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

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

JUSTIN ROBERT KING; AND
ELEVATE INVESTMENTS LLC,

Defendants,

SHANNON LEIGH KING,

Relief Defendant.

Case No. SACV 20-02398 JVS (DFMx)

**PRELIMINARY INJUNCTION AND
APPOINTMENT OF A PERMANENT
RECEIVER**

1 This matter came before the Court upon the Motion of Plaintiff Securities and
2 Exchange Commission (“SEC”) for a Preliminary Injunction Orders Freezing Assets;
3 Appointing a Permanent Receiver.

4 On December 28, 2020, this Court granted the SEC’s application for a
5 temporary restraining order (“TRO”) and set the matter for a hearing on the request
6 for preliminary injunctive relief. The Court held that hearing today, and based on the
7 arguments of counsel and the papers filed in support of the Motion the Court makes
8 the following findings:

- 9 A. This Court has jurisdiction over the parties to, and the subject matter of,
10 this action.
- 11 B. The SEC has made a sufficient and proper showing in support of the
12 relief granted herein, as required by Section 20(b) of the Securities Act
13 of 1933 (“Securities Act”) (15 U.S.C. s 77t(b)), Section 21(d) of the
14 Securities Exchange Act of 1934 (“Exchange Act”) (15 U.S.C. §
15 78u(b)), and Section 209(d) of the Investment Advisers Act of 1940
16 (“Advisers Act”) (15 U.S.C. §§ 80b-9(d)), by evidence establishing a
17 *prima facie* case and reasonable likelihood that Justin Robert King
18 (“King”) and Elevate Investments LLC (“Elevate”) engaged in, are
19 engaging in, are about to engage in, and will continue to engage in
20 unless restrained transactions, acts, practices and courses of business that
21 constitute violations of Section 17(a) of the Securities Act, 15 U.S.C.
22 § 77q(a); Section 10(b) of the Securities Exchange Act, 15 U.S.C. §
23 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5; and Section
24 206(4) of the Advisers Act, 15 U.S.C. §§ 80b-6(4) and Rule 206(4)-8, 17
25 C.F.R. § 275.206(4)-8(a).
- 26 C. Good cause exists to warrant the appointment of a permanent receiver
27 over Elevate and its subsidiaries and affiliates.
- 28 D. Good cause exists to believe that, unless restrained and enjoined by

1 order of this Court, Defendants King and Elevate and Relief Defendant
 2 Shannon Leigh King (“S. King”) will dissipate, conceal, or transfer
 3 assets which could be the subject to an order directing disgorgement or
 4 the payment of civil money penalties in this action. It is appropriate for
 5 the Court to issue this Preliminary Injunction so that prompt service on
 6 appropriate financial institutions can be made, thus preventing the
 7 dissipation of assets.

8 **I.**

9 IT IS HEREBY ORDERED that the SEC’s Motion is GRANTED.

10 **II.**

11 IT IS FURTHER ORDERED that Defendants King and Elevate and their
 12 officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those
 13 persons in active concert or participation with any of them, who receive actual notice
 14 of this Order, by personal service or otherwise, and each of them, be and hereby are
 15 preliminarily restrained and enjoined from, directly or indirectly, in the offer or sale
 16 of any securities, by the use of any means or instruments of transportation or
 17 communication in interstate commerce or by the use of the mails:

- 18 A. employing any device, scheme or artifice to defraud;
 - 19 B. obtaining money or property by means of any untrue statement of a
 20 material fact or any omission to state a material fact necessary in order to
 21 make the statements made, in light of the circumstances under which
 22 they were made, not misleading; or
 - 23 C. engaging in any transaction, practice, or course of business which
 24 operates or would operate as a fraud or deceit upon the purchaser;
- 25 in violation of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

26 IT IS FURTHER ORDERED that, as provided in Federal Rule of Civil
 27 Procedure 65(d)(2), the foregoing paragraph also binds the following who receive
 28 actual notice of this Order by personal service or otherwise: (a) Defendants’ officers,

agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with any of the Defendants or with anyone described in (a).

III.

IT IS FURTHER ORDERED that Defendants King and Elevate, and their officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons in active concert or participation with any of them, who receive actual notice of this Order, by personal service or otherwise, and each of them, be and hereby are preliminarily restrained and enjoined from, directly or indirectly, in connection with the purchase or sale of any security, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange:

A. employing any device, scheme or artifice to defraud;

B. making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or

C. engaging in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person;

in violation of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

IT IS FURTHER ORDERED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Order by personal service or otherwise: (a) Defendants' officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with any of the Defendants or with anyone described in (a).

IV.

