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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

FEDERAL TRADE COMMISSION,

Plaintiff,

AUTOMATORS LLC, *et al.*

Defendants,

PEREGRINE WORLDWIDE, LLC,

Relief Defendant.

CASE NO. 23-cv-1444-BAS-LSC

**RECEIVER’S VERIFIED INITIAL
REPORT, RECOMMENDATIONS
AND PETITION FOR
INSTRUCTIONS**

Dept. 12B
Judge: Hon. Cynthia
Bashant

TABLE OF CONTENTS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXECUTIVE SUMMARY.....3
 RECEIVER’S INITIAL REPORT.....6
 I. BACKGROUND.....6
 II. FLORIDA ASSIGNMENT FOR BENEFIT OF CREDITORS (“ABC”) PROCEEDINGS8
 A. Overview and Background.....8
 B. Assignee’s Investigation, Efforts to Secure Assets and Documents, and Discussions with Consumers, Former Employees, Contractors, and Third Parties.....9
 C. Florida ABC Estate Claims Asserted Against Crestos, Chapmans, Related Corporate Entities, Efforts Towards Resolution and Willful Dissipation of Assets.....13
 D. Data Preservation Concerns14
 III. SUMMARY OF RECEIVER’S ACTIVITIES15
 A. Implementing Asset Freeze / Turnover and Preservation Letters.....15
 B. Efforts and Challenges in Securing Defendants’ Cooperation15
 C. Control Over Electronic Data, Computer Hardware and Software, Documents, and Data Preservation.....17
 D. Receiver’s Website, Inquiries, and Creditor Communications.....17
 E. Takeover of Receivership Defendants’ Operations18
 F. Understanding the Receivership Entities’ Offerings and Operations19
 G. Investigation of Third-Party Claims20
 H. Additional Receivership Entities Defendants Identified by the Receiver.....21
 I. Pending Legal Proceedings Related to Defendants and Receivership Entities.....21
 J. Receipts and Disbursements23
 IV. SUMMARY OF RECEIVERSHIP ASSETS AND LIABILITES22
 A. Assets22
 B. Liabilities.....23
 V. CONTINUING WORK.....25
 A. Further Recovery of Receivership Estate Assets and Documents.....25
 B. Further Review and Analysis of the Receivership Entities Business Operations.....26
 C. Adjusting Receivership Liabilities.....26
 D. Whether Any Portion of the Receivership Entities’ Businesses Can Continue to Operate Legally and Profitably.....26
 E. Insurance for Real Property27
 VI. RECEIVER’S PRELIMINARY OPINIONS AND RECOMMENDATIONS27
 TABLE OF EXHIBITS28

1 EXECUTIVE SUMMARY

2 Pursuant to the TRO (as defined below), the Receiver is required to prepare a
3 written report at or before the [Preliminary Injunction Hearing] as set forth in Section
4 XXII. The Report shall describe:

- 5 (1) Steps taken by the receiver to implement the terms of the Order
6 (2) The value of all assets and sum of all liabilities of the Receivership
7 Entities
8 (3) The steps the Receiver intends to take in the future to protect receivership
9 assets, recover receivership assets from third parties, and adjust
10 receivership liabilities
11 (4) The Receiver’s opinion on whether any portion of the business of any of
12 the Receivership Entities can continue to operate legally and profitably;
13 and
14 (5) Any other matters which the Receiver believes should be brought to the
15 Court’s attention.

16 **TRO, Section XII (W).**

17 While the Preliminary Injunction Hearing is scheduled for September 19, 2023,
18 the TRO is currently set to expire on August 25, 2023. In the abundance of caution, the
19 Receiver files this preliminary written report for the Court’s consideration. To the
20 extent the Court extends the TRO, the Receiver will supplement this written report prior
21 to the Preliminary Injunction Hearing.

22 The Receiver has moved expeditiously to implement the terms of the TRO in the
23 first week in this role. Since the first Defendants and third parties were served on
24 Monday, August 14, 2023, the Receiver has worked quickly to identify and notice any
25 additional relevant parties, to identify assets and liabilities of the Receivership Entities,
26 gain access and information with respect to Assets and Documents of the Receivership
27 Entities, prepare and implement a course of action to protect receivership assets, recover
28 receivership assets from third parties, and address receivership liabilities.

1 Notwithstanding the challenges and lack of cooperation set forth herein, by way
2 of summary:

- 3 • Over seventy-five (75) persons, entities, financial institutions, and
4 Electronic Data Hosts have been served the TRO.
- 5 • Over a dozen recipients of the TRO have responded with account freezes
6 and/or further information regarding potential Assets and Documents.
- 7 • Among other things, the Receiver has also
 - 8 ○ conducted one interview with a former employee of Automators
9 LLC and has contacted other former employees and scheduled
10 with additional interviews.¹
 - 11 ○ identified an additional Receivership Entity. *See Corrected Notice*
12 *of Additional Receivership Entity* (ECF No. 23).
 - 13 ○ issued approximately 8 subpoenas for records from third parties
14 regarding the Assets, Documents, and businesses of the
15 Receivership Entities.
 - 16 ○ secured several online digital accounts with Documents and Assets
17 of the Receivership Entities.
 - 18 ○ created a receivership website as a resource available to interested
19 parties.
 - 20 ○ established a receivership estate account for recovery and
21 preservation of receivership estate assets.
 - 22 ○ secured a bond as required by the TRO.
 - 23 ○ begun preparation to import approximately 200 claims from the
24 Florida ABCs (defined below) for two of the Receivership Entities,
25 and notifying said claimants of the Receivership.

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28 ¹ Prior to the receivership, Receiver and his professionals in the Florida ABCs conducted numerous employee and customer interviews, as detailed herein. *See* TRO App, Exhibit 15, Dec of Michael Dunn.

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- identified a substantial dissipation of equity in Receivership Entities’ Real Property less than seven weeks prior to this case, while subject to asserted litigation claims in the Florida ABCs.
- identified evidence of destruction of certain electronic records of the Receivership Entities.
- filed a notice of noncompliance for the Chapman Defendants (ECF No. 11).
- commenced investigation and analysis as to whether any portion of the Receivership Entities’ businesses can be operated legally and profitably.

Although the Receiver and his professionals have made progress in a short period of time, this report is preliminary due to *inter alia* the Defendants varying degrees of lack of compliance with the TRO, including producing (1) limited or no financial disclosures, business records, Documents and Assets, and (2) limited, piecemeal, and/or delayed access to logins, passcodes, online accounts with Electronic Data Hosts and other platforms. The contents of this Report may need to be materially modified upon continued investigation and consideration.

This summary represents the Receiver’s current understanding of the enterprise information as of the date of the report.

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RECEIVER’S INITIAL REPORT²

Michael P. Dunn, as Temporary Receiver for the Receivership Entities³ appointed by this Court’s *Order (1) Granting Ex Parte Application For Temporary Restraining Order With Asset Freeze, Appointment of a Temporary Receiver, and other Equitable Relief (ECF No. 5), (2) Directing Defendants to Show Cause Why Preliminary Injunction Should Not Issue, and (3) Setting Preliminary Injunction Hearing and Briefing Schedule* dated August 11, 2023 (the “Order” or “TRO”) (ECF No. 8), files his Initial Report (“Report”) to inform the Court of his investigation to date and his progress towards completing the tasks assigned by the Court in the TRO, and the proposed course of action should the Receivership remain in place.

I. BACKGROUND

1. On August 8, 2023, the U.S. Federal Trade Commission (“FTC” or “Plaintiff”) commenced this enforcement action by filing a complaint against Automators LLC, also d/b/a Automators AI and Ecom Skool, Empire Ecommerce LLC, Onyx Distribution LLC, Stryder Holdings LLC, Pelenea Ventures LLC, Roman Cresto, John Cresto, and Andrew Chapman (collectively the “Defendants”) and Peregrine Worldwide, LLC (“Relief Defendant”) (the “Complaint”) (ECF No. 1)

2. The FTC alleges Defendants are in violation of Sections 13(b) and 19 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b), 57(b); the FTC’s Trade Regulation Rule entitled “Disclosure Requirements and Prohibitions Concerning Business Opportunities (“Business Opportunity Rule”), 16 C.F.R. Part 437, as

² All terms not defined herein shall have the meaning ascribed in the Court’s *Order*.

³ “Receivership Entities” means Automators LLC, also d/b/a Automators AI and Ecom Skool; Empire Ecommerce LLC; Onyx Distribution LLC; Stryder Holdings LLC; Pelenea Ventures LLC, Pererine Worldwide, LLC, each of their subsidiaries, affiliates, successors, and assigns, as well as any other entity that has conducted any business related to the marketing or sale of the Defendants’ Products, including receipt of Assets derived from any activity that is the subject of the Complaint in this matter, and that the Receiver determines is controlled or owned by any Defendant.

1 amended; and the Consumer Review Fairness Act of 2016 (“CRFA”), 15 U.S.C. § 45b.
2 Id.

3 3. The FTC seeks *inter alia* a permanent injunction and monetary relief in its
4 Complaint.

5 4. In short, the FTC alleges that from approximately early 2020, Defendants
6 have operated an enterprise through the various Corporate Defendants that illegally sold
7 business opportunities and coaching programs that caused consumers over \$22 million
8 in harm. See Complaint. Specifically, the FTC alleges that the Defendants falsely
9 promoted their businesses of starting and managing “automated” packages of
10 ecommerce stores, related coaching and training materials, with various representations
11 including about earnings and expectations for customers. The FTC asserts that the
12 scheme is in violation of *inter alia* the FTC Act, the Business Opportunity Rule, and
13 the Consumer Fairness Act.

14 5. The FTC concurrently filed an *ex parte* application for temporary
15 restraining order with asset freeze, appointment of a receiver, immediate access to
16 Defendants’ premises and documents, and other equitable relief (the “TRO App”) (ECF
17 No. 5).

