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**IN THE THIRD JUDICIAL DISTRICT COURT  
IN AND FOR SALT LAKE COUNTY, STATE OF UTAH**

THOMAS D. WILLIAMSON, individually and as Co-Trustee of the Thomas Williamson 101 Trust and the Sue Shreeve 101 Trust, SUE SHREEVE, individually and as the Co-Trustee of the Thomas Williamson 101 Trust and the Sue Shreeve 101 Trust, MICHAEL BRUNNER, individually and as the Trustee of the Patricia Brunner 101 Trust, GBW INVESTMENTS, INC., a California corporation, GEO INVESTMENTS, LLC, a Utah limited liability company, MEADOWBROOK, LLC, a Utah limited liability company, HIDDEN LAKE PROPERTY, LLC, a Utah limited liability company

Plaintiffs,

v.

R. TODD NEILSON, D RAY STRONG, BERKELEY RESEARCH GROUP, LLC, a foreign limited liability company, and DOES 1 through 50

**FINDINGS OF FACT AND  
CONCLUSIONS OF LAW FOR  
ORDER GRANTING PETITION  
TO APPOINT ANCILLARY  
RECEIVER AND GIVE EFFECT  
TO CALIFORNIA  
RECEIVERSHIP ORDER**

Case No. 180909358

The Honorable Keith Kelly

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R. TODD NEILSON, court-appointed receiver,

Intervenor.

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The matter before the Court is the *Petition to Appoint Ancillary Receiver and Give Effect to California Receivership Order* (the “Petition”) filed by Intervenor R. Todd Neilson, in his capacity as the court appointed receiver (the “Receiver”). The Court held a hearing on the Petition on January 11, 2019. Annette W. Jarvis and Peggy Hunt of Dorsey & Whitney LLP appeared on behalf of the petitioner-Receiver. Vernon C. Jolley of Jolley & Jolley appeared on behalf of the Plaintiffs. Matthew L. Lalli and Zaven A. Sargsian of Snell & Wilmer LLP appeared on behalf of the Defendants.

After considering the Petition, the record in this case, the representations and arguments made on the record, as well as the applicable law, the Court entered an *Order Granting Petition to Appoint Ancillary Receiver and Give Effect to California Receivership Order* on January 23, 2019, which incorporates the Court’s findings of fact and conclusions of law made herein. To the extent that any of the below findings of fact are conclusions of law or any of the below conclusions of law are findings of fact, they are adopted as such.

#### **FINDINGS OF FACT**

1. R. Todd Neilson (the “Receiver”) is the receiver appointed by the Superior Court of the State of California for the County of Los Angeles Probate Division (the “California Court”) in the lead case number 17STPB03682 (YC071983).
2. On July 26, 2018, the California Court entered an *Order Granting Plaintiffs’ Application for Order Appointing Receiver and for Preliminary Injunction* and

entered a subsequent *Order* on October 29, 2018, *Clarifying and Modifying Order Appointing Receiver and Preliminary Injunction* (the “Receivership Order”).

3. Pursuant to Paragraphs (1) and (2) of the Receivership Order, the Receiver is appointed as the temporary trustee of the Ruth Williamson 2011 Trust Dated August 11, 2011 and as the receiver for certain entities. Specifically, those two paragraphs provide that:

(1) R. Todd Neilson is hereby appointed pursuant to California Probate Code Section 16420 and California Code of Civil Procedure Section 564, as temporary trustee and receiver (“Receiver”) of the purported Ruth Williamson 2011 Trust Dated August 11, 2011 (the “Purported 2011 Trust”), and all real and personal property, including, but not limited to, securities, and bank accounts held in the name of the Purported 2011 Trust, In addition to the powers and authority set forth in this Paragraph (1) and Paragraphs (2) through (17) of this Order, the Receiver shall have the power to bring and defend actions in his own name as Receiver, keep and/or transfer possession of property of the Purported 2011 Trust, receive rents, collect debts, disburse trust funds, review and audit pending, completed and/or recently closed sales and/or transfers of real property and all such powers authorized by California Code of Civil Procedure §§ 568, 568.5;

(2) R. Todd Neilson is hereby appointed pursuant to Cal. Civ. Proc. Code Section 564 to oversee manage, monitor and audit the operations, finances and books and records of GBW Investments, Inc., GEO Investments LLC, Meadowbrook, LLC, Hidden Lake Property, LLC, Rolling Hills, LLC and South Willow Mobilehome, LLC (collectively, the “Entities”). In addition to the powers and authority set forth in this Paragraph (2) and Paragraphs (1) and (3) through (17) of this Order, the Receiver shall have the power to bring and defend actions in his own name as Receiver, keep and/or transfer possession of property of the Entities, receive rents, collect debts, disburse Entity funds, review pending contemplated and/or recently closed sales and/or transfers of real property and all such powers authorized by California Code of Civil Procedure §§568, 568.5;

4. Certain of the Entities are Utah companies.
5. Plaintiffs admit that the California Court had personal jurisdiction over all of the Entities, even the ones that are Utah companies.
6. The Receivership Order requires that Thomas Williamson and Mike Brunner, or any other officer, director, or manager of any of the Entities have no authority over the Entities or the Purported 2011 Trust.
7. Specifically, paragraph 5 of the Receivership Order states that:
  - (3) Thomas Williamson and any other officer, director or manager of any Entity including, without limitation, Mike Brunner on behalf of himself or as authorized representative of Patricia Brunner, shall have no authority over any real or personal property, held in the name of the Purported 2011 Trust and shall have no authority over the operations, finances and books and records of the Entities until further notice, and specifically, Mr. Williamson and any other officer, director or manager of any Entity shall have no authority to sell, transfer, mortgage, encumber, or dispose of any of the real property held in the name of the Purported 2011 Trust or owned by the Entities;

Despite this paragraph, the individual Plaintiffs herein caused this case to be filed by the Entities.

8. Furthermore, paragraph 8 of the Receivership Order states:
  - (8) Possession of Receivership Properties. The Receiver shall take possession, custody and control of the Purported 2011 Trust and the Entities, and all rights and properties thereunder including, without limitation, all related leases, rents, collateral, contracts, deposit accounts, real property, personal property, equipment, fixtures, general intangibles, instruments, intellectual property, inventory, investment property, letter-of-credit rights, liquid assets, receivables, records, causes of action, and all rents and proceeds from any of the foregoing, and all books, documents, papers and records relating to any of the foregoing, wherever located (collectively, the “Receivership Properties”). The assets of the Purported 2011 Trust are disputed. For purposes of this Order, and without prejudice to any party, the Receivership Properties include the assets of the George B. and Ruth Williamson Trust as

Amended and Restated April 19, 2005, (together with the Purported 2011 Trust, the “Williamson Trusts”). Nothing in the characterization of the Purported 2011 Trust or Williamson Trusts herein is binding in any litigation related to the creation, validity or extent of the Purported 2011 Trust.

9. Paragraph 9 of the Receivership Order also requires all persons with constructive notice of the Receivership Order to turn over all Receivership Property to the Receiver, stating:

(9) Turnover of Receivership Properties. All persons with actual or constructive notice of this Order, and their respective affiliates, officers, directors, managers, representatives, shareholders, members, employees, and agents are directed forthwith to turn over to the Receiver all of the Receivership Properties and any and all rights, things, properties and matters thereunder not specifically described in this Order, but which are reasonably necessary for the Receiver to perform his duties as described herein. Any portion of the Receivership Properties in any person’s possession that is not turned over to the Receiver, and over which the Receivers has no control, shall remain the obligation of that party and shall not become an obligation of the Receiver without further order of the Court. In the event that any person with actual or constructive notice of this Order fails to comply with this Order, the Receiver shall be entitled to file a motion to compel turn over and delivery with the Court. Unless the circumstances warrant otherwise, the Receiver shall provide written notice to the person of his intent to file such motion at least (3) days prior to filing the motion. In additions to Paragraphs (3) and (4) of this Order, all persons with actual or constructive notice of this Order must refrain from:

- (a) Committing or permitting any waste to the Receivership Properties or any act in violation of law with respect to the Receivership Properties;
- (b) Demanding, collecting, or in any other way diverting or using any of the proceeds or rents attributable to the Receivership Properties;
- (c) Interfering in any manner with the discharge of the Receiver’s duties under this Order;
- (d) Filing any petition or declaration of bankruptcy on

behalf of any of the Receivership Properties without prior approval from the Court;

(e) Selling, transferring, disposing, encumbering, or concealing the Receivership Properties, or any rights or property thereunder, without prior approval from the Court; and

(f) Doing any act that will impair the preservation of the Receivership Properties or claims of this Receivership Estate.

10. Plaintiffs admit that the California Court had personal jurisdiction over Thomas

Williamson, Mike Brunner, and Sue Shreeve.

