

<p>DISTRICT COURT, DENVER COUNTY, COLORADO</p> <p>1437 Bannock Street Denver, CO 80202</p> <hr/> <p>GERALD ROME, Securities Commissioner for the State of Colorado,</p> <p>Plaintiff,</p> <p>v.</p> <p>GARY DRAGUL, GDA REAL ESTATE SERVICES, LLC, and GDA REAL ESTATE MANAGEMENT, LLC,</p> <p>Defendants.</p>	<p>DATE FILED: August 15, 2018 CASE NUMBER: 2018CV33011</p> <p><b>▲ COURT USE ONLY ▲</b></p>
<p>BY THE COURT</p>	<p>Case No.:</p> <p>Courtroom:</p>
<p align="center"><b>TEMPORARY RESTRAINING ORDER, ORDER FREEZING ASSETS, ORDER OF NON-DESTRUCTION OF RECORDS, AND PRELIMINARY INJUNCTION</b></p>	

This matter is before the Court on Plaintiff's Verified *Ex Parte* Combined Motion for Temporary Restraining Order, Order Freezing Assets, Order of Non-Destruction of Records, and Preliminary Injunction (the "Verified Motion"), and the Court having reviewed the Verified Motion of the Plaintiff, the Complaint for Injunctive and Other Relief ("Complaint") filed contemporaneously in this matter, the evidence presented and argument of counsel (if any), and further being fully advised in the premises, the Court finds as follows:

1. It appears, from the specific facts shown by the Plaintiff's Complaint, Verified Motion, and supporting evidence, that immediate and future injury, loss or damage will result to investors and to the securities markets if Defendants Gary Dragul, GDA Real Estate Services, LLC, and GDA Real Estate Management, Inc. are not temporarily enjoined and restrained from engaging in conduct in violation of the Colorado Securities Act (the "Act"), and specifically, offering to sell or selling

securities. Further, damage and loss may result if Defendants, their agents or attorneys, receive notification of the Plaintiff's Verified Motion or this action prior to the entry of the *ex parte* Order.

2. The Commissioner is entitled to a temporary restraining order in this matter, pursuant to the provisions of § 11-51-602, C.R.S., C.R.C.P. 65, and the evidence in this matter. Based on the foregoing, the Court finds as follows:

a. The People of the State of Colorado will suffer real, immediate and future harm and injury if an *ex parte* temporary restraining order, order freezing assets, and order of non-destruction of records is not granted, since it appears to the Court that the Defendants have and will continue to violate the Act if not so restrained and enjoined;

b. Defendants appear to have violated §11-51-501 C.R.S. of the Act;

c. The relief sought by the Plaintiff is provided by law.

**WHEREFORE, IT IS HEREBY ORDERED:**

1. Defendants Gary Dragul, GDA Real Estate Services, LLC, and GDA Real Estate Management, Inc., their officers, agents, servants, employees, successors and attorneys, as may be; any person who, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under the common control with Defendants; and all those in active concert or participation with Defendants who receive actual notice of the court's Order by personal service, facsimile transmission or otherwise, from engaging in the following acts:

a. Offering to sell or selling any security to any person in or from Colorado, until further order of this Court;

b. Engaging in the business of effecting purchases or sales of securities for the accounts of others, employing others to engage in the business of effecting purchases or sales of securities for the accounts of others, or engaging, for compensation, in the business of advising others, either directly or indirectly, as to the value of securities or the advisability of investing in, purchasing, or selling securities, until further order of this Court;

- c. In connection with the offer, sale, or purchase of any security or investment in Colorado, directly or indirectly:
  - (1) Employing any device, scheme, or artifice to defraud;
  - (2) Making any written or oral untrue statements of material fact, or omitting to state material facts necessary to make the statements made, in light of the circumstances under which they are made, not misleading; or
  - (3) 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 §11-51-501(1), C.R.S.;
- d. Engaging in any conduct in violation of any provision of the Colorado Securities Act;
- e. Destroying, mutilating, altering or in any other way dissipating the books and records of the Defendants including but not limited to any electronic documents such as e-mails, computer files, or any other electronic record kept in any form whatsoever; and
- f. Accepting funds from investors for investment in any investment program, taking control of, or depositing in any financial institution additional funds from any potential investors.

