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

MARTIN J. WALSH, SECRETARY OF
LABOR, UNITED STATES
DEPARTMENT OF LABOR,

Plaintiff,

v.

PARAGON CONTRACTORS CORP.;
JAMES JESSOP an individual; BRIAN
JESSOP, an individual; and PAR 2
CONTRACTORS, LLC,

Defendants.

ORDER APPOINTING RECEIVER

Civil No. 2:06-cv-00700-TC

District Judge Tena Campbell

I. DEMONSTRATED NEED FOR A RECEIVER

In 2007, this Court enjoined defendants Paragon Contractors Corp. (“Paragon”), Brian Jessop, and James Jessop from violating specified provisions of the Fair Labor Standards Act (“Injunction”).¹ The Secretary of Labor (“Secretary”) alleged that Paragon and Brian Jessop violated the Injunction, resulting in a finding of contempt.² The Tenth Circuit affirmed the finding that Paragon and Brian Jessop violated the Injunction and affirmed the trial court’s order that they pay \$1,012,960.60 in back wages.³ In 2018, Par 2 Contractors, LLC (“Par 2”) was deemed a successor to Paragon, made a defendant, and made jointly liable for the back wages.⁴

¹ ECF No. 26, filed November 29, 2007.

² ECF No. 99, filed June 16, 2016.

³ *Scalia v. Paragon Contractors Corp.*, 957 F.3d 1156 (10th Cir. 2020). \$200,000 of this amount was paid, leaving a judgment amount of \$812,960.60.

⁴ ECF No. 209, filed September 10, 2018.

In 2019, this Court ordered the current Defendants to pay the remaining \$812,960.90 owed for back wages.⁵

Defendants did not pay the back wages. This Court issued a preliminary injunction in February 2021, enjoining Defendants from dissolving the entities and from transferring, concealing, encumbering, or dissipating assets.⁶ In June, the Court granted the Secretary's motion for the appointment of a receiver and directed the Secretary to submit a proposed order.⁷ The Secretary submitted a proposed order⁸ and Par 2 filed objections.⁹ The Court held a hearing on July 27, 2021, at which it heard arguments, set deadlines for additional briefing, and instructed the Secretary to submit a revised proposed order.¹⁰

In accordance with these prior orders and for good cause appearing, the Court HEREBY ORDERS as follows ("Order"):

II. APPOINTMENT OF RECEIVER

1. Until otherwise ordered, Wayne Klein is appointed to serve without bond as receiver (the "Receiver") for the estate of the Receivership Defendants ("Receivership Estate").

III. OBJECTIVES OF THE RECEIVERSHIP

2. The purposes of creating the Receivership and appointing the Receiver are to:
- a. Identify and recover assets belonging to Receivership Defendants (defined below), assets derived from the work of Receivership Defendants, and assets transferred

⁵ ECF No. 241, filed July 2, 2019.

⁶ ECF No. 283, filed Feb. 11, 2021. The order also required defendants to provide documents to the Secretary, including personal and business tax returns of Defendants.

⁷ ECF No. 288, filed June 14, 2021.

⁸ ECF No. 289, filed July 9, 2021.

⁹ ECF No. 290, filed July 16, 2021.

¹⁰ ECF No. 293, filed July 27, 2021.

by Receivership Defendants to employees, affiliated entities, family members, or others for less than fair market value;

b. Identify and recover records of Receivership Defendants that might assist the Receiver in accomplishing the objectives of the Receivership, whether the records are held by Receivership Defendants or others;

c. Determine whether transfers of assets of Receivership Defendants to other persons or entities have been made in a manner that indicates collusive agreements to hide assets or avoid compliance with prior orders of this Court such that the other entities should be made part of the Receivership Estate; and

d. Maintain and then liquidate the assets of the Receivership Estate for the purposes of satisfying judgments and orders relating to amounts owed by Receivership Defendants for unpaid back wages.

IV. COURT JURISDICTION OVER ASSETS, RECEIVERSHIP PROPERTY

3. This Court takes exclusive jurisdiction over and possession of all assets, of whatever kind and wherever situated, of Defendants Paragon and Par 2 (“Entity Receivership Defendants”), and Brian Jessop, individually, (collectively “Receivership Defendants”), including assets and proceeds proven to be from activities of Receivership Defendants that are in the possession of any and all subsidiaries and affiliated entities or individuals, or third parties (“Receivership Property”).

4. Receivership Property means all assets of Receivership Defendants, including assets under their direct or indirect control and assets in their possession or the possession of others

that the Receivership Defendants own, possess, have a beneficial interest in, or control directly or indirectly. Receivership Property also includes:

a. Property interests of Receivership Defendants, which include, but are not limited to: monies, accounts, trusts, funds, digital currencies, securities, credits, stocks, bonds, effects, goods, chattels, vehicles, equipment, construction supplies, intangible property, real property, lands, premises, leases, claims, rights, ownership interests in domestic or foreign entities, and other assets, together with rents, profits, dividends, receivables, interest, or other income attributable thereto, of whatever kind.

b. Any other ownership and leasehold interests and fixtures owned or controlled, directly or indirectly, by Receivership Defendants or held by others for the beneficial interest of Receivership Defendants.

c. Personal Property ("Personal Property") of Receivership Defendants, including, but not limited to: electronically-stored information, computers, laptops, hard drives, external storage drives, and any other such memory, media, or electronic storage devices, books, papers, data processing records, evidences of indebtedness, bank records and accounts, savings records and accounts, brokerage records and accounts, certificates of deposit, stocks, bonds, debentures, and other securities and investments, contracts, mortgages, furniture, office supplies, machinery and equipment, tools, fixtures, metal, plastic, and other building materials.

d. The vehicles and equipment ("Vehicles and Equipment") listed in the table below:

