. Order and Orders (the “Third PI Order”) [ECF No. 49]; (7) Order Denying
Relief Def.’s *Ex Parte* Appl. [ECF No. 84]; (8) Order Approving Stipulation Regarding
28 Limited Modification to Prelim. Inj. Order and Orders (the “Fourth PI Order”) [ECF
No. 93]; (9) Order Granting Pl.’s and Relief Defs.’ Joint Stipulated Request for a Prelim. Inj.

1 Motions and Applications, **DENIES** Defendants’ Motion to Stay, and **DENIES**
 2 **as moot** the SEC’s Motion for Modified Schedule.

3 I. BACKGROUND

4 In May 2023, the SEC filed a Complaint seeking a preliminary injunction
 5 against Defendants Integrated National Resources Inc. dba WeedGenics
 6 (“INR”), Rolf Max Hirschmann aka “Max Bergmann” (“Hirschmann”), and
 7 Patrick Earl Williams (“Williams”) (collectively, “Defendants”) and various
 8 Relief Defendants, including Alexandria Porter Bovee (“Bovee”), West Coast
 9 Development LLC (“WCD”), INR Consulting LLC (Wyoming Entity) (“INR
 10 Consulting/Williams”), Oceans 19 Inc. (“Oceans 19”), Autobahn Performance

11
 12 Order and Order (the “Fifth PI Order”) [ECF No. 95]; (10) Order Extending TRO (the
 13 “Third TRO Order”) [ECF No. 106]; (11) Order Granting the Parties’ Joint Stipulated
 14 Request for a Prelim. Inj. Order and Orders (the “Sixth PI Order”) [ECF No. 113];
 15 (12) Order Denying *Ex Parte* Appl. of Def. (the “Seventh PI Order”) [ECF No. 160];
 16 (13) First Motion for Authority; (14) Defs.’ Notice of Non-Opp’n to the First Motion for
 17 Authority (the “Remaining Defendants’ Non-Opposition to the First Motion for Authority”) [ECF No. 163]; (15) Pl.’s Notice of Non-Opp’n to the First Motion for Authority (the
 18 “SEC’s Non-opposition to the First Motion for Authority”) [ECF No. 164]; (16) First
 19 Application for Reimbursement; (17) Second Application for Reimbursement; (18) Receiver’s
 20 Motion re Applications (the “Motion for Reimbursement”) [ECF No. 168]; (19) Motion to
 21 Stay; (20) Def. Bovee’s Notice of Non-Opp’n to the First Motion for Authority (“Bovee’s
 22 Non-opposition to the First Motion for Authority”) [ECF No. 175]; (21) Pl.’s Opp’n to the
 23 Motion to Stay (the “SEC’s Opposition to the Motion to Stay”) [ECF No. 178];
 24 (22) Receiver’s Limited Opp’n re Motion to Stay (“Freitag’s Opposition to the Motion to
 25 Stay”) [ECF No. 179]; (23) Def. Bovee’s Notice of Non-Opp’n to the Motion to Stay
 26 (“Bovee’s Non-opposition to the Motion to Stay”) [ECF No. 180]; (24) Defs.’ Reply in
 27 Supp. of the Motion to Stay (the “Reply”) [ECF No. 188]; (25) Second Motion for
 28 Authority; (26) Pl.’s Notice of Non-Opp’n to the Second Motion for Authority (the “SEC’s
Non-opposition to the Second Motion for Authority”) [ECF No. 198]; (27) Def. Bovee’s
 Notice of Non-Opp’n to the Second Motion for Authority (“Bovee’s Non-Opposition to the
Second Motion for Authority”) [ECF No. 199]; (28) Defs.’ Notice of Non-Opp’n to the
 Second Motion for Authority (the “Remaining Defendants’ Non-Opposition to the Second
Motion for Authority”) [ECF No. 200]; (29) Motion for Modified Schedule; (30) Third
 Application for Reimbursement; (31) Fourth Application for Reimbursement; (32) Mot. re:
 Third and Fourth Applications for Reimbursement (the “Second Motion for
Reimbursement”) [ECF No. 215]; and (33) Notice of Non-Opp’n to Third and Fourth
 Applications for Reimbursement (the “SEC’s Non-Opposition to Third and Fourth
Applications for Reimbursement”) [ECF No. 216].

1 LLC (“Autobahn”), One Click General Media Inc. (“One Click”), and Opus
2 Collective (“Opus”) (collectively, “Relief Defendants”), and seeking the
3 appointment of a permanent receiver over INR and the entity-Relief
4 Defendants.⁶ On the same day, the SEC filed a Memorandum of Points and
5 Authorities, as well as supporting declarations and exhibits, seeking the same
6 relief initially on a temporary basis via a Temporary Restraining Order
7 (“TRO”).⁷ Three days later, the Court entered the TRO.⁸

8 In June 2023, the Court granted the preliminary injunction and issued
9 orders (1) freezing Defendants’ and Relief Defendants’ assets; (2) appointing
10 Freitag as Permanent Receiver; (3) requiring accountings from Defendants and
11 Relief Defendants; and (4) prohibiting the destruction of documents.⁹ Since it
12 issued those initial orders, the Court has issued many follow-on orders variously
13 extending and adjusting the scope of the TRO and PI.¹⁰

14 Freitag filed her First Motion for Authority in September 2023,¹¹ and her
15 Second Motion for Authority in December 2023.¹² The SEC, Defendant
16 Hirschmann, and Relief Defendants Bovee, Oceans 19, Autobahn, One Click,
17 and Opus filed Notices of Non-Opposition to each Motion.¹³ No other party
18 objected.

