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**UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

* * * * *

EDWIN B. CARTON *et al.*,
Plaintiffs,
vs.
B & B EQUITIES GROUP, LLC *et al.*,
Defendants.

CASE NO.: 2:11-cv-00746-RCJ-PAL
[PROPOSED]
DEFAULT JUDGMENT

DEFAULT JUDGMENT

I. BACKGROUND ON STOLI

Stranger-originated life insurance (“STOLI”) arrangements have become increasingly common over the past decade. *See Sun Life Assurance Co. of Canada v. Berck*, 770 F. Supp. 2d 728, 729–30 (D. Del. 2011). In a typical STOLI scheme, a speculator collaborates with an elderly individual who has a high net worth in obtaining a life insurance policy against the life of the wealthy individual. *See generally* 3 Leo Martinez et al., *New Appleman Insurance Law Practice Guide* § 34.09[3] (2011). The wealthy individual is often promised cash upon the future sale of the policy or enticed to enter the arrangement through the promise of two years of free life insurance. The speculator provides non-recourse financing to purchase the policy—secured by the policy—which comes due after the two-year contestability period during which the insurer has to challenge the policy. If the insured dies within the two-year contestability

1 period, the speculator is repaid, with interest, out of the proceeds of the policy. If the insured
2 survives the two-year contestability period, there are two ways he or she may repay the
3 speculator. First, the insured may pay the outstanding debt and accrued interest and retain the
4 policy. This option is generally less attractive because the interest rates are often high or because
5 the insured was promised a portion of the proceeds upon the sale of the policy. Second, the
6 insured may transfer the policy to the speculator to satisfy the debt, and the speculator may then
7 sell the policy on the secondary market. These arrangements ultimately amount to unlawful
8 wagering and have generally been disfavored by courts. *See Berck*, 770 F. Supp. 2d at 730.

10 **II. FINDINGS OF FACT & PROCEDURAL HISTORY**

11 On March 31, 2014, this Court entered Default against Defendants Thomas E. Colbert
12 (“Colbert”), Thomas Colbert Irrevocable Life Insurance Trust (“Colbert ILIT”), Global Equity
13 Preservation, Inc. (“GEP”), and Eagle Investment Corporation of America (“EICOA”)
14 (collectively “Defaulted Defendants”). By operation of entry of default against Defaulted
15 Defendants, the factual allegations asserted against them are taken as true. *Geddes v. United*
16 *Financial Group*, 559 F.2d 557, 560 (9th Cir. 1977) (“The general rule of law is that upon
17 default the factual allegations of the complaint, except those relating to the amount of damages,
18 will be taken as true.”) (*citing Pope v. United States*, 323 U.S. 1, 12 (1944); *see also Televideo*
19 *Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917-18 (9th Cir. 1987); Fed. R. Civ. P. 8(b)(6).
20 Therefore, in accordance with the general rule of law, the Court makes the following findings of
21 fact¹:
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24 B&B Equities Group, LLC was a Nevada limited liability company whose managing
25 members are Defendants Robert Koppel and Robert Eberle. B&B is interrelated with
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27 ¹ Unless noted otherwise, the facts are taken from the Second Amended Complaint, filed on
28 November 27, 2012 as Docket No. 188, as that was the complaint in effect at the time Default
was entered.

1 Defendants Global Equity Resources, LLC (“GER”), **Global Equity Preservation, Inc.**
2 (**“GEP”**), **Eagle Investment Corporation of America (“EICA”**) and Pro Financial Group, Inc.
3 (“PFG”) (collectively “B&B Entities”) through common ownership, financial control and an
4 interrelationship of operations, such that they constitute a single business in fact. The B&B
5 Entities are entities that R. Koppel and Eberle used to operate the fraudulent scheme described
6 herein. R. Koppel and Eberle were shareholders, managers, members, directors, officers,
7 principals, fiduciaries, agents and/or key employees of these entities. Their duties included
8 solicitation of the Plaintiffs to engage in the investment, payment of money towards insurance
9 premiums, preservation of the insurance policies and/or sale of the Policies on the secondary
10 market, provision of timely and material information to the Plaintiffs and Insurers regarding the
11 Insureds, insurance policies and investment therein and failure to object to the B&B Entities’
12 improper business practices. (Second Amended Complaint (“SAC”) at ¶¶ 8-20, Doc. 188).