Year	Vehicle/Equipment	Purchase Date	Identification Source
2017	Chevrolet	7/31/17	“Assets Purchased” ¹¹
2017	Ram 3500	4/17/17	“Assets Purchased”
2018	Ford F-350	4/19/18	“Assets Purchased”
2018	PJ Trailer	9/14/17	“Assets Purchased”
2018	Ram	9/8/17	“Assets Purchased”
2019	Chevrolet	12/13/18	“Assets Purchased”
2020	PJ Trailer	9/12/19	“Assets Purchased”
1999	Fontaine Lowboy		2017 Tax Return
2012	Potain Tower Crane		2017 Tax Return
2016	Sharp Copier		2019 Insurance Policy
2007	JLG Telehandler		2019 Insurance Policy
2004	HD40A Tower Crane		2019 Insurance Policy
2012	Potain IGO-50 Tower Crane		2019 Insurance Policy
2004	JLG Boom Lift		2019 Insurance Policy
2015	Xtreme Telehandler		2019 Insurance Policy
2006	KENW T80		2019 Insurance Policy
2006	KENW T60		2019 Insurance Policy
2000	Trlr Fontaine Lowboy		2019 Insurance Policy
2000	Trlr Lowboy		2019 Insurance Policy
2018	Dodge Ram 3500		2019 Insurance Policy
2017	Chevrolet Silverado 3500		2019 Insurance Policy
2015	Toyota Highlander		2019 Insurance Policy
2017	Dodge Ram 3500		2019 Insurance Policy
2016	Ford F-350		2019 Insurance Policy
2016	Ford F-350 ¹²		2019 Insurance Policy
2007	Trlr Doonan Dropdeck		2019 Insurance Policy
2018	Ford F-350		2019 Insurance Policy
2008	San Marco Self Erecting Tower Crane		2018 Insurance Policy
2017	Liebherr Self Erecting Tower Crane		2018 Insurance Policy
	Forklifts (2)		Don Jessop depo. ¹³
	Boom Lift		Don Jessop depo.
	Scissor Lift		Don Jessop depo.

¹¹ These assets were identified in an electronic folder produced to the Secretary by Par 2 in response to ECF No. 283. See Motion for Receiver, ECF No. 284, filed May 4, 2021.

¹² The Motion for Receiver indicates these are two separate vehicles, not duplicate entries for one vehicle.

¹³ See Motion for Receiver at 14.

e. Real Property. All Real Property of the Receivership Defendants (“Real Property”), wherever located, including but not limited to all ownership and leasehold interests and fixtures associated with that Real Property. Real Property includes property in which Receivership Defendants have testified under oath that they own a beneficial interest in the property, even if titled in the name of another, such as a family member or an affiliated entity. Specific Real Property for which the Receiver shall take immediate possession includes a warehouse and property at 745 North Box Elder Street, Hildale, Utah, having Washington County parcel number HD-HDIP-10.¹⁴ All of the construction supplies and materials located on this property are hereby made Receivership Property, unless released by the Receiver in writing or by Court order.

V. ASSET FREEZE, INVESTIGATION OF ASSET TRANSFERS

5. Asset Freeze. Except as otherwise provided herein, all assets of Receivership Defendants (also defined as Receivership Property) are frozen until further order of this Court (“Asset Freeze”). Accordingly, all persons and entities with direct or indirect control over any Receivership Property, other than the Receiver, are hereby restrained and enjoined from directly or indirectly transferring, setting off, receiving, changing, selling, pledging, assigning, liquidating, or otherwise disposing of or withdrawing such Receivership Property. This freeze shall include, but not be limited to, Receivership Property that is on deposit with financial institutions such as

¹⁴ While this property is titled in the name of Jeremiah Jessop, Jr., Don Jessop testified under oath that the property was purchased and owned by Par 2. Motion for Receiver at 14, n. 11. In light of the Secretary’s evidence that assets of Receivership Defendants have been transferred frequently to others with no consideration, this property will remain Receivership Property until the Receiver is persuaded it is not Receivership Property or the Court grants a motion to release the property from the Receivership.

banks, brokerage firms and mutual funds, shares of stock, precious metals, and digital currencies or other intangible property.

6. Freeze of Receivership Property Held by Related Parties. The Asset Freeze is extended to all assets of Receivership Defendants held by: (a) subsidiaries and affiliated entities of the Receivership Defendants, (b) family members, (c) employees or former employees of Receivership Defendants, or (d) any other person in possession of assets (including records) belonging to Receivership Defendants. This Asset Freeze applies to any Receivership Property in the possession or control of any person where the Receivership Property was transferred to an insider, affiliated entity, subsidiary, family member, employee, former employee, or other person after June 1, 2016,¹⁵ that: (i) was not arms' length, (ii) was not accompanied by contemporaneous documentation of the purpose and value of the transfer, or (iii) that was not for an amount paid to Receivership Defendants that was reasonably equivalent to the value of the Receivership Property at the time of the transfer. The Asset Freeze also applies to every transfer of Receivership Property that was made with the intent, purpose, or effect of transferring, concealing, encumbering, or dissipating Receivership Property.

7. Investigation of Transfers of Receivership Property. The Receiver is authorized, directed, and empowered to investigate all transfers of assets of Receivership Defendants since June 1, 2016, including transfers to subsidiaries and affiliated entities of the Receivership Defendants, employees, former employees, and family members, to determine whether the assets, property, property rights, or interests of the subsidiaries and affiliated entities that were transferred

¹⁵ This is the date of the 2016 contempt order, ECF No. 99.

derived from the construction businesses at issue in this case¹⁶ or from an unrelated business activity.

8. Receiver's Power to Seek Recovery of Receivership Property. If the Receiver determines that Receivership Property is in the possession or control of others and the person in control refuses to return the Receivership Property to the Receiver, the Receiver may file a turnover motion with this Court, seeking an order compelling the turnover of Receivership Property. If the Receiver determines that any affiliates or subsidiaries or other entities have become the successor in fact to a large part of the business of either Entity Receivership Defendant, that transfers from or the assumption of business of Entity Receivership Defendants has been so extensive that the entities lack clear, separate identification, or that the other entity is controlled by the current owners of Entity Receivership Defendants and has used assets, capital, equipment, business contacts, contracts and agreements, or other assets of Entity Receivership Defendants, the Receiver may file a motion seeking to have the other entities be made part of the Receivership Estate.

