

'96 SEP 20 AIO:49

INJUNCTION ON SALE AND APPOINTMENT OF RECEIVER

Notice is hereby given that the following captioned case:

ALVIN KURTZMAN

Plaintiff,

vs.

NORMAN LEVENSON, an individual,
STANLEY B. GITLIN, an individual;
LEVENSON & GITLIN ACCOUNTANCY CORPORATION,
a California professional corporation;
FAYDREX, INC., an Oregon corporation;

Defendants,

is currently pending in the Superior Court of the State of California for the County of Los Angeles as Case No. BC 144276. The court has issued an Injunction Pendente Lite and has appointed a receiver.

Specifically, the court ordered on March 15, 1996, among other things, that the defendants and each of them, and their officers, agents, servants, employees and representatives, and all persons acting in concert or participating with them, or purporting to act on their behalf, are enjoined during the pendency of this action from engaging in, committing, or performing, directly or indirectly, any of the following acts:

1. Transferring, selling, assigning, hypothecating, conveying, dissipating, converting, concealing or otherwise disposing of in any manner any funds, assets or other properties owned by or belonging to Faydrex, Inc. (hereinafter referred to as "Faydrex") or executing any conveyances or deeds for real property or the crops growing thereupon;
2. Obligating, involving, or in any way committing Faydrex without the prior approval and consent of this court;
3. Taking any actions whatsoever involving any and all identifiable proceeds received from the sale of timber owned by Faydrex in Klamath County, Oregon, to Superior Lumber Company and occurring on or about April 26, 1994 (the "Klamath Sale"), or any and all proceeds received from the sale of timber owned by Faydrex in Douglas County, Oregon, to Deer Creek Timber, Inc. and/or Rough & Ready Lumber Company occurring in 1995 (the "Douglas Sale") or any other proceeds derived from timber sales or other dispositions or conveyances of corporate assets of whatever kind or nature, other than to deposit such proceeds or the reinvestment of such proceeds, in whatever form or nature they may now exist, directly into the Faydrex corporate account maintained at City National Bank, 1800 Century Park East, Los Angeles, California, bearing Account No. 019009318;
4. Receiving or depositing any monies to which Faydrex may be entitled in whole or in part, writing any corporate checks, or engaging or employing accountants for the purpose of preparing any Faydrex tax returns or extensions of time for filing of said returns of Faydrex financial statements except as duly authorized by the Faydrex Board of Directors;

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5. Taking any actions which would directly or indirectly interfere with the discharge of the duties of the Provisional Director appointed under this Order or which would result in the transfer or conveyance of any of the assets or property of Faydrex except as duly authorized by the Faydrex Board of Directors; and
6. Taking any other actions, the effect of which would be to loot, embezzle or waste any of the corporate assets of Faydrex or impair, defeat, divert, prevent or prejudice the preservation of the assets of Faydrex or the intent of this Order.

On August 20, 1996, the Court further ordered, among other things, that Mark A. Neubauer be appointed receiver of all of the assets and property, including real property, personal property and intangible property of all kinds belonging to Faydrex, in the possession, custody and control of Faydrex, or the possession, custody and control of any of the shareholders, directors, employees or agents of Faydrex, including specifically and without limitation, defendant Norman Levenson; and further ordered that the receiver is authorized, empowered and directed to marshal, collect, take and keep possession of all property owned by Faydrex whether in the custody, possession or control of Levenson or otherwise and to care for, preserve, maintain and manage the property and incur such expenses necessary on behalf of the receivership estate; and to collect the rents due and hereinafter coming due from tenants for any portion of the property taken, to operate and continue the operation of any of the properties as long as it is advantageous in the sole discretion of the receiver for the ultimate purpose of securing a marshaling of the property and its application among investors and creditors in a fair and equitable manner consistent with the orders of the Court and other such authorizations and directions as outlined in the order of the Court filed in the above referenced case.

These orders affect the properties described on the following page and all other property owned by Faydrex, Inc.

STATE OF OREGON)
) ss.
County of Jackson)

I, Gerald M. Shean, III, having been duly sworn, do depose and say:

I swear and acknowledge that the foregoing is a true summary of the referenced orders, is made on my own personal knowledge and that I am competent to testify to the matters stated herein.

