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10 UNITED STATES DISTRICT COURT
11 CENTRAL DISTRICT OF CALIFORNIA

12 FRANCIS J. RACIOPPI, JR., an
13 individual,

14 Plaintiff,

15 vs.

16
17 DMITRY BORISOVICH BOSOV *et al*,

18 Defendants.
19

Case No. 2:20-cv-03797-FMO (JCx)

***NUNC PRO TUNC* RIGHT TO
ATTACH ORDER**

20
21 **NOTICE TO DEFENDANT:**

22 **FAILURE TO COMPLY WITH THIS ORDER MAY SUBJECT YOU TO**
23 **ARREST AND PUNISHMENT FOR CONTEMPT OF COURT.**
24

25 The Court has considered Plaintiff Francis J. Racioppi, Jr.'s *Ex Parte*
26 Application for Right to Attach Order and Issuance of Writ of Attachment Or,
27 Alternatively, Temporary Protective Order (the "Application") and the agreement of
28 certain parties with respect to the issuance of a Right to Attach Order. The Court

1 held a hearing on the Application on May 14 and 21, 2020.

2 **FINDINGS**

3 The Court finds as follows:

4 1. Defendants:

- 5 a. Defendant DMITRY BORISOVICH BOSOV is a natural person
6 who does not reside in California;
- 7 b. Defendant GENIUS FUND I, INC. is a Delaware corporation
8 qualified to do business in California;
- 9 c. Defendant GENIUS FUND I, LLC is a Delaware limited liability
10 company;
- 11 d. Defendant GOLDHAWK INVESTMENTS LTD. is a Cyprus
12 Limited Company;
- 13 e. Defendant HELI BIOTECH LLC is a California limited liability
14 company;
- 15 f. Defendant EAGLE ROCK HERBAL COLLECTIVE LLC is a
16 California limited liability company;
- 17 g. Defendant GENIUS PRODUCTS LLC is a California limited
18 liability company;
- 19 h. Defendant FULL CIRCLE LABS LLC is a California limited
20 liability company;
- 21 i. Defendant NATURE'S HOLIDAY LLC is a California limited
22 liability company;
- 23 j. Defendant VARIANT HEMP SOLUTIONS LLC is a California
24 limited liability company;
- 25 k. Defendant GENIUS DELIVERY LLC is a California limited
26 liability company;
- 27 l. Defendant PLANCK PROPERTIES LLC is a California limited
28 liability company;

- 1 m. Defendant ARISTOTLE EQUIPMENT LLC is a California
- 2 limited liability company;
- 3 n. Defendant GENIUS SALES LLC is a California limited liability
- 4 company;
- 5 o. Defendant GENIUS PRODUCTS T INC. is a California
- 6 Corporation qualified to do business in California; and
- 7 p. Defendant GENIUS PRODUCTS NT INC. is a California
- 8 Corporation qualified to do business in California.
- 9 2. The claim upon which the application is based is one upon which an
- 10 attachment may be issued under Code of Civil Procedure section 483.010;
- 11 3. Plaintiff has established the probable validity of the claims upon which
- 12 the application for the attachment is based;
- 13 4. The attachment is not sought for a purpose other than the recovery on
- 14 the claim upon which the application is based;
- 15 5. The amount to be secured by the attachment is greater than zero;
- 16 6. The affidavit or declaration accompanying the application shows that
- 17 the property sought to be attached, or the portions thereof to be specified in the writ,
- 18 are not exempt from attachment;
- 19 7. The portion of the property sought to be attached herein is not exempt
- 20 from attachment;
- 21 8. An undertaking in the amount of \$10,000 is required before a writ shall
- 22 issue;
- 23 9. Great or irreparable injury will result to the plaintiff if issuance of the
- 24 order is delayed until the matter can be heard on notice because there is a danger
- 25 that the property sought to be attached would be concealed, substantially impaired in
- 26 value, or otherwise made unavailable to levy; and
- 27 10. The requirements of California Code of Civil Procedure section
- 28 485.220 are otherwise satisfied.

RIGHT TO ATTACH ORDER

The Court finds that a Right to Attach Order and Writ of Attachment should issue.

THE COURT ORDERS that each of the following Defendants, including their agents, assigns, alter-egos, subsidiaries, employees, and all persons or entities acting at their direction or on their behalf—including, but not limited to, Defendant Gary Shinder, Oleg Flaksman, Chris Finelli, Liam Palmieri, Ari Stiegler, Gabriel Borden, Daniel Righi, Michael Andrews, Charles Sharpe, and August Wagener—shall not transfer, directly or indirectly, any interest in the property described below:

- Dmitry Borisovich Bosov – monies or properties in the amount of \$3,745,613.68;
- Genius Fund I, Inc. – monies in the amount of \$3,745,613.68;
- Genius Fund I, LLC – monies in the amount of \$3,745,613.68;
- Goldhawk Investments Ltd. – monies in the amount of \$3,745,613.68;
- Heli Biotech LLC – monies in the amount of \$3,745,613.68;
- Eagle Rock Herbal Collective LLC – monies in the amount of \$3,745,613.68;
- Genius Products LLC – monies in the amount of \$3,745,613.68;
- Full Circle Labs LLC – monies in the amount of \$3,745,613.68;
- Nature’s Holiday LLC – monies in the amount of \$3,745,613.68;
- Variant Hemp Solutions LLC – monies in the amount of \$3,745,613.68;
- Genius Delivery LLC – monies in the amount of \$3,745,613.68;
- Planck Properties LLC – monies in the amount of \$3,745,613.68;
- Aristotle Equipment LLC – monies in the amount of \$3,745,613.68;
- Genius Sales LLC – monies in the amount of \$3,745,613.68;
- Genius Products T, Inc. – monies in the amount of \$3,745,613.68;
- Genius Products NT, Inc. – monies in the amount of \$3,745,613.68;