IT IS FURTHER ORDERED that Defendants King and Elevate, and their officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons in active concert or participation with any of them, who receive actual notice

1 of this Order, by personal service or otherwise, and each of them, be and hereby are
2 preliminarily restrained and enjoined from directly or indirectly, by the use of the
3 mails or any means or instrumentality of interstate commerce, while acting as an
4 investment adviser to a pooled investment vehicle:

5 A. making any untrue statement of a material fact or omitting to state a
6 material fact necessary to make the statements made, in the light of the
7 circumstances under which they were made, not misleading, to any
8 investor or prospective investor in a pooled investment vehicle;

9 B. engaging in any act, practice, or course of business that is fraudulent,
10 deceptive, or manipulative with respect to any investor or prospective
11 investor in a pooled investment vehicle;

12 in violation of Section 206(4) of the Advisers Act, 15 U.S.C. § 80b-6(4), and
13 Rule 206(4)-8 thereunder, 17 C.F.R. § 275.206(4)-8.

14 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
15 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
16 binds the following who receive actual notice of this Final Judgment by personal
17 service or otherwise: (a) Defendants' officers, agents, servants, employees, and
18 attorneys; and (b) other persons in active concert or participation with Defendants or
19 with anyone described in (a).

20 **V.**

21 IT IS FURTHER ORDERED that, except as otherwise ordered by this Court,
22 Defendants King and Elevate and Relief Defendant S. King, and their officers,
23 agents, servants, employees, attorneys, subsidiaries and affiliate, and those persons in
24 active concert with them, who receive actual notice of this Order, by personal service
25 or otherwise, and each of them, be and hereby are preliminarily restrained and
26 enjoined from, directly or indirectly, transferring, assigning, selling, hypothecating,
27 changing, wasting, dissipating, converting, concealing, encumbering, or otherwise
28 disposing of, in any manner, any funds, assets, securities, claims or other real or

personal property, including any notes or deeds of trust or other interest in real property, wherever located, of any one of the Defendants or Relief Defendant, or their subsidiaries or affiliates, owned by, controlled by, managed by or in the possession or custody of any of them and from transferring, encumbering dissipating, incurring charges or cash advances on any debit or credit card of the credit arrangement of any one of the Defendants or Relief Defendant, or their subsidiaries and affiliates.

VI.

IT IS FURTHER ORDERED that, except as otherwise ordered by this Court, a freeze shall continue on all monies and assets (with an allowance for necessary and reasonable living expenses to be granted only upon good cause shown by application to the Court with notice to and an opportunity for the SEC to be heard) in all accounts at any bank, financial institution or brokerage firm, or third-party payment processor, all certificates of deposit, and other funds or assets, held in the name of, for the benefit of, or over which account authority is held by Defendants and Relief Defendant, including but not limited to the accounts listed below:

BROKERAGE/ BANK NAME	ACCOUNT NAME	ACCOUNT NO.
Charles Schwab & Co.	Elevate Investments	xxxx-6211
Charles Schwab & Co.	Justin Robert King	xxxx-5708
Charles Schwab & Co.	Shannon King	xxxx-4019
JPMorgan Chase Bank	Elevate Investments LLC	xxxx8157
JPMorgan Chase Bank	Area Auto Glass LLC	xxxx8687
JPMorgan Chase Bank	Shannon King and/or Justin King	xxxx8635
JP Morgan Chase Bank	Arizona Investment Kings	xxxx3592
Comerica Bank	Justin and Shannon King	xxxx1361

Any bank, financial institution or brokerage firm, or third-party payment

1 processor holding such monies and assets described above shall hold and retain
2 within their control and prohibit the withdrawal, removal, transfer or other disposal of
3 any such funds or other assets except as otherwise ordered by this Court.

4 **VII.**

5 IT IS FURTHER ORDERED that any person who receives actual notice of this
6 Order by personal service or otherwise, and who holds, possesses or controls assets
7 exceeding \$5,000 for the account or benefit of any one of the Defendants or Relief
8 Defendant, shall within 5 days of receiving actual notice of this Order provide
9 counsel for the SEC with a written statement identifying all such assets, the value of
10 such assets, or best approximation thereof, and any account numbers or account
11 names in which the assets are held.

12 **VIII.**

13 IT IS FURTHER ORDERED that, except as otherwise ordered by this Court,
14 each of the Defendants King and Elevate and Relief Defendant S. King, and their
15 officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those
16 persons in active concert or participation with any of them, who receive actual notice
17 of this Order, by personal service or otherwise, and each of them, be and hereby are
18 preliminarily restrained and enjoined from, directly or indirectly: destroying,
19 mutilating, concealing, transferring, altering, or otherwise disposing of, in any
20 manner, any documents, which includes all books, records, computer programs,
21 computer files, computer printouts, contracts, emails, correspondence, memoranda,
22 brochures, or any other documents of any kind in their possession, custody or control,
23 however created, produced, or stored (manually, mechanically, electronically, or
24 otherwise), pertaining in any manner to Defendants King or Elevate or Relief
25 Defendant S. King.

