

DISTRICT COURT, DENVER COUNTY, STATE OF COLORADO Denver District Court 1437 Bannock St. Denver, CO 80202	DATE FILED: October 19, 2018 5:26 PM FILING ID: 4AAA4EC1F4FBF CASE NUMBER: 2018CV33011
Plaintiff: Gerald Rome, Securities Commissioner for the State of Colorado v. Defendant: Gary Dragul, GDA Real Estate Services, LLC, and GDA Real Estate Management, LLC	<p style="text-align: center;">▲ COURT USE ONLY ▲</p>
Attorneys for Receiver: Patrick D. Vellone, #15284 Michael T. Gilbert, #15009 Rachel A. Sternlieb, #51404 ALLEN VELLONE WOLF HELFRICH & FACTOR P.C. 1600 Stout St., Suite 1100 Denver, Colorado 80202 Phone Number: (303) 534-4499 E-mail: pvellone@allen-vellone.com E-mail: mgilbert@allen-vellone.com E-mail: rsternlieb@allen-vellone.com	Case Number: 2018CV33011 Division/Courtroom: 424
<p style="text-align: center;">MOTION FOR ORDER AUTHORIZING SALE OF REAL PROPERTY (11188 Campsie Fells, Ct., Las Vegas, NV 89141)</p>	

Harvey Sender, the duly-appointed receiver (“Receiver”) for Gary Dragul (“Dragul”), GDA Real Estate Services, LLC, GDA Real Estate Management, LLC, and related entities (collectively, “Dragul and the GDA Entities”), asks the Court to enter an order approving the sale of real property located at 11188 Campsie Fells, Ct., Las Vegas, NV 89141 (the “Property”).

I. Background

1. On August 15, 2018, Gerald Rome, Securities Commissioner for the State of Colorado (the “Commissioner”), filed his Complaint for Injunctive and Other Relief against Dragul and the GDA Entities.

2. On August 29, 2018, the Commissioner, Dragul and the GDA Entities filed a Stipulated Motion for Appointment of Receiver, consenting to the appointment of a receiver over Dragul and the GDA Entities pursuant to COLO. REV. STAT. § 11-51-602(1), C.R.C.P. 66.

3. On August 30, 2018, the Court entered a Stipulated Order Appointing Receiver (the “Receivership Order”), appointing Harvey Sender of Sender & Smiley, LLC as receiver for Dragul and the GDA Entities, and their respective properties and assets, and interests and management rights in related affiliated and subsidiary businesses (the “Receivership Estate” or the “Estate”). Receivership Order at 2, ¶ 5.

4. On or about July 27, 2018, before the Receiver was appointed, 11188 Campsie Fells L&V 17, LLC (“Campsie”) entered into an agreement to sell the Property to Violet M. Mitchell and Renita Stafford (“Buyers”). A copy of the agreement and its addenda are submitted as **Exhibit 1** (the “Contract”). Seller is 100% owned by X12 Housing, LLC (f/k/a GDA Housing, LLC), which is in turn 100% owned by Dragul. Campsie is also managed by X12 Housing Management, Inc. (f/k/a GDA Housing Management, Inc.), which is in turn owned 100% by Dragul. The Property is therefore property of the Receivership Estate.

II. Sale of The Property is in the Best Interests of the Estate and its Creditors.

5. The Receivership Order grants the Receiver the authority to sell or otherwise dispose of Estate property and obtain Court approval for any sale for greater than \$10,000 (Receivership Order at 12, ¶ 13(t)).

6. Campsie purchased the Property in or about July 2017 for \$542,500. The Property is a 5-bedroom, 4-bath, 4,478 sq. ft. home located in Las Vegas, Nevada. It was listed for \$619,000 and was on the market for approximately 60 days. Under the Contract, Buyers have agreed to purchase the Property for its full listing price of \$619,000. Buyers are arms-length purchasers with no affiliation with Dragul or the Dragul Entities, and based on the listing broker’s market valuation, \$619,000 is a fair market price for the Property.

7. The principal balance of the first mortgage on the Property is approximately \$447,000, and the Property is further encumbered by a second deed of trust in favor of WBF/CT Associates, LLC that secures an outstanding letter of credit balance of \$1,120,000. Under the previously filed Motion to Approve Settlement Agreement with WBF/CT Associates, LLC, the Estate will receive 30% of the net proceeds from the proposed sale of the Property, approximately \$38,000. The Receiver believes the proposed sale is fair, reasonable, and in the best interests of the Estate. The sale will eliminate the Estate’s obligation to fund the first mortgage on the Property and result in approximately \$38,000 being paid to the Estate. Although the Contract originally

required closing to occur on October 12, 2018, Buyers have agreed to extend closing pending approval by this Court.

