

ORIGINAL

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AUG 30 2007
CENTRAL DISTRICT OF CALIFORNIA
BY JG DEPUTY

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

FEDERAL TRADE COMMISSION,
Plaintiff,
v.
UNIVERSAL PREMIUM SERVICES,
INC., *et al.*,
Defendants.

Case no. CV06-0849 GW(OPx)

[PROPOSED] STIPULATED
FINAL ORDER AGAINST
FRAUDULENT TRANSFER
DEFENDANTS CHRISTINE
MACGREGOR AND MIDWEST
PROPERTIES, INC.

DOCKETED ON CM
AUG 31 2007

The Federal Trade Commission ("FTC") alleges in its First Amended Complaint, filed May 8, 2006, that defendant Brian MacGregor fraudulently transferred, in violation of the Federal Debt Collection Procedures Act, 28 U.S.C. §§ 3001 et seq., several valuable real property assets to Christine MacGregor and Midwest Properties, Inc.

Plaintiff FTC, Fraudulent Transfer Defendants Christine MacGregor and Midwest Properties, Inc., without admission of liability, and Robb Evans & Associates LLC, the Permanent Receiver appointed in this case, hereby stipulate to

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1 the entry of this "Stipulated Final Order Against Fraudulent Transfer Defendants
2 Christine MacGregor and Midwest Properties, Inc." ("Order") to resolve all matters
3 of dispute between the FTC and the Fraudulent Transfer Defendants in this action.

4 IT IS THEREFORE STIPULATED, AGREED, AND ORDERED as follows:

5 I. DEFINITIONS

6 For purposes of this Order, the following definitions shall apply:

7 A. **"Corporate Defendants"** means Universal Premium Services, Inc.
8 (also known as Premier Benefits, Inc.); Best Buy Alliance, Inc. (also known as
9 Consumer Reward Network, Inc.); Star Communications LLC; Membership Services
10 Direct, Inc. (also known as Continuity Partners, Inc.); All Star Access, Inc.; Prime
11 Time Ventures, Inc.; Connect2USA, Inc.; Merchant Risk Management, Inc.; and
12 Pantel One Corporation.

13 B. **"Fraudulent Transfer Defendants"** means Christine MacGregor and
14 Midwest Properties, Inc.

15 C. **"Parties"** means Plaintiff FTC and the Fraudulent Transfer Defendants.

16 D. **"Plaintiff"** means the Federal Trade Commission.

17 E. **"Preliminary Injunction Order"** means the "Preliminary Injunction
18 with Asset Freeze, Appointment of Permanent Receiver, and Other Equitable Relief"
19 entered in this case on March 22, 2006.

20 F. **"Receiver"** means Robb Evans & Associates LLC, the permanent
21 receiver appointed over the Receivership Defendants in the Preliminary Injunction
22 Order entered on March 22, 2006 in this case. The term "Receiver" also includes
23 any deputy receivers as may be named by the permanent receiver.

24 II. FINDINGS OF FACT

25 A. This Court has jurisdiction of the subject matter of this case and the
26 parties pursuant to 15 U.S.C. §§ 45(a), 53(b), and 57(b), and 28 U.S.C. §§ 1331,
27 1337(a), 1345, and 3001-3008.

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1 B. Venue in this District is proper under 15 U.S.C. §53(b) and 28 U.S.C.
2 §§ 1391(b) and (c).

3 C. The First Amended Complaint states a claim upon which relief may be
4 granted against the Fraudulent Transfer Defendants under Sections 3304(b)(1)(A)
5 and 3304(b)(1)(B)(i) and (ii) of the Federal Debt Collection Procedures Act, 28
6 U.S.C. §§ 3304(b)(1)(A), 3304(b)(1)(B)(i), and 3304(b)(1)(B)(ii).

7 D. The Fraudulent Transfer Defendants have entered into this Order freely
8 and without coercion. The Fraudulent Transfer Defendants further acknowledge that
9 they have read the provisions of this Order and are prepared to abide by them.

10 E. The Parties, individually and by and through their counsel, have agreed
11 that the entry of this Order resolves all matters of dispute between them arising from
12 the First Amended Complaint in this action, up to the date of entry of this Order.

13 F. The Fraudulent Transfer Defendants waive all rights to seek judicial
14 review or otherwise challenge or contest the validity of this Order. The Fraudulent
15 Transfer Defendants further waive and release any claim they may have against the
16 FTC, its employees, representatives or agents.

17 G. The Fraudulent Transfer Defendants waive any claims they hold under
18 the Equal Access to Justice Act, 28 U.S.C. § 2412, amended by Pub. L. 104-121, 110
19 Stat. 847, 863-64 (1996), concerning the prosecution of this action through the date
20 of the entry of this Order

21 H. The Fraudulent Transfer Defendants were properly served with the
22 Summons, First Amended Complaint, Temporary Restraining Order, and Preliminary
23 Injunction in this matter.

24 I. The Fraudulent Transfer Defendants, in consenting to the entry of this
25 Order, do not admit to the allegations of the First Amended Complaint other than the
26 jurisdictional facts.

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1 J. The parties agree for purposes of facilitating resolution of this matter
2 that entry of this Order is in the public interest. There being no just reason for delay
3 the Clerk is directed to enter judgment immediately.

4 **III. ORDER**

5 A. Within ten (10) business days of entry of this Order, Fraudulent Transfer
6 Defendants Christine MacGregor and Midwest Properties, Inc. shall transfer to the
7 Receiver:

8 1. legal and equitable title, in the form of an executed grant deed
9 transferring title to the Receiver, to 745 Bridges Lane, Mammoth Lakes, California
10 ("Mammoth House"); and

11 2. legal and equitable title, in the form of an executed grant deed
12 transferring title to the Receiver, to 775 Bridges Lane, Mammoth Lakes, California
13 ("Mammoth Lot").

14 B. The Mammoth House is encumbered by a deed of trust in favor of EMC
15 Mortgage Corporation ("Lender") securing a mortgage loan with an outstanding
16 principal balance of approximately \$2.9 million. The Mammoth Lot is
17 unencumbered. The Receiver shall timely make the monthly Mammoth House
18 mortgage payments which accrue on or after the date on which the grant deed
19 transferring title of the Mammoth House to the Receiver is recorded, and which are
20 required to keep the mortgage current until the property is sold, in an amount equal
21 to or greater than the minimum monthly "interest only" obligation thereon. The
22 Parties and the Receiver shall make such reasonable disclosures or assurances as are
23 necessary to attempt to obtain the Lender's consent to the title transfer and avoid
24 default, foreclosure, or acceleration of the loan. Upon the sale of the Mammoth
25 House by the Receiver, the outstanding balance owing on the Mammoth House
26 mortgage shall be paid in full, with the proceeds of such sale being directed toward
27 such repayment before being otherwise utilized or disbursed.

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1 C. The Fraudulent Transfer Defendants represent that they have identified
2 to Plaintiff all property taxes, utilities, insurance and homeowner's association dues
3 associated with the Mammoth House and Mammoth Lot that are currently due and
4 owing or are reasonably expected to become due and owing within the next six
5 months. The Receiver shall pay all property taxes, utilities, insurance, and
6 homeowner dues associated with the Mammoth House and the Mammoth Lot which
7 accrue on or after the date on which the grant deeds transferring title of those
8 properties to the Receiver are recorded. The Parties and the Receiver shall take all
9 reasonably necessary steps to facilitate the transfer of responsibility for these
10 payments from the Fraudulent Transfer Defendants to the Receiver or its designee.

