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Attorneys for David K. Broadbent as Court-Appointed Receiver

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION**

FEDERAL TRADE COMMISSION, and
UTAH DIVISION OF CONSUMER
PROTECTION,

Plaintiffs,

vs.

ZURIXX, LLC, a Utah limited liability
company, CARLSON DEVELOPMENT
GROUP, LLC, a Utah limited liability
company, CJ SEMINAR HOLDINGS, LLC,
a Utah limited liability company, ZURIXX
FINANCIAL, LLC, a Utah limited liability
company, CRISTOPHER A. CANNON,
individually and as an officer of ZURIXX,
LLC, JAMES M. CARLSON, individually
and as an officer of ZURIXX, LLC, and
JEFFREY D. SPANGLER, individually and
as an officer of ZURIXX, LLC,

Defendants.

**STIPULATED MOTION TO ADD
REAL ESTATE ELEVATED, LLC AS
A RECEIVERSHIP ENTITY**

Case Number 2:19-cv-00713

The parties move the Court for an order identifying Real Estate Elevated, LLC as a “Receivership Entity” under the Stipulated Preliminary Injunction (Dckt. No. 54).

In the Stipulated Preliminary Injunction, the Court appointed David K. Broadbent as receiver (the “Receiver”) and defined “Receivership Entities” as follows:

M. “**Receivership Entities**” means the Corporate Defendants as well as any other entity that the Receiver determines is controlled or owned by any Defendant and (1) conducted any business related to Defendants’ advertising, marketing, distributing, promoting, or selling of any real estate-related investing products and services, (2) commingled or pooled Assets with any Defendant, or (3) otherwise participated in the transfer of Assets stemming from the advertising, marketing, distributing, promoting, or selling of real estate-related investing products and services, including, but not limited to, Dorado Marketing and Management, LLC, Zurixx Financial, LLC (Puerto Rico), RE Cash Source, LLC, and Brand Management Holdings, LLC. Upon determining that a nonparty entity is a Receivership Entity, the Receiver shall promptly notify the entity as well as the parties, and shall inform the entity that it can challenge the Receiver’s determination by filing a motion with the Court.

(Dckt. No. 54 at 5-6.) Real Estate Elevated, LLC is an indirect, wholly-owned subsidiary of the Receivership Entity Brand Management Holdings LLC. The parties stipulate and agree that Real Estate Elevated, LLC is a Receivership Entity as defined in the Stipulated Preliminary Injunction.

The parties are submitting this Motion because, shortly before the Receiver’s appointment, Zurixx, LLC and Real Estate Elevated, LLC were sued in federal court in California, *Blackstone Hamilton v. Tarek El Moussa, et al.*, 2:19-cv-08182-CJC-AFM (C.D. Cal.) (the “California Action”). The parties to the California Action notified the court of the stay of litigation imposed by this Court’s Stipulated Preliminary Injunction (Dckt. No. 54), and the court stayed proceedings, but only as to Zurixx, LLC, seemingly because Real Estate Elevated,

LLC was not identified as a “Receivership Entity.” An order to that effect from this Court will help the Receiver avoid the time and expense of litigating the issue in the California Action.

A proposed order granting this Motion is submitted herewith.

RESPECTFULLY SUBMITTED this 5th day of December, 2019.

HOLLAND & HART LLP

/s/ Cory A. Talbot

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**IN THE UNITED STATES DISTRICT COURT
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FEDERAL TRADE COMMISSION; and
UTAH DIVISION OF CONSUMER
PROTECTION,

Plaintiffs,

vs.

ZURIXX, LLC, a Utah limited liability company; CARLSON DEVELOPMENT GROUP, LLC, a Utah limited liability company; CJ SEMINAR HOLDINGS, LLC, a Utah limited liability company; ZURIXX FINANCIAL, LLC, a Utah limited liability company; CHRISTOPHER A. CANNON, individually and as an officer of ZURIXX, LLC; JAMES M. CARLSON, individually and as an officer of ZURIXX, LLC; and JEFFREY D. SPANGLER, individually and as an officer of ZURIXX, LLC,

Defendants.

**ORDER GRANTING STIPULATED
MOTION TO ADD REAL ESTATE
ELEVATED, LLC AS A RECEIVERSHIP
ENTITY**

Case No. 2:19-cv-00713

Having considered the Stipulated Motion to Add Real Estate Elevated, LLC as a Receivership Entity (the “Motion”), and good cause appearing, the Court GRANTS the Motion. Accordingly, Real Estate Elevated, LLC is a Receivership Entity as that term is defined in the Stipulated Preliminary Injunction (Dckt. No. 54).

DATED this ____ day of December, 2019.

BY THE COURT:

Honorable Dale A. Kimball
U.S. District Court Judge

Approved as to form:

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