

1 3370
2 Jerry C. Carter (NSB 5905)
3 LAW OFFICES OF JERRY CARTER, P.C.
4 201 West Liberty Street, Suite 200
5 Reno, Nevada 89501
6 Telephone: (775) 448-6070
7 Facsimile: (888) 506-9058

8 Michael D. Smith, Esq. (IL Bar 6210109) (pro hac vice)
9 LAW OFFICE OF MICHAEL D. SMITH, P.C.
10 53 W Jackson Blvd, Suite 1663
11 Chicago, IL 60604
12 (312) 546-6138

13 *Counsel for Petitioners*

14 IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
15 IN AND FOR THE COUNTY OF WASHOE

16 C. GEOFFREY HAMPSON; CHRISTOPHER
17 HAMPSON; and HAMPSON EQUITIES,
18 LTD., a Canadian corporation,

Case No. CV12-02476

19 Petitioners

Dept. No. B6

20 vs.

21 LIVE CURRENT MEDIA INC., a Nevada
22 corporation,

23 Respondent
24 _____/

25 **ORDER APPOINTING RECEIVER**

26 This matter comes before the Court on Petitioners' Motion for Appointment of Receiver
27 Pursuant to Arbitration Award (the "Motion"). The Court has read and considered the moving
28 and opposing papers and exhibits thereto. In addition, the Court has heard any oral argument
and testimony that it considers necessary for the disposition of the motion.

The Court finds that Petitioners have demonstrated good cause for the appointment of a
receiver for LCM pursuant to the June 4, 2014 Final Award rendered by Arbitrator Hon.
Lawrence R. Leavitt (Ret.).

The Court also finds that Petitioners have submitted the credentials of a candidate to be

1 appointed as Receiver of all of the assets, properties, books and records, and other items of LCM
2 and have advised the Court that this candidate is prepared to assume this responsibility if so
3 ordered by the Court.

4 Good cause appearing, the Court therefore grants the Motion and orders that the June 4,
5 2014 Final Award rendered by Arbitrator Hon. Lawrence R. Leavitt (Ret.) is confirmed by
6 agreement of the parties.

7 IT IS FURTHER ORDERED, adjudged, and decreed that James S. Proctor, CPA, CFE,
8 CVA, CFF is hereby appointed the Receiver for LCM and its subsidiaries, successors and
9 assigns, and is hereby authorized, empowered, and directed to:

10 1. Take immediate possession of all LCM property, assets and estate, and all other
11 property of LCM of every kind whatsoever and wheresoever located belonging to or in the
12 possession of LCM, including but not limited to: (a) evidences of debt, bank accounts, savings
13 accounts, certificates of deposit, stocks, bonds, debentures and other securities, accounts
14 receivable, rents; (b) all offices maintained by LCM, all real property of LCM wherever situated,
15 all fixtures, and equipment; (c) any and all intellectual property, including without limitation,
16 internet domain names and domain rights, URLs, registrations, permits, licenses, and other
17 contracts and any and all other intangible property; (d) all books, records, papers, data processing
18 records, electronic records including but not limited to username passwords and licenses,
19 accounts, documents, record keeping protocols, filing systems, information sources, algorithms,
20 proprietary information and processes, including all media, computers, servers, computer
21 systems, computer memory, or other electronic medium containing the foregoing; (e) all
22 inventory, furniture, fixtures, office supplies and equipment, and all other tangible property; (f)
23 cash, bank accounts and any other account at any institution, wherever located; and (g) rights
24 of action, causes of action, claims against third parties, royalty income, license fees or other fees,
25 leases, rents, dividends or other income, and mortgages; (collectively, the assets described in 1(a)
26 through 1(g) are referred to herein as the "Property");
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1 2. Hold, administer, and distribute the Property as is required in order to comply
2 with the directions contained in this Order and any future Order of this Court; and to use all
3 licensing numbers, taxpayer identification numbers or similar governmental or tax identifying
4 numbers, codes or references;

5 3. Present to the Court within 60 days a report reflecting the existence and value of
6 the assets of LCM and the extent of LCM's liabilities and, in said report, make recommendations
7 to the Court as to whether LCM should be dissolved or whether the interests of LCM's
8 shareholders would be better served in some other manner.

