



**IN THE DISTRICT COURT OF DOUGLAS COUNTY, NEBRASKA**

**STATE OF NEBRASKA ex rel. MARK QUANDAHL, Director of Banking and Finance of the State of Nebraska,**

**Plaintiff,**

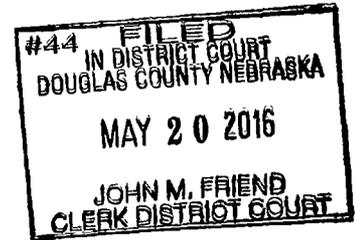
**v.**

**BWM ADVISORS, LLC (d/b/a BONNETT WEALTH MANAGEMENT), a Nebraska limited liability company; BONNETT FINANCIAL SERVICES, Inc. (d/b/a BONNETT WEALTH MANAGEMENT); JEROME P. BONNETT, JR. (a/k/a JOE BONNETT), Individually and in his corporate and representative capacity,**

**Defendants.**

**Case No. CI-16-4196**

**ORDER ON EMERGENCY MOTION FOR TEMPORARY RESTRAINING ORDER AND ASSET FREEZE**



Plaintiff State of Nebraska ex rel. Mark Quandahl, Director of Banking and Finance of the State of Nebraska ("Plaintiff"), has made an emergency motion for an Order: (1) temporarily restraining and enjoining BWM Advisors, LLC (d/b/a Bonnett Wealth Management), Bonnett Financial Services, LLC (d/b/a Bonnett Wealth Management), and Jerome P. Bonnett, Jr. (a/k/a Joe Bonnett) (collectively "Defendants") from undertaking any act or practice in violation of the Securities Act of Nebraska; (2) preventing the destruction or alteration of any documents or records of the Defendants; and (3) freezing Defendants' assets.

The Court has considered the Complaint in this action, the Affidavit of Michael Cameron; and the Plaintiff's Motion for Temporary Restraining Order and Asset Freeze. The Court held an emergency telephonic hearing on May 20, 2016, at which David A. Lopez and Ryan S. Post, Assistant Attorneys General, appeared for Plaintiff and Clarence

E. Mock appeared for Defendants. Based on the foregoing, the Court makes the following findings:

1. This Court has jurisdiction over the subject matter of this action and over Defendants.
2. Plaintiff has made a sufficient and proper showing in support of the relief granted herein, as required by Neb. Rev. Stat. §§ 25-1063 through 25-1080 (governing the issuance of temporary injunctions and restraining orders), and 8-1116 (governing injunctive and other remedies available under the Securities Act of Nebraska), by evidence establishing a *prima facie* case that Defendants, and each of them, directly or indirectly, have engaged in and, unless restrained and enjoined by order of this Court, will continue to engage in acts, practices, and courses of business constituting violations of the Securities Act of Nebraska, Neb. Rev. Stat. §§ 8-1101 *et seq.* (the "Act").
3. There is good cause to believe that, unless restrained and enjoined by order of this Court, Defendants may alter or destroy documents and records relevant to this action.
4. Pursuant to Neb. Rev. Stat. § 25-1063, the Court specifically finds there is a likelihood of great or irreparable injury to investors or clients unless this order is issued. The Complaint noted above indicates numerous violations of the Act and, among other things, that significant sums of investor or client funds appear to have been illegally converted to the Defendants' personal use, that Defendants have fraudulently altered investor or client records and made material

misrepresentations of fact to clients, and that Defendants were or are engaged in a check-kiting scheme.

5. Based on these and other facts alleged by Plaintiff, there is good cause to believe that Defendants will dispose of, dissipate, or remove investor or client funds and assets from the jurisdiction of the Court. Such dissipation of investor or client funds and assets would constitute great or irreparable harm to investors or clients. To avoid such harm, it is appropriate for the Court to issue this Temporary Restraining Order ("Order").
6. Pursuant to Neb. Rev. Stat. § 8-1116, Plaintiff is not required to post a bond.
7. Counsel for Defendants have reviewed this proposed Order and each Defendant, without admitting or denying any of Plaintiff's allegations, has consented to the immediate entry of this Order.

NOW, THEREFORE, IT IS ORDERED, ADJUDGED, AND DECREED that the Motion for Temporary Restraining Order and Asset Freeze is granted as follows:

**I. Temporary Injunction and Restraining Order Precluding Violation of the Act**

8. Defendants, their officer, agents, servants, employees, attorneys, successors-in-interest, and those persons in active concert or participation with them who receive actual notice of this Order by personal service, service upon counsel, or otherwise, and each of them, shall be and hereby are temporarily restrained and enjoined, pending entry of a final judgment in this action, from violating, directly or indirectly, any provision of the Securities Act of Nebraska, Neb. Rev. Stat. §§ 8-1101 *et seq.*, including, but not limited to, the fraudulent and other prohibited practices

enumerated under Neb. Rev. Stat. § 8-1102, and any rule, regulation, or order promulgated or issued under the Act.

## **II. Restraint from Destruction or Alteration of Records**

9. Defendants, their officer, agents, servants, employees, attorneys, successors-in-interest, and those persons in active concert or participation with them who receive actual notice of this Order by personal service, service upon counsel, or otherwise, and each of them, are hereby restrained from destroying, mutilating, concealing, altering, or disposing of any document or other record or data referring or relating in any manner to (1) the acts, practices, and transactions described in the Complaint in this action; (2) communications between or among Defendants and their agents; and (3) funds or other assets that any of the Defendants have received from investors or any client.

## **III. Asset Freeze**

10. Defendants, their officer, agents, servants, employees, attorneys, successors-in-interest, and those persons in active concert or participation with them who receive actual notice of this Order by personal service, service upon counsel, or otherwise, and each of them, shall hold and retain within their control, and otherwise prevent any disposition, transfer, pledge, encumbrance, assignment, dissipation, concealment or other disposal whatsoever, by themselves or any person or entity under their direct or indirect control, of any funds or assets, in their name, for their benefit, or under their control.
11. Any institution or person or entity holding any funds, accounts or other assets in the name, for the benefit, or under the control of Defendants, or where these

Defendants are signatories or have signing authority, and which received actual notice of this Order by personal service or otherwise, shall hold and retain within its control and prohibit the withdrawal, removal, transfer, or other disposal of any funds or other assets in the name, for the benefit, or under the control of the Defendants, except as provided herein.

12. Defendants, their officer, agents, servants, employees, attorneys, successors-in-interest, and those persons in active concert or participation with them who receive actual notice of this Order by personal service, service upon counsel, or otherwise, and each of them, shall refrