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KING COUNTY
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SEATTLE, WA

**STATE OF WASHINGTON
KING COUNTY SUPERIOR COURT**

STATE OF WASHINGTON,
DEPARTMENT OF FINANCIAL
INSTITUTIONS,

Plaintiff,

v.

CHESTERFIELD MORTGAGE
INVESTORS, INC., CHARLES M.
CHESTERFIELD AND KEY BANK,

Defendants.

NO. 10-2-32403-8 SEA

ORDER GRANTING MOTIONS FOR
TEMPORARY RESTRAINING
ORDER AND ORDER TO SHOW
CAUSE

[CLERK'S ACTION REQUIRED]

Plaintiff's Motion for a Temporary Restraining Order came on for hearing on the 9th day of September, 2010. Plaintiff was represented by its attorney, Kate Reynolds, 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, and Declarations of Bernadette McBride and Janet So, as well as the other files and records herein, and heard the argument of counsel.

1 **I. FINDINGS AND CONCLUSIONS**

2 1. The injunctive relief set forth in this Order is necessary to protect the records
3 and assets of Chesterfield Mortgage Investors, Inc. until the Receiver can take possession of
4 them.

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

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

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

15 5. This Order is granted without notice otherwise required because Defendants
16 through their conduct are in a position to cause the people of Washington State, whose interest
17 Plaintiff is charged to protect, immediate damage;

18 **II. ORDER**

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

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

1 2. Defendant Key Bank is prohibited from permitting or in any way assisting with
2 the withdrawal, transferring, changing, wasting, dissipating, converting, concealing,
3 encumbering, or otherwise disposing of any funds received by, held in an account in the name
4 of, or under the control of Chesterfield Mortgage Investors, Inc. and/or Charles M. Chesterfield
5 until such time that the Receiver takes control of such assets and properly disburses the same;

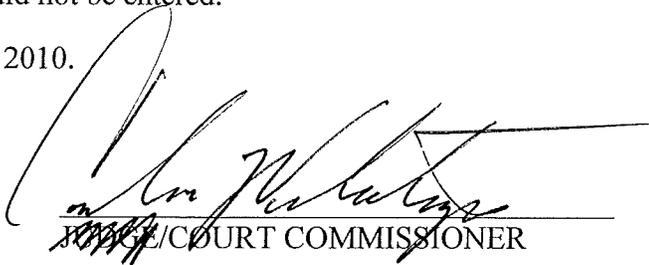
6 3. Defendants are prohibited from destroying or disposing of any Chesterfield
7 Mortgage Investors, Inc. records in their possession or control, including, without limitation,
8 any book, pamphlet, report, memorandum, note, statement, minute, diary, transcript, working
9 paper, telegram, letter, paper, chart, drawing, graph, photograph, publication, tape recording,
10 videotaped or graphic matter, accounting material, records of purchase or sale, contracts,
11 agreements, invoices, and any other existing source of stored information, whether written,
12 printed, typed, recorded, stored in a computer, or filmed;

13 4. Pursuant to RCW 4.92.080, no security bond shall be required of the State of
14 Washington in this matter;

15 5. This temporary restraining order shall go into effect on September 9,
16 2010, at 1:45 p.m. and shall remain in effect until DNBO 9/24/10, 2010, at 2:30 ~~pm~~ pm.

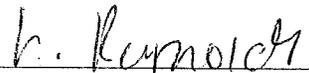
17 6. All Defendants shall appear before The Honorable Judge Barnett in Dept.
18 W-739, at the King County Courthouse, 516 - 3rd Avenue, Seattle, Washington, on the 24th day of
19 September, 2010, at 1:30 p.m. and then and there to show cause, if any they may
20 have, why a preliminary injunction should not be entered.

21 Dated this 9th day of September, 2010.

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1 Presented by:

2 ROBERT M. MCKENNA
3 Attorney General

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5 KATE REYNOLDS, WSBA No. 34498
6 Assistant Attorney General
7 Attorneys for Plaintiffs

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