9 4. Investigate and, upon prior Court approval, institute such actions and legal
10 proceedings, for the benefit and on behalf of LCM and its shareholders and other creditors, as
11 the Receiver deems necessary against those individuals, corporations, partnerships, associations
12 and/or unincorporated organizations, which the Receiver may claim have wrongfully, illegally or
13 otherwise improperly misappropriated or transferred monies or other proceeds directly or
14 indirectly traceable from LCM, including against LCM's officers, directors, employees, affiliates,
15 subsidiaries or any persons acting in concert or participation with them, or against any
16 transferees of monies or other proceeds directly or indirectly traceable from LCM; and such
17 actions may include, but not be limited to, seeking imposition of constructive trusts,
18 disgorgement of profits, recovery and/or avoidance of fraudulent transfers, rescission and
19 restitution, the collection of debts, and such orders from this Court as may be necessary to
20 enforce this Order;

21 4(a) The Receiver is an officer and master of the Court and is entitled to effectuate the
22 Receiver's duties conferred by this Order, including the authority to communicate ex parte on
23 the record with the Court when in the opinion of the Receiver, emergency judicial action is
24 necessary in the best interest of LCM
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26 5. Present to this Court periodic reports reflecting the existence and value of the
27 assets of LCM and of the extent of liabilities, both those claimed to exist by others and those
28 which the Receiver believes to be legal obligations of LCM;

1 6. Appoint one or more special agents, employ legal counsel, accountants, claims
2 administrators, clerks, consultants and assistants as the Receiver deems necessary and to fix and
3 pay their reasonable compensation and reasonable expenses, as well as all reasonable expenses of
4 taking possession LCM's assets and business, and exercising the power granted by this Order,
5 and approval by this Court at the time the Receiver accounts to the Court for such expenditures
6 and compensation;

7 7. Engage persons in the Receiver's discretion to assist the Receiver in carrying out
8 the Receiver's duties and responsibilities, including, but not limited to, stock transfer agents, law
9 enforcement personnel and / or a private security firm;

10 8. Defend, compromise, enter pleas, or settle legal actions, including the instant
11 proceeding, in which LCM or the Receiver is a party, commenced either prior to or subsequent
12 to this Order. The Receiver's compromise or settlement of contested claims shall be subject to
13 approval or confirmation of the Court and the procedure specified in Paragraph 4(a) may be
14 utilized. The Receiver may waive any attorney-client or other privilege held by LCM;

15 9. Assume control of, and be named as authorized signatory for, all accounts at any
16 bank, brokerage firm, escrow agent, or financial institution which has possession, custody or
17 control of any assets or funds, wherever situated, of LCM and any of its subsidiaries or affiliates,
18 including the right to open, transfer and close accounts, conduct transfers, conduct wire transfers
19 and conduct electronic commerce;

20 10. Make or authorize such payments and disbursements from the funds and assets
21 taken into control, or thereafter received by the Receiver, and incur, or authorize the incurrence
22 of, such expenses and make, or authorize the making of, such agreements as may be reasonable,
23 necessary and advisable in discharging the Receiver's duties;

24 11. Have access to and review all mail of LCM (except for mail that appears on its
25 face to be purely personal or subject to the attorney-client privilege of a person or entity other
26 than LCM) received at any office, post office box or email address of any officer, director or
27 employee of LCM. All mail that is opened by the Receiver that, upon inspection, is determined
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1 by the Receiver to be personal or attorney-client privileged, shall be promptly delivered to the
2 addressee and the Receiver shall not retain any copy.

3 IT IS FURTHER ORDERED that, in connection with the appointment of the Receiver
4 provided for above:

5 12. LCM and all of its directors, officers, agents, employees, attorneys, attorneys-in-
6 fact, attorneys at law, shareholders, and other persons who are in custody, possession, or control
7 of the Property, including without limitation any assets, books, records, or other property of
8 LCM shall immediately and forthwith deliver such Property, monies, books and records to the
9 Receiver, including username passwords and licenses, and shall immediately and forthwith grant
10 to the Receiver authorization to be a signatory as to all accounts at banks, brokerage firms or
11 financial institutions which have possession, custody or control of any assets or funds in the
12 name of or for the benefit of LCM, including execution of any and all documents necessary to
13 effectuate this directive;

14 13. All banks, brokerage firms, financial institutions, and other business entities which
15 have possession, custody or control of any assets, funds or accounts in the name of, or for the
16 benefit of, LCM shall cooperate expeditiously in the granting of control over the same and
17 authorization as a necessary signatory as to said assets and accounts to the Receiver; and
18 government and/or taxing authorities shall cooperate with and disclose and response to inquiries
19 of the Receiver, including providing copies of tax returns, correspondence, files, notices, reports
20 maintained by such government or agency;

21 14. Unless authorized by the Receiver, LCM and its officers, employees, agents, board
22 of directors and/or principals shall take no action, nor purport to take any action, in the name of
23 or on behalf of LCM;

