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**STATE OF WASHINGTON
KING COUNTY SUPERIOR COURT**

STATE OF WASHINGTON,
DEPARTMENT OF FINANCIAL
INSTITUTIONS,

Plaintiff,

v.

HOSS MORTGAGE INVESTORS,
INC., TODD ALLAN HOSS, BORIS
PETRENKO DBA ORANGE
ESCROW, BALLARD ESCROW, INC.,
FRONTIER BANK, VIKING BANK,
IRONSTONE BANK,

Defendants.

NO. 09-2-33731-4 SEA

ORDER GRANTING PRELIMINARY
INJUNCTION

Plaintiff's Order to Show Cause issued on September 15, 2009, concerning why a preliminary injunction should not be entered, came on for hearing on October 14, 2009. Plaintiff the State of Washington, Department of Financial Institutions was represented by its attorney, Charles E. Clark, Assistant Attorney General, and the following Defendants appeared through their counsel of record:

The Court considered the Complaint for Temporary Restraining Order, Preliminary Injunction, Permanent Injunction and Appointment of Receiver, Motion for Temporary Restraining Order,

1 and Declaration of Janet So, as well as the other files and records herein, and heard the
2 argument of counsel.

3 **I. FINDINGS AND CONCLUSIONS**

4 1. This Court appointed Steven K. Linkon as the general Receiver for Defendant
5 Hoss Mortgage Investors, Inc. on October 6, 2009, and the injunctive relief set forth in this
6 Order is necessary to protect the records and assets of Hoss Mortgage Investors, Inc. until the
7 Receiver can take possession of the them.

8 2. The Court finds that irreparable harm will result to the public if this Order is not
9 entered for the reason that Defendants may dispose of investor proceeds, investor monies, and
10 ill-gotten gains received through conduct that was in violation of the Securities Act of
11 Washington. The disposal of such funds would result in irreparable injury and loss to
12 investors.

13 3. The Court finds that the Plaintiff has a reasonable likelihood of prevailing on
14 the merits in its claims for a permanent injunction. The Plaintiff has a clear legal and equitable
15 right under the Securities Act to prevent Defendants from causing harm to investors.

16 4. The Court finds that it is appropriate to restrain the Defendants from disposing
17 of funds received from investors or held for the benefit of investors.

18 **II. ORDER**

19 Therefore, good cause appearing, IT IS HEREBY ORDERED that:

20 1. Defendant Todd Allan Hoss is prohibited from withdrawing, transferring,
21 assigning, selling, pledging, hypothecating, changing, wasting, dissipating, converting,
22 concealing, encumbering, or otherwise disposing of any assets held by Hoss Mortgage
23 Investors, Inc., whether obtained from investors or borrowers, including but not limited to
24 investor funds or borrower payments received by him on behalf of Hoss Mortgage Investors,
25 Inc., until such time that the Receiver takes control of such assets of Hoss Mortgage Investors,
26 Inc. and properly disburses the same;