15 Plaintiffs Edwin and Lonnie Carton (the “Cartons”) were first introduced to STOLI
16 transactions by Defendant Bruce Plotnick, whom they met at a financial planning seminar in the
17 early to mid 2000’s. (*Id.* at ¶¶ 32-35). Plotnick was the featured lecturer at the seminar and is the
18 principal employee and owner of Defendant Estate Planning Solution Network (“EPSN”), his
19 financial services firm. (*Id.* at ¶ 32). Plotnick suggested the Cartons invest their retirement funds
20 in a concept called “premium financing” through Defendant Robert Koppel (“R. Koppel”) and
21 his company B&B Equities Group, LLC (“B&B”). (*Id.* at ¶¶ 32-35).

23 R. Koppel and Plotnick, acting through EPSN as agent of R. Koppel, Eberle and the B&B
24 Entities, told the Cartons that B&B would organize limited liability companies which would be
25 assigned the rights to the life insurance policies of the insured third-parties and would assume the
26 liabilities in funding the policies. (*Id.* at ¶ 44). The Cartons were then informed they would
27 receive an ownership interest in these limited liability companies and were guaranteed a return of
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1 20% on their investment. (*Id.* at ¶¶ 38-48). The Cartons were also told that the insurance
2 premiums would be paid by the limited liability companies for a two year period, after which
3 they would be repaid in one of two ways: (1) the insured would keep the policy and pay off the
4 loan with interest, or (2) the insured would sell the policy on the secondary market. (*Id.*). The
5 Cartons were under the impression that this type of transaction was legal and that the insurance
6 company would have full knowledge of the arrangement. (*Id.*; *see also* Opp'n to Mot. to Dismiss
7 at 9, ECF No. 113).

9 Koppel and Plotnick made material representations to the Cartons regarding this
10 investment, such as:

- 11 • “there is **NO** Market Risk.” (SAC at ¶ 37).
- 12 • “Unlike the Stock Market . . . this gives you security knowing that your
13 principle is protected from Market fluctuations and your gains are sure.”
14 (*Id.*).
- 15 • “the very heart of this program is just a simple loan document where you
16 collect . . . interest on the money you lend the insured at the end of the . . .
17 term.” (*Id.*).
- 18 • “This is a non-traditional financing method for insurance premiums, which
19 finds itself right in line with industry standards.” (*Id.*).
- 20 • “You can be assured that your money is as safe, if not safer, than being in
21 your local bank. And compared to the Stock Market, your money is
22 infinitely safer because your principle is protected and your money is not
23 attached to its dangerous fluctuations.” (*Id.*).

24 Further, Plotnick and Koppel failed to state, misrepresented or concealed the following material
25 facts:

- 26 • The investments offered were not registered as securities with any federal or state
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agency or properly noticed as securities to the Plaintiffs. (*Id.* at ¶ 169).

- The B&B Entities, Plotnick, Eberle and Koppel were not licensed securities agents/brokers/dealers with any federal or state agency. (*Id.*).
- The B&B Defendants could not guarantee that the Borrower would repay the loan or that the Policy would be able to be sold. (*Id.*).
- The amount and rate of any return was at least partially contingent on market conditions at the time of sale (*Id.*).
- At the time of the offer, the B&B Defendants had been forced to stop offering their premium financing program in the State of Pennsylvania by a Cease and Desist Order issued by the Pennsylvania Securities Commission and had been indicted for federal securities fraud in California. (*Id.* at ¶ 31).
- That Defendant R. Koppel was the insurance agent/producer responsible for facilitating the application of and/or writing at least two of the Policies. (*Id.*).
- That the Insurers would not be informed about the Premium Financing arrangement and/or Misrepresenting that the Insurer would be informed about the Premium Financing arrangement. (*Id.*).
- That the applications for insurance had material misstatements and/or omissions of material facts. (*Id.* at ¶ 32).
- That if the policy did not sell on the secondary market in two years, new investors would need to be brought in to continue the policies. (*Id.*).
- That additional investors/lenders would increase the debt burden on the Borrower/Insured and decrease the likelihood of repayment. (*Id.*).
- That additional investors/lenders would create additional liens against the Policies and decrease the value of the Policy on the Secondary Market and decrease the likelihood of a successful and profitable sale on the Secondary Market. (*Id.*).
- That an additional investors would dilute the pool of money available to the