24 15. LCM and its officers, employees, board of directors and/or principals, and their
25 respective officers, agents, employees, attorneys, and attorneys-in-fact, shall cooperate with and
26 assist the Receiver, including, if deemed necessary by the Receiver, appear for deposition
27 testimony and produce documents upon reasonable notice (by email or facsimile). LCM and its
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1 board of directors and/or principals, officers, agents, employees, attorneys, and attorneys-in-fact
2 or at law shall take no action, directly or indirectly, to hinder, obstruct, or otherwise interfere
3 with the Receiver in the conduct of the Receiver's duties or to interfere in any manner, directly
4 or indirectly, with the custody, possession, management, or control by the Receiver of the
5 Property, funds, assets, premises, and choses in action described above;

6 **Retention of Professionals**

7 16. The Receiver, or any attorney, accountant, consultant, agent or other professional
8 being engaged by the Receiver pursuant to the provisions of the Receivership Order (a
9 "Professional") shall file with the Court a notice indicating the Receiver's intent to retain a
10 Professional (a "Notice of Intention to Retain Professional"). The Notice of Intention to Retain
11 Professional shall identify the name of the professional firm, the individual(s) who will render
12 professional services, the scope of terms of the retention of such Professional, the effective date
13 of the retention, and the proposed hourly rates to be charged by such Professional. Any material
14 additional engagement terms shall be disclosed or attached to the Notice of Intention to Retain
15 Professional along with an affidavit of the Professional stating that the Professional does not
16 hold or represent any interest adverse to the Receivership Estate and is a disinterested person.

17 17. The Receiver may retain a Professional on a limited basis for a special purpose that
18 has represented LCM prior to the Receiver's appointment if such Professional does not
19 represent or hold any interest adverse to the Receiver or the Receivership Estate with respect to
20 the matter on which such Professional is to be employed.

21 18. If no objection to a Notice of Intention to Retain Professional is timely filed
22 within ten (10) days, then the engagement proposed in the Notice of Intention to Retain
23 Professional shall be deemed approved by the Court in all respects without further order.

24 **Compensation of Professionals**

25 19. The Receiver, and any Professional whom the Receiver may select, are entitled to
26 reasonable compensation from the assets now held by or in the possession or control of or
27 which may be received by LCM; said amount or amounts of compensation shall be
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1 commensurate with their duties and obligations under the circumstances, subject to approval by
2 the Court;

3 **Applications for Compensation of Professionals**

4 20. Any Professional or the Receiver, on its own behalf or on behalf of any
5 Professional, may file a Request for Interim Compensation or a Notice of Intention to Pay
6 Interim Compensation (both a "Notice of Compensation"). All Notices of Compensation shall
7 set forth the amount of fees and costs requested; a summary of prior Notices of Compensation
8 reflecting the amount of fees previously requested, awarded and paid; and a brief summary of the
9 services rendered during the relevant period. All Notices of Compensation shall have attached as
10 an exhibit a schedule broken down into categories pre-determined by the Receiver showing the
11 amount of fees and costs requested in each category, including a list of the billing persons, the
12 hourly rates and amount of time spent in each category. All objections must be filed and served
13 within ten (10) days of the Application. No compensation will be paid by the Receiver before
14 twenty (20) days of service of a Notice of Compensation to ensure that even if no party in
15 interest objects within ten (10) days of service, the Court will have an additional ten (10) days to
16 consider the Notice of Compensation and, if the Court deems necessary, schedule a hearing on
17 the Notice of Compensation. Within ten (10) days of the expiration of the time to file an
18 objection, the Court shall either: (i) issue an order allowing in full, allowing in part, or disallowing
19 the requested compensation; or (ii) set the Notice of Compensation for hearing on a date the
20 Court deems appropriate. If the Court does not enter an order on an unopposed Notice of
21 Compensation or set an unopposed Notice for hearing, within the period prescribed herein then
22 the compensation requested in the unopposed Notice of Compensation shall be deemed allowed
23 as requested, without further order of the Court.
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25 21. During the period of this receivership, all persons, including creditors, banks,
26 investors, or others, with actual notice of this Order, are enjoined from in any way exercising
27 control over or disturbing the Property, the assets or proceeds of the receivership or from
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1 prosecuting any actions or proceedings which involve the Receiver or which affect the Property
2 of LCM;

3 22. The Receiver is fully authorized to proceed with any filing the Receiver may deem
4 appropriate under the Bankruptcy Code as to LCM;