Gerald M. Shean III
Gerald M. Shean, III, OSB #93423
Foster, Purdy, Allan, Peterson & Dahlin
201 W. Main, Suite 4A
Medford, OR 97501
(541) 770-5466

SUBSCRIBED, SWORN and ACKNOWLEDGED before me this *9th* day of September, 1996.



Thomas L. Olson
Notary Public for Oregon
My Commission Expires: *2/23/98*

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LIST OF FAYDREX, INC. PROPERTIES

FLAMATH COUNTY

<u>Township - Range - Section</u>	<u>Acct. No.</u>
36 12 14	23278
36-10-14	R334702
36-10-14	R334711
36-10-14	R334720
B1L1	24705
B1L2	24704
B1L3	24703
B1L4	24702
B1L5	24701
B1L6	24700
B1L7	24699
B1L8	24698
B1L9	24697
B1L10	24696
B1L11	24695
B1L12	24694
B1L13	24693
B1L14	24692
B1L15	24691
B1L16	24690
B1L17	24689
B1L18	24688
B1L19	24687
B1L20	24686
B1L21	24654
B1L22	24653
B1L23	24652
B1L24	24651
B1L25	24650
B1L26	24649
B1L27	24648
B1L28	24647
B1L29	24646
B1L30	24645
B1L31	24644
B1L32	24643
B1L33	24637
B1L34	24638
B1L35	24639
B1L36	24640
B1L37	24641
B1L38	24642
B1L39	24630
B1L40	24631
B1L41	24632
B1L42	24633
B1L43	24634

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LIST OF FAYDREX, INC. PROPERTIES

KLAMATH COUNTY (CONT.)

<u>Township - Range - Section</u>	<u>Acct. No.</u>
B1L44	24635
B1L45	24636
B2L1	24721
B2L2	24722
B2L3	24723
B2L4	24724
B2L5	24725
B2L6	24726
B2L7	24706
B2L8	24707
B2L9	24708
B2L10	24709
B2L11	24710
B2L12	24711
B2L13	24712
B2L13	24655
B2L15	24656
B2L16	24657
B2L17	24715
B2L18	24714
B2L19	14713
B2L20	24720
B2L21	24719
B2L22	24718
B2L23	24717
B2L24	24716
B3L1	24659
B3L2	24658
B3L3	24729
B3L4	24728
B3L5	24727
B3L6	24730
B3L7	24670
B3L8	24671
B3L9	24672
B3L10	24673
B3L11	24674
B3L12	24675
B3L13	24676
B3L14	24677
B3L15	24678
B3L16	24679
B3L17	24680
B3L18	24681
B3L19	24682
B3L20	24683
B3L21	24684

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LIST OF FAYDREX, INC. PROPERTIES

KLAMATH COUNTY (CONT.)

<u>Township - Range - Section</u>	<u>Acct. No.</u>
B3L22	24685
B4L1	24660
B4L2	24661
B4L3	24662
B4L4	24663
B4L5	24664
B4L6	24665
B4L7	24666
B4L8	24667
B4L9	24668
B4L10	24669
B5L1	24622
B5L2	24623
B5L3	24624
B5L4	24625
B5L5	24626
B5L6	24627
B5L7	24628
B5L8	24629
B5L9	24616
B5L10	24617
B5L11	24618
B5L12	24619
B5L13	24620
B5L14	24621
23-10-1	477548
38-11-36	36038

After Recording Return:
Foster, Purdy, Allan, Peterson & Dahlin
P.O. Box 1667
Medford, Oregon 97501

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Foster, Purdy, Allan, Peterson & Dahlin the 20th day
of Sept. A.D., 19 96 at 10:49 o'clock A. M., and duly recorded in Vol. M96
of Mortgages on Page 29806.
Bernetha G. Letsch County Clerk
FEE \$30.00 INDEXED
By Kathleen Rose

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STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Foster, Purdy, Allan, Peterson & Dahlin the 26th day
of Sept. A.D., 19 96 at 10:20 o'clock A. M., and duly recorded in Vol. M96
of Deeds on Page 30490.
Bernetha G. Letsch County Clerk
FEE No Fee: Re-record to correct book
By Kathleen Rose