11. Among other things, the Receivership Order requires the Receiver to do the

following:

(10) General Duties of Receiver. Subject to further orders of this Court, and without limiting Paragraphs (1) and (2) of this Order, the Receiver shall:

(a) Investigate the nature and extent of the Receivership Estate, including its assets and liabilities, and make written reports to the Notice Parties or the Court when deemed necessary by the Receiver or ordered by the Court;

(b) Administer, maintain, operate, manage, control and conduct the business of the Receivership Properties and incur the expenses necessary in such operation, management, control, and conduct in the ordinary and usual course of business, and do all things and incur the risks and obligations ordinarily incurred by owners, managers, and operators of similar properties and no such risks or obligations so incurred shall be the personal risk or obligation of the Receiver, but shall be a risk or obligation of the Receivership Estate;

. . .

(f) Perform a comprehensive review and audit of the Receivership Properties for the period of August 1, 2011, through the entry of the Receivership Order. . . .

12. All actions that Plaintiffs complain of in the Complaint are actions that the Receiver took pursuant to the Receivership Order.

13. The Receivership Order limits the liability of the Receiver and his Professionals and limits the lawsuits that may be brought against them. The following paragraphs of the Receivership Order limit liability:

(14) Actions Against Receiver. No person or entity shall file suit against the Receiver, or take other action against the Receiver, without an order of this Court permitting the suit or action; *provided, however*, no prior order of the Court is required to file a motion in this action to enforce the provisions of this Order or any other order of this Court in this action.

(15) General Provisions Related to Receiver.

(a) The Receiver, the Professionals and their agents (i) may rely on any and all outstanding Court orders, judgments, decrees and rules of law, and shall not be liable to anyone for their own good faith compliance with any such Order, judgment, decree or rule of law; (ii) may rely on, and shall be protected in any action upon, any resolution, certificate, statement, opinion, report, notice, consent, or other documents believed by them to be genuine and to have been signed or presented by the proper parties; (iii) shall not be liable to anyone for their good faith compliance with their duties and responsibilities as a Receiver, as attorneys, financial advisors or agents for the Receiver; (iv) shall not be liable to anyone for their acts or omissions, unless such acts or omissions were outside the scope of their duties or were grossly negligent or constitute malfeasance. Except for acts or omissions that were outside the scope of the duties of the Receiver, the Professionals or their agents, or that were grossly negligent or constitute malfeasance, persons dealing with the Receiver shall only look to the receivership assets and bond posted by the Receiver to satisfy any liability and neither the Receiver nor his Professionals or his agents shall have any personal liability to satisfy such obligations.

...

(c) The Receiver, the Professionals, and agents shall have no personal liability, and they shall have no claim asserted against them relating to the Receiver's duties under this Order without prior authority from this Court as stated in Paragraph 14 above. . . .

. . .

(f) . . . Except as my otherwise be set forth in this Order, the Receiver the Professionals and any agents retained by the Receiver shall have no liability as to any claim, actions, or causes of action of any third parties who have or would have claims against the owner, lessee, operator, or manager of the Receivership Properties or the business of Receivership Properties; *provided, however*, the Receiver may be liable for (i) the Receiver's own negligence or misconduct that is intentional or willful; and (ii) material actions taken by the Receiver that are not authorized by the terms of this Order.

14. No party sought permission from the California Court to file a suit against the Receiver or his Professionals in either their individual or official capacities and the California Court did not grant any party such permission.
15. The Receiver filed a *Motion to Intervene* in this case on December 31, 2018, seeking leave to intervene for the purpose of filing the Petition. On January 10, 2019, after a hearing, the Court entered an *Order Granting Receiver's Motion to Intervene*, granting the Receiver leave to intervene.
16. Immediately upon being granted leave to intervene, the Receiver filed the Petition, seeking to be appointed as an ancillary receiver in this State pursuant to Utah Code Ann. § 78B-21-124. The Petition was supported by the *Declaration of R. Todd Neilson as Temporary Trustee and Receiver*, stating under penalty of perjury that he is not disqualified to serve as a receiver under Utah Code Ann. §



78B-21-107.