18 6. On August 8, 2023, the Court entered an *Order (1) Granting Ex Parte*
19 *Application For Temporary Restraining Order With Asset Freeze, Appointment of a*
20 *Temporary Receiver, and other Equitable Relief (ECF No. 5), (2) Directing Defendants*
21 *to Show Cause Why Preliminary Injunction Should Not Issue, and (3) Setting*
22 *Preliminary Injunction Hearing and Briefing Schedule* (the “Order”) (ECF No. 8).

23 7. The Court set the Preliminary Injunction Hearing for September 19, 2023
24 at 10:00 a.m. Order, Section XXVI.

25 8. This Court also appointed Michael P. Dunn, the Managing Partner of Dunn
26 Law, P.A., as temporary receiver of the Receivership Entities with full powers of an
27 equity receiver. Order, Section XI. The Order directs and authorizes the Receiver to
28 assume full control of the Receivership Entities and *inter alia* “take exclusive custody,

1 control, and possession of all Assets and Documents of, or in the possession, custody,
2 or under the control of, any Receivership Entity, wherever situated.” Order, Section
3 XII(B).

4 9. This Report provides an initial update on the Receiver’s efforts and
5 preliminary assessments since his appointment. The Report also provides background
6 and information on the Receiver’s efforts as the fiduciary and Assignee in the Florida
7 ABCs for two of the Receivership Entities – Empire and Onyx. This Report contains
8 preliminary observations and assessments which are subject to change as the Receiver
9 conducts additional discovery, continues to investigate, and analyzes the affairs of the
10 Receivership Entities.

11 II. FLORIDA ASSIGNMENT FOR BENEFIT OF CREDITORS (“ABC”)
12 PROCEEDINGS

13
14 *In re Empire Ecommerce LLC*, Case No.
15 *CACE22018810 (25)* and *In Onyx Distribution LLC*,
16 Case No. *CACE22018813 (21)* (collectively, the
“Florida ABCs”)

17 A. *Overview and Background*

18 10. On December 23, 2022, Daniel Cohen, on behalf of Empire Ecommerce
19 LLC (“Empire”) and Onyx Distribution LLC (“Onyx”), each executed and delivered to
20 me irrevocable assignments for the benefit of creditors pursuant to Florida Statute
21 727.10 et seq. (“The Florida Assignment for the Benefit of Creditors Statute”).

22 11. Since December 2022, the Receiver has served as Assignee for the benefit
23 of creditors of Empire and Onyx. Empire and Onyx are now two of the six⁴
24 Receivership Entities.

25 12. The Florida Assignment for the Benefit of Creditors Statute is analogous
26 to a chapter 7 bankruptcy under 11 U.S.C. § 101 et seq. Specifically, as Assignee, the
27

28 ⁴ There are seven Receivership Entities with the inclusion of Wise Mate LLC as a Receivership Entity

1 Receiver serves as a fiduciary for the creditors of Empire and Onyx and is required by
2 statute to marshal the assets of Empire and Onyx, ensure that creditors receive notice of
3 the proceedings and file claims for amounts they may be owed, assert and resolve
4 litigation claims against third-parties and distribute recoveries to creditors. Among
5 other things, the statute provides that the assignee is to:

- 6 i. Collect and reduce to money the assets of the estate, whether by suit in
7 any court of competent jurisdiction or by public or private sale,
8 including, but not limited to, prosecuting any tort claims or causes of
9 action that were previously held by the assignor, regardless of any
10 generally applicable law concerning the nonassignability of tort claims
11 or causes of action;
- 12 ii. Conduct discovery as provided under the Florida Rules of Civil
13 Procedure to determine whether to prosecute claims or causes of
14 actions;
- 15 iii. Prosecute claims or causes of action;
- 16 iv. File various reports with the Court regarding the case; and
- 17 v. Give notice to creditors of all matters concerning the administration
18 of the estate.

19 The Florida ABCs are stayed by the TRO and the receivership. The receivership
20 estate and the Florida ABCs will not have any duplication of efforts, expenses, fees, or
21 otherwise and the efforts of the Receiver and his professionals in the Florida ABCs
22 inure to the benefit of the receivership estate.

23 *B. Assignee's Investigation, Efforts to Secure Assets and Documents, and*
24 *Discussions with Consumers, Former Employees, Contractors, and Third*
25 *Parties*

26 13. Among other things, in the Florida ABCs the Receiver, as Assignee, and
27 his professionals (i) gathered records relating to both entities; (ii) investigated and
28 identified causes of action and sources of recovery; (iii) prepared a financial
reconstruction and tracing that details both incoming consumer payments to the entities

1 as well as outgoing transfers to insiders and third parties and (iv) received, inventoried
2 and communicated with Empire’s and Onyx’s former customers and employees.

3 14. Based on discussions with customers and a review of banking records, it
4 appeared that John and Roman Cresto may have engaged in wrongdoing, warranting
5 further investigation. Customers stated their stores were suspended shortly after coming
6 online due to failure to comply with the online marketplace’s policies. And no customer
7 the Receiver or his professionals met or spoke to indicated their store achieved the
8 financial projections touted by the Crestos. From the documentation secured – namely
9 bank records – the tracing analysis revealed that a significant amount of customer
10 monies was siphoned off and transferred to Stryder and Pelenea with no apparent
11 business purpose. Moreover, no meaningful amount of funds were deposited into
12 Empire or Onyx accounts from online marketplaces such as Amazon.

13 15. From conversations with customers, the Receiver and his professionals
14 were also provided email exchanges they had with the Crestos. In what appeared to be
15 a repetitive form email sent to customers, John Cresto made the following statements:

16 *Lastly, we just wanted to let you know what makes us **DIFFERENT**.*

- 17 • *We are the only automation company that has AI integrated software*
18 *that allows us to do 4-5 times the results our competitors do.*
- 19 • *We are completely audited and do everything by the books, which is*
20 *why we are VC backed.*
- 21 • *We actually reinvest in our company rather than our lifestyle in order*
22 *to hire the best talent from Fortune 500 companies, resulting in better*
23 *customer service and constant improvement of infrastructure.*

24 *I look forward to continuing the conversation and answering any questions you*
25 *may have.*

26 *Best,*

27 *John*
28

1 16. Early in the Florida ABCs, the Receiver and his professionals reached out
2 to the attorneys for Roman Cresto, John Cresto, and Andrew Chapman to get further
3 information about the two companies and to understand their perspective as to the
4 operations of the companies and the multitude of customer complaints. At these
5 meetings, the Crestos and Chapman expressed a markedly different view compared to
6 customers as to the operational success of the companies.

7 17. As the investigation progressed, the Receiver and his state court
8 professionals learned that the above representations by John Cresto were materially
9 inaccurate and that the Crestos and Chapman’s perspective about the operational
10 success of the companies was factually unsupportable. More specifically the following

11 18. *First*, the existence of a “VC” firm was not accurate. From the
12 investigation, the supposed VC firm was Pelenea. In interviews and review of banking
13 records, there was no identifiable evidence to support that Pelenea engaged in the type
14 of activities conducted by a venture capital firm. Among other things, Pelenea never
15 raised money from any third-party to then invest in other companies; Pelenea never
16 made any investment in Empire or Onyx; and no other company made the level of cash
17 disbursements to Pelenea that Pelenea received from Onyx and Empire. The Receiver
18 and his state court professionals also asked Chapman and his counsel to provide a copy
19 of the contract between Pelenea and the companies that would explain and justify the
20 significant sums of monies that were ultimately transferred to Pelenea. No document
21 was never produced.

22 19. *Second*, no audited financial statements for Empire and Onyx were ever
23 discovered or provided to us by the Crestos or Chapman.

24 20. *Third*, the banking records reflected that significant sums of monies were
25 transferred out of Empire and Onyx to or for the benefit of the Crestos and Chapman,
26 and that any “reinvestment” in the business was minimal.

27 21. *Fourth*, a critical piece of information in understanding what occurred at
28 Empire and Onyx was in obtaining a “Suspension Tracker” from a former Empire

1 employee. This tracker – an Excel spreadsheet – lists in separate tabs the suspense
2 activity of customer stores. The spreadsheet strongly corroborated the narrative
3 provided by customers, *i.e.*, Empire and Onyx were failing and that the business model
4 was not operating as Roman and John Cresto represented to customers.

5 22. *Fifth*, after meetings with the insiders, counsel for the Crestos sent a letter
6 to the Receiver’s state court counsel asserting that many customer stores operated and
7 had meaningful sales. Counsel for the Crestos identified three stores in support of this
8 statement with the suggestion that the stores were in fact successful. In comparing the
9 information provided by the Crestos’ counsel with the Suspension Tracker, each of
10 these stores had suspension activity. Moreover, each of the principals related to these
11 three stores filed proofs of claim in the assignment proceeding claiming they were still
12 owed money by Empire and/or Onyx.

13 23. The Crestos or Chapman contentions regarding the operational success of
14 Empire and Onyx and representations made to customers, including those detailed
15 above, lacked credibility.

16 24. Aside from denying customers’ narratives about operational failures, the
17 Crestos and Chapman maintained through counsel that the implosion of Empire and
18 Onyx was due to Daniel Cohen, the subsequent purchaser of the equity in Empire and
19 Onyx. The Crestos and Daniel Cohen are engaged in a separate piece of litigation in
20 the Southern District of California asserting claims and counterclaims against one
21 another. The Receiver does not currently have a position on that litigation other than it
22 should not impact any of the Receivership Entities based on the TRO. The parties to
23 that litigation have filed a joint stipulation to stay those proceedings.

24 25. Nonetheless, during the Florida ABCs, the Receiver as Assignee and his
25 state court professionals also investigated other potential litigation claims, including
26 against Mr. Cohen and others. Those investigations are ongoing. If further investigation
27 reveals Mr. Cohen has done something that has injured the Receivership Entities, the
28 Receiver will pursue those claims as appropriate and beneficial to the receivership

1 estate. But whether Mr. Cohen has engaged in wrongdoing is separate from the conduct
2 of the Crestos and Chapman.