1 Plaintiffs to satisfy their promised and guaranteed return in the event of sale on
2 the Secondary Market. (*Id.*).

- 3 • The actual amount of yearly premiums on the Policies or the flexible nature of
4 such premiums, and once disclosed, providing conflicting, contradictory and
5 confusing information regarding the same. (*Id.*).
- 6 • The amounts, percentages or rations of origination fees, commissions, referral
7 fees or other fees and to whom each would be paid and how they would be
8 earned, and once disclosed, provided conflicting, contradictory and confusing
9 information regarding the same. (*Id.*).
- 10 • The market value of the Policies on the secondary market in two years could not
11 be known. (*Id.*).
- 12 • That on August 22, 2007, ten months before they induced the Cartons to invest,
13 Defendants Eberle and R. Koppel were indicted by the U.S. Attorney in the
14 Eastern District of California for securities fraud, mail fraud and money
15 laundering in connection with the sale of investments in life insurance policies
16 during the period 2001-2006. The Indictment alleges that Eberle and R. Koppel
17 committed these criminal activities using their companies, Defendants EICA and
18 PFG. *See* E.D. Cal. Case No. 2:07-cr-366. These criminal proceedings were not
19 disclosed to the Cartons by Eberle, R. Koppel or any of the B&B Entities. (*Id.* at
20 170). (Eberle and Koppel both recently entered plea agreements in which they
21 plead guilty to the securities fraud count. *See* E.D. Cal. Case No. 2:07-cr-366,
22 Doc. 216 and Doc. 232).
- 23 • That on November 9, 2007, the Pennsylvania Securities Commission issued a
24 press release stating that it had issued a Summary Order to Cease and Desist
25 against Defendants PFG, EICA and R. Koppel. According to the press release,
26 PFG, EICA and R. Koppel had offered and sold its Premium Financing Program
27 to Pennsylvania residents, including Promissory Notes, without necessary
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1 registrations and disclosures required by Pennsylvania securities laws. The press
2 release stated that PFG, EICA and R. Koppel were ordered to stop offering the
3 Premium Financing Program in violation of state securities law and that any
4 further offers will constitute violations of state securities law. (*Id.* at ¶ 170).

- 5 • That on March 12, 2009, the Enforcement Section of the Securities Division of
6 the Office of Secretary of State of the State of Missouri issued an Order to Cease
7 and Desist and Order to Show Cause against Defendants B&B, GER, GEP, R.
8 Koppel, Banks and Eberle for offering and selling its Premium Financing program
9 to Missouri residents in violation of state securities laws. The Missouri action
10 was not disclosed to the Cartons until April 21, 2011 when an inquiry was made
11 into the status of the Policies. (*Id.* at ¶ 170). (On October 25, 2011, the State of
12 Missouri issued a Final Order finding that B&B, GER, GEP, R. Koppel and
13 Eberle had violated Missouri securities laws and ordered them to pay restitution
14 into an investor restitution fund.).

15 The Cartons relied upon these misrepresentations and were induced by Plotnick, R.
16 Koppel, Eberle and the B&B Entities to invest in the B&B premium financing program. (*Id.* at ¶¶
17 30-34). On July 16, 2008, the Cartons paid \$700,000.00 to the B&B Entities through Plotnick
18 and R. Koppel. (*Id.* at ¶ 50). The investment was spread over seven insurance policies
19 (collectively, “the Policies”), which insured six individuals (collectively “the Insureds”). (*Id.* at ¶
20 54).

21 One of the Policies was issued by Defendant American General Life Insurance Co.
22 (“American General”) and to the Insureds **Thomas E. Colbert** (*Id.*). Thomas Colbert is a
23 resident of Nevada. (*Id.* at ¶ 26).

24 The “writing agent” on the Colbert Policy was Maureen Torkelson (“Torkelson”), an
25 insurance agent/producer in the State of Nevada and the daughter of Defendant Colbert, the
26 Insured on the Colbert Policy. (*Id.* at ¶ 67). Torkelson had a direct contractual relationship with
27 American General appointing her as an agent and/or producer for American General permitting
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1 and authorizing her to conduct certain business on American General's behalf. (*Id.* at ¶ 68). The
2 "general agent" on the Colbert Policy was Crump Insurance Services, Inc. ("Crump"). Crump
3 employee Kyle Bloss ("Bloss") was the sales manager and Aimee Hill, another Crump
4 employee, was the case manager. (*Id.* at ¶ 69).