9. The Receiver may communicate and consult with counsel for the Secretary regarding his investigation, including considering information gathered by the Secretary regarding the operations of affiliates and subsidiaries of Entity Receivership Defendants and transfers discovered by the Secretary in the Secretary's investigation of Defendants. The Receiver may request the opinion of counsel for the Secretary on whether the Receiver should seek inclusion of subsidiaries and affiliated entities or additional specific property in the Receivership Estate.

10. Notice of the Asset Freeze. The Asset Freeze extends to any person or entity who: (a) is in possession or control of Receivership Property and (b) receives actual notice of this Order.

¹⁶ See FFCL, *supra* note 5.

Those in possession or control of Receivership Property includes subsidiaries or affiliated entities of the Receivership Defendants, their agents, servants, employees, attorneys, and those persons in active concert or participation with them. It also includes those conducting business with Receivership Defendants, including financial institutions, brokerage firms, trustees, attorneys, and others who are holding assets of Receivership Defendants. Those with notice of this Order include those who become aware of the Order by personal service, facsimile service, electronic mail, or otherwise.

VI. RECEIVER'S POWER AND CONTROL OVER ENTITY RECEIVERSHIP DEFENDANTS

11. Termination of Authority and Removal of Officers and Directors. The directors, officers, managers, employees, trustees, investment advisors, accountants, attorneys, and other agents of the Entity Receivership Defendants are hereby dismissed, and the powers of any general partners, directors, or managers are hereby suspended. Such persons shall have no authority with respect to the Entity Receivership Defendants' operations or assets, except to turn them over to the Receiver or as may hereafter be expressly granted by the Receiver in writing.

12. No person holding or claiming any position of any sort with any of the Receivership Defendants shall possess any authority to act by or on behalf of any of the Receivership Defendants without the express written permission of the Receiver.

13. Receiver's Control Over Entity Receivership Defendants. The Receiver shall have all powers, authorities, rights, and privileges heretofore possessed by the owners, members shareholders, officers, directors, managers, and general and limited partners of the Entity Receivership Defendants under applicable state and federal law, by the governing charters, bylaws, articles, or agreements, in addition to all powers and authority of a receiver at equity and all powers

conferred upon a receiver by the provisions of 28 U.S.C. §§ 754, 959, 1692, and Fed. R. Civ. P. 66, and this Court. The Receiver is authorized to sue and be sued as provided in 28 U.S.C. §§ 754, 959, 1692, and Fed. R. Civ. P. 66, and by this Court.¹⁷

14. As part of his exclusive control over all assets and operations of Entity Receivership Defendants, the Receiver owns all rights and privileges owned by the Entity Receivership Defendants. To the extent the Entity Receivership Defendants paid for and received legal services, all documents and any attorney-client privilege relating to those legal services belongs to the Entity Receivership Defendants, which, by this Order, are under the exclusive control of the Receiver.

15. The Receiver shall assume and control the operation of the Entity Receivership Defendants and shall pursue and preserve all claims as he thinks appropriate.

16. Receiver's Control Over Personal Property of Receivership Defendants. The Receiver is authorized to take immediate possession of all Personal Property of the Receivership Defendants, wherever located, including but not limited to all ownership and leasehold interests and fixtures and all Vehicles and Equipment. The Receiver is authorized to file a copy of this Order or other notice with the appropriate authorities to effectuate notice of his possession and control of the Personal Property.

17. Receiver's Control Over Real Property of Receivership Defendants. The Receiver is authorized to take immediate possession of all Real Property of the Receivership Defendants, wherever located, including but not limited to all ownership of all leasehold interests, fixtures, equipment, tools, and inventory located on the premises of the Real Property. The Receiver is

¹⁷ Any plaintiff seeking to sue the Receiver must first obtain leave of the appointing Court pursuant to *Barton v. Barbour*, 104 U.S. 126, 127 (1881).

authorized to file a copy of this Order or other notice with the appropriate authorities to effectuate notice of his possession and control of the Real Property.

18. Receiver's Control Over Assets, Books, Records, and Accounts. The Receiver is authorized to take immediate possession of all assets, bank accounts or other financial accounts, contents of safe deposit boxes, books, records, and all other documents or instruments—whether in paper or electronic form—relating to the Receivership Defendants; provided, however, that Receivership Defendants may retain copies at their own expense.

19. The Receivership Defendants, as well as their past and present officers, directors, agents, managers, servants, employees, attorneys, accountants, general and limited partners, trustees, and any persons acting for or on behalf of the Receivership Defendants, and any persons receiving notice of this Order by personal service, electronic transmission, or otherwise, are directed to preserve and turn over to the Receiver forthwith all paper and electronic information of, or relating to, the Receivership Property.

20. All persons and entities having control, custody, or possession of any Receivership Property or records of Receivership Defendants are hereby ordered to turn such property over to the Receiver.

21. The Receivership Defendants, as well as their agents, servants, employees, attorneys, any persons acting for or on behalf of the Receivership Defendants, and any persons receiving notice of this Order by personal service, electronic transmission, or otherwise, having possession of the property, business, books, records, accounts, or assets of the Receivership Defendants, are hereby ordered to deliver the same to the Receiver or his agents or employees. Assets of the Receivership Defendants that are required to be turned over to the Receiver

specifically include all computers, hard drives, and personal electronic devices that were: (a) purchased by Receivership Defendants or (b) contain records of the Entity Receivership Defendants, specifically including any computers controlled by Jacob Barlow that contain any records relating to Receivership Defendants.

22. Access to and Control Over Real and Personal Property. The Receiver is authorized, as the Receiver deems necessary or appropriate in the Receiver's business judgment, to take immediate possession of all Personal Property and Real Property of the Receivership Defendants, wherever located. If the Receiver later determines that Real Property over which he has taken control was incorrectly included in the Receivership, or that a notice was incorrectly filed, the Receiver shall take steps to release possession of such real property to its owners. If a person claims that property placed under control of the Receiver by this Order is not Receivership Property and the Receiver does not agree to release possession of such real property, the person may file a motion with the Court seeking to have the property released from the Receivership.

23. The Receiver is authorized to change locks to the Real Property premises described above. The Receiver shall have exclusive control of the keys. The Receiver is also authorized to implement surveillance or other security measures to ensure that the terms of this Order are enforced.