3 C. *Florida ABC Estate Claims Asserted Against Crestos, Chapmans,*
4 *Related Corporate Entities, Efforts Towards Resolution and Willful*
5 *Dissipation of Assets*

6 26. Having identified litigation claims of the Florida ABCs that could be
7 asserted against the Crestos, Chapman and others, the Receiver as Assignee and his
8 state court professionals undertook efforts to resolve those claims without litigation.
9 Among other things, the Receiver identified certain fraudulent transfers and business
10 tort claims. Notably, Peregrine’s (the Relief Defendant) purchase of the Rancho Santa
11 Fe Property was funded by the Receivership Entities. *See* TRO App, Exhibit 15,
12 Declaration of Michael Dunn.

13 27. Receiver’s state court counsel engaged in a monthslong dialogue with
14 counsel for Roman Cresto, John Cresto, Andrew Chapman, Gianna Chapman⁵, and
15 several of the Corporate Defendants here to schedule a pre-suit mediation. One of the
16 points of concern was ensuring that the Rancho Santa Fe Property was not sold,
17 encumbered, or otherwise diminished while the parties exchanged information and
18 coordinated a pre-suit mediation, while deferring on the commencement of litigation.

19 28. To that end, the Receiver’s state court counsel proposed recording a *lis*
20 *pendens* on the Rancho Santa Fe Property to ensure that no transfer or encumbrance
21 could result and that would dissipate a meaningful asset subject to recovery.

22 29. On June 19, 2023, counsel for the Chapmans at DLA Piper represented to
23 Receiver’s state court counsel that she would continue to discuss the proposed *lis*
24 *pendens* with her clients. Counsel equivocated on this point for quite some time prior.

25 30. After delay, counsel to the Chapmans at DLA Piper advised Receiver’s
26 state court counsel on June 23, 2023 that the Chapmans would not agree to the recording

27
28 ⁵ Gianna Chapman is Andrew’s wife, John’s sister, Roman’s cousin, and Cecilia’s (Peregrine’s Registered Agent) daughter. In addition to serving as a Manager of Peregrine, Gianna Chapman has or currently serves in varying roles for the Receivership Entities including but not limited to General Counsel.

1 of a *lis pendens*, yet represented, nonetheless, the Chapmans would not undertake any
 2 effort to sell the property.

3 31. This position, however, was incomplete because aside from a sale, the
 4 Chapmans could still encumber the property.

5 32. Indeed, this occurred. On June 23, 2023 – the same day that counsel for
 6 the Chapmans at DLA Piper finally indicated the Chapmans would not agree to the
 7 recording of a *lis pendens* – a \$1 million loan was procured and secured against the
 8 Rancho Santa Fe Property.

9 33. Attached as **Exhibit “1”** is the Deed of Trust and Assignment of Rents,
 10 executed by Andrew Chapman and Gianna Chapman as Managers of Peregrine on
 11 June 22, 2023, and recorded on June 23, 2023.

12 34. Over half of the proceeds immediately went to the Chapman for “property
 13 expense reimbursement.” DLA Piper – the Chapmans’ counsel who was “discussing”
 14 the possibility of a *lis pendens* to preserve the *status quo* – also received approximately
 15 \$132,000 in loan proceeds, presumably to pay outstanding attorney’s fees. Below are
 16 the referenced transactions from the Peregrine Wells Fargo bank account ending in
 17 #501.

6/23	Online Transfer to Chapman G Ref #1b0Jx26Dr2 Everyday Checking Property Expense Reimbursement	416,118.24
6/26	< Business to Business ACH Debit - DLA Piper LLP US Web Pay 230623 xxxxx8326 Peregrine Worldwide	22,215.70
6/26	< Business to Business ACH Debit - DLA Piper LLP US Web Pay 230623 xxxxx9271 Peregrine Worldwide	109,409.00

21 *D. Data Preservation Concerns*

22 35. During the investigation in the Florida ABC’s, the Reciever as Assignee
 23 also secured access to the Empire Gsuite. The “admin” account was controlled by
 24 Roman Cresto.

25 36. In reviewing the email account, the Receiver noted that no emails were in
 26 Roman Cresto’s account from earlier than November 28, 2022: nothing in inbox,
 27 outbox, trash, drafts, or otherwise. It appears there was an effort by someone to delete
 28 all electronic messages from Roman Cresto’s Empire email account.

1 37. The Receiver has been unable to determine what, if any, other business
2 records were destroyed. Nonetheless, in discussions with former employees, Receiver
3 and his state court professionals were advised that electronically stored information
4 appeared to have been deleted prior to Mr. Cohen’s acquisition of the equity in the two
5 companies.

6 38. In further review of the Empire Gsuite, the Receiver was able to locate a
7 history of extractions from the Gsuite account, including numerous “Takeouts”⁶ and
8 google drive extractions. Attached as **Exhibit “2”** is the available history of data
9 extractions from November 2022 and earlier. During the pendency of the ABC
10 Proceedings, counsel to the Crestos never produced any such electronically stored
11 information, thus, it remains to be determined who had the requisite access, other than
12 Roman Cresto, to undertake this effort.

13 **III. SUMMARY OF RECEIVER’S ACTIVITIES**

14 **A. *Implementing Asset Freeze / Turnover and Preservation Letters***

15 The TRO has been served on approximately 70-75 parties, including but not
16 limited to financial institutions, employees/contractors, vendors, Electronic Data Hosts,
17 General Media platforms. Additionally, the Receiver went to various banking
18 institutions to confirm asset freezes and to recover Documents regarding the
19 Receivership Entities, notably bank account and credit card account records. The
20 Receiver is poised to issue several demands to financial institutions for closure of
21 accounts and turnover of funds of the Receivership Entities this week.

22 **B. *Efforts and Challenges in Securing Defendants’ Cooperation***

23 Upon appointment as Receiver, and shortly after the Defendants were served, the
24 Receiver and his team worked quickly to secure Defendants’ compliance with their
25
26

27
28 ⁶ Google Takeout, also known as Download Your Data, is a project by the Google Data Liberation Front that allows users of Google products, such as YouTube and Gmail, to export their data to a downloadable archive file. https://en.wikipedia.org/wiki/Google_Takeout

1 respective obligations under the Order, notably with *inter alia* immediate access,
2 turnover of Assets and Documents, and disclosure of financial information.

3 To date, the Receiver has received varying degrees of compliance/non-
4 compliance.

5 Roman Cresto (“Roman”), John Cresto (“John” and with Roman, the “Crestos”)
6 and Andrew Chapman (“Chapman”) all retained counsel on Thursday, August 17 or
7 Friday August 18. Counsel for the respective Defendants each insisted on several days
8 before even discussing compliance with the TRO – initially until Monday -- to “sort out
9 all of the representation issues, including representation for the corporations” and
10 “become informed on the matter.”

11 Generally, the Receiver has no issue with allowing new counsel time to
12 familiarize themselves with a case. Yet, valid excuse or not, this delay has hindered the
13 Receiver’s ability to fully perform his duties under the Court’s Order. As discussed
14 herein, there is some cause for concern in giving leeway on compliance – particularly
15 with respect to the potential destruction of Documents and dissipation of Assets.

16 The Receiver filed a Notice of Noncompliance with respect to Andrew Chapman,
17 Pelenea, and Peregrine (the “Chapman Defendants”) further detailing the respective
18 Defendants’ compliance issues in the case to date (ECF NO. 11). The Crestos have
19 been less non-compliant, relatively speaking, by providing devices and several account
20 logins.

21 In the coming weeks, provided the Court continues the receivership, the Receiver
22 intends to periodically update and circulate to Defendants a schedule showing their
23 respective obligations under the Order and status of compliance to promote further
24 transparency and consensus between the Receiver and Defendants about any perceived
25 deficiencies. *See e.g.* Chapman Notice of Noncompliance, Exhibit “B”.

26
27 ///

28 ///

1 C. *Control Over Electronic Data, Computer Hardware and Software,*
2 *Documents, and Data Preservation*

3 To date, the Receiver has received several devices from Roman Cresto⁷, several
4 devices from John Cresto⁸, and no devices from Andrew Chapman⁹.

5 With respect to email accounts and gsuites, Receiver has gained access to *inter*
6 *alia* the Empire Gsuite, and various email accounts for Automators. However in
7 Receiver’s attempts to access the “admin” or primary account that controls the Google
8 Suite for Automators, the Receiver has been unable to access. On several attempts, the
9 backup email account is cha***@gmail.com. Receiver believes that the security/device
10 backup belongs to Andrew Chapman but is unsure.

11 Receiver has gained access to a number of other online accounts and records
12 including but not limited to the squarespace account which hosted sites for Empire,
13 Automators, and “EcomSkool.” Receiver, however, has not gained access to the
14 Pelenea website peleneaventures.com. Receiver has also secured accounts including
15 but not limited to Kajabi, Vimeo, docusign, signnow. The Receiver continues to
16 expeditiously identify and secure all electronic data, hardware, software, and online
17 accounts.

18 D. *Receiver’s Website, Inquiries, and Creditor Communications*

19 The Receiver has created a dedicated website, which will be used to provide case
20 information, regular updates, and answers to frequently-asked questions to investors
21 and creditors. The website is not intended to duplicate the Court’s electronic case filing
22 system for this case, but it is intended to provide interested parties with important
23 information about the receivership. The url / internet address for the website is
24

25 _____
26 ⁷ Roman Cresto’s devices have been returned to him as of August 23, 2023.

27 ⁸ The Receiver only received the login information for John Cresto’s devices yesterday late afternoon. As of
the filing, Receiver cannot confirm whether the logins have been attempted yet.

28 ⁹ The Receiver’s understanding is that Chapman has represented through counsel that the devices have been
independently imaged, Receiver cannot confirm. In any event, the devices have not been turned over.