8. Pursuant to paragraph 10 of the Receivership Order, Court approval of any motion filed by the Receiver shall be given as a matter of course within 10 days after the motion is filed and served. As reflected by the certificate of service below, this Motion is being served on all parties who have appeared in this case and on all currently known creditors of the Estate.

WHEREFORE, the Receiver asks the Court pursuant to the Receivership Order, to grant this Motion, approve the proposed sale of the Property in accordance with the terms of the Contract, and authorize Harvey Sender, as Receiver for 11188 Campsie Fells L&V 17, LLC, a Colorado limited liability company, to sell the Property to Violet M. Mitchell and Renita Stafford for the purchase price of \$619,000, as set forth in and upon the terms and conditions described in this Motion and **Exhibit 1**, and to take any and all further actions necessary to consummate the sale..

Dated: October 19, 2018.

ALLEN VELLONE WOLF HELFRICH & FACTOR P.C.

By: /s/ Michael T. Gilbert

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ATTORNEYS FOR THE RECEIVER

CERTIFICATE OF SERVICE

I hereby certify that on October 19, 2018, I served a true and correct copy of the foregoing **MOTION FOR ORDER AUTHORIZING SALE OF REAL PROPERTY (11188 Campsie Fells, Ct., Las Vegas, NV 89141)** via CCE to the following:

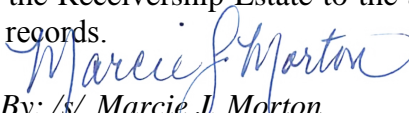
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*Counsel for Defendants, Gary Dragul, GDA
Real Estate Services, LLC and GDA Real
Estate Management, LLC*

A copy of the Motion was also served by electronic mail and/or U.S. Mail first-class, postage-prepaid on all currently known creditors of the Receivership Estate to the addresses set forth on the service list maintained in the Receiver's records.


By: /s/ Marcie J. Morton
Allen Vellone Wolf Helfrich & Factor P.C.

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	Case Number: 2018CV33011 Division/Courtroom: 424
ORDER GRANTING RECEIVER’S MOTION FOR ORDER AUTHORIZING SALE OF REAL PROPERTY (11188 Campsie Fells, Ct., Las Vegas, NV 89141)	

THIS MATTER is before the Court on the Motion for Order Authorizing Sale of Real Property (11188 Campsie Fells, Ct., Las Vegas, NV 89141) (the “Motion”) filed by Harvey Sender, the duly appointed Receiver in this case (the “Receiver”). The Court has reviewed the Motion and the file and is otherwise advised.

THE COURT HEREBY FINDS THAT: The property located at 11188 Campsie Fells, Ct., Las Vegas, NV 89141 (the “Property”), is currently titled in the name of 11188 Campsie Fells L&V 17, LLC (“Campsie”). The Court understands Campsie is 100% owned by X12 Housing, LLC (f/k/a GDA Housing, LLC) which is in turn 100% owned by Gary J. Dragul (“Dragul”). Campsie is managed by X12 Housing Management, Inc. (f/k/a GDA Housing Management, Inc.) which is owned 100% by Dragul. On August 30, 2018, the Court entered a Stipulated Order Appointing Receiver (the “Receivership Order”) appointing Harvey Sender of Sender & Smiley, LLC as receiver for Dragul, GDA Real Estate Services, LLC, GDA Real Estate Management, LLC, and related entities, their respective properties and assets, and interests and management rights in related affiliated and subsidiary businesses (the “Receivership Estate” or the “Estate”). Receivership Order at 2, ¶ 5. The Property is property of the Receivership Estate which the Receiver is authorized to sell under the Receivership Order.

Campsie is subject to the jurisdiction of this Court and is now controlled exclusively by the Receiver pursuant this Court's Receivership Order. Under the Receivership Order, the Receiver has been granted the *exclusive* authority to conduct Campsie's business and to liquidate its assets, which includes the sole and exclusive authority to act on its behalf. Because the Property is an asset of the Receivership Estate, the Receiver has the exclusive authority to act and control the Property. Accordingly, the

COURT HEREBY ORDERS that the Motion is GRANTED. Harvey Sender, as Receiver for 11188 Campsie Fells L&V 17, LLC, a Colorado limited liability company, pursuant to the Stipulated Order Appointing Receiver filed August 30, 2018, in District Court, Denver County, Colorado, Case No. 2018CV33011, is hereby authorized to sell the Property to Violet M. Mitchell and Renita Stafford for the purchase price of \$619,000, as set forth in and upon the terms and conditions described in the Motion and set forth in its Exhibit, and to take any and all further actions necessary to consummate the sale. With respect to the Property, this Order supersedes any restriction, limitation, or injunction imposed by this Court's August 15, 2018, Temporary Restraining Order, Order Freezing Assets, Order of Non-Destruction of Records.

Dated: _____, 2018.

BY THE COURT:

Hon. District Court Judge