VII. ADDITIONAL GENERAL POWERS AND DUTIES OF RECEIVER

24. Subject to specific provisions in this Order, the Receiver shall have the following general powers and duties:

a. To use reasonable efforts to determine the nature, location, and value of all Property Interests of each of the Receivership Defendants.

b. To take custody, control, and possession of all Receivership Property and records relevant thereto from the Receivership Defendants; to sue for and collect, recover, receive, and take into possession from third parties all Receivership Property and records relevant thereto.

c. To manage, control, operate, and maintain the Receivership Property and hold in his possession, custody, and control all Receivership Property, pending further order of this Court.

d. The Receiver has standing to prosecute claims under the Uniform Voidable Transactions Act¹⁸ and its predecessor statutes.

e. Except as otherwise provided in this Order, to use Receivership Property for the benefit of the Receivership Estate, making payments and disbursements and incurring expenses as may be necessary or advisable in the ordinary course of business in discharging his duties as Receiver.

f. To take any action which, prior to the entry of this Order, could have been taken by the officers, directors, partners, managers, members, shareholders, trustees, and agents of the Entity Receivership Defendants.

g. To engage and employ persons in his discretion to assist him in carrying out his duties and responsibilities hereunder, including, but not limited to accountants, attorneys, forensic experts, securities traders, registered representatives, financial or business advisers, liquidating agents, real estate agents, brokers, traders, or auctioneers.

¹⁸ Utah Code Ann. § 25-6-101, et seq.

The Receiver's engagement of forensic accountants and counsel for the Receiver are subject to approval by counsel for the Secretary.

h. To take such action as necessary and appropriate for the preservation of Receivership Property or to prevent the dissipation or concealment of Receivership Property.

i. To open all mail directed to or received by or at the offices or post office boxes of Entity Receivership Defendants; provided, however, that mail originating with counsel for Receivership Defendant Brian Jessop may be opened by the Receiver only after a court order, or the Receiver can release that unopened mail to Brian Jessop.

j. To assert, prosecute, and negotiate any claim under any insurance policy held by or issued on behalf of the Receivership Defendants or their officers, directors, agents, employees, or trustees, and to take any and all appropriate steps in connection with such policies.

k. To issue subpoenas and letters rogatory to compel testimony of persons or production of records, consistent with the Federal Rules of Civil Procedures and applicable Local Rules, except for the provisions of Fed. R. Civ. P. 26(d)(1), concerning any subject matter within the powers and duties granted by this Order.

l. To seek information from governments and entities outside the United States pursuant to mutual legal assistance treaties or other agreements to which the United States or an instrumentality of the United States is a party.

m. To bring legal actions based on law or equity in any state, federal, or foreign court as the Receiver deems necessary or appropriate in discharging his duties as Receiver.

In determining which legal actions are likely to be cost effective, the Receiver shall consult with counsel for the Secretary in making decisions on which actions to pursue.

n. To pursue, resist, defend, and settle all suits, actions, claims, and demands which may now be pending or which may be brought by or asserted against the Receivership Estate. In determining which suits, actions, claims, and demands to pursue, resist, defend, or settle, the Receiver may consult with counsel for the Secretary.

o. To compromise accounts receivable and other contractual claims of the Receivership Defendants and to abandon non-real-estate Receivership Property deemed by the Receiver to be of inconsequential value or benefit to the Receivership Estate on terms and in the manner the Receiver deems necessary or appropriate in the Receiver's business judgment.

p. To seek the assistance of any federal, state, county, or civil law enforcement offices or constables of any jurisdiction.

q. To alert the appropriate federal, state, local, or other law enforcement agency if the Receiver discovers a violation, or suspected violation, of federal, state, local, or other law in the course of his duties in administering the Receivership, and to share such information and documents with that agency as may be necessary regarding the violation.

r. To request from the Division of Motor Vehicles in all states in which Receivership Defendants have performed work, including but not limited to Utah, Idaho, Montana, California, Arizona, Colorado, Alaska, and Washington, a list of all vehicles ever titled in the name of Receivership Defendants, Don Jessop, Citadel Management, LLC, or Tru Blue Enterprises, LLC.

s. To require any equipment dealers who have sold vehicles or equipment to Receivership Defendants and all dealers or service centers who have serviced vehicles or equipment owned or controlled by Receivership Defendants or listed in this Order to provide to the Receiver information and relevant sales and service documents regarding all Vehicles or Equipment listed in this Order or owned or controlled by Receivership Defendants or related entities.

t. In the Receiver's sole discretion, after consultation with counsel for the Secretary, the Receiver may take such steps as are necessary or appropriate to repatriate to the territory of the United States, all Receivership Property that is located outside the territory of the United States and to prevent any transfer, disposition, or dissipation whatsoever of any Receivership Property located outside the United States.

u. To promptly notify the Court and counsel for the Secretary of any failure or apparent failure of any person or entity to comply in any way with the terms of this Order.

v. To seek from this Court an order staying litigation of any civil legal proceedings, including bankruptcy proceedings, arbitration proceedings, foreclosure actions, or default proceedings relating to Receivership Defendants or Receivership Property where the Receiver believes such legal proceedings threaten to interfere with the Receiver's work in administering the Receivership Estate, result in a claimant obtaining an improper interest in Receivership Property, or result in dissipation of Receivership Property.

w. To take such other action as may be approved by the Court.

VIII. DUTIES OF RECEIVERSHIP DEFENDANTS

25. Immediate Actions to be Taken by Receivership Defendants. Receivership Defendants shall forthwith take the following actions:

a. Delivery of Books, Accounts, and Records. The Receivership Defendants and the past and present officers, directors, agents, managers, general and limited partners, trustees, attorneys, transfer agents, website and electronic mail administrators, database administrators, accountants, and employees of the Entity Receivership Defendants, as well as those acting in their place, are hereby ordered and directed to preserve and turn over to the Receiver forthwith all paper and electronic information of, or relating to, the Receivership Defendants or Receivership Property. Such information shall include, but is not limited to books, records, documents, accounts, stock certificates, intellectual property records, evidence of intellectual property rights, computer and electronic records, and all other instruments and papers. If these documents and records are no longer within their control, they must provide information to the Receiver identifying the records, the persons in control of the records, and efforts undertaken to recover the records.

b. Repatriation of Foreign Assets. The Receivership Defendants are hereby ordered to forthwith transfer to the Receiver all Receivership Property outside the United States held jointly or singly or under their direct or indirect ownership or control, in whole or in part, with such Receivership Property transferred to the possession of the Receiver or to one or more accounts as may be determined by the Receiver.