1 www.automators-empire-onyx-receivership.com. The Receiver expects the site to be
2 up by August 25, 2023 and with preliminary content and resources shortly thereafter.

3 The Receiver and his staff are also prepared and equipped to respond to all
4 investor and creditor correspondence, phone calls, and emails as promptly as
5 practicable.

6 The Defendants have yet to provide any list of parties they have served a copy of
7 the Order. See Order, Section XXII.

8 Notwithstanding, based on the Receiver's investigation to date, there are
9 disparate sources of potential contact information for investors/creditors. The Receiver
10 has worked diligently to gather contact information from various sources, including
11 information gathered by the FTC, consumers/creditors who have contacted the Receiver
12 or his counsel,¹⁰ and available online and financial records of the Receivership Entities.

13 Additionally, the Florida ABCs have been beneficial in this regard to the
14 Receivership. Through the statutory Florida ABCs claims administration process, the
15 Receiver has received approximately 235 claims totaling approximately \$14 million
16 and maintained contact and claim information for each. The Receiver will initiate the
17 import of information into the receivership estate's software and record keeping to
18 expedite his efforts in administering the Receivership Entities, including identifying
19 claimants and liabilities of the Receivership Entities.

20 The Receiver will be circulating a communication to all known consumers and
21 creditors to apprise them of the case, the receivership, and direct them to the
22 receivership website for further notices, information and updates.

23 *E. Takeover of Receivership Defendants' Operations*

24 While the Receivership Defendants do not appear to have any operating
25 locations, the Receiver's investigation is ongoing.

26 _____
27 ¹⁰ Section XII(F) of the TRO authorizes Receiver to retain professionals without further order of the Court. To
28 date, Receiver has retained Sullivan Hill as his general counsel, Phang Feldman as his special litigation counsel,
and Yip Associates as his forensic accountants. No payments to professionals will be made absent a Court order
so authorizing.

1 The Receiver has taken control of several key components of the Receivership
2 Entities operations - notably the online accounts that appear to be critical backend (e.g.
3 gsuite) and public-facing (e.g. squarespace)

4 *F. Understanding the Receivership Entities' Offerings and Operations*

5 As the Receiver is still in the early stages of the recovery and review of
6 Receivership Entity Assets and Documents, his analysis of the Receivership Entities'
7 offerings and operations is ongoing, particularly the more recent entities (e.g.
8 Automators). Automators purported to offer ecommerce consulting services to help
9 people create and scale ecommerce businesses. The offerings appear to include (1)
10 "Fulfillment by Amazon" ("FBA") ecommerce stores that Automators would have
11 partner entities create and manage; (2) coaching courses and related online training
12 resources for creating and running Amazon stores; (3) consulting services for
13 ecommerce automation companies to scale businesses that in turn manage hundreds of
14 stores; and (4) teaching and training customers to create and automate their own online
15 stores (through "EcomSkool").

16 The Receivership Entities appear to have generated a substantial part of their
17 business through online and social media marketing, personal online branding and
18 promotion, and also employed various consultants or marketing companies to assist.
19 Automators has several guides and training "bibles" that it provided to its
20 employees/contractors for qualifying leads, "setting" or developing leads, and closing
21 sales from new customers. The Receivership Entities have substantial promotional
22 materials in the records recovered to date. These materials primarily consist of short
23 video clips, slide presentations, and scripts for attracting and acquiring customers.

24 The videos often refer to a minimum amount of liquid funds required, the
25 potential return on investment to customers/investors, and that their partners guarantee
26 repurchase of inventory and the stores themselves.

27 To date, the only documents referenced by any of the Defendants to date in
28 response to their obligations to provide documents and information to support their

1 Earnings Claims appear to be two documents/presentation decks provided by Ascend –
2 one of Automators ecommerce automation store management partners.

3 i. Discussions with Consumers, Employees, Contractors, and Third
4 Parties

5 The Receiver has interviewed one former employee and has contacted 4-5 other
6 former or current employees and contractors. Another employee interview is scheduled
7 for early next week. Identifying employees and contractors for Automators in particular
8 has been challenging with incomplete records or access to business accounts (notably
9 the administrative account for Automators Gsuite).

10 As Assignee of the Florida ABC's however, Receiver and his state court
11 professionals had extensive discussions with numerous consumers and employees. *See*
12 TRO App, Exhibit 15, Declaration of Michael Dunn.

13 ii. Quickbooks and Banking Activity

14 The Receiver and his professionals are still working to secure all Quickbooks and
15 bookkeeping accounts for the Receivership Entities. They likewise are still securing all
16 banking and financial records. The Receiver has limited bank records for each entity,
17 including:

- 18 • Empire, Onyx, Stryder, Pelenea, (generally only through
19 November/December 2022)
- 20 • Automators (only 5 months of 2023),
- 21 • Peregrine (only 2 months for June-July, 2023), and
- 22 • Wize Mate (1 month in early 2023).

23 The Receiver will continue to investigate bank transactions and transfers to
24 identify other potential bank accounts. Records will be requested from the banking
25 institutions as new accounts are identified.

26 *G. Investigation of Third-Party Claims*

27 At this early stage, the Receiver has not completed his investigation or analysis
28 of claims and the universe of potential litigation targets. Notwithstanding, the Receiver

1 is aware of significant claims against third parties for the substantial losses suffered by
2 the Receivership Entities and the investors and creditors of the Receivership Entities.

3 Among other things, the Receiver has identified certain parties who may be liable
4 for *inter alia* business torts (i.e aiding and abetting the principals of the Receivership
5 Entities in wrongful conduct), for unjustly benefiting from dealings with principals of
6 the Receivership Entities, and transfer avoidance actions that belong to the Receivership
7 Estate.

8 During the Florida ABCs, the Receiver, in his capacity as Assignee of Empire
9 and Onyx, made demand and/or engaged in negotiations to resolve some estate claims.
10 The Receiver intends to continue those efforts for the benefit of the Receivership Estate.

11 *H. Additional Receivership Entities Defendants Identified by the Receiver*

12 i. Wize Mate, LLC (“Wize Mate”)

13 During his investigation, the Receiver identified Wize Mate LLC as an additional
14 Receivership Entity. On August 23, 2023, the Receiver filed his Corrected Notice of
15 Additional Receivership Entity (ECF 23) and incorporates by reference the Notice
16 attached hereto as **Exhibit “3.”**

17 The Receiver has identified additional entities that may constitute additional
18 Receivership Entities but his investigation remains ongoing.

19 *I. Pending Legal Proceedings Related to Defendants and Receivership*
20 *Entities*

21 Certain of the Defendants are party to the litigation styled LCC Enterprises LLC,
22 et al. v. Roman Cresto, et al. currently pending in the United States District Court for
23 the Southern District of California as Case No. 22-CV-1944 DMS (BGS). That lawsuit
24 was commenced by Daniel Cohen on December 8, 2022, who commenced the Florida
25 ABC’s as described above. The docket suggests that that litigation is currently in
26 discovery. The parties in that matter also recently filed a joint stipulation of stay in light
27 of this proceeding.
28

1 IV. SUMMARY OF RECEIVERSHIP ASSETS AND LIABILITES

2 *A. Assets*

3 The Receiver is still in the early stages of investigation and has had limited
4 disclosure from the Defendants in this case. Third party responses are also still
5 outstanding. Notwithstanding, the Receiver has identified the following as assets of
6 the Receivership Entities:

Type	Receivership Entity	Description	Estimated Value
Bank Account	Automators	Wells Fargo #8043	\$42,715.28
Bank Account	Peregrine	Wells Fargo #6501	\$294,026.15
Bank Account	Wize Mate LLC	Wells Fargo #6278	\$1,838.82
Bank Account	Unknown	Paypal/Venmo	\$227
Merchant Account	Onyx	Stripe	\$824.02
Receivable	Automators	Fr: Ascend	\$33,000
Real Property	Peregrine	4560 Via Gaviota, Rancho Santa Fe, CA	\$7,000,000 ¹¹

15
16 i. Real Property - 4560 Via Gaviota, Rancho Santa Fe, CA

17 The Relief Defendant is title owner of real property located at 4560 Via Gaviota,
18 Rancho Santa Fe, California (the “Rancho Santa Fe Property.”) Limited documentation
19 and information has been produced by Chapman, Peregrine, or Peregrine’s other
20 Manager, Gianna Chapman. From the information gathered so far, the Chapman
21 Defendants disclose that there was a recent tax assessed value of \$7 million for the
22 Rancho Santa Fe Property.

23 The proceeds of the \$1,000,000 loan described above are also property of the
24 receivership estate. To date, the Receiver has asked Defendants to provide documents,
25 information, accounting, and confirmation that the remaining loan proceeds will not be
26
27

28 ¹¹ Per Chapman Defendants disclosure of recent tax assessed value. Subject to further investigation

1 further diminished and will be turned over to the Receiver. This investigation is
2 ongoing.

3 ii. The Empire Ecommerce D&O Insurance Policy

4 During the Florida ABCs, Receiver also learned of a Director and Officer
5 Liability insurance policy for Empire Ecommerce. The Receiver believes this policy
6 may have value to the Receivership estate. Discussions are ongoing with coverage
7 counsel.

8 B. *Receipts and Disbursements*

9 There have been no receipts or disbursements in the receivership estate yet.

10 iii. *Digital/Online Accounts, Business Records, and Educational*
11 *Materials*

12 There are substantial business records, videos, guides, forms, educational
13 materials in the Automator's digital and online accounts. The Receiver is still reviewing
14 and analyzing both to inventory and to determine what value these Assets may have to
15 the Receivership estate.

16 iv. *Potential Additional Assets*

17 At this preliminary stage of the receivership, and with limited information from
18 the Defendants (notably no financial disclosures) it is still unclear what other
19 receivership assets exist. From the Receiver's review and analysis to date, it appears
20 there may be digital assets, jewelry and other valuables, receivables, and litigation
21 claims.