5 In 2007, Torkelson was approached by an acquaintance, Carl Milberg (who was also an
6 insurance agent) telling her that he was working with a broker in writing policies that would be
7 able to be sold at a future date and net the insured some income at time of sale. He said this
8 arrangement was legal and her father, Colbert, would be a perfect candidate. Mr. Milberg went
9 over to Colbert's home with Torkelson and explained to Torkelson and Colbert that an
10 application would be filled out and sent over to Bloss at Crump. Milberg explained that Bloss
11 would find someone to pay premiums on the policy. Milberg further explained Colbert would
12 need to go through the medical part of the application process and if he "passed" then a policy
13 would be issued and this was common industry practice according to Bloss. Bloss already had a
14 company ready and willing to pay the premiums for the policy for two years. After the two
15 years, the policy would then be sold and Colbert would get some amount of payment, to be
16 determined based on the sale price. (*Id.* at ¶ 70).

17 The insurance application on the Colbert Policy was submitted by Torkelson to Bloss.
18 (*Id.* at ¶ 71). At the time the Colbert Policy was applied for, both Colbert and Torkelson knew
19 that a third-party lender would be providing the funding to pay the premiums in the event a
20 policy was actually issued and that Colbert never had any intention of paying premiums on the
21 Colbert Policy. (*Id.* at ¶ 72). In order to drive up the face value of the policy, Kyle Bloss created
22 a financial worksheet that grossly exaggerated Colbert's financial condition. Bloss signed
23 Torkelson and Colbert's names to the bottom of it. Neither Torkelson nor Colbert took any
24 action to correct the false statements, despite knowledge of the same. (*Id.* at ¶ 73).

25 Torkelson and Colbert were not aware of who Bloss was planning on having finance the
26 Colbert Policy when it was written. When the financing was in place, Bloss sent B&B's
27 premium financing documents (secured promissory note, collateral assignment, etc.) to
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1 Torkelson for Colbert to sign and have notarized. Torkelson then sent the documents back to
2 Bloss. (*Id.* at ¶ 74). One of the documents signed by Colbert was a Secured Promissory Note
3 that reads, in part, that the insured, as trustee of their irrevocable life insurance trust, will repay
4 loans it receives to pay premiums on the Policy, plus origination fees and interest at fifteen
5 percent (15%) per annum, on or before the two year anniversary date of the Policy. (*Id.* at ¶ 59).
6 The Promissory Note required the borrower to timely pay all premiums required to keep the
7 policy in force and to not let the Policy lapse or terminate. (*Id.* at ¶ 60). The Promissory Note
8 was secured by a collateral assignment of the Policy to the Cartons, as lender of the premium.
9 (*Id.* at ¶ 61-62).

10 Of the \$700,000 invested by the Cartons with B&B, \$159,800 was earmarked for the
11 Colbert Policy as a loan to Colbert. (*Id.* at ¶ 80). Colbert benefited by receiving a year of free
12 life insurance coverage at the Cartons' expense. (*Id.* at ¶ 82).

13 In 2009, AG sought a court order to rescind the Colbert Policy for false statements in the
14 Application for Insurance. (*Id.* at ¶ 83). The Court entered a stipulated Order that the Colbert
15 Policy is "terminated and no longer in force." (*Id.* at ¶ 84).

16 The two-year anniversary of the Colbert Policy was September 7, 2009. The loan to
17 Colbert remains outstanding unpaid. (*Id.* at ¶¶ 85, 87).

18 The other policies were similar, and the Cartons did not receive any return on their
19 investment. (*See* SAC, generally).

20 On December 7, 2011, the Court entered an Order [Doc. 129] ruling that "this was a
21 standard STOLI arrangement under which investors were in substance the true owners of the
22 Policies, the arrangement violated public policy and the Policies were void ab initio." The
23 STOLIs were therefore invalid and void ab initio under the respective laws or public policies of
24 Nevada, California, Iowa, and South Carolina, in which states the STOLIs were issued.
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2 **III. DAMAGES**

3 The Court having found good cause to enter Default Judgment against Thomas E. Colbert
4 (“Colbert”), Thomas Colbert Irrevocable Life Insurance Trust (“Colbert ILIT”), Global Equity
5 Preservation, Inc. (“GEP”), and Eagle Investment Corporation of America (“EICOA”), the focus
6 now turns to the amount of damages. The Plaintiffs asserted the following causes of actions
7 against the Defaulted Defendants:
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9 Thomas E. Colbert: (3) Actual Fraud; (6) Breach of Contract (Loan Documents); and (10)
10 Unjust Enrichment.

11 Thomas Colbert Irrevocable Life Insurance Trust: (6) Breach of Contract (Loan
12 Documents); and (10) Unjust Enrichment.