26. Actions to be Taken Within Ten Days. Within ten (10) days of the date of this Order:

a. Acknowledgement of Receipt of Order. Counsel for Entity Receivership Defendants shall deliver to the Receiver and the Secretary signed acknowledgments by Brian Jessop, Don Jessop, and Jacob Barlow that they have received a copy of this Order.

b. Instructions to Financial Institutions and Others. The Receivership Defendants shall direct each of the financial or brokerage institutions, debtors, and bailees, or any other person or entity holding such assets, funds, or other properties of any Receivership Defendant to either: (a) turn over to the Receiver those assets, funds, or other properties, or (b) hold or retain within their control and prohibit the withdrawal, removal, transfer, or other disposal of any such assets, funds, or other properties *and* notify the Receiver that assets, funds, or other properties are being held.

c. Delivery of Titles for Vehicles and Equipment. Receivership Defendants shall deliver to the Receiver signed (endorsed) titles for all Vehicles and Equipment they have owned or controlled since June 1, 2016, that are still in their ownership or control.

d. Compliance Declaration. Receivership Defendants shall provide a sworn declaration of compliance with their obligations under this paragraph.

27. Actions to be Taken Within Thirty (30) Days. Within thirty (30) days of the date of this Order:

a. Delivery of Vehicles and Equipment. Receivership Defendants shall deliver the Vehicles and Equipment (as defined in Part IV), to an equipment auction location identified by the Receiver (within 150 miles of Hildale, Utah). To the extent that Receivership Defendants assert that any of the Vehicles and Equipment are no longer under their possession or control, Receivership Defendants must provide a sworn statement

identifying: (i) the vehicle identification number, make, model, and year of manufacture for each vehicle or equipment, (ii) the state in which each item of the Vehicles and Equipment was last titled and/or licensed, (iii) when such Vehicles and Equipment were transferred from their possession or control, (iv) to whom the Vehicles and Equipment were transferred, (v) the consideration received for the transfer, (vi) to whom consideration was paid, (vii) whether title was endorsed to the transferee, (viii) contact information for the transferee, and (ix) the current (or last known) location of each such Vehicles and Equipment. All documents relating to the transfers of possession, ownership, or control over Vehicles and Equipment no longer in their possession or control shall be provided along with the sworn statement.

b. Information About Receivership Property, Operations of Receivership Defendants. Receivership Defendants shall provide to the Receiver and counsel for the Secretary a sworn statement, listing: (a) the identity, location, and estimated value of all Receivership Property, specifically including information for each of the Vehicles and Equipment listed in paragraph 4 of the Order (b) all employees (and job titles thereof), other personnel, attorneys, accountants, and any other agents or contractors of the Entity Receivership Defendants; (c) the names, addresses, and amounts of claims of all known creditors of the Receivership Defendants; (d) the existence of and information about all insurance policies owned by, issued to, or obtained by any of the Receivership Defendants; (e) the password for all computers, electronic devices, software programs, online financial accounts, websites, social media accounts, cloud storage, servers, and any other book or record or account of the Receivership Defendants that is accessible by password; (f) the

status of any pending litigation to which any of the Receivership Defendants are involved, other than this instant case, including the names of the parties, the names of attorneys who have represented the Receivership Defendants, and the location of any records relating to the litigation which records are not being delivered to the Receiver by Receivership Defendants; and (g) a financial statement setting forth the identity, value, and location of all assets of each Receivership Defendant, including assets held outside the territory of the United States. Information about Receivership Property identified in (a) above, shall specifically include: (i) the vehicle identification number or serial number, (ii) its current location, (iii) the title owner, and (iv) the location of the title.

c. Delivery of Tax Returns. Receivership Defendants shall provide to the Receiver and to counsel for the Secretary copies of the Receivership Defendants' federal income tax returns for the fiscal or calendar years beginning with January 1, 2017, with all relevant and necessary underlying documentation. To the extent Receivership Defendants have already provided this information to counsel for the Secretary as required by this Court's February 11, 2021 order (ECF No. 283), Receivership Defendants will not be required to provide that information again.

d. Don Jessop Tax Returns. Don Jessop shall provide to the Receiver and to counsel for the Secretary copies of his federal income tax returns for the years 2017 to the present, as promised to the Secretary as part of Don Jessop's March 2021 deposition by the Secretary.

e. Delivery of Specific Additional Business Documents. The Receivership Defendants shall deliver to the Receiver and to counsel for the Secretary all records ordered

to be produced by this Court's February 11, 2021 order (ECF No. 283), to the extent those records have not already delivered those records to the Secretary.

f. Compliance Declaration. Receivership Defendants and Don Jessop shall provide a sworn declaration of compliance with their obligations under this paragraph.

28. Report on Assets, Dispositions of Assets. Within sixty (60) days of the entry of this Order, the Receivership Defendants shall file with the Court and serve upon the Receiver and counsel for the Secretary a sworn statement and accounting, with complete documentation, covering the period from June 1, 2016¹⁹, to the present:

a. Of all Receivership Property, wherever located, held by, controlled by, or held in the name of the Receivership Defendants, or in which any of them, directly or indirectly, has or had any beneficial interest, or over which any of them maintained or maintains or exercised or exercises control since June 1, 2016, including, but not limited to: (i) all securities, investments, funds, digital currencies, real estate, vehicles, aircraft, watercraft, recreational vehicles, jewelry and other assets, stating the location of each; (ii) construction equipment and supplies; and (iii) any and all accounts, including all funds held in such accounts, with any bank, brokerage, or other financial institution, including the account statements from each bank, brokerage, or other financial institution.

b. Identifying every safe deposit box, commercial mailbox, business office, storage facility, or other building or facility belonging to, for the use or benefit of, controlled by, or titled in the name of any Receivership Defendant, or subject to access by any Receivership Defendant or other person subject to the Asset Freeze in Part IV of this

¹⁹ This is the date of the Court's Contempt Order (ECF No. 99).

