

Exhibit R-1

CAUSE NO. D-1-GN-20-000440

LEAP OF RULESET, LLC & RACE
THE CRESTING CURL, LLC,

Plaintiffs,

v.

STEVEN G. PAPERMASTER,

Defendant.

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IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS

53rd JUDICIAL DISTRICT

ORDER REQUIRING TURNOVER AND APPOINTMENT OF RECEIVER

The Court considered the Application for Post-Judgment Turnover and Appointment of Receiver (“Application”) filed by Plaintiffs. On August 9, 2021, this Court entered the Consent Judgment in favor of Plaintiffs against Defendant Steven G. Papermaster (“Defendant”) in the following amounts:

- (a) To Race the Cresting Curl, LLC: FIVE MILLION SIX HUNDRED SEVENTY-EIGHT THOUSAND ONE HUNDRED NINETY-SIX DOLLARS and NINETY-NINE CENTS (\$5,678,196.99), with post-judgment interest accruing thereafter at 4.25% per annum; and
- (b) To Leap of Ruleset, LLC: FIVE MILLION NINE HUNDRED TWENTY-FOUR THOUSAND FIVE HUNDRED DOLLARS and SEVENTY-FOUR CENTS (\$5,924,500.74), with post-judgment interest accruing thereafter at 6.75% per annum.

(the “Judgment”). The Judgment is valid, final, and remains unpaid. The Court finds that the Defendant owns non-exempt property that cannot readily be attached or levied upon by ordinary legal process. Based on the entire record, including the Application and evidence attached thereto that is admitted in support of the Application, the Court finds that the Application should be granted as set forth herein. The Court also notes the existence of a separate proceeding styled as *Paul Ng Investors LLC v. Nano Global Corp et al.*, Cause No. D-1-GN-21-007154, filed on December 29, 2021 in the 250th District Court of Travis County, Austin, Texas (the “Paul Ng Proceeding”). Accordingly,

IT IS ORDERED:

- 1. The Application is granted as set forth herein.

2. **Receiver Appointed.** Under Chapter 31 of the Texas Civil Practice and Remedies Code and the terms of this Order, Kell C. Mercer, whose business address is 901 S Mopac Expy, Bldg 1, Suite 300, Austin, Texas 78746, tel. 512-627-3512, kell.mercer@mercerc-law-pc.com, is appointed Receiver as to Defendant and the receivership estate created hereunder.

3. The Receiver is directed to appear and file a copy of this Order in the Paul Ng Proceeding within five days of the signing of this Order.

4. **Custodia Legis.** The entry of this Order creates a receivership estate wherein all of Defendant's non-exempt property shall be held in *custodia legis* by the Receiver as of the date of this Order. The receivership estate owns and the Receiver may exercise all rights of ownership and control of all non-exempt property of Defendant, including, without limitation by way of example and illustration: (1) cash and deposits, (2) all documents and records, including financial records related to all property that is in the actual or constructive possession or control of Defendant, (3) all financial accounts of every type and nature, certificates of deposit, money-market accounts, accounts, accounts held by any third party, (4) contract rights, (5) intellectual property rights, (6) all securities, registered or unregistered, (7) all stocks, bonds, membership interests, partnership interests, limited or general, (8) all real property, (9) all personal property, tangible and intangible, of every type and nature, (10) all interests in each and every trust, (11) equipment, inventory, furniture, and fixtures, (12) goods, (13) vehicles, boats, and planes, (14) promissory notes, (15) bills of sale, (16) security agreements, and (17) all business journals, corporate accounts payable and receivables files, ledgers, membership agreements, shareholder agreements, bylaws, resolutions, meeting minutes; each and all regardless of whether Receiver takes actual possession of the property.

5. **Turnover.** Defendant shall turnover to Receiver all non-exempt property and records thereto, including all documents related to such property, within five days. All third parties in possession of Defendant's non-exempt property that is subject to Defendant's control shall turnover such property to Receiver within five days. The turnover by Defendant shall include the following documents for the past forty-eight (48) months: (1) canceled checks; (2) bank statements, pass books and other bank or financial institution records; (3) federal income and state franchise tax returns; (4) life insurance policies; (5) all motor vehicle Certificates of Title; (6) stock certificates and bonds, membership certificates, membership agreements, stockholder agreements, voting agreements, corporate books, resolutions, bylaws, certificates, and partnership agreements; (7) promissory notes; (8) bills of sale; (9) real property deeds and deeds of trust (regardless of date); (10) business journals, ledgers, accounts payable and receivable files; (11) pledges, security agreements and copies of financial statements; (12) state sales tax reports; (13) any other record or document evidencing any ownership to real or personal property or to any debt owed or money had (regardless of date); (14) trust documents for which Defendant is a settlor, trustee, and/or beneficiary; (15) all personal property returns filed with any taxing authority, including but not limited to any central appraisal district or tax assessor/collector; (16) all documents listing or summarizing property owned by Defendant for the preceding 48 months; and (17) credit applications and other documents stating debtors' financial condition for the preceding 48 months.