### CONCLUSIONS OF LAW

1. The Petition is governed by Utah Code Ann. § 78B-21-124.
2. Section 78B-21-124(1) provides that:

The court may appoint a receiver appointed in another state, or that person's nominee, as an ancillary receiver with respect to property located in this state or subject to the jurisdiction of the court for which a receiver could be appointed under this chapter, if:

  - (a) the person or nominee would be eligible to serve as receiver under Section 78B-21-107; and
  - (b) the appointment furthers the person's possession, custody, control, or disposition of property subject to the receivership in the other state.
3. Under Utah Code Ann. § 78B-21-124(2), “[t]he court may issue an order that gives effect to an order entered in another state appointing or directing a receiver.”
4. The parties do not dispute, and the Court agrees, that the appointment of the Receiver as an ancillary receiver in this State would further the Receiver's possession, custody, control, or disposition of property subject to the Receivership Order.
5. To be eligible to serve as a receiver under Section 78B-21-107, made applicable under Section 78B-21-124(1), the proposed receiver must submit a statement under penalty of perjury that the person is not disqualified.
6. The Receiver has submitted the statement required under Utah Code Ann. § 78B-

21-107(1) stating under penalty of perjury that he is not disqualified.

7. Under Utah Code Ann. § 78B-21-107(2), a person is disqualified from appointment as a receiver if the person:
  - (a) is an affiliate of a party;
  - (b) has an interest materially adverse to an interest of a party;
  - (c) has a material financial interest in the outcome of the action, other than the compensation the court may allow the receiver;
  - (d) has a debtor-creditor relationship with a party; or
  - (e) holds an equity interest in a party, other than a noncontrolling interest in a publicly traded company.
8. The Receiver is not disqualified under any subsection of Utah Code Ann. § 78B-21-107(2).
9. Specifically, no one disputes that subsections (a), (d) and (e) of Section 78B-21-107(2) do not cause the Receiver to be disqualified. Furthermore, the Receiver does not have an interest materially adverse to an interest of a party and does not have a material financial interest in the outcome of the action, other than the compensation the court may allow him, and therefore, subsections (b) and (c) of Section 78B-21-107(2) also do not cause the Receiver to be disqualified.
10. A party cannot manufacture a conflict of interest that would prevent the appointment of a receiver as an ancillary receiver by complaining of acts that receiver took in carrying out another court's receivership order. If such actions were to create a conflict of interest, as a practical matter, it is likely that no ancillary receiver would ever be appointed because parties who are dispossessed of assets because of the receivership would always have complaints against the

receiver taking control of their assets or property.

11. Because the California Court had personal jurisdiction over the Entities, it had the authority to order the Receiver to take actions regarding the Entities and the Entities' property, even the Entities that are Utah Companies and own property in Utah.
12. Similarly, because the California Court had personal jurisdiction over the Plaintiffs in this case, it had the authority to order Plaintiffs to take, or cease to take, certain actions.
13. All of the claims in Complaint are for actions that the Receiver took pursuant to the Receivership Order. There is no evidence that the Receiver's actions exceeded the scope of the Receivership Order.
14. Under paragraphs 14 and 15 of the Receivership Order, the parties that were subject to the jurisdiction of the California Court are prohibited from filing suits against the Receiver and his Professionals, in their individual or official capacities, unless they first obtain permission from the California Court.
15. No party has obtained permission from the California Court to maintain such a suit.
16. A party cannot file a lawsuit against a receiver in violation of a receivership order and create a conflict of interest that would bar a receiver from being appointed as an ancillary receiver in this State.
17. For these reasons, the Receiver is not disqualified from being appointed as an ancillary receiver in this State under Utah Code Ann. § 78B-21-107(2).

18. The Court determines that an evidentiary hearing is not necessary to determine whether the Receiver should be appointed as an ancillary receiver in this State.
19. The Court concludes that the Petition should be granted pursuant to Section 78B-21-124, and that the Receiver should be appointed as an ancillary receiver in this State. As such, the California Court's Receivership Order shall apply in this State, and the Receiver may take all actions permitted under the Receivership Order in this State.

**Executed and entered by the Court as indicated by the  
stamp and seal at the top of the first page of this pleading.**

*Approved as to form:*

These proposed findings of fact and conclusions of law were circulated to Mr. Jolley and Mr. Dudley on January 25, 2019. Neither Mr. Jolley nor Mr. Dudley responded as to whether they objected or approved as to form.

**JOLLEY & JOLLEY**

/s/  
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Timothy Clark Dudley  
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**SNELL & WILMER LLP**

/s/ Matthew L. Lalli  
*(signed electronically by Sarah Goldberg with permission from Matthew L. Lalli)*  
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