UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF MISSISSIPPI DELTA DIVISION

UNITED STATES OF AMERICA

PLAINTIFF

DEFENDANT

V.

CASE NO. 2:11-CV-0075-SAA

REGINALD L. RODGES

ORDER GRANTING MOTION FOR CHARGING ORDER

The United States has filed a Motion for a Charging Order [40] on the financial interest of defendant Reginald L. Rodges for payment of the unsatisfied amount of money damages ordered in this case. The defendant did not file a response, and the time to do so has expired.

On September 24, 2012, a consent judgment [34] was entered against Reginald L. Rodges for money damages in the amount of \$269,402.46, plus interest to accrue at the legal rate. Rodges is not currently making payments on this debt. Based on information submitted to the court, Rodges is a member of Natural Pain Back Institute, LLC. By its motion, the government seeks to satisfy the consent judgment out of the defendant's financial interests in his limited liability company.

Mississippi law provides that "a charging order is the exclusive remedy by which a judgment creditor of a judgment debtor or its assignee may satisfy a judgment out of the judgment debtor's financial interest" in a limited liability company. MISS. CODE ANN. §79-29-705. Thus, under§ 79-29-705, the government is entitled to have the financial interests of defendant Reginald L. Rodges in Natural Pain Back Institute, LLC, whether such interests are held directly or indirectly, charged with the payment of the unsatisfied amount of the consent judgment entered in this action. Further, to the extent so charged, the government is entitled to

the rights of any assignee of the defendant's LLC interests in and to Natural Pain Back Institute, LLC, whether those interests are held directly or indirectly. The government's Motion for a Charging Order is GRANTED.

IT IS HEREBY ORDERED that:

- The financial interests of Reginald L. Rodges in and to Natural Pain Back Institute, LLC, whether or not such interests are held directly or indirectly, described herein are charged with the payment of the unsatisfied amount of the consent judgment entered in this action on September 24, 2012, in the amount of \$269,402.46, plus interest.
- The government will receive all distributions or payments to which the defendant is entitled or may in the future become entitled to receive from Natural Pain Back Institute, LLC, by virtue of his membership interests in the LLC until the consent judgment, with interest, is paid in full.
- 3. Until the government receives the distributions or payments from the defendant in the total principal amount of the consent judgment with any interest then due, the government will hold the rights of an assignee of the defendant's financial interests in Natural Pain Back Institute, LLC.
- 4. This Order does not entitle the government to become or to exercise any voting rights of a member of Natural Pain Back Institute, LLC, or confer upon the government any rights other than to receive, as would an assignee of the defendant, any distribution(s) or other payments that the defendant would have been entitled to receive by virtue of his applicable interests in Natural Pain Back Institute, LLC.
- 5. The government will not be considered a member of Natural Pain Back Institute, LLC, for purposes of reporting to the Mississippi Department of Revenue, the Internal Revenue Service, or any other federal, state, or local governmental entity.

- 6. All income and other tax consequences, local, state, and federal of the defendant's membership interests in Natural Pain Back Institute, LLC, remain the responsibility of the defendant and no profits, losses, income, gain, deductions, credits or similar items, may be allocated to or attributed to the government.
- The government should not receive any Federal Schedule K-1 forms or Mississippi Partnership, LLC or LLP Schedule K-1 forms.
- The government will not be liable for the debts or liability of any of the members of Natural Pain Back Institute, LLC, and is not obligated to contribute any money or property to Natural Pain Back Institute, LLC.
- 9. This Order will remain in place, and the government will receive all distributions and others payments to which the defendant would be entitled to receive from Natural Pain Back Institute, LLC, until the Government has collected from the defendant, either through this Order charging the financial interests of the Defendant in Natural Pain Back Institute, LLC, or otherwise, the entire principal amount of the consent judgment described in this Order, together will all interest provided for in the Consent Judgment.

THIS the 2nd day of April, 2015.

<u>s/</u> <u>S. Allan Alexander</u> UNITED STATES MAGISTRATE JUDGE