6. **Continuing Effect of Order.** Defendant and others holding non-exempt property of Defendant shall continue to immediately turnover to Receiver such property when received, until all amounts due under the judgment and this Order are paid in full.

7. Receiver's Powers. Receiver has the authority to take possession and control of all of Defendant's nonexempt property, exercise all rights of the Defendant thereto, administer and sell it, and pay the proceeds to the judgment creditor to the extent required to satisfy the judgment. Receiver's powers include the following, although he has no requirement to necessarily exercise such powers: (1) collecting all accounts receivable of Defendant; (2) changing locks to all premises at which any property is situated; (3) endorsing and cash all checks and negotiable instruments payable to Defendant, except paychecks for current wages; (4) opening all mail directed to the Defendant; (5) hiring a real estate broker to sell any real property and mineral interest belonging to the Defendant; (6) hiring any person or company to move and store the property of Defendant; (7) insuring any property belonging to the Defendant; (8) obtaining from any financial institution, bank, credit union, or savings and loan any financial records belonging to or pertaining to the Defendant; (9) obtaining local, state and federal tax records of Defendant; (10) obtaining from any landlord, building owner or building manager where the Defendant or the Defendant's business is a tenant copies of the Defendant's lease, lease application, credit application, payment history and copies of Defendant's checks for rent or other payments; (11) hiring any person or company necessary to accomplish any right or power under this Order, including professionals; (12) taking all action necessary to gain access to all storage facilities, safety-deposit boxes, real property, and leased premises wherein any property of Defendant may be situated, and to review and obtain copies of all documents related to same; (13) obtaining all records of ownership of real properties, personal properties or motor vehicles of Defendant in the possession of any County Tax Assessor/Collector or Central Appraisal District, including any records of payments made or correspondence; (14) obtaining all records pertaining to Defendant from any provider of utilities, telephone service, cell phone service; obtaining credit reports on the Defendant from any Consumer Reporting Agency as defined by Fair Credit Report Act pursuant to 16 USC §1681B(a)(1); (15) exercising control over any website of Defendant and direct the administrator or web server to allow Receiver full access to the management of the website; (16) obtaining from any creditor of Defendant (including mortgage companies) copies of the Defendant's credit application, payment history and copies of Defendant's checks for payments; and (17) obtaining from any person or entity that compensates Defendant, including commissions, an itemization of all such compensation for the past 12 months from the date of request and as well as any compensation anticipated in the forthcoming six month period from the date of request.

8. Duty of Members, Managers, Officers, Directors, and Trustees. Each member, manager, officer, director, and trustee of any entity in which Defendant owns or holds an interest shall fully cooperate with Receiver and provide the property and documents ordered herein in their possession, custody, and/or control.

9. Duties of Law Enforcement. Any Sheriff, Constable or Officer of the Peace shall assist the Receiver in carrying out his duties and exercising his powers under this Order and prevent any person from interfering with Receiver in taking control and possession of Defendant's non-exempt property.

10. Sales of Real Property Require Notice. Any sale of property by Receiver requires the approval of this Court, after notice and opportunity for hearing being provided to Defendant and any lien holder on such real property.

11. Receiver's Bond and Oath. A bond in the amount of \$500 is required of the Receiver. Receiver shall take the oath of his office and shall file written proof of the same with the Court.

12. Receiver's Fee. Subject to the final review and approval of the Court for reasonableness after notice and hearing, the Receiver shall be entitled to a receiver's fee in an amount equal to twenty-five percent (25%) of all proceeds of the receivership estate coming into his possession, plus the actual, reasonable, necessary, out of pocket fees, costs, and expenses of the receivership estate, including, without limitation, the reasonable and necessary fees, costs, and expenses of professionals retained by the Receiver. The Receiver shall pay Plaintiff the remaining proceeds coming into his possession, either as such proceeds come into the Receivership, or periodically, as the Receiver may deem appropriate. The Court finds an amount not exceeding 25% of all proceeds credited toward the judgment is a customary and usual fee for a post-judgment turnover receiver. The Receiver's fees shall be finally determined, after notice and hearing, by the Court. The Receiver's fees and expenses are taxed as costs against the Defendant, and as costs, such fees, costs, and expenses are in addition to amounts owed under the Judgment in this case. Receiver shall pay Plaintiffs' attorney as trustee for the Plaintiffs the remaining proceeds coming into his possession.

13. Exempt Property. Nothing in this Order shall be construed to apply to exempt property, if any, of Defendant.

14. Final Order. This Order is final and appealable, and immediately enforceable by its terms.


SIGNED and ORDERED on this 7th day of January, 2022



PRESIDING JUDGE
KARIN CRUMP
250th DISTRICT COURT

AGREED AS TO FORM:

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