

1 KEVIN V. RYAN (CSBN 118321)  
 United States Attorney  
 2  
 3 JOANN M. SWANSON (CSBN 88143)  
 Chief, Civil Division  
 4  
 5 STEVEN J. SALTIEL (CSBN 202292)  
 Assistant United States Attorney  
 6  
 7 450 Golden Gate Avenue, Box 36055  
 San Francisco, California 94102  
 Telephone: (415) 436-6996  
 FAX: (415) 436-6748

8 Attorneys for Plaintiff

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 10 UNITED STATES DISTRICT COURT  
 11 NORTHERN DISTRICT OF CALIFORNIA  
 12 SAN FRANCISCO DIVISION

13 UNITED STATES OF AMERICA,	)	No. C 05-2730 WHA
14 Plaintiff,	)	<b><del>[PROPOSED]</del> ORDER SETTING    PROCEDURE FOR REQUESTS TO    MODIFY INJUNCTION FOR    BORROWERS TO SEEK RETURN OF    PROPERTY INTERESTS CONVEYED    TO DEFENDANTS HEINEMAN &amp;    JOHNSON</b>
15 v.	)	
16 DALE SCOTT HEINEMAN and KURT F.	)	
17 JOHNSON, d/b/a THE DOREAN GROUP,	)	
18 THE OXFORD TRUST and UNIVERSAL	)	
19 TRUST,	)	
20 Defendants.	)	

20 WHEREAS, the Court in the above-captioned action issued an Order Granting  
 21 Preliminary Injunction pursuant to 18 U.S.C. § 1345, dated August 1, 2005 (“Preliminary  
 22 Injunction”), enjoining defendants Heineman, Johnson, the Dorean Group, its brokers, agents and  
 23 employees from, *inter alia*, any further engagement in a debt elimination program;

24 WHEREAS, a number of borrowers, or counsel representing borrowers, have inquired  
 25 with the U.S. Attorney’s Office about a modification of the Preliminary Injunction to allow them  
 26 to cure defects in title to their properties caused by defendants’ debt elimination scheme;

27 WHEREAS, such a modification is sought for the limited purpose of returning the  
 28 property interests the borrowers conveyed, respectively, to Heineman and Johnson, as purported

1 trustees of so-claimed “family trusts” under this debt elimination program;

2 WHEREAS, the government is agreeable to a case-by-case review of applications for  
3 modifications of the Preliminary Injunction, given the spectrum of culpability amongst borrowers  
4 in this case.

5 Accordingly, IT IS HEREBY ORDERED that

6 (1) Pursuant to 28 U.S.C. § 636(b)(1), Magistrate Judge Maria-Elena James is hereby  
7 designated to hear and determine requests by borrowers to modify, for the limited purpose set  
8 forth above, the Preliminary Injunction to allow such borrowers the opportunity to cure defects in  
9 title to their properties caused by defendants’ debt elimination scheme.

10 (2) Borrowers seeking to so modify the Injunction, and any interested parties, shall follow  
11 the following procedure:

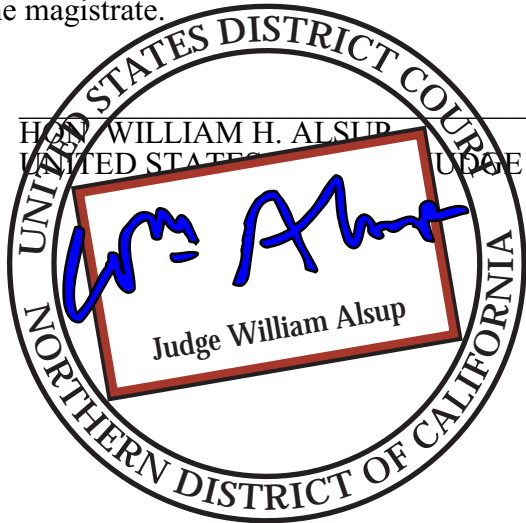
12 (A) The borrower shall file a “Request to Modify the Preliminary Injunction for [Property  
13 Address]” (the “Request”). This Request shall briefly state, in no more than 5 pages, the reasons  
14 for the sought modification, and shall describe the proposed transaction with sufficient  
15 particularity as to allow a determination on the Request. A copy of this Request shall be served  
16 by mail to: (1) Dale S. Heineman, 12152-081, FCI Dublin Correctional Facility, 5701 8<sup>th</sup> Street,  
17 Camp Parks, Dublin, California 94568; (2) Kurt F. Johnson, 13177-081, FCI Dublin Correctional  
18 Facility, 5701 8<sup>th</sup> Street, Camp Parks, Dublin, California 94568; (3) lenders with secured interests  
19 in the real property identified as the Property Address (above); (4) counsel for the government in  
20 the related criminal case (No. CR 05-0611 WHA), Peter B. Axelrod and James E. Keller, United  
21 States Attorney’s Office, Northern District of California, 450 Golden Gate Avenue, 11<sup>th</sup> Floor,  
22 San Francisco, California 94102; and (5) counsel for the government in this civil action, Steven  
23 J. Saliel, Civil Division, United States Attorney’s Office, 450 Golden Gate Avenue, Box 36055,  
24 San Francisco, California 94102.

25 (B) The recipients identified in Paragraph 2(A) above will have 45 days from the time of  
26 the mailing of the Request to file a Response opposing, unopposing, or taking no position as to  
27 the Request. Responses to a Request must state the grounds for oppositions thereto, if any, and  
28 may not exceed 5 pages in length. The magistrate may, in his or her discretion, base the

1 proposed determination solely on the written submissions of the interested parties, or on the  
2 submissions and a hearing. The parties that object to a Request shall be afforded an opportunity  
3 to attend any hearing held pursuant to this Order.

4 (C) The magistrate shall file his or her proposed findings and recommendations with the  
5 Court, and a copy shall be mailed to all interested parties. The magistrate’s determination shall  
6 be subject to de novo review as set forth in 28 U.S.C. § 636(b)(1). Accordingly, within ten days  
7 of being served with a copy, any party may serve and file written objections to the proposed  
8 findings and recommendations. This Court may then accept, reject, or modify, in whole or in  
9 part, the findings and recommendations made by the magistrate.

10 DATED: 6/21/06



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