IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH CENTRAL DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

ORDER

VS.

ART INTELLECT, INC. d/b/a MASON HILL and VIRTUALMG; PATRICK MERRILL BRODY; LAURA A. ROSER; and GREGORY D. WOOD,

Defendants.

Case No. 2:11-CV-357-TC

This matter came before the court on May 17, 2011, at a 10:00 a.m. hearing during which the court addressed issues arising out of the Securities and Exchange Commission's request for a preliminary injunction and motion for an order to show cause why Defendants Patrick Merrill Brody and Laura A. Roser should not be held in contempt. For the reasons set forth during the hearing, the court ORDERS as follows:

1. The April 18, 2011 Temporary Restraining Order (Docket No. 4) is, by stipulation of the parties, extended until the date of the evidentiary hearing on the SEC's request for preliminary injunctive relief. Counsel for the Plaintiff SEC and for the Defendants Art Intellect, Inc., Mr. Brody, and Ms. Roser ("Defendants") will confer on Monday, May 23, 2011, with the

¹Although Gregory Wood is a listed defendant, he has already signed a consent decree and agreed to entry of an injunction again him, so he is not the subject of the issues in this Order.

Case 2:11-cv-00357-TC -DN Document 27 Filed 05/17/11 Page 2 of 3

court's case manager to schedule a hearing date for some time in mid- to late-June 2011. At the hearing, the court will take evidence and hear argument on both the SEC's motion for a preliminary injunction (Docket No. 2) and the SEC's Motion for an Order to Show Cause (Docket No. 23). No party may appear by telephone. Any party who does not appear at the hearing (to be determined and noticed early next week) — either in person or through a licensed attorney who has made a formal appearance in this case — shall be precluded from offering testimony, offering witnesses, or cross-examining witnesses. In addition, any witness offering direct evidence through an affidavit must appear in person at the hearing to be cross-examined, otherwise the court will not consider the affidavit(s) as evidence.

- 2. The court-appointed receiver has authority and the court's permission to enter and conduct an inventory of the residence at 6492 Canyon Crest Drive, Salt Lake City, Utah, 84121, as soon as possible. Counsel for and other representatives of the Receiver, counsel for SEC, and counsel for Defendants may attend the inventory as well.
- 3. Based on the court's April 18, 2011 order freezing assets (Docket No. 5) and discussion during the hearing, Defendants are hereby ORDERED to IMMEDIATELY remove all advertisements posted on the website www.ksl.com, or anywhere else, in which they seek to sell the contents of the Canyon Crest Drive residence, the residence itself, or other assets that are part of the receivership estate.
- 4. The SEC is directed to contact Robert Copier immediately about release of the Cadillac Escalade to the Receiver. If Mr. Copier does not return the Cadillac Escalade to the Receiver by Friday, May 20, 2011, or does not file a good-faith pleading no later than Thursday, May 19, 2011, providing good cause why he should not be required to return the Cadillac

Escalade to the Receiver, the court will issue an order mandating seizure of the Cadillac Escalade by the Receiver.

- 5. Given the stipulation between counsel for SEC and the Defendants, the court notes that the SEC has withdrawn its Motion to Compel (Docket No. 20) on the condition that Ms. Roser and Mr. Brody attend their respective depositions.
- 6. If the SEC has any information that Patrick Merrill Brody may be violating the conditions of his supervised release in the case of <u>United States v. Patrick Merrill Brody</u>, Case No. 2:08-CR-410-CW, the SEC is directed to bring attention of such alleged violations to the United States Probation Office.

SO ORDERED this 17th day of May, 2011.

BY THE COURT:

TENIA CAMPDELL

TENA CAMPBELL U.S. District Court Judge