22 C. *Liabilities*

23 The Receiver continues to work towards understanding the collective liabilities
24 of the Receivership Entities, including pre-receivership tax matters. The Receiver's
25 accountants will, among other things, identify and requisite tax filing requirements.

26 i. Ongoing obligations and ordinary course expenses

27 From the Receiver's review of available Documents, Assets, and information,
28 there do appear to be various ongoing online platform and Electronic Data Host

1 subscriptions. The Receiver is still investigating to be able to further brief the Court
 2 and to mitigate any ongoing liabilities or expenses of the receivership estate.

3 ii. Marketing, advertising and social media expenses

4 The Receiver has also reviewed several records that indicate regular and/or
 5 periodic marketing, advertising, and social media expenditures. On information and
 6 belief, some of these may be based on ongoing and existing contracts. Likewise, the
 7 Receiver is still investigating to be able to further brief the Court and to mitigate any
 8 ongoing liabilities or expenses of the receivership estate.

9 iii. Credit Cards

10 There appear to be credit cards for the Receivership Entities including a Capital
 11 One Card for Automators. Further records have been subpoenaed by the Receiver.

12 iv. Peregrine Liabilities

13 Peregrine has provided an unverified list of either ongoing or outstanding
 14 expenses regarding the Rancho Santa Fe Property. A copy of this schedule is below.

Category	Amount	Date Due	Notes
State Farm Insurance	\$ 1,726.17	15th of month	Auto pay from frozen personal Wells Fargo account; likely past due because would not have been paid due to frozen account
State Farm Earthquake	\$ 102.00	22nd of month	not on auto pay
SDGE	\$ 21,000.00	outstanding	Waiting to hear regarding an adjustment the bill; anticipating adjusted bill will be approximately \$20,000 covering several months, but will be immediately due within the month
Landscaping	\$ 10,131.05	outstanding	covering July and August
Pool	\$ 160.00	monthly	auto pay
Hot Springs	\$ 150.00	monthly	approximate
Water	\$ 4,000.00	outstanding	approximate amount due
Spectrum	\$ 94.00	28th of month	auto pay
Culligan	\$ 90.00	16th of month	auto pay
Waste Management	\$ 256.00	monthly	
Pest Control	\$ 113.00	monthly	\$225 billed every other month
Rancho Santa Fe Association	\$ 9,690.21		likely due on August 31, 2023; may cover multiple months
Rancho Santa Fe Security	TBD		
Mortgage	\$ 7,500.00	monthly	\$1 million mortgage
AT&T Direct TV	\$ 231.67	3rd of month	

25
 26 The Receiver has requested documents and further information to determine
 27 which of the liabilities belong to Mr. and Mrs. Chapman individually, which are
 28 liabilities of the Relief Defendant, and which are obligations necessary to preserve the

1 Rancho Santa Fe Property. The Chapman Defendants have begun providing some of
2 this information. The Receiver anticipates further information on these matters soon.

3 V. CONTINUING WORK

4 The Receiver's efforts to marshal and recover assets and relevant Documents and
5 records are ongoing. Should the Court continue the receivership, the Receiver and his
6 professionals intend to continue the administration of the receivership as follows:

7 A. *Further Recovery of Receivership Estate Assets and Documents*

8 The Receiver will continue to obtain records from the Defendants, financial
9 institutions, Electronic Data Hosts, employees, contractors, vendors,
10 customers/creditors, and other relevant parties. The Receiver has already served several
11 subpoenas on financial institutions, and intends to proceed with these and additional
12 efforts to obtain necessary documents, assets, and information. The Receiver also
13 intends to take several depositions of individuals and corporate representatives in
14 furtherance of his investigation.

15 The Receiver will continue trying to locate any presently unaccounted for
16 receivership assets that may exist. As noted above, it is believed that additional assets
17 and claims may be identified once the Receiver has had an opportunity to further
18 investigate, including further analysis of the Receivership Entities' electronic records.
19 While forensic accounting was substantially performed on certain accounts for several
20 of the Receivership Defendants in the Florida ABCs¹², updated analysis since that
21 reconstruction is required, in addition to forensic accounting for the additional
22 Receivership Entities.

23 The Receiver will also continue to investigate third parties who may be liable
24 for *inter alia* aiding the defendants, avoidable transfers, and other claims. Again, as a
25 beneficial time- and cost-savings to the Receivership Estate, several claims identified
26

27
28

¹² Empire, Onyx, Stryder, and Pelena for available statements and accounts through November/December 2022.

1 by the Receiver and his professionals in the Florida ABC's are in active settlement
2 negotiations.

3 *B. Further Review and Analysis of the Receivership Entities Business*
4 *Operations.*

5 Through further investigation, the Receiver intends to become more familiar
6 with the Receivership Entities business operations, including but not limited to
7 consumer outreach and marketing strategy, enrollment and client acquisition process,
8 review of consumer relations and dealings (i.e., complaints), review of video and
9 promotional materials, review of guides and manuals, and additional employee,
10 contractor, and vendor interviews.

11 *C. Adjusting Receivership Liabilities*

12 The Receiver's investigation is still ongoing. Other than platform expenses,
13 monthly marketing ad and social media spend, and Peregrine's Rancho Santa Fe
14 expenses and loan, the Receiver will continue to identify receivership liabilities in
15 order to respond appropriately.

16 *D. Whether Any Portion of the Receivership Entities' Businesses Can*
17 *Continue to Operate Legally and Profitably*

18 The Receiver and his professionals are diligently working to secure all relevant
19 Documents and Assets, in addition to analyzing the Receivership Entities' operations,
20 particularly in the context of both the ecommerce industry and regulatory context.
21 While it appears from a preliminary review of the available Receivership Entities
22 records that the businesses were not being legally performed pre-receivership, the
23 dearth and deficiencies in available Documents and Assets - due to lack of full
24 compliance from Defendants - compels the Receiver to further investigate to
25 determine among other things, if such failings are curable and if the entities could
26 operate profitably and legally if cured.

27 At this point, from the information available to date it seems doubtful that the
28 businesses of Corporate Defendants could be operated legally and profitably.

1 E. *Insurance for Real Property*

2 To date, the is primary asset of value in the Receivership Estate – the Rancho
3 Santa Fe Property. The Defendants have stated that there are certain homeowners
4 insurance policies in place, though none have been provided to the Receiver as
5 required by the Court’s Order. Upon getting access to this property, in addition to
6 reviewing any existing insurance coverage, the Receiver intends to immediately
7 secure insurance and/or retain and assume existing coverage, to the extent appropriate.


8 VI. RECEIVER’S PRELIMINARY OPINIONS AND RECOMMENDATIONS

9 There are several bases giving rise to concern about preservation and turnover of
10 Documents and Assets, considering (1) the pre-receivership destruction of electronic
11 records, (2) the pre-receivership encumbrance of the Rancho Santa Fe Property and
12 dissipation of \$1,000,000 in equity in the Real Property, while certain of Defendants’
13 counsel pledged generally the contrary and (3) the Defendants’ delays and failures to
14 comply with this Court’s Order and cooperate with the Receiver.

15 Giving the Defendants the benefit of the doubt for failing to cooperate with the
16 Order due to retention and onboarding of new counsel, and in the abundance of caution,
17 rather than immediately seeking contempt or similar sanction, the Receiver seeks
18 further direction from the Court about his obligations to compel and enforce
19 compliance.

20 Based upon the Receiver’s investigation and findings to date, the Receiver
21 recommends that the Court enter an order that the receivership continue pursuant to the
22 TRO.

23 Signed under penalty of perjury under the laws of the United States of America.

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Michael Dunn, Receiver

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TABLE OF EXHIBITS

Exhibit	Description	Pages
1	Deed of Trust and Assignment of Rents, executed by Andrew Chapman and Gianna Chapman as Managers of Peregrine on June 22, 2023, and recorded on June 23, 2023	29–34
2	Available history of data extractions from the Gsuite account, including numerous “Takeouts” and google drive extractions from November 2022 and earlier	35–38
3	Corrected Notice of Additional Receivership Entity (ECF 23) filed on August 23, 2023	39–53

EXHIBIT “1”

RECORDING REQUESTED BY
Ticor Title-San Diego Branch

DOC# 2023-0164004



Jun 23, 2023 08:00 AM

OFFICIAL RECORDS
JORDAN Z. MARKS,

SAN DIEGO COUNTY RECORDER
FEES: \$193.00 (SB2 Atkins: \$150.00)
PCOR: N/A

PAGES: 5

AND WHEN RECORDED MAIL TO

NAME DEL TORO LOAN SERVICING
ADDRESS 2300 BOSWELL ROAD, STE 215
STATE & ZIP CHULA VISTA, CALIFORNIA 91914

950164-ND

DEED OF TRUST WITH ASSIGNMENT OF RENTS

TITLE NO. 00950164-995-ND

ESCROW NO. 310349-AP

APN NO. 268-031-13-00

This Deed of Trust, made this 21ST day of JUNE 2023, PEREGRINE WORLDWIDE LLC, A DELAWARE LIMITED LIABILITY COMPANY, herein called Trustor, whose address is 4560 VIA GAVIOTA, RANCHO SANTA FE, CALIFORNIA 92067, DEL TORO LOAN SERVICING COMPANY herein called Trustee, SYLVIA E. SEARS DANNER IRREVOCABLE 2018 TRUST DATED NOVEMBER 13, 2018, JEFFREY MARK DANNER, TRUSTEE, herein called Lender or Beneficiary.

That Trustor **IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS TO TRUSTEE IN TRUST, WITH POWER OF SALE**, that real property in the County of SAN DIEGO, State of CALIFORNIA, and is described as follows:

Parcel 1:

Lot 17 of the Casa Grande, in the County of San Diego, State of California, according to map thereof No. 8467, filed in the Office of the County recorder of San Diego County, January 19, 1977.