13 Global Equity Preservation, Inc.; and Eagle Investment Corporation of America: (1)
14 Securities Fraud under § 10(b) of the Securities Exchange Act and SEC Rule 10b-5; (2)
15 Securities Fraud under Nevada Revised Statutes (“NRS”) section 90.660; (3) Actual Fraud; (4)
16 Constructive Fraud; (5) Breach of Contract (B&B Investment Agreements); (10) Unjust
17 Enrichment; and (11) Deceptive Trade Practices under NRS Chapter 598.

18
19 In determining the amount of damages, the Court notes that the investment scheme
20 promoted by these Defendants was determined to be illegal STOLI transactions which are void
21 ab initio under the laws of the states in which the insurance policies were issued. In such a
22 situation, the Court will attempt to “restor[e] . . . the status quo of the parties”, putting the parties
23 as close to their original positions as is “reasonably possible and demanded by the equities of the
24 case.” *Mackintosh v. Cal. Fed. Sav. and Loan Ass'n.*, 113 Nev. 393, 407, 935 P.2d 1154, 1163
25 (1997). In this case, the Cartons transferred \$700,000.00 to R. Koppel, which was then shared
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1 with the defaulted defendants and various other parties. The Court will attempt to restore the
2 Cartons to the position they occupied before the transfer of the \$700,000.00.

3 **GEP & EICOA**

4 While there are likely many methods of calculating damages under the various causes of
5 action asserted against GEP and EICOA, the most direct and straightforward way to achieve the
6 intended result of restoring the Cartons to their original positions is by examining the remedies
7 available under federal and state securities laws.

9 Nevada state law provides that a person who offers or sells a security in violation of
10 Nevada State Securities laws “is liable to the person purchasing the security. Upon tender of the
11 security, the purchaser may recover the consideration paid for the security and interest at the
12 legal rate of this State from the date of payment, costs and reasonable attorney’s fees, less the
13 amount of income received on the security.” N.R.S. 90.660(1) (emphasis added); *see Nagy v.*
14 *Grobstein*, 2006 WL 2385383, *2 (D. Nev. 2006) (“Therefore, the Court finds that Grobstein
15 should be jointly and severally liable for the amount of money paid for the unregistered
16 securities, \$300,000.00. *See* 15 U.S.C. § 77e(a)(1); Nev. Rev. Stat. 90.660(b),(f). While
17 Defendant Grobstein complains that this is inequitable because the other defendants were never
18 served, Grobstein never took any of the avenues available to protect his rights in this case.”).

20 Federal law is consistent with this remedy. Under federal law, “a district court has broad
21 equity powers to order the disgorgement of ill-gotten gains obtained through the violation of the
22 securities laws. Disgorgement is designed to deprive a wrongdoer of unjust enrichment, and to
23 deter others from violating securities laws by making violations unprofitable.” *SEC v. First Pac.*
24 *Bancorp*, 142 F.3d 1186, 1191 (9th Cir. 1998) (quotation marks and citations omitted). “[T]he
25 amount of disgorgement should include all gains flowing from the illegal activities.” *SEC v. JT*
26 *Wallenbrock & Assocs.*, 440 F.3d 1109, 1114 (9th Cir. 2006) (quotation marks omitted).

1 Whether the person retained the money or used it for other purposes is irrelevant, he or she will
2 be liable for funds retained and funds dissipated. *JT Wallenbrock*, 440 F.3d 1109 at 1111-12.
3 “[W]here two or more individuals or entities collaborate or have a close relationship in engaging
4 in the violations of the securities laws, they [may be] held jointly and severally liable for the
5 disgorgement of illegally obtained proceeds.” *Id.* at 1117 (citation and quotation omitted).
6

7 While these penalties may seem harsh, they are intended as a deterrent and as a means for
8 investors to recover damages. *See* U.S. Code Cong. & Admin. News 1995, pp. 679, 687 (“The
9 success of the U.S. securities markets is largely the result of a high level of investor confidence
10 in the integrity and efficiency of our markets. The SEC enforcement program and the availability
11 of private rights of action together provide a means for defrauded investors to recover damages
12 and a powerful deterrent against violations of the securities laws”); *see also* *Bateman Eichler,*
13 *Hill Richards, Inc. v. Berner*, 472 U.S. 299, 310, 105 S.Ct. 2622, 86 L.Ed.2d 215 (1985)
14 (“Moreover, we repeatedly have emphasized that implied private actions provide ‘a most
15 effective weapon in the enforcement’ of the securities laws and are ‘a necessary supplement to
16 Commission action’”).
17