Order.

c. Identifying all credit, bank, charge, debit, stored value, or other deferred payment card issued to or used by each Receivership Defendant including, but not limited to, the issuing institution, the card or account numbers, all persons or entities to which a card was issued or with authority to use a card, the balance of each account or card as of the most recent billing statement, and all statements for the last twelve months.

d. Identifying, for the Entity Receivership Defendants, the names, contact information, and number of shares for all shareholders and members, and all purchases and sales of stock and membership interests since June 1, 2016, which information shall include identification of the buyers and sellers, the number of shares (or membership interests) transferred, the dates of the transfers, and the value of the transfers.

e. Of all assets received by any of the Receivership Defendants from any person or entity since June 1, 2016, including the value, location, and disposition of any assets so received.

f. Of all funds received by the Receivership Defendants, and each of them, since June 1, 2016, in any way related, directly or indirectly, to the conduct that is the subject of this case. The submission must clearly identify, among other things, all construction contracts or other services performed by Receivership Defendants, the dates and amounts of the contracts and agreements, and the current location of funds received from the sales.

g. Of each expenditure exceeding \$5,000 made by any of them since June 1, 2016, including those made on their behalf by any person or entity.

h. Of all transfers of assets by them since June 1, 2016, including a description or identification of: (i) the assets; (ii) the transferees of the assets, (iii) the dates of the transfers; (iv) the amount or value of the assets transferred; (v) a description of any goods or services received in exchange for the assets, including the value of any goods or services received; and (vi) to the best of their knowledge, the current location of the assets.

29. Ongoing Duties to Provide Information and Assistance. The Receivership Defendants, their subsidiaries, any affiliated entities, and any affiliated individuals (including family members or other relatives) shall cooperate with and assist the Receiver in the performance of his duties and obligations. As such, they must respond promptly and truthfully to all requests from the Receiver for information and documents.

30. Don Jessop and Brian Jessop, as well as all past and present officers, directors, agents, attorneys, managers, shareholders, employees, accountants, debtors, creditors, managers, and general and limited partners of the Entity Receiverships Defendants, and other appropriate persons or entities, including the family members of Don Jessop and Brian Jessop, shall promptly answer under oath to the Receiver all questions which the Receiver may put to them and produce all documents as required by the Receiver regarding the business of the Receivership Defendants or any other matter relevant to the operation or administration of the receivership or collection of funds due to the Receivership Defendants. If the Receiver deems it necessary to require the appearance of the aforementioned persons or entities, then the Receiver shall make his discovery requests in accordance with the Federal Rules of Civil Procedure.

31. Access to Records. The Receivership Defendants shall provide to the Receiver full and complete access to records of their accounts or assets held by any financial institutions outside

the United States and shall deliver to the Receiver and counsel for the Secretary such consents to release financial records or assets as may be reasonably requested by the Receiver or the Secretary.

IX. DUTIES OF THIRD PARTIES HOLDING RECORDS, ASSETS, OR CLAIMS

32. Institutions Holding Receivership Property. All banks, brokerage firms, financial institutions, and other persons or entities which have possession, custody, or control of any assets or funds held by, or in the name of, or for the benefit of, directly or indirectly, the Receivership Defendants that receive actual notice of this Order by personal service, electronic transmission, or otherwise shall:

a. Not liquidate, transfer, sell, convey, or otherwise transfer any assets, securities, funds, or accounts in the name of or for the benefit of the Receivership Defendants except upon written instructions from the Receiver.

b. Not exercise any form of setoff, alleged setoff, lien, or any form of self-help whatsoever, or refuse to transfer any funds or assets to the Receiver's control without the permission of this Court.

c. Deny Receivership Defendants access to any safe deposit box without the written consent of the Receiver.

d. Within five business days of receipt of notice of this Order, file with the Court and serve on the Receiver and counsel for the Secretary a certified statement setting forth, with respect to each such account or other asset, a balance in the account or description of the assets as of the close of business on the date of receipt of the notice.

e. Cooperate expeditiously in providing information and transferring funds, assets, and accounts to the Receiver or at the direction of the Receiver.

33. Persons in Possession of Receivership Property. Each person in possession and control of Receivership Property, who has actual notice of this Order, shall hold and retain within their control and otherwise prevent any withdrawal, transfer, pledge, encumbrance, assignment, dissipation, concealment, or other disposal of assets, funds, or other properties (including money, real or personal property, securities, digital currencies, choses in action, vehicles, equipment, construction supplies, or property of any kind whatsoever) of the Receivership Defendants.

34. Debts Owed to Receivership Defendants. All persons and entities owing any obligation, debt, or distribution to any Receivership Defendant shall, until further order of this Court, pay all such obligations to the Receiver, in accordance with the terms thereof and the Receiver's receipt of such payments shall have the same force and effect as if the Receivership Defendant had received such payment.

35. Services Being Provided to Receivership Defendants. Subject to payment for services provided, any entity furnishing water, electric, telephone, sewage, or garbage or trash removal services or similar services to the Receivership Defendants shall maintain such service and transfer any such accounts to the Receiver unless instructed to the contrary by the Receiver.

36. Pre-Receivership Debts of Receivership Defendants. The Receiver shall not be responsible for payment or performance of any obligations of the Receivership Defendants that were incurred by or for the benefit of the Receivership Defendants prior to the date of this Order, including but not limited to any agreement with third-party vendors, landlords, brokers, purchasers, or other contracting parties.

37. Persons Who Have Provided Professional Services to Entity Receivership Defendants. All attorneys, accountants, and auditors who have represented any of the Entity

Receivership Defendants shall cooperate fully with the Receiver in providing the Receiver the contents of their files relating to representations of the Entity Receivership Defendants.

X. COOPERATION WITH RECEIVER, INJUNCTION AGAINST INTERFERENCE, CONTEMPT

38. Interference with Real Property Prohibited. Upon receiving actual notice of this Order by personal service, electronic service, or otherwise, all persons other than law enforcement officials acting within the course and scope of their official duties, are prohibited (without the express written permission of the Receiver) from: (a) entering the premises of Real Property; (b) removing anything from such premises; or (c) destroying, concealing, or erasing anything on the premises of the Real Property.