Parcel 2:

That portion of via Gaviota as shown on said map No. 8467, described as follows:

Beginning at a point on the Southerly line of Lot 17, said point being the Southeasterly Terminus of the Southwesterly line having a bearing of North 30° 07' 29" West and a Distance of 538.31 Feet, Said Point also Being on a Curve Concave Southerly and Having a Radius of 48.00 Feet, a Radial Line of Said Curve through Said Point Bearing North 19° 02' 33" West; thence Easterly along said Southerly line of Lot 17 and said curve through a central angle of 63° 15' 5" an Arc Distance of 53.00 Feet to the Southern Terminus of that Easterly Line of Said Lot 17 Having a Bearing of North 6° 19' 51" West and a distance of 226.76 feet; thence leaving said Southerly Line of Lot 17, South 44° 13' 18" West, 48.00 Feet; thence North 19° 02' 33" West to the point of beginning.

Parcel 3:

A non-exclusive easement for Ingress and Egress, Utilities and Related Purposes over All of via Gaviota as Shown on said map No. 8467.

APN: 268-031-13-00

which currently has the address of: 4560 VIA GAVIOTA, RANCHO SANTA FE, CALIFORNIA 92067

TOGETHER WITH the rents, issues and profits thereof, SUBJECT, HOWEVER, to the right, power and authority given to and conferred upon Beneficiary by the provisions herein to collect and apply such rents, issues and profits.

For the Purpose of Securing:

- 1) Performance of each agreement of Trustor incorporated by reference or contained herein.
- 2) Payment of the indebtedness evidenced by one promissory note of even date herewith, and any extension thereof, in the principal amount of **\$1,000,000.00** executed by Trustor in favor of Beneficiary.
- 3) Payment of such further sums as the then record owner of said property may borrow from Beneficiary, when evidenced by a Note (or Notes) reciting it is so secured.

To Protect the Security of This Deed of Trust, Trustor Agrees:

(1) **Preservation and Maintenance of property; Leaseholds;** To keep said property in good condition and repair, not to remove or demolish any building thereon, to complete or restore promptly and in good and workmanlike manner any building

which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon, not to commit or permit waste thereof, not to commit, suffer or permit any act upon said property in violation of law to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) **Hazard Insurance;** To provide maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) **Protection of Lender's Security;** To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

(4) **Funds for Property Obligations;** Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this Deed of Trust, including Borrower's covenants to make payments when due. Additionally, Borrower shall pay all taxes, assessments, charges, including garbage billings, fines and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any and community Association Dues, Fees and Assessments, if any.

(5) **PACE and/or HERO Loans;** All Home Energy Renovation Opportunity Loans ("HERO") are prohibited. All Property Assessed Clean Energy Loans ("PACE") are prohibited. In the event that a HERO loan or a PACE loan becomes a lien on the Property, Borrower shall be in breach of this Deed of Trust and Beneficiary has the right to accelerate this Loan and take such action as set forth under the terms herein including Section 13. In the event that Borrower claims any other loan that becomes a lien on the Property that becomes part of the payment of Property Taxes for the Property or incurs any other default which causes senior lien or encumbrance to this Deed of Trust, Borrower shall be in breach of this Deed of Trust and Beneficiary again has the right to take all acts herein set forth in this Deed of Trust, and accelerate the Loan.

(6) **Erroneous Information;** In the event that any information or statement provided to Beneficiary as part of the loan application process or at any time contains any false or erroneous facts or statements or omits to state material facts, or the occupancy of the Property at any time during or before the terms of the Promissory Note, is other than that originally represented to the Beneficiary at the time of loan application, or the use of proceeds from the loan represented by the Note and this Deed of Trust is materially different than the use represented to the Beneficiary at the time of application (documentation of which will be made available to Beneficiary upon 10 days written demand), then the Deed of Trust shall be in default and Beneficiary shall be entitled to all remedies provided for hereunder, including those set forth in Section 13 hereof.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto, and in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

(7) **Future Advances;** To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

(8) **Condemnation;** That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(9) **Forbearance by Lender Not a Waiver;** That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his rights either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(10) **Partial Reconveyance;** That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may reconvey any part of said property, consent to

the making of any map or plot thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(11) **Reconveyance;** That upon written request of Beneficiary state that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "The person or persons legally entitled thereto" Five years after issuance of such full reconveyance, Trustee may destroy said note and this Deed (unless directed in such request to retain them).

(12) **Assignment of Rents; Appointment of Receiver; Lender in Possession;** That as additional security, Trustor hereby give to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees. Upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(13) **Due and Payable Clause;** That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

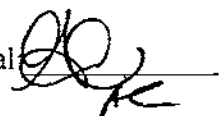
After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof, all other sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.

(14) **Subsequent Property Encumbrances;** Borrower shall not further encumber the Property or any portion thereof or interest therein, voluntarily, involuntarily or otherwise, or enter into an agreement to do so, without Lender's prior written consent which may be withheld in Lender's sole and absolute discretion. Any subsequent encumbrance shall result in the entire note and all accrued interest to be immediately due and payable to the Lender.

(15) **Substitution of Trustee;** Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

(16) **Successors and Assigns Bound; Joint and Several Liability; Co-Signers;** That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby whether or not named as Beneficiary herein in this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.



(17) **Trustee;** That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

(18) **Application of Payments;** Unless applicable law provides otherwise, all payments received by Lender under the Note shall be applied by Lender first in payment of amounts payable to Lender by Borrower for advanced funds by Lender on Borrower's behalf, then to interest payable on the Note, then to the principal of the Note, and then to interest and principal on any Future Advances.

(19) **Transfer of Property or Beneficial Interest;** If all or any part of the Property or any interest in it is sold or transferred (or if beneficial interest Trustor is sold or transferred and Trustor is not a natural person) without Beneficiary's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Deed of Trust. However, this option shall not be exercised by beneficiary if exercise is prohibited by federal law as of the date of Deed of Trust.

If Beneficiary exercises this option, Trustor shall give Borrower notice of acceleration. This notice shall provide a period of not less than 30 days from the date of the notice is delivered or mailed within which Trustor must pay all sums secured by this Deed of Trust. If Trustor fails to pay these sums prior to the expiration of this period, Beneficiary may invoke any remedies permitted by this Deed of Trust without further notice or demand on Borrower.

(20) **Prior Mortgages and Deeds of Trust; Liens;** Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this Deed of Trust, including Borrower's covenants to make payments when due. Borrower shall pay or cause to be paid, at least 10 days before delinquency, all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Deed of Trust, and leasehold payments or ground rents, if any.

(21) **Remedies Cumulative;** All remedies provided in this Deed of Trust are distinct and cumulative to any other or remedy under this Deed of Trust or afforded by law or equity, and may be exercised concurrently, independently or successively.


(22) **Notice;** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Deed of Trust shall be given by delivering it or by mailing such notice by certified mail addressed to Borrower or the Property at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail to Lender, at 2300 BOSWELL ROAD, STE 215, CHULA VISTA, CALIFORNIA 91914 or to such other address as Lender or Agent may designate by notice to Borrower as provided herein

(23) **This Deed shall be governed by the Laws of the State of California;** In the event that any provision or clause of this Deed of Trust or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Deed of Trust are declared to be severable.

The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale, or any other notice hereunder be mailed to Trustor at his address hereinbefore set forth.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

PEREGRINE WORLDWIDE LLC, A DELAWARE LIMITED LIABILITY COMPANY



ANDREW CHAPMAN, MANAGER



GIANNA CHAPMAN, MANAGER

Initial: 

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

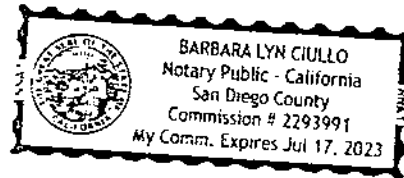
State of CALIFORNIA
County of SAN DIEGO

On, 6-22-2023 before me BARBARA LYN CIULLO, a Notary Public, personally appeared ANDREW CHAPMAN AND GIANNA CHAPMAN, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is~~ are subscribed to the within instrument and acknowledged to me that ~~he~~ ~~she~~ they executed the same in ~~his~~ ~~her~~ their authorized capacity(ies), and that by ~~his~~ ~~her~~ their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.





















Signature *Barbara Lyn Ciullo*
(Seal)



Initial *AC*

EXHIBIT “2”

Empire Ecommerce Gsuite Data Extraction - November 2022 and Earlier

10 Nov 2022	
 Takeout Downloaded a Takeout archive 21:39 · Details	 Takeout Downloaded a Takeout archive 20:51 · Details
 Takeout Downloaded a Takeout archive 21:39 · Details	 Takeout Downloaded a Takeout archive 20:51 · Details
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Initiated a Takeout
Requested the following services: Access Log Activity (all resources), Calendar (all resources), Chrome (all resources), Contacts (all resources), Drive (all resources), Google Account (all resources), Google Business Profile (all resources), Google Cloud Search (all resources), Google Workspace Marketplace (all resources), Mail (2 resources), My Activity (all resources), Saved (all resources), Reminders (all resources), Voice (all resources) and YouTube and YouTube Music (all resources)
You specified that you wanted the archive in zip format, split into 2.00G files, and requested that the output be sent to your email
12:18 · Details
- 9 Nov 2022**
- G** Takeout
Initiated a Takeout
Requested the following services: Calendar (all resources), Chrome (all resources), Classic Sites (all resources), Contacts (all resources), Crisis User Reports (all resources), Data Shared for Research (all resources), Drive (all resources), Google Account (all resources), Google Business Profile (all resources), Google Cloud Search (all resources), Google Help Communities (all resources), Google Pay (all resources), Google Photos (all resources), Google Play Books (all resources), Google Play Console (all resources), Google Play Games Services (all resources), Google Play Movies & TV (all resources), Google Play Store (all resources), Google Shopping (all resources), Google Translator Toolkit (all resources), Google Workspace Marketplace (all resources), Groups (all resources), Hangouts (all resources), Home App (all resources), Keep (all resources), Location History (all resources), Mail (2 resources), Maps (all resources), Maps (your places) (all resources), My Activity (all resources), News (all resources), Pinpoint (all resources), Profile (all resources), Purchases & Reservations (all resources), Question Hub (all resources), Reminders (all resources), Saved (all resources), Search Contributions (all resources), Street View (all resources), Tasks (all resources), Voice (all resources), YouTube and YouTube Music (all resources) and Access Log Activity (all resources)
You specified that you wanted the archive in zip format, split into 4.00G files, and requested that the output be sent to your Dropbox account
11:24 · Details