26 **IX.**

27 IT IS FURTHER ORDERED that Jeff Brandlin is appointed as permanent
28 receiver of Defendant Elevate and its subsidiaries and affiliates, with full powers of

1 an equity receiver, including, but not limited to, full power over all funds, assets,
2 collateral, premises (whether owned, leased, occupied, or otherwise controlled),
3 choses in action, books, records, papers and other property belonging to, being
4 managed by or in the possession of or control of Defendant Elevate, and that such
5 receiver is immediately authorized, empowered and directed:

6 A. to have access to and to collect and take custody, control, possession,
7 and charge of all funds, assets, collateral, premises (whether owned,
8 leased, pledged as collateral, occupied, or otherwise controlled), choses
9 in action, books, records, papers and other real or personal property,
10 wherever located, of or managed by Defendant Elevate and its
11 subsidiaries and affiliates (collectively, the “Assets”), with full power to
12 sue, foreclose, marshal, collect, receive, and take into possession all such
13 Assets (including access to and taking custody, control, and possession
14 of all such Assets);

15 B. to assume full control of Defendant Elevate and its subsidiaries and
16 affiliates by removing, as the receiver deems necessary or advisable, any
17 director, officer, attorney, independent contractor, employee, or agent of
18 Defendant Elevate and its subsidiaries and affiliates, and any named
19 Defendant or Relief Defendant, from control of, management of, or
20 participation in, the affairs of Defendant Elevate and its subsidiaries and
21 affiliates;

22 C. to have control of, and to be added as the sole authorized signatory for,
23 all accounts of the entities in receivership, including all accounts at any
24 bank, title company, escrow agent, financial institution or brokerage firm
25 (including any futures commission merchant) which has possession,
26 custody or control of any Assets, or which maintains accounts over
27 which Defendant Elevate and its subsidiaries and affiliates, and/or any of
28 its employees or agents have signatory authority;

- 1 D. to conduct such investigation and discovery as may be necessary to
2 locate and account for all of the assets of or managed by Defendant
3 Elevate and its subsidiaries and affiliates, and to engage and employ
4 attorneys, accountants and other persons to assist in such investigation
5 and discovery;
- 6 E. to take such action as is necessary and appropriate to preserve and take
7 control of and to prevent the dissipation, concealment, or disposition of
8 any Assets;
- 9 F. to choose, engage, and employ attorneys, accountants, appraisers, and
10 other independent contractors and technical specialists, as the receiver
11 deems advisable or necessary in the performance of duties and
12 responsibilities under the authority granted by this Order;
- 13 G. to make an accounting, as soon as practicable, to this Court and the SEC
14 of the assets and financial condition of Defendant Elevate and its
15 subsidiaries and affiliates, and to file the accounting with the Court and
16 deliver copies thereof to all parties;
- 17 H. to make such payments and disbursements from the Assets taken into
18 custody, control, and possession or thereafter received by him or her,
19 and to incur, or authorize the making of, such agreements as may be
20 necessary and advisable in discharging his or her duties as permanent
21 receiver;
- 22 I. to investigate and, where appropriate, to institute, pursue, and prosecute
23 all claims and causes of action of whatever kind and nature that may
24 now or hereafter exist as a result of the activities of present or past
25 employees or agents of Defendant Elevate and its subsidiaries and
26 affiliates;
- 27 J. to institute, compromise, adjust, appear in, intervene in, or become party
28 to such actions or proceedings in state, federal, or foreign courts, which

1 (i) the receiver deems necessary and advisable to preserve or recover any
2 Assets, or (ii) the receiver deems necessary and advisable to carry out
3 the receiver's mandate under this Order; and

4 K. to have access to and monitor all mail, electronic mail, and video phone
5 of the entities in receivership in order to review such mail, electronic
6 mail, and video phone which he or she deems relates to their business
7 and the discharging of his or her duties as permanent receiver.

8 **X.**

9 IT IS FURTHER ORDERED that Defendants King and Elevate, and their
10 subsidiaries and affiliates, including all of the other entities in receivership, and their
11 officers, agents, servants, employees and attorneys, and any other persons who are in
12 custody, possession or control of any assets, collateral, books, records, papers or
13 other property of or managed by any of the entities in receivership, shall forthwith
14 give access to and control of such property to the permanent receiver.