39. The Receivership Defendants, or any other person acting or purporting to act on their behalf, are ordered not to change the locks for Real Property in any manner, nor to have duplicate keys made, nor shall they have keys to these properties in their possession during the term of the Receivership. The Receivership Defendants shall not otherwise interfere with the surveillance or security measures put in place by the Receiver on the premises described above.

40. Prohibition Against Interference. The Receivership Defendants and all persons receiving notice of this Order by personal service, facsimile, electronic transmission, or otherwise, are otherwise restrained and enjoined from directly or indirectly taking any action or causing any action to be taken, without the express written agreement of the Receiver, which would interfere with or prevent the Receiver from performing his duties, including conduct that would or might:

- a. Interfere with the Receiver's efforts to take control, possession, or management of any Receivership Property. Such prohibited actions include, but are not limited to, using self-help or executing or issuing (or causing the execution or issuance of)

any court attachment, subpoena, replevin, execution, or other process for the purpose of impounding or taking possession of or interfering with or creating or enforcing a lien upon any Receivership Property.

b. Hinder, obstruct, or otherwise interfere with the Receiver in the performance of his duties. Such prohibited actions include, but are not limited to, concealing, destroying, or altering records or information.

c. Dissipate or otherwise diminish the value of any Receivership Property. Such prohibited actions include, but are not limited to, releasing claims or disposing, transferring, exchanging, assigning or in any way conveying any Receivership Property; enforcing judgments, assessments, or claims against any Receivership Property or any Receivership Defendant; and attempting to modify, cancel, terminate, call, extinguish, revoke, or accelerate the due date of any lease, loan, mortgage, indebtedness, security agreement, or other agreement executed by any Receivership Defendant or which otherwise affects any Receivership Property.

d. Interfere with or harass the Receiver or interfere in any manner with the exclusive jurisdiction of this Court over the receivership estate.

41. Contempt Proceedings. If any persons subject to this Order fail to comply with the terms herein, the Receiver or counsel for the Secretary is permitted to initiate contempt proceedings.

XI. ADMINISTRATION OF THE RECEIVERSHIP ESTATE

42. Notice to Government Offices, Others. In furtherance of his responsibilities, the Receiver is authorized to communicate with and serve this Order upon any person, entity, or

government office that he deems appropriate to inform of the status of this matter or the financial condition of the receivership estate. All government offices which maintain public files of security interests in real and personal property shall, consistent with such office's applicable procedures, record this Order upon the request of the Receiver or counsel for the Secretary.

43. Receiver Bank Accounts. The Receiver shall establish one or more custodial accounts at a federally insured bank to receive and hold all cash equivalent Receivership Property (the "Receivership Funds"). The Receiver's deposit account shall identify the account as a receivership account by using a label on the account such as "Wayne Klein, Receiver for Paragon Contractors" or "Receivership Estate of Paragon Contractors."

44. Disposition of Personal Property, Assets. Except as otherwise provided in this Order and specifically as provided in paragraph 49 of this Order, the Receiver may, after consultation with counsel for the Secretary and without further order of this Court, transfer, compromise, sell, or otherwise dispose of any Receivership Property, other than real estate, in the ordinary course of business on terms and in the manner the Receiver deems most beneficial to the receivership estate and with due regard for the realization of the true and proper value of such Receivership Property.

45. Disposition of Real Property. Subject to paragraph 46 of this Order, the Receiver is authorized to locate, list for sale or lease, engage a broker to sell or lease, cause the sale or lease, and take all necessary and reasonable actions to cause the sale or lease of all real property in the receivership estate, either at public or private sale, on terms and in the manner the Receiver deems most beneficial to the receivership estate and with due regard to the realization of the true and proper value of such real property.

46. Upon further order of this Court, in accordance with such procedures as may be required by this Court and additional authority, such as 28 U.S.C. §§ 2001 and 2002, the Receiver is authorized to sell and transfer clear title to all real property in the receivership estate.

47. Manage and Wind Down Operations. The Receiver is authorized to take all actions to manage, maintain, and wind down business operations of the receivership estate, including making legally required payments to the United States, the Secretary, creditors, employees, and agents of the receivership estate and communicating with vendors, investors, government and regulatory authorities, and others as appropriate.

48. Qualified Settlement Fund. The Receiver shall take all necessary steps to enable the Receivership Funds to obtain and maintain the status of a taxable “Settlement Fund,” within the meaning of Section 468B of the Internal Revenue Code and/or the regulations, when applicable, whether proposed, temporary, or final, or pronouncements thereunder, including the filing of the elections and statements contemplated by those provisions. The Receiver shall be designated the administrator of the Settlement Fund, pursuant to Treas. Reg. § 1.468B-2(k)(3)(i), and shall satisfy the administrative requirements imposed by Treas. Reg. § 1.468B-2, including, but not limited to: (a) obtaining a taxpayer identification number; (b) timely filing applicable federal, state, and local tax returns and paying taxes reported thereon; and (c) satisfying any information, reporting, or withholding requirements imposed on distributions from the Settlement Fund. The Receiver shall cause the Settlement Fund to pay taxes in a manner consistent with treatment of the Settlement Fund as a “Qualified Settlement Fund.” The Receivership Defendants shall cooperate with the Receiver in fulfilling the Settlement Fund’s obligations under Treas. Reg. § 1.468B-2.

49. Investigation and Prosecution of Claims. Subject to the requirement that approval of counsel for the Secretary is required to commence or resume litigation, the Receiver is authorized, empowered, and directed to investigate, prosecute, defend, intervene in, or otherwise participate in, compromise, and adjust actions in any state, federal, or foreign court proceeding of any kind as may, in his discretion, and after consultation with counsel for the Secretary, be advisable or proper to recover or conserve Receivership Property.