8 Nov 2022

 Drive

Initiated a bulk download from Drive

Requested 1 files and folders

23:38 • Details

12 Oct 2022

 Drive

Initiated a bulk download from Drive

Requested 1 files and folders

11:07 • Details

4 Oct 2022

 Drive

Initiated a bulk download from Drive

Requested 1 files and folders

14:35 • Details

EXHIBIT “3”

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SULLIVAN HILL REZ & ENGEL
A Professional Law Corporation
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Christopher V. Hawkins, SBN 222961
600 B Street, Suite 1700
San Diego, California 92101
Tel: (619) 233-4100
Fax: (619) 231-4372

Attorneys for Michael Dunn, Receiver

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

FEDERAL TRADE COMMISSION,

Plaintiff,

AUTOMATORS LLC, *et al.*

Defendants,

PEREGRINE WORLDWIDE, LLC,

Relief Defendant.

CASE NO. 23-cv-1444-BAS-KSC

**CORRECTED
NOTICE OF TEMPORARY
RECEIVER’S DETERMINATION
REGARDING ADDITIONAL
RECEIVERSHIP ENTITY**

Date:
Time:
Dept.
Judge: Hon. Cynthia Bashant

Pursuant to this Court’s *Order (1) Granting Ex Parte Application For Temporary Restraining Order With Asset Freeze, Appointment of a Temporary Receiver, and other Equitable Relief (ECF No. 5), (2) Directing Defendants to Show Cause Why Preliminary Injunction Should Not Issue, and (3) Setting Preliminary Injunction Hearing and Briefing Schedule* dated August 11, 2023 (the “Order” or

1 “TRO”) (ECF No. 8), the Court directed the Receiver to determine if any non-
2 Defendant corporate entities are “Receivership Entities” as defined in the Order.

3 More specifically, the Order provides “If the Receiver identifies a nonparty
4 entity as a Receivership Entity, promptly notify the entity as well as the parties, and
5 inform the entity that it can challenge the Receiver's determination by filing a motion
6 with the Court. *Provided*, however, that the Receiver may delay providing such notice
7 until the Receiver has established control of the nonparty entity and its assets and
8 records, if the Receiver determines that notice to the entity or the parties before the
9 Receiver establishes control over the entity may result in the destruction of records,
10 dissipation of assets, or any other obstruction of the Receiver's control of the entity;”
11 Order, Section XII (U).

12 After investigation, the Receiver has determined that Wize Mate, LLC, a
13 Nevada limited liability company (“Wize Mate”), should be designated as a
14 Receivership Entity and should be treated as such moving forward. As such, notice is
15 hereby given to Wize Mate that it may challenge Receiver’s determination by filing a
16 motion with the Court.

17 **A. Wize Mate, LLC (“Wize Mate”)**

18 In his initial review of the electronic records for the Defendants, the Receiver
19 has identified an account for Automators, LLC at Wells Fargo Bank. The Receiver
20 has only been able to recover five months of bank activity for this account (February
21 1, 2023 – June 30, 2023). Despite the limited records provided by the Defendants to
22 the Receiver to date, the Receiver and his professionals in their financial analysis
23 identified that funds that are deposited into the Automators LLC account are generally
24 disbursed to (1) Roman Cresto, (2) John Cresto, and (3) an entity called Wize Mate,
25 LLC. The transfers by Automators to Wize Mate during the above five (5) month
26 period total over \$133,000 and are detailed in the schedule attached hereto as **Exhibit**
27 **“A”**.

28

1 According to the Nevada Secretary of State website, Wize Mate is an active
2 entity formed and registered in Nevada on August 26, 2022. Andrew Chapman is
3 listed as the Managing Member of this entity. Wize Mate’s entity details with the
4 Nevada Secretary of State are attached hereto as **Exhibit “B”**.

5 According to the business bank account application attached hereto as **Exhibit**
6 **“C”**, Wize Mate is solely owned and controlled by Mr. Chapman and in substantially
7 the same business as the Receivership Entities.

8 Because this entity has conducted business related to the marketing or sale of
9 Defendants’ Products, including receipt of Assets derived from any activity that is the
10 subject of the Complaint in this matter, and the Receiver has determined is controlled
11 and owned by Defendant Chapman, the Receiver submits that Wize Mate LLC is one
12 of the Receivership Entities, subject to the provisions of the TRO Order, Definitions
13 (M).

14 The Receiver has identified additional entities that may constitute additional
15 Receivership Entities but his investigation into those entities remains ongoing.

16

17 Dated: August 22, 2023

SULLIVAN HILL REZ & ENGEL
A Professional Law Corporation

18

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By: _____

James P. Hill
Christopher V. Hawkins
Attorneys for Michael Dunn, Receiver

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EXHIBIT A

**Exhibit 3
Page 43**

Exhibit A

Transfers from Automators to Wize Mate

(February 1, 2023 – June 30, 2023)

Date	Amount
02/13/23	\$ 9,570.00
02/28/23	5,600.00
03/27/23	8,800.00
04/04/23	18,000.00
04/05/23	8,000.00
04/11/23	8,400.00
04/14/23	30,800.00
05/05/23	17,570.00
05/30/23	8,570.00
06/29/23	17,975.00
TOTAL	\$ 133,285.00

EXHIBIT B

**Exhibit 3
Page 45**

Business Account Application



Bank Name: WELLS FARGO BANK, N.A.		Branch Name: RANCHO SANTA FE	
Banker Name: ANTHONY JUAREZ	Officer/Portfolio Number: A6548	Date: 02/13/2023	
Banker Phone: 858/756-4480	Branch Number: 04431	Banker AU: 0000682	Banker MAC: E2456-011

To help the government fight the funding of terrorism and money laundering activities, U.S. Federal law requires financial institutions to obtain, verify, and record information that identifies each person (individuals and businesses) who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

New Account Information

- New Deposit Account(s) Only New Deposit Account(s) and Business Credit Card

Account 1 Product Name: Navigate Business Checking		Purpose of Account 1: General Operating Account	
COID: 114	Product: DDA	Account Number: [REDACTED]	Opening Deposit: \$100.00
		Type of Funds: CHECK	

New Account Kit: [REDACTED]	Checking/Savings Bonus Offer Available: NO
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Related Customer Information

Customer 1 Name: WIZE MATE LLC	
Enterprise Customer Number (ECN): [REDACTED]	Account Relationship: Sole Owner
Customer 2 Name: ANDREW E CHAPMAN	
Enterprise Customer Number (ECN): [REDACTED]	Account Relationship: Signer

Checking/Savings Statement Mailing Information

Name(s) and Information Listed on Statement: WIZE MATE LLC	Statement Mailing Address: [REDACTED]	
	Address Line 2:	
	City: CARDIFF	State: CA
	ZIP/Postal Code: 92007-1843	Country: US



2W02-001390814046-01

Customer 1 Information

Customer Name: WIZE MATE LLC			
Enterprise Customer Number (ECN): [REDACTED]		Street Address: [REDACTED]	
Account Relationship: Sole Owner		Address Line 2:	
Taxpayer Identification Number (TIN): [REDACTED]		Address Line 3:	
TIN Type: EIN			
Business Type: Limited Liability Company		City: LAS VEGAS	State: NV
Business Sub-Type/Tax Classification: S Corporation		Non-Profit: No	ZIP/Postal Code: 89102-4397
Country: US	Date Originally Established: 08/26/2022	Current Ownership Since:	Number of Employees: 1
Fax:	Business Phone: [REDACTED]	Annual Gross Sales: \$1,000,000.00	Year Sales Reported: 02/13/2020
Fiscal Year End:	Cellular Phone:	Pager:	e-Mail Address:
Primary Financial Institution:	Number of Locations: 1	Primary State 1: NV	Primary State 2:
Primary State 3:	Primary State 2:	Primary State 3:	Website:
Primary Country 1: US	Primary Country 2:	Primary Country 3: US	Sales Market: NATIONAL
Industry: Information/Media			
Description of Business: ONLINE MARKETING PLATFORM			
Major Suppliers/Customers:			

Bank Use Only

Name/Entity Verification: Secretary of State		Address Verification: NONE	
BACC Reference Number: 6230440000827			
Document Filing Number/Description: 20222572002	Filing Country: US	Filing State: NV	Filing Date: 08/26/2022
Expiration Date:	Country of Registration: US	State of Registration: NV	International Transactions:
Check Reporting: NO RECORD	Country of Registration: US	State of Registration: NV	International Transactions:



2W02-001390814046-02

Owner/Key Individual 1 Information

Customer Name: ANDREW E CHAPMAN			Residence Address: [REDACTED]		
Business Relationship: Owner with Control of the Entity			Address Line 2:		
Position/Title:	Date of Birth:	Percent of Ownership:	Address Line 3:		
	04/16/1988	100.0			
Enterprise Customer Number (ECN): [REDACTED]			City: CARDIFF BY THE SEA		State: CA
TIN Type: SSN	Taxpayer Identification Number (TIN): [REDACTED]		ZIP/Postal Code: 92007-2414		Country: US
Primary ID Type: PASP	Primary ID Description: 535038391		Country of Citizenship: US		Permanently Resides in US:
Primary ID St/Ctry/Prov: US	Primary ID Issue Date: 07/02/2015	Primary ID Expiration Date: 07/01/2025	Check Reporting:		
Secondary ID Type: OTHR CC	Secondary ID Description: TRUIST VISA 6208				
Secondary ID State/Country:	Secondary ID Issue Date:	Secondary ID Expiration Date: 05/01/2026			