11 D. Prior to their transfer of equitable and legal title to the Receiver, the
12 Fraudulent Transfer Defendants shall vacate the Mammoth House. The Fraudulent
13 Transfer Defendants shall not remove from the Mammoth House any existing
14 fixtures and fittings that are attached to that property, including: sconces and other
15 lighting fixtures; the warming drawer; the two built-in sets of dishwashers; the oven,
16 microwave, and dishwasher in the guest apartment; cabling and wiring that would
17 enable a new owner to hook up their own audio and video equipment; the "Lutron"
18 lighting control system; the heating system and equipment which controls the heating
19 system; the pool equipment; the bowling alley equipment; and all other existing
20 electrical, mechanical, lighting, plumbing and heating fixtures; ceiling fans; fireplace
21 inserts; gas logs and grates; solar systems; built-in appliances; window and door
22 screens; awnings; shutters; window coverings; attached floor coverings; television
23 antennas; satellite dishes; private integrated telephone systems; air coolers and
24 conditioners; pool and spa equipment; garage door openers and remote controls; mail
25 box; in-ground landscaping; trees/shrubs; water softeners; water purifiers; and
26 security systems/alarms; except that the Fraudulent Transfer Defendants may remove
27 the following: (a) chandeliers (to be replaced with standard light fixtures); (b) free-
28 standing range in the main house; (c) refrigerators; (d) the wine cooler in the main

1 house; (e) the plug-in microwave in the main house; (f) washer; (g) dryer; (h) cloth
2 window coverings; and (i) audio and video equipment to the extent that removal of
3 the audio or video equipment and other items to be removed will not result in live
4 electrical wires. The Fraudulent Transfer Defendants shall leave the Mammoth
5 House in clean and good condition.

6 E. Within ten (10) business days of entry of this Order, Equity Title
7 Company shall transfer to the Receiver the net proceeds from Midwest Properties'
8 June 2006 sale of 28981 Cliffside Drive, Malibu, California, held pursuant to the
9 "Stipulation and Order re Disposition of Proceeds from Sale of Real Property by
10 Defendant Midwest Properties, Inc.," entered on June 5, 2006.

11 F. Within ten (10) business days of entry of this Order, West Coast Escrow
12 shall transfer to the Receiver \$651,000 of the net proceeds from Midwest Properties'
13 October 2006 sale of 7111 Birdview Avenue, Malibu, California, held pursuant to
14 the "Stipulation and Order re Disposition of Proceeds from Sale of Real Property by
15 Defendant Midwest Properties, Inc.," entered on September 27, 2006, plus all
16 interest accrued on all of the net proceeds from the sale. Upon written confirmation
17 by the FTC that the Fraudulent Transfer Defendants have transferred the Mammoth
18 House and Mammoth Lot to the Receiver and that the Receiver has recorded the
19 grant deeds, which confirmation shall be promptly provided after recording, West
20 Coast Escrow shall transfer the balance of the net proceeds to an account or recipient
21 designated by the Fraudulent Transfer Defendants. West Coast Escrow shall provide
22 to the Parties a final accounting of the disposition of the net proceeds.

23 G. Without any agreement or concession by the Fraudulent Transfer
24 Defendants with respect to the FTC's characterization of the assets which are being
25 turned over to the Receiver pursuant to this Order, for purposes of this action only
26 and to facilitate the contemplated settlement, said assets – and no other assets – are
27 deemed to be the community property of Brian MacGregor and Christine MacGregor
28 and shall become part of the receivership estate. The Parties intend for these assets

1 to be turned over to the FTC at the conclusion of this litigation in partial satisfaction
2 of its monetary claims against Brian MacGregor. If the monetary component of the
3 final judgment against Brian MacGregor, or any settlement resolving the FTC's
4 claims in this action against Brian MacGregor, is less than the net proceeds realized
5 from the sale of the assets being surrendered by the Fraudulent Transfer Defendants
6 through this Order, the difference shall be returned to the Fraudulent Transfer
7 Defendants.

8 H. The Receiver is hereby appointed Permanent Receiver over the assets
9 transferred to it under this Order. The Court authorizes the Receiver to liquidate the
10 Mammoth House and Mammoth Lot as the Receiver determines is in the best
11 interests of the receivership estate, pursuant to the notice, marketing, and overbid
12 procedures to be set by the Court upon motion by the Receiver. The Receiver's
13 responsibilities and duties concerning these assets otherwise shall be as set forth in
14 the Preliminary Injunction Order.