19 _____
20 ⁶ See Complaint.

21 ⁷ SEC’s Mem. of P. & A.; Supporting Declarations [ECF Nos. 4-10.]

22 ⁸ First TRO Order.

23 ⁹ First PI Order.

24 ¹⁰ See *id.* at n.4.

25 ¹¹ First Motion for Authority.

26 ¹² Second Motion for Authority.

27 ¹³ SEC’s Non-opposition to the First Motion for Authority; SEC’s Non-opposition to
28 the Second Motion for Authority; Bovee’s Non-opposition to the First Motion for Authority;
Bovee’s Non-opposition to the Second Motion for Authority; Remaining Defendants’
Non-opposition to the First Motion for Authority; Remaining Defendants’ Non-opposition to
the Second Motion for Authority.

1 In October 2023, Freitag filed her First and Second Applications for
2 Reimbursement,¹⁴ as well as an accompanying Motion with respect to the
3 Applications.¹⁵ The First Application for Reimbursement covers the period
4 from Freitag's appointment as Receiver on May 19, 2023, through June 30,
5 2023, and it seeks the approval of \$219,222.00 in fees and \$40,731.64 in
6 expenses incurred by Freitag, as well as an order authorizing her to pay, on an
7 interim basis, 80% of the fees incurred (\$175,377.60) and 100% of the expenses
8 incurred (\$40,731.64).¹⁶ The Second Application for Reimbursement covers the
9 same period, and it seeks the approval of \$216,514.80 in fees and \$38,920.23 in
10 expenses incurred by Freitag's general counsel, Allen Matkins Leck Gamble
11 Mallory & Natsis LLP, as well as an order authorizing Freitag to pay, on an
12 interim basis, 80% of those fees (\$173,211.84) and 100% of those expenses
13 (\$38,920.23).¹⁷

14 In March 2024, Freitag filed her Third and Fourth Applications for
15 Reimbursement,¹⁸ as well as an accompanying Motion with respect to the
16 Applications.¹⁹ The Third Application for Reimbursement covers the period
17 from July 1, 2023, through September 30, 2023, and it seeks the approval of
18 \$228,421.50 in fees and \$22,723.04 in expenses incurred by Freitag, as well as
19 an order authorizing her to pay, on an interim basis, 80% of the fees incurred
20 (\$182,737.20) and 100% of the expenses incurred (\$22,723.04).²⁰ The Fourth
21 Application for Reimbursement covers the same period, and it seeks the

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23 ¹⁴ First Application for Reimbursement; Second Application for Reimbursement.

24 ¹⁵ Motion for Reimbursement.

25 ¹⁶ First Application for Reimbursement 5:10-14.

26 ¹⁷ Second Application for Reimbursement 5:11-15.

27 ¹⁸ Third Application for Reimbursement; Fourth Application for Reimbursement.

28 ¹⁹ Second Motion for Reimbursement.

²⁰ Third Application for Reimbursement 5:10-14.

1 approval of \$209,526.30 in fees and \$10,353.38 in expenses incurred by Freitag’s
2 general counsel, Allen Matkins, as well as an order authorizing Freitag to pay, on
3 an interim basis, 80% of those fees (\$167,621.04) and 100% of those expenses
4 (\$10,353.38).²¹

5 No party objected to any of the four Applications.

6 **II. ANALYSIS**

7 **A. Receiver’s Unopposed Motions and Applications**

8 As a preliminary matter, Freitag’s First and Second Motions for
9 Authority are unopposed.²² Accordingly, the Court **GRANTS** both Motions.
10 *See* L.R. 7-12 (stating that the failure to file opposing papers in a timely manner
11 “may be deemed consent to the granting” of a motion).

12 Additionally, because no party objected to any of the four Applications for
13 Reimbursement,²³ and the fees and costs in each appear well documented and
14 reasonable,²⁴ the Court **GRANTS** those four Applications.

15 **B. Defendants’ Motion to Stay**

16 In October 2023, Defendant Hirschmann and Relief Defendants
17 Oceans 19, Autobahn, One Click, and Opus moved to stay the case for four
18 months,²⁵ arguing that Hirschmann’s Fifth Amendment rights are implicated
19 because this case is related to an ongoing criminal investigation that involves
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22 ²¹ Fourth Application for Reimbursement 5:11-15.

23 ²² *See* Bovee’s Non-Opposition to the First Motion for Authority; Remaining
24 Defendants’ Non-Opposition to the First Motion for Authority; SEC’s Non-Opposition to
25 the First Motion for Authority; Bovee’s Non-Opposition to the Second Motion for Authority;
Remaining Defendants’ Non-Opposition to the Second Motion for Authority; SEC’s Non-
Opposition to the Second Motion for Authority.