50. Subject to his obligation to expend receivership funds in a reasonable and cost-effective manner, the Receiver is authorized, empowered, and directed to investigate the manner in which the financial and business affairs of the Receivership Defendants were conducted and, after obtaining approval of counsel for the Secretary, to institute such actions and legal proceedings for the benefit and on behalf of the receivership estate as the Receiver deems necessary and appropriate. The Receiver may seek, among other legal and equitable relief, the imposition of constructive trusts, disgorgement of profits, asset turnover, avoidance of fraudulent (or avoidable) transfers, rescission, restitution, collection of debts, and such other relief from this Court as may be necessary to enforce this Order. Where appropriate, the Receiver should provide prior notice to counsel for the Secretary before commencing actions.

51. Retained Personnel. The Receiver is authorized to solicit persons and entities (“Retained Personnel”) to assist him in carrying out the duties and responsibilities in this Order. The Receiver shall first obtain approval from counsel for the Secretary before retaining counsel and accountants for the receivership estate.

52. The Receiver and Retained Personnel, acting within the scope of such agency, are entitled to rely on all outstanding rules of law and orders of this Court and shall not be liable to

anyone for their own good faith compliance with any order, rule, law, judgment, or decree. In no event shall the Receiver or Retained Personnel be liable to anyone for their good faith compliance with their duties and responsibilities as Receiver or Retained Personnel nor shall the Receiver or Retained Personnel be liable to anyone for actions taken or omitted by them except upon a finding by this Court that they acted or failed to act as a result of malfeasance, bad faith, gross negligence, or in reckless disregard of their duties.

53. Avoidance of Conflicts of Interest. The Receiver has a continuing duty to ensure there are no conflicts of interest between the Receiver, his Retained Personnel.

54. Hazardous Waste, Contamination. Nothing contained in this Order, nor the grant or exercise of any powers provided for herein by the Receiver shall cause the Receiver to be considered a past or present owner, operator, or other potentially responsible or liable party under any provision of the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”),²⁰ or to incur liability based on ownership or operation of the Receivership Property under any other statutory, regulatory, common law, or strict liability theory. Furthermore, to the extent hazardous substances, wastes, or constituents are known or discovered to be present on Receivership Property, the Receiver shall not be considered to be in any direct or indirect contractual relationship with any party responsible for such substances, wastes, or constituents under CERCLA, and shall instead be considered to be acting solely in a “fiduciary capacity” with respect to the Receivership Property in accordance with § 107(n) of CERCLA.

55. Providing Information to the Secretary, Other Agencies. At the request of counsel for the Secretary, the Receiver shall provide counsel for the Secretary with any documentation or

²⁰ 42 U.S.C. § 9601 et seq.

information requested that is reasonably related to the Secretary's duties in connection with this case or that may be necessary to meet its reporting requirements or that is otherwise necessary to further the mission of the United States Department of Labor. The Receiver may cooperate with other government agencies investigating the conduct described in the Secretary's complaint in this case and share information he has learned or documents recovered through his work as Receiver.

56. Ordinary Receivership Expenditures. The Receiver need not obtain Court approval prior to the disbursement of receivership funds for expenses in the ordinary course of the administration and operation of the receivership estate, including payment of applicable federal, state, or local taxes.

57. Compensation to the Receiver and Retained Personnel. The Receiver and Retained Personnel are entitled to reasonable compensation and expense reimbursement which shall be paid from the receivership estate upon approval of a filed motion for the payment of fees and expenses. In advance of filing a motion for payment of fees and expenses, the Receiver shall serve upon counsel for the Secretary a complete copy of the proposed motion, together with all exhibits and relevant billing information and shall not file the motion with the Court until the Secretary has completed its review of the fee application. The Receivership Defendants shall have 14 days to file a response to any motion for payment of fees.

58. Quarterly Status Reports. Within a reasonable time after the end of each calendar quarter, the Receiver shall file a "Quarterly Status Report." The Quarterly Status Report shall, for the prior calendar quarter: (a) describe significant developments in the receivership estate during the quarter; (b) describe in summary form the assets recovered and disposed of during the quarter; (c) describe the status of litigation initiated, settled, or in progress during the quarter; (d)

summarize receipts and disbursements during the quarter and the general financial operations and status of the receivership estate; (e) describe the extent to which the Receivership Defendants, or others subject to the requirements of this Order, have failed to cooperate with or comply with demands from the Receiver; and (f) describe the Receiver's plans for moving forward to accomplish the objectives of the receivership.

59. Distributions. After payment of allowed costs of administering the receivership estate, the Receiver shall distribute proceeds from the liquidation of the receivership estate as follows:

a. **FIRST PRIORITY:** The United State Department of Labor for any costs this Court may award. This payment shall be paid in full before any distributions to lower priority claims. However, the Secretary may notify the Receiver that the Secretary elects to defer receipt of these amounts until after lower priorities are satisfied.

b. **SECOND PRIORITY:** To the Secretary, to replenish the back wage fund, in the amount of \$812,960.90. This payment shall be made in full before any distributions to lower priority claims.

c. **THIRD PRIORITY:** To the Secretary, in satisfaction of any civil money penalties determined to be due and owing to the Department of Labor in the administrative proceedings initiated in April 2015 and which are ongoing.

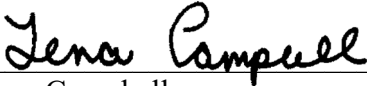
d. **RESIDUAL RECEIVERSHIP ESTATE:** To the extent that there are any remaining assets or funds in the receivership estate that can be liquidated or distributed after payment of expenses of administering the receivership estate and distributions to the First through Third Priority claimants, the residual shall revert to Receivership Defendants.

60. The Receiver is authorized to make distributions of available funds in the receivership estate to the Secretary, as described in the First through Third Priority categories without further order of this Court. The distributions need not be made in one lump sum payment but may be made over time as assets and funds become available for payment.

61. Modification of Order. The Receiver is authorized to request a modification of this Order from this Court during the life of the receivership if the Receiver determines that a modification is necessary for the proper administration of the receivership estate.

62. Retention of Jurisdiction. This Court shall retain jurisdiction over any action filed against the Receiver or Retained Personnel based on acts or omissions committed in their representative capacities.

SO ORDERED this 25th day of August, 2021.



Tena Campbell
United States District Court Judge