15 I. With respect to the Mammoth House, and subject to the approval of the
16 Court, the overbid amounts shall be made in no greater than \$50,000 increments.
17 Further, the overbid process shall be "open" rather than "blind," to allow potential
18 buyers, including the Fraudulent Transfer Defendants, to evaluate competing
19 overbids and determine whether they will submit a higher qualifying bid.

20 J. In order to preserve the Fraudulent Transfer Defendants' rights to
21 repurchase the Mammoth House, the FTC and the Fraudulent Transfer Defendants
22 agree that the Fraudulent Transfer Defendants shall stand on equal footing with all
23 other potential buyers of the Mammoth House in participating in the sale and overbid
24 procedure. Should the Fraudulent Transfer Defendants believe the procedures
25 proposed by the Receiver are inconsistent with this intent, they may file objections to
26 the Receiver's proposed procedures with the Court.

27 K. The Fraudulent Transfer Defendants understand that through this
28 agreement, they are giving up all right and claim to the real estate and cash assets

1 that they are turning over to the Receiver, except for the right to participate in the
2 Mammoth House sale and overbid procedures as set forth in the preceding
3 paragraphs.

4 L. This Order does not foreclose the FTC's right to make a claim to any
5 assets, or proceeds from the liquidation of such assets, held by the Fraudulent
6 Transfer Defendants which they did not previously disclose to the FTC in Midwest
7 Properties' sworn financial disclosure statement dated June 15, 2006 and Christine
8 MacGregor's sworn financial disclosure statement dated July 18, 2006, to the extent
9 that Brian MacGregor or the Fraudulent Transfer Defendants continue to exert
10 custody or control over them.

11 M. The Parties and the Receiver shall take all reasonable steps necessary to
12 ensure their compliance with this Order and compliance by third parties.

13 N. The Parties hereby agree to bear their own costs and attorneys' fees
14 incurred in connection with this action.

15 O. This Court shall retain jurisdiction of this matter for purposes of
16 construction, modification and enforcement of this Order.

17 P. If any provision of this Order is stayed or determined to be invalid, the
18 remaining provisions shall remain in full force and effect.

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5 CAINE

1 Q. The Parties hereby consent to entry of this Order which shall constitute;
2 a final judgment and order in this matter. The Parties further stipulate and agree that
3 the entry of this Order shall constitute a full, complete, and final settlement of this
4 action between them.

5 **SO STIPULATED.**

6 Dated: August 27, 2007

Dated: June 18, 2007

7 FEDERAL TRADE COMMISSION

8 By: [Signature]
9 Faye Chen Barnouw
10 Jennifer M. Brennan
11 David M. Newman
12 Kenneth H. Abbe
13 Stacy R. Procter
14 Attorneys for Plaintiff
15 Federal Trade Commission

By: [Signature]
Christine MacGregor, individually and
as President and owner of Midwest
Properties, Inc.

13 Dated: _____, 2007

Approved as to form:

14 MCKENNA LONG & ALDRIDGE
15 LLP

Dated: _____, 2007

16 By: _____
17 Gary O. Caris
18 Lesley Hawes
19 Attorneys for Receiver
20 Robb Evans & Associates LLC

BIRD, MARELLA, BOXER,
WOLPERT, NESSIM, DROOKS &
LINCENBERG, P.C.

By: _____
John M. McCoy III or Jason D. Kogan
Attorneys for Defendants Christine
MacGregor and Midwest Properties,
Inc.

21 **IT IS SO ORDERED.**

22 Dated: Aug. 30, 2007

[Signature]
The Honorable George H. Wu
United States District Court Judge

Q. The Parties hereby consent to entry of this Order which shall constitute a final judgment and order in this matter. The Parties further stipulate and agree that the entry of this Order shall constitute a full, complete, and final settlement of this action between them.