15 **XI.**

16 IT IS FURTHER ORDERED that no officer, agent, servant, employee or
17 attorney of Defendants King and Elevate shall take any action or purport to take any
18 action, in the name of or on behalf of Defendant Elevate or its subsidiaries or
19 affiliates without the written consent of the permanent receiver or order of this Court.

20 **XII.**

21 IT IS FURTHER ORDERED that, except by leave of this Court, during the
22 pendency of this receivership, all clients, investors, trust beneficiaries, note holders,
23 creditors, claimants, lessors and all other persons or entities seeking relief of any
24 kind, in law or in equity, from Defendant Elevate, or its subsidiaries or affiliates, and
25 all persons acting on behalf of any such investor, trust beneficiary, note holder,
26 creditor, claimant, lessor, consultant group or other person, including sheriffs,
27 marshals, servants, agents, employees and attorneys, are hereby restrained and
28 enjoined from, directly or indirectly, with respect to these persons and entities:

- 1 A. commencing, prosecuting, continuing or enforcing any suit or
2 proceeding (other than the present action by the SEC or any other action
3 by the government) against any of them;
- 4 B. using self-help or executing or issuing or causing the execution or
5 issuance of any court attachment, subpoena, replevin, execution or other
6 process for the purpose of impounding or taking possession of or
7 interfering with or creating or enforcing a lien upon any property or
8 property interests owned by or in the possession of Defendant Elevate;
9 and
- 10 C. doing any act or thing whatsoever to interfere with taking control,
11 possession or management by the permanent receiver appointed
12 hereunder of the property and assets owned, controlled or managed by or
13 in the possession of Defendant Elevate, or in any way to interfere with or
14 harass the permanent receiver or his or her attorneys, accountants,
15 employees, or agents or to interfere in any manner with the discharge of
16 the permanent receiver's duties and responsibilities hereunder.

17 **XIII.**

18 IT IS FURTHER ORDERED that Defendants King and Elevate, and their
19 subsidiaries, affiliates, officers, agents, servants, employees and attorneys, shall
20 cooperate with and assist the permanent receiver and shall take no action, directly or
21 indirectly, to hinder, obstruct, or otherwise interfere with the permanent receiver or
22 his or her attorneys, accountants, employees or agents, in the conduct of the
23 permanent receiver's duties or to interfere in any manner, directly or indirectly, with
24 the custody, possession, management, or control by the permanent receiver of the
25 funds, assets, collateral, premises, and choses in action described above.

26 **XIV.**

27 IT IS FURTHER ORDERED that Defendants King and Elevate and their
28 subsidiaries and affiliates, shall pay the costs, fees and expenses of the permanent

1 receiver incurred in connection with the performance of his or her duties described in
2 this Order, including the costs and expenses of those persons who may be engaged or
3 employed by the permanent receiver to assist him or her in carrying out his or her
4 duties and obligations. All applications for costs, fees, and expenses for services
5 rendered in connection with the receivership other than routine and necessary
6 business expenses in conducting the receivership, such as salaries, rent, and any and
7 all other reasonable operating expenses, shall be made by application setting forth in
8 reasonable detail the nature of the services and shall be heard by the Court.

9 **XV.**

10 IT IS FURTHER ORDERED that no bond shall be required in connection with
11 the appointment of the permanent receiver. Except for an act of gross negligence, the
12 permanent receiver shall not be liable for any loss or damage incurred by any of the
13 defendants, their officers, agents, servants, employees and attorneys or any other
14 person, by reason of any act performed or omitted to be performed by the permanent
15 receiver in connection with the discharge of his or her duties and responsibilities.

16 **XVI.**

17 IT IS FURTHER ORDERED that representatives of the SEC and any other
18 government agency are authorized to have continuing access to inspect or copy any
19 or all of the corporate books and records and other documents of Defendant Elevate
20 and its subsidiaries and affiliates, and the other entities in receivership, and
21 continuing access to inspect their funds, property, assets and collateral, wherever
22 located.

23 **XVII.**

24 IT IS FURTHER ORDERED that this Court shall retain jurisdiction over this
25 action for the purpose of implementing and carrying out the terms of all orders and
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1 decrees which may be entered herein and to entertain any suitable application or
2 motion for additional relief within the jurisdiction of this Court.

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4 IT IS SO ORDERED.

5
6 Dated: January 19, 2021


UNITED STATES DISTRICT JUDGE
HONORABLE JAMES V. SELNA

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8 Presented by:
9 Lynn M. Dean
10 Kathryn Wanner
11 Attorneys for Plaintiff
12 Securities and Exchange Commission
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