18 GEP and EICOA collaborated in the STOLI scheme to induce the Cartons to invest,
19 causing the Cartons to lose \$700,000.00. The insurance policies have been determined to be
20 illegal and void ab initio and there is no value in the Cartons’ investment. The Cartons have not
21 received any income from the investment or had any of their principal investment returned to
22 them. The Cartons have suffered actual damages from the Defendants’ actions in the amount of
23 \$700,000.00. Under the standards set forth above, the Court finds GEP and EICOA jointly and
24 severally liable to the Cartons in the amount of \$700,000.00 as a disgorgement for all gains
25 flowing from their violations of federal and state securities laws. Because the Cartons have not
26 received any income from the STOLI, there is no offset. Awarding the Plaintiffs this relief
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1 satisfies the Court's goal of putting the parties as close to their original positions as is
2 "reasonably possible and demanded by the equities of the case."

3 Nevada law also provides for interest at the legal rate from the date of payment, which is
4 currently 3.25%, *see* N.R.S. 99.040(1), or \$63.19 per day from July 16, 2008 (the date the
5 Cartons transferred their money the Defendants) until repaid. As of April 9, 2014 (2093 days),
6 the total accrued interest at the legal rate of 3.25% is \$132,265.97.
7

8 **Colbert and Colbert ILIT**

9 Colbert and the Colbert ILIT, on the other hand, were limited in their involvement to the
10 Colbert Policy. Their liability should likewise be limited to only that portion of the Cartons'
11 investment related to the Colbert Policy. Under the Plaintiffs' cause of action for breach of the
12 loan documents (*see* SAC at ¶¶ 212-215), the Plaintiffs allege that Colbert executed documents
13 agreeing to repay the loan for the Colbert Policy with interest. Colbert and the Colbert ILIT
14 breached the Loan Documents by failing repay the loans and/or failing to protect the Policies
15 from lapse. This breach caused the Plaintiffs to suffer damages in the amount that the Cartons'
16 put toward this Policy, \$159,800.00. Colbert and the Colbert ILIT are jointly and severally liable
17 to the Plaintiffs in the principal amount of \$159,800.00, plus the contractual interest rate of 15%,
18 or \$14.43 per day from July 16, 2008 (the date the Cartons transferred their money to the
19 Defendants) until repaid. As of April 9, 2014 (2093 days), the total accrued interest at the
20 contract rate of 15% is \$30,194.43.
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23 Additionally, Nevada allows the Cartons to recover their costs and reasonable attorney's
24 fees. According to Local Rule 54-16, a party requesting attorneys' fees must file a motion
25 demonstrating the reasonableness of the award, an itemization and description of the work
26 performed, an itemization of all costs, and an attorney affidavit. Plaintiffs are entitled to an
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1 award of reasonable attorney's fees and costs and may submit such a motion complying with LR
2 54-16 if they choose.

3 **IV. JUDGMENT**

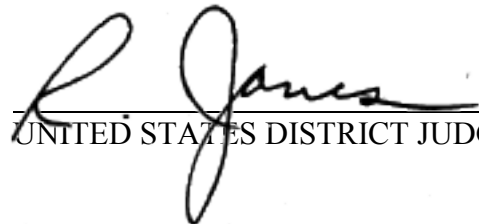
4 Accordingly and Good Cause Appearing therefor:

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6 IT IS ORDERED that DEFAULT JUDGMENT IS ENTERED in favor of Plaintiffs and
7 against Defendants Global Equity Preservation, Inc. and Eagle Investment Corporation of
8 America, jointly and severally, in the amount of \$700,000.00 in principal compensatory
9 damages, plus interest at the rate of 3.25% or \$63.19 per day from July 16, 2008 until paid in
10 full.

11 IT IS FURTHER ORDERED and DEFAULT JUDGMENT IS ENTERED in favor of
12 Plaintiffs and against Defendants Thomas E. Colbert and Thomas Colbert Irrevocable Life
13 Insurance Trust, jointly and severally, in the amount of \$159,800.00 in principal compensatory
14 damages, plus interest at the rate of 15% or \$14.43 per day from July 16, 2008 until paid in full.

15
16 IT IS FURTHER ORDERED that Plaintiffs are entitled to an award of reasonable
17 attorney's fees and costs.

18 DATED: This 9th day of September, 2014.

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21 
UNITED STATES DISTRICT JUDGE

22 Submitted By:
23 CHRISTENSEN JAMES & MARTIN
24 By: /s/ Wesley J. Smith
Wesley J. Smith, Esq.
Attorneys for Plaintiffs