26 ²³ *See also* SEC’s Non-Opposition to Third and Fourth Applications for Reimbursement.

27 ²⁴ *See* First Application for Reimbursement; Second Application for Reimbursement;
Third Application for Reimbursement; Fourth Application for Reimbursement.

28 ²⁵ *See* Motion to Stay.

1 him. The SEC opposed the Motion,²⁶ Freitag filed a limited Opposition,²⁷
2 Relief Defendant Bovee filed a Notice of Non-Opposition,²⁸ and Hirschman
3 replied.²⁹

4 “Absent a showing of substantial prejudice to the rights of the parties
5 involved, the Constitution does not require a stay of civil proceedings pending
6 the outcome of criminal proceedings.” *S.E.C. v. Glob. Express Cap. Real Est.*
7 *Inv. Fund, I, LLC*, 289 F. App’x 183, 190 (9th Cir. 2008) (citing *Keating v. Office*
8 *of Thrift Supervision*, 45 F.3d 322, 324 (9th Cir. 1995)).

9 In determining whether to stay civil proceedings in the face of
10 parallel criminal proceedings, a court must consider the particular
11 circumstances and competing interests involved, and should
12 consider (1) the extent to which the defendant’s Fifth Amendment
13 rights are implicated, (2) the interest of the plaintiffs in proceeding
14 expeditiously, (3) the burden the proceedings may impose on the
15 defendants, (4) the convenience of the court and the efficient use of
16 judicial resources, (5) the interests of persons not parties to the civil
17 litigation, and (6) the interest of the public in the pending civil and
18 criminal litigation.

19 *Id.* at 190-91 (citing *Keating*, 45 F.3d at 324-25). “The case for staying civil
20 proceedings is weak when no indictment has been returned.” *Id.* (citing *Fed.*
21 *Sav. & Loan Ins. Corp. v. Molinaro*, 889 F.2d 899, 902 (9th Cir. 1989)).

22 Here, Hirschmann does not allege that he has been indicted in connection
23 with the criminal investigation—either as of the time he filed the Motion or
24

25 ²⁶ See SEC’s Opposition to the Motion to Stay.

26 ²⁷ See Freitag’s Opposition to the Motion to Stay.

27 ²⁸ See Bovee’s Non-opposition to the Motion to Stay.

28 ²⁹ See Reply.

1 since.³⁰ In its Opposition, on the other hand, the SEC asserts that it “has a
2 significant interest” in litigating this case without delay to prevent the loss of
3 evidence and witness memory and to obtain disgorgement and impose
4 punishment on Hirschmann in order to deter others from violating the same
5 laws that it alleges that Hirschmann did.³¹ Freitag also expresses concern about
6 the implications of a stay on the receivership.³² And the Court agrees with the
7 SEC that imposing a stay would be an inefficient use of the Court’s resources.³³

8 Thus, given the balance of the interests, the Court **DENIES** Defendants’
9 Motion to Stay. *See, e.g., Glob. Express Cap. Real Est. Inv. Fund, I, LLC*, 289
10 F. App’x at 191 (concluding that, where “a stay of the proceedings would be
11 prejudicial to the SEC, frustrate the work of the receiver, and lead to an
12 inefficient use of the court’s resources,” and “no criminal charges had been
13 filed against [the defendant] at the time she moved for a stay (nor were criminal
14 charges ever filed),” denying the defendant’s motion for a stay was
15 appropriate). To be clear, the Court **DENIES** the Motion for Stay **without**
16 **prejudice**; Defendants are welcome to move for a stay if and when Hirschman
17 has been indicted.

18 **C. SEC’s Motion to Modify Schedule**

19 Finally, the SEC moves to modify the schedule pending the Court’s
20 ruling upon the Motion to Stay.³⁴ That Motion to Modify Schedule is **DENIED**
21 **as moot**.

22 **III. DISPOSITION**

23 For the reasons set forth above, the Court hereby **ORDERS** as follows:

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25 ³⁰ *See generally* Motion to Stay; Reply.

26 ³¹ SEC’s Opposition to the Motion to Stay 8:2-10:9.

27 ³² *See* Freitag’s Opposition to the Motion to Stay 3:1-4.

28 ³³ *See* SEC’s Opposition to the Motion to Stay 10:18-11:12.

³⁴ *See generally* Motion to Modify Schedule.

1 1. The Receiver’s First and Second Motions for Authority are
2 **GRANTED.**

3 2. The Receiver’s four Applications for Reimbursement are
4 **GRANTED.**

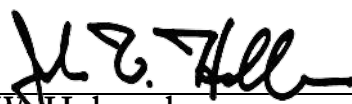
5 3. Defendants’ Motion to Stay is **DENIED without prejudice.**

6 4. The SEC’s Motion to Modify Schedule is **DENIED as moot.**

7 **IT IS SO ORDERED.**

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9 Dated: April 9, 2024



John W. Holcomb
UNITED STATES DISTRICT JUDGE

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