- 1 • 9928 and 9932 Rancho Road, Adelanto, CA 92301 (owner: Planck
- 2 Properties LLC), legal description of which is attached hereto as
- 3 Exhibit 1;
- 4 • 7569 Melrose Avenue, Los Angeles, CA 90046 (owner: Planck
- 5 Properties LLC), legal description of which is attached hereto as
- 6 Exhibit 2;
- 7 • 0 Bolsa Road, Hollister, CA 95023 (owner: Planck Properties LLC),
- 8 legal description of which is attached hereto as Exhibit 3; and
- 9 • Residential property in Beverly Hills, California, owned by LWBH
- 10 Holdings LLC (ultimate beneficial owner being Defendant Bosov),
- 11 legal description of which is attached hereto as Exhibit 4.

12 THE COURT FURTHER ORDERS that, subject to the provisions of this

13 Order, defendants Genius Fund I, LLC, Heli Biotech LLC, Eagle Rock Herbal

14 Collective LLC, Genius Products LLC, Full Circle Labs LLC, Nature's Holiday

15 LLC, Variant Hemp Solutions LLC, Genius Delivery LLC, Planck Properties LLC,

16 Aristotle Equipment LLC, Genius Sales LLC, Genius Products T, Inc., Genius

17 Products NT, Inc., and Genius Products, Inc. (collectively, the "Genius Defendants")

18 are permitted to engage in the ordinary course of business, as that term is defined

19 below, provided that Genius Defendants shall not sell, transfer, convey or otherwise

20 dispose of their assets outside the ordinary course of business.

21 THE COURT FURTHER ORDERS that, for so long as the attachment order

22 remains in effect, the Genius Defendants shall maintain operations so that their

23 balance sheet is not materially impaired (*i.e.*, decreased) and the Genius Defendants

24 shall provide to counsel for the Plaintiff, on a confidential basis for counsel's eyes

25 only, the Genius Defendants' balance sheet on the 20th day of the month for the prior

26 calendar month period.

27 THE COURT FURTHER ORDERS that the Genius Defendants shall be

28 authorized to sell, transfer, convey or otherwise dispose of their assets outside the

1 ordinary course of business provided that (1) notice of the transaction(s) and terms
2 thereof are provided to counsel for the Plaintiff, on a confidential basis for counsel's
3 eyes only, seven days prior to the transaction and (2) the first \$3,745,613.68 of the
4 proceeds are set aside in a segregated escrow or trust account to which this Right to
5 Attach Order shall immediately attach, at which time, the remaining assets of the
6 respective Genius Entities that fund the foregoing amount shall be released from this
7 Right to Attach Order. As an example, in the event that Planck Properties, LLC sells
8 one of its real property holdings for \$5,000,000, the first \$3,745,613.68 of the
9 proceeds shall be set aside in a segregated escrow or trust account to which this Right
10 to Attach Order shall immediately attach, at which time the balance of assets of
11 Planck Properties, LLC shall be released from this Right to Attach Order, provided
12 that such release shall not apply to any other Genius Defendants.

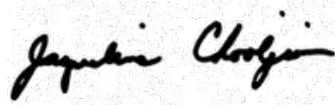
13 As used in this order, "ordinary course of business" means action taken by
14 Genius Defendants that is: (i) is consistent in nature, scope and magnitude with the
15 past business practices of Genius Defendants and is taken in the ordinary course of
16 the normal, day-to-day business operations of Genius Defendants; (ii) does not
17 require authorization by the board of directors or shareholders of any Genius
18 Defendant (or by any person or group of persons exercising similar authority) and
19 does not require any other separate or special authorization of any nature; and (iii) is
20 similar in nature, scope and magnitude to actions customarily taken, without any
21 separate or special authorization, in the ordinary course of the normal, day-to-day
22 business operations of other persons or entities that are in the same or similar lines of
23 business as Genius Defendants. "Ordinary course of business" specifically does not
24 include the sale, transfer, conveyance, or disposition of real property, intellectual
25 property, or business infrastructure. For the purposes of this definition, the Genius
26 Defendants' businesses consist of the cultivation, processing, and sale of commercial
27 cannabis and related products in California.

28 This Order shall remain in effect until the earlier of (a) judgment or other

1 disposition of the claims asserted in this case; or (b) further order of this court. The
2 Clerk shall issue the writs of attachment submitted as Docket Nos. 57, 58 and 71-2
3 (the latter of which is a corrected/superseding version of Docket No. 59). This Order
4 is entered *nunc pro tunc* as of May 28, 2020.

5 **IT IS SO ORDERED.**

6
7 Dated: August 5, 2020



Hon. Jacqueline Chooljian
United States Magistrate Judge