IT IS FURTHER ORDERED that:

2. The accounts, property, and assets of the following parties, wherever located, which are derived from any investor funds by or on behalf of the Defendants in connection with the scheme alleged in the Commissioner's Complaint for Injunctive and Other Relief, are to be frozen immediately until further order of this Court. Accounts within the scope of this Order include:

- a. All bank, trading, or other financial accounts in the name of the following Defendants:
  - 1. Gary Dragul
  - 2. GDA Real Estate Services, LLC

3. GDA Real Estate Management, Inc.

Any bank, financial or brokerage institution or other persons or entities holding any funds, securities or other assets derived from investor proceeds raised in the scheme alleged in the Complaint and/or held in the name of, for the benefit of, or under the control of any named Defendant, or their officers, directors, successor corporations, affiliates, agents, servants, employees, attorneys-in-fact, shall hold and retain within their control and prohibit the withdrawal, removal, transfer or other disposal of any such funds or other assets except as directed by this Court in a future Order.

3. Defendants or their officers, directors, successor corporations, affiliates, agents, servants, employees, attorneys-in-fact, and those persons in active concert or participation with them who receive actual notice of this order by personal service or otherwise, and each of them, shall hold and retain within their control, and otherwise prevent any disposition, transfer, pledge, encumbrance, assignment, dissipation, concealment, or other disposal whatsoever of any of their funds or other assets or things of value presently held by them, under their control, or over which they exercise actual or apparent investment or other authority, in whatever form such assets may presently exist and wherever located.

4. All persons who hold or possess the direct or indirect proceeds of the misconduct described in the Complaint, including but not limited to Shelly Dragul, in whatever form such funds or other assets may presently exist and wherever located, who receive actual notice of this order by personal service, including via facsimile or email transmission, or overnight delivery service, or otherwise, and each of them, shall hold and retain within their control, and otherwise prevent any disposition, transfer, pledge, encumbrance, assignment, dissipation, concealment, or other disposal whatsoever of any of their funds or other assets or things of value presently held by them, under their control, or over which they exercise actual or apparent investment or other authority, in whatever form such assets may presently exist, which are hereby frozen.

5. The Plaintiff may apply to this Court on an *ex parte* basis for an expedited Order freezing further accounts should additional affiliates of the Defendants be identified.

6. The Plaintiff may provide notice by personal service or otherwise, to the property manager or landlord for the offices of Gary Dragul, GDA Real Estate Services, LLC, or GDA Real Estate Management, Inc. Pursuant to this Order, the property manager, landlord, or other responsible party for the premises, as may be, shall lock and secure the offices of Gary Dragul, GDA Real Estate Services, LLC,

and GDA Real Estate Management, Inc., and prevent access by any party, including the Defendants.

IT IS FURTHER ORDERED that:

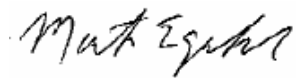
7. Discovery prior to conduct and completion of the preliminary injunction hearing is expedited as follows: pursuant to Rules 26, 30, 31, 33, 34, 36 and 45 of the Colorado Rules of Civil Procedure, and without the requirement of a case management order pursuant to C.R.C.P. 26, the parties may:

- a. Take depositions, subject to two calendar days' notice by facsimile or otherwise;
- b. Obtain the production of documents, within three calendar days from service by facsimile or otherwise of a request or subpoena from any person or entities, including non-party witnesses;
- c. Obtain other discovery, including further interrogatories, and requests to inspect files within three calendar days from the date of service by facsimile or otherwise of such discovery requests, interrogatories, or requests for inspection; and
- d. Service of any discovery requests, notices, or subpoenas may be made by personal service, facsimile, overnight courier, or first class mail on any individual, entity or the individual's or entity's attorney, provided that in the event that any service is made by first class mail, three additional days will apply to the response time.

IT IS FURTHER ORDERED that this *Ex Parte* Temporary Restraining Order shall expire on the 22<sup>nd</sup> day of August, 2018 at 1:30 P.M., at which time Plaintiff's Motion for Preliminary Injunction shall be heard in Courtroom 424 of the Court.

DONE in open Court this 15<sup>th</sup> day of August, 2018 at 4:20 P.M.

BY THE COURT:



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District Court Judge