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10 **ROBB EVANS & ASSOCIATES LLC**

11 UNITED STATES DISTRICT COURT  
12 DISTRICT OF NEVADA  
13

14 FEDERAL TRADE COMMISSION,  
15 Plaintiff,  
16 v.  
17 AWS, LLC, et al.,  
18 Defendants.

Case No. 2:18-cv-00442-JCM-PAL

**STIPULATED ORDER FOR QUALIFIED  
TURNOVER OF RESERVE FUNDS**

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20  
21 The Federal Trade Commission (the “FTC”), the Court-Appointed Receiver Robb Evans  
22 & Associates LLC (the “Receiver”), Non-Party Synovus Bank (“Synovus”), and Non-Party  
23 Qualpay, Inc. (“Qualpay,” and collectively with Synovus, the “Acquirers”) stipulate to the entry  
24 of this Stipulated Order for Qualified Turnover of Reserve Funds to facilitate the resolution of  
25 competing claims to the reserve funds referenced in Section III, paragraph C, subsection 31 of the  
26 Court’s Stipulated Order for Permanent Injunction and Monetary Judgment (the “Stipulated  
27 Order”) [Doc. No. 80].  
28

1           THEREFORE, IT IS ORDERED as follows:

2           1.       The Acquirers currently hold \$2,601,106.85 in reserve funds associated with  
3 payment card transactions initiated by cardholders doing business with Defendant FBA Stores  
4 LLC (the "Reserve Funds"). The FTC and the Receiver claim that such Reserve Funds are  
5 property of Defendant FBA Stores LLC and must be turned over to the Receiver pursuant to the  
6 Stipulated Order. The Acquirers, by contrast, claim that such Reserve Funds, as well as income  
7 therefrom, are not the property of the Defendants and that, in any event, the Acquirers are entitled  
8 to use those Reserve Funds to offset consumer-initiated chargebacks based on, *inter alia*,  
9 ownership of the Reserve Funds, their contract with Defendant FBA Stores, their security interest  
10 in the Reserve Funds, and the doctrine of recoupment.

11          2.       The FTC and the Receiver have agreed to promptly negotiate with the Acquirers in  
12 good faith regarding the proper disposition of the Reserve Funds, but only after a preliminary  
13 turnover of the Reserve Funds to the Receiver. At the same time, the FTC and the Receiver have  
14 agreed that such a turnover will not operate to prejudice or limit the rights, claims, or defenses of  
15 the Acquirers *vis-à-vis* the Reserve Funds, if any.

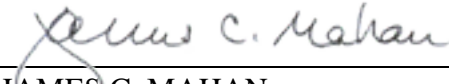
16          3.       The Court therefore ORDERS the Acquirers to turn over the Reserve Funds to the  
17 Receiver, but finds that such a turnover will not impair, and is without prejudice to or limitation  
18 on, the Acquirers' rights, claims, and defenses with respect to the Reserve Funds, and income  
19 therefrom, whether based on ownership of the Reserve Funds, the Acquirers' contract with  
20 Defendant FBA Stores, any security interest in the Reserve Funds (and any perfection of that  
21 security interest that exists or existed prior to the turnover), the doctrine of recoupment, or  
22 otherwise.

23          4.       The Receiver shall place the Reserve Funds on deposit in a separate interest-  
24 bearing receivership account. Unless otherwise ordered by the Court, such funds shall not be  
25 available to pay the expenses of the receivership estate. In the event the Receiver shall seek any  
26 disbursement of Reserve Funds or income therefrom, the Receiver shall give the Acquirers  
27 fourteen (14) days advance notice of such request and an opportunity to object. Should any  
28

1 objection be filed with the Court, the Receiver shall not make such disbursement until the Court  
2 resolves Acquirer(s)' objection

3  
4 SO ORDERED.

5 Dated: September 12, 2018.

  
\_\_\_\_\_  
JAMES C. MAHAN  
UNITED STATES DISTRICT JUDGE

**CERTIFICATE OF SERVICE**

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is: 2029 Century Park East, Suite 300, Los Angeles, CA 90067. On **September 10, 2018**, I served the foregoing document(s) described as: **STIPULATED ORDER FOR QUALIFIED TURNOVER OF RESERVE FUNDS** on the interested party(ies) below, using the following means:

**All parties identified for Notice of Electronic Filing generated  
by the Court's CM/ECF system under the referenced case  
caption and number**

☒ BY ELECTRONIC MAIL. I caused the document(s) to be sent to the respective e-mail address(es) of the party(ies) as stated above. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

- Edward A. Marshall, [edward.marshall@agg.com](mailto:edward.marshall@agg.com)
- Steven Kaufmann, [SKaufmann@mofo.com](mailto:SKaufmann@mofo.com)
- Theresa Kananen, [Theresa.Kananen@AGG.com](mailto:Theresa.Kananen@AGG.com)

I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Executed on **September 10, 2018** at Los Angeles, California.

/s/ Stephanie L. Moore

Stephanie L. Moore

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