Authorized Signer 1 Information

Authorized Signer Name: ANDREW E CHAPMAN			Residence Address: [REDACTED]		
Occupation: [REDACTED]			Address Line 2:		
Date of Birth:	Position/Job Title: MANAGING PARTNE		Address Line 3:		
Taxpayer Identification Number (TIN): [REDACTED]	TIN Type: SSN		City: CARDIFF BY THE SEA		State: CA
Primary ID Type: PASP	Primary ID Description: 535038391		ZIP/Postal Code: 92007-2414		Country: US
Primary ID Expiration Date: 07/01/2025	Primary ID St/Ctry/Prov: US	Primary ID Issue Date: 07/02/2015	Permanently Resides in US:		Country of Citizenship: US
Secondary ID Description: TRUIST VISA 6208		Secondary ID Type: OTHR CC			
Secondary ID State/Country:	Secondary ID Issue Date:	Secondary ID Expiration Date: 05/01/2026			



2W02-001390814046-03

Certificate of Authority

Each person who signs the "Certified/Agreed To" section of this Application certifies that:

A. The Customer's use of any Wells Fargo Bank, N.A. ("Bank") deposit account, product or service will confirm the Customer's receipt of, and agreement to be bound by, the Bank's applicable fee and information schedule and account agreement that includes the Arbitration Agreement under which any dispute between the Customer and the Bank relating to the Customer's use of any Bank deposit account, product or service will be decided in an arbitration proceeding before a neutral arbitrator as described in the Arbitration Agreement and not by a jury or court trial.

B. Each person who signs the "Certified/Agreed To" section of this Application or whose name, any applicable title and specimen signature appear in the "Authorized Signers - Signature Capture" section of this Application is authorized on such terms as the Bank may require to:

- (1) Enter into, modify, terminate and otherwise in any manner act with respect to accounts at the Bank and agreements with the Bank or its affiliates for accounts and/or services offered by the Bank or its affiliates (other than letters of credit or loan agreements);
- (2) Authorize (by signing or otherwise) the payment of Items from the Customer's account(s) listed on this Business Account Application (including without limitation any Item payable to (a) the individual order of the person who authorized the Item or (b) the Bank or any other person for the benefit of the person who authorized the Item) and the endorsement of Deposited Items for deposit, cashing or collection (see the Bank's applicable account agreement for the definitions of "Item" and "Deposited Item");
- (3) Give instructions to the Bank in writing (whether the instructions include the manual signature or a signature that purports to be the facsimile or other mechanical signature including a stamp of an Authorized Signer as the Customer's authorized signature without regard to when or by whom or by what means or in what ink color the signature may have been made or affixed), orally, by telephone or by any electronic means in regard to any Item and the transaction of any business relating to the Customer's account(s), agreements or services, and the Customer shall indemnify and hold the Bank harmless for acting in accordance with such instructions; and
- (4) Delegate the person's authority to another person(s) or revoke such delegation, in a separate signed writing delivered to the Bank.

C. If a code must be communicated to the Bank in order to authorize an Item, and the code is communicated, the Item will be binding on the Customer regardless of who communicated the code.

D. Each transaction described in this Certificate of Authority conducted by or on behalf of the Customer prior to delivery of this Certificate is in all respects ratified.

E. If the Customer is a tribal government or tribal government agency, the Customer waives sovereign immunity from suit with respect to the Customer's use of any Bank account, product or service referred to in this Certificate.

F. The information provided in this Application is correct and complete, each person who signs the "Certified/Agreed To" section of this Application and each person whose name appears in the "Authorized Signers-Signature Capture" section of this Application holds any position indicated, and the signature appearing opposite the person's name is authentic.

G. The Customer has approved this Certificate of Authority or granted each person who signs the "Certified/Agreed To" section of this Application the authority to do so on the Customer's behalf by:

- (1) resolution, agreement or other legally sufficient action of the governing body of the Customer, if the Customer is not a trust or a sole proprietor;
- (2) the signature of each of the Customer's trustee(s), if the Customer is a trust; or
- (3) the signature of the Customer, if the Customer is a sole proprietor.

Certified/Agreed To


Owner/Key Individual 1 Name

ANDREW E CHAPMAN

Position/Title:

Owner/Key Individual 1 Signature

ANDREW E CHAPMAN



Submit manually

Signature not required

Date:

02/13/2023



Request for Taxpayer Identification Number and Certification

(Substitute Form W-9)

Under penalties of perjury, I certify that:

- 1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- 2. UNLESS I HAVE CHECKED THE BOX BELOW, I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- 3. I am a U.S. citizen or other U.S. person; and
- 4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct. (This does not apply to accounts maintained in the United States.)

I am subject to backup withholding because the statement in 2(b) above does not apply.

Tax Responsible Customer Name:


WIZE MATE LLC

Taxpayer Identification Number (TIN):

[REDACTED]

Note: The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

TIN Certification Signature:

ANDREW E CHAPMAN


- Submit manually
- Signature not required

Date:
02/13/2023

Authorized Signers - Signature Capture

Authorized Signer 1 Name

ANDREW E CHAPMAN

Position/Title:

Authorized Signer 1 Signature

ANDREW E CHAPMAN


- Submit manually
- Signature not required

Date:
02/13/2023



2W02-001390814046-05

EXHIBIT C

ENTITY INFORMATION

ENTITY INFORMATION

Entity Name:

WIZE MATE LLC

Entity Number:

E25720012022-9

Entity Type:

Domestic Limited-Liability Company (86)

Entity Status:

Active

Formation Date:

08/26/2022

NV Business ID:

NV20222553432

Termination Date:

Perpetual

Annual Report Due Date:

8/31/2023

Series LLC:

Restricted LLC:

REGISTERED AGENT INFORMATION

Name of Individual or Legal Entity:

Registered Agent Solutions, Inc

Status:

Active

CRA Agent Entity Type:

Registered Agent Type:

Commercial Registered Agent

NV Business ID:

Office or Position:

Jurisdiction:

Street Address:

4625 West Nevso Drive, Suite 2, Las Vegas, NV, 89103, USA

Mailing Address:

Individual with Authority to Act:

Registered Agent Solutions, Inc.

Fictitious Website or Domain Name:

OFFICER INFORMATION

VIEW HISTORICAL DATA

Title	Name	Address	Last Updated	Status
Managing Member	Andrew Chapman	[REDACTED]	08/26/2022	Active

Page 1 of 1, records 1 to 1 of 1

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SULLIVAN HILL REZ & ENGEL
A Professional Law Corporation
James P. Hill, SBN 90478
Christopher V. Hawkins, SBN 222961
600 B Street, Suite 1700
San Diego, California 92101
Tel: (619) 233-4100
Fax: (619) 231-4372

Attorneys for Michael Dunn, Receiver

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

FEDERAL TRADE COMMISSION,

Plaintiff,

AUTOMATORS LLC, *et al.*

Defendants,

PEREGRINE WORLDWIDE, LLC,

Relief Defendant.

CASE NO. 23-cv-1444-BAS-KSC

CERTIFICATE OF SERVICE

Ctrm: 12B

Judge: Hon. Cynthia Bashant

IT IS HEREBY CERTIFIED THAT:

I, the undersigned, declare under penalty of perjury that I am over the age of eighteen years and not a party to this action. My business address is 600 B Street, Suite 1700, San Diego, California 92101. My electronic notification address is lgr@sullivanhill.com.

1 I am not a party to the above-entitled action. On August 23, 2023, I have caused
2 service of the following document(s):

3 • **RECEIVER’S VERIFIED INITIAL REPORT, RECOMMENDATIONS**
4 **AND PETITION FOR INSTRUCTIONS**

5 on the following parties by electronic service and/or by U.S. Mail to their respective
6 addresses and e-mail addresses as listed below:

7 8 9 10	Colleen Robbins Christopher E. Brown crobbins@ftc.gov cbrown3@ftc.gov <i>Federal Trade Commission</i>	
11 12 13 14 15 16	Michael Zweiback, Esq. Hannah Friedman, Esq. Zweiback, Fiset & Zalduendo LLP 315 W. 9th Street, Suite 1200 Los Angeles, California 90015 (213) 266.5170 Michael.Zweiback@zfzlaw.com hannah.friedman@zfzlaw.com <i>Counsel for Defendants Roman Cresto and John Cresto</i>	
17 18 19 20 21 22 23	Michael Dunn 66 West Flagler Street, Suite 400 Miami, Fl 33130 786-433-3866 Michael.dunn@dunnlawpa.com <i>Assignee on behalf of Defendants Empire Ecommerce LLC and Onyx Distribution LLC</i>	

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<p>Douglas E. Litvack Jenner & Block 1099 New York Avenue, NW, Suite 900 Washington, DC 20001-4412 (202) 637.6357 DLitvack@jenner.com</p> <p>Stradling Yocca Carlson & Rauth 660 Newport Center Drive, Suite 1600 Newport Beach, CA 92660</p> <p>Kathleen M. Marcus kmarcus@stradlinglaw.com Lisa M. Northrup lnorthrup@stradlinglaw.com Potter, Angela APotter@stradlinglaw.com Jason de Bretteville JdeBretteville@stradlinglaw.com</p> <p><i>Counsel for Defendants Pelenea Ventures LLC, Andrew Chapman and Relief Defendant, Peregrine Worldwide, LLC</i></p>	
<p>Eliot F. Krieger SKT Law, P.C. 7755 Center Avenue, Suite 1225 Huntington Beach, California 92647 O: (949) 523-3333 ekrieger@skt.law</p> <p><i>Counsel for Defendants Automators, LLC and Stryders, LLC</i></p>	

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

Executed on August 23, 2023.



Linda Gubba-Reiner