5 **Injunction against Other Proceedings**

6 23. The Court hereby enjoins any party, person or entity (excluding the Receiver
7 and/or any governmental entity or law enforcement agency) with notice of this Order from
8 initiating, maintaining, or in any way prosecuting in any other court any proceeding, suit, or
9 action against LCM. Additionally, the Court hereby enjoins any party (excluding the Receiver
10 and/or any governmental entity or law enforcement agency, and any party with the express
11 written consent of the Receiver or this Court) with notice of this Order from initiating,
12 maintaining, or in any way prosecuting in any court any proceeding, suit or action that may
13 diminish or usurp the Property of LCM, property of the Receiver or the Receivership Entity's
14 estate, including, but not limited to, causes of action that the Receiver may have standing to
15 bring or that may belong to the Receiver, or that may belong to any shareholders or any class or
16 group of shareholders against the Receivership Entity's former principals, professionals or
17 against other third parties. Unless otherwise expressly authorized by the Receiver or the Court,
18 such proceedings, suits, and actions must be brought in the form of a proceeding ancillary to this
19 Proceeding pursuant to this Order. The Receiver may provide effective notice of this injunction
20 contained in this Order by publication as provided for in the Nevada Rules of Civil Procedure,
21 or by filing notice of this Order in any such proceedings, suits and actions brought prior to the
22 entry of this Order.
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24 24. Title to all Property of LCM, including without limitation property, real or
25 personal, all contracts, rights of action and all books and records of LCM and its principals and
26 subsidiaries, wherever located within or without this state and by whomever held is hereby
27 vested by operation of law in the Receiver;
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1 25. Upon request by the Receiver, any company providing telephone services to LCM,
2 its officers, employees, board of directors or agents, shall provide a reference of calls from the
3 number presently assigned to LCM to any such number designated by the Receiver or perform
4 any other changes necessary to the conduct of the receivership;

5 26. Any entity furnishing water, electric, telephone, sewage, storage, garbage or trash
6 removal services to LCM shall maintain such service and transfer any such accounts to the
7 Receiver unless instructed to the contrary by the Receiver;

8 27. The United States Postal Service is directed to provide any information requested
9 by the Receiver regarding LCM and to handle future deliveries of the mail of LCM as directed by
10 the Receiver;

11 28. No bank, savings and loan association, other financial institution, or any other
12 person or entity shall exercise any form of set-off, alleged set-off, lien, or any form of self-help
13 whatsoever, or refuse to transfer any funds or assets to the Receiver's control without the
14 permission of this Court;

15 29. No bond shall be required in connection with the appointment of the Receiver;
16 however, the Receiver is permitted, at his discretion, to use Receivership Assets to obtain a bond
17 should he so chose. Except for an act of gross negligence, the Receiver shall not be liable for any
18 loss or damage incurred by LCM or by the Receiver's officers, agents or employees, or any other
19 person, by reason of any act performed or omitted to be performed by the Receiver in
20 connection with the discharge of the Receiver's duties and responsibilities;

21 30. Service of this Order shall be sufficient if made upon LCM and its principals by
22 email, facsimile, or overnight courier, or by publication as provided for in the Nevada Rules of
23 Civil Procedure;

24 31. In the event that the Receiver discovers that funds of LCM have been improperly
25 transferred to other persons or entities, the Receiver shall apply to this Court for an Order giving
26 the Receiver possession of such funds and requiring turnover thereof and, if the Receiver deems
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1 it advisable, extending this receivership over any person or entity holding such Receivership
2 Entity funds;

3 32. Immediately upon entry of this Order, the Receiver may take depositions upon
4 oral examination of, and obtain the production documents from, parties and non-parties subject
5 to reasonable notice. In addition, immediately upon entry of this Order, the Receiver shall be
6 entitled to serve interrogatories, requests for the production of documents and requests for
7 admissions. The parties shall promptly respond to such discovery requests. Service of discovery
8 requests shall be sufficient if made upon the parties by email, facsimile, or overnight courier.
9 Depositions may be taken by telephone or other remote electronic means.

10 33. The Receiver may conduct, or retain third parties to conduct, mediations and
11 settlement conferences to resolve contested claims.

12 34. This Court shall retain jurisdiction of this matter for all purposes.

13 IT IS FURTHER ORDERED that a hearing on the Receiver's initial accounting and
14 report and recommendation regarding the continued viability or dissolution of LCM shall take
15 place on the 17th day of September, 2014, at 1:30 p.m.

16 DATED this 4th day of June, 2014.

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20 _____
21 DISTRICT JUDGE
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