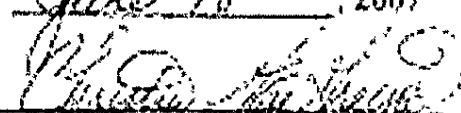
SO STIPULATED.

Dated: _____, 2007

FEDERAL TRADE COMMISSION

By: _____
Faye Chen Barnouw
Jennifer M. Brennan
David M. Newman
Kenneth H. Abbe
Stacy R. Procter
Attorneys for Plaintiff
Federal Trade Commission

Dated: June 18, 2007

By: 
Christine MacGregor, individually and
as President and owner of Midwest
Properties, Inc.

Dated: _____, 2007

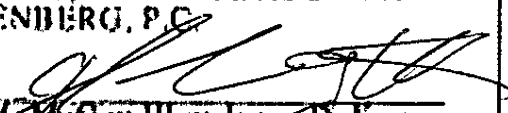
**MCKENNA LONG & ALDRIDGE
LLP**

By: _____
Gary O. Caris
Lesley Hawes
Attorneys for Receiver
Robb Evans & Associates LLC

Approved as to form:

Dated: 6/18, 2007

**BIRD, MARELLA, BOXER,
WOLPERT, NESSIM, DROOKS &
LINCENBERG, P.C.**

By: 
John M. McCoy III or Jason D. Kogan
Attorneys for Defendants Christine
MacGregor and Midwest Properties,
Inc.

IT IS SO ORDERED.

Dated: _____

The Honorable George H. Wu
United States District Court Judge

SCANNED

1 Q. The Parties hereby consent to entry of this Order which shall constitute
2 a final judgment and order in this matter. The Parties further stipulate and agree that
3 the entry of this Order shall constitute a full, complete, and final settlement of this
4 action between them.

5 **SO STIPULATED.**

6 Dated: _____, 2007 Dated: _____, 2007

7 FEDERAL TRADE COMMISSION

8 By: _____
9 Faye Chen Barnouw
10 Jennifer M. Brennan
11 David M. Newman
12 Kenneth H. Abbe
13 Stacy R. Procter
14 Attorneys for Plaintiff
15 Federal Trade Commission

By: _____
Christine MacGregor, individually and
as President and owner of Midwest
Properties, Inc.

13 Dated. June 18, 2007

Approved as to form:

14 MCKENNA LONG & ALDRIDGE
15 LLP

Dated: _____, 2007

15 By: Lesley Hawes
16 Gary O. Carls
17 Lesley Hawes
18 Attorneys for Receiver
19 Robb Evans & Associates LLC

BIRD, MARELLA, BOXER,
WOLPERT, NESSIM, DROOKS &
LINCENBERG, P.C.

By: _____
John M. McCoy III or Jason D. Kogan
Attorneys for Defendants Christine
MacGregor and Midwest Properties,
Inc.

21 **IT IS SO ORDERED.**

22 Dated: _____

The Honorable George H. Wu
United States District Court Judge

CERTIFICATE OF SERVICE

I, Faye Chen Barnouw, certify as follows:

I am over the age of 18 and am an attorney for the Federal Trade Commission. My business address is 10877 Wilshire Boulevard, Suite 700, Los Angeles, California 90024. On August 27, 2007, I caused the attached document entitled “[PROPOSED] STIPULATED FINAL ORDER AGAINST FRAUDULENT TRANSFER DEFENDANTS CHRISTINE MACGREGOR AND MIDWEST PROPERTIES, INC.” to be served to:

Tom Brown and Ken White
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Permanent Receiver

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Via e-mail by consent of the recipient
Counsel for Permanent Receiver

SCANNED


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Via e-mail by consent of the recipient
Counsel for Defendants
Christine MacGregor and Midwest
Properties, Inc.

SCANNED

8 I declare under penalty of perjury that the foregoing is true and correct.

9 Dated: August 27, 2007

10 
11 _____
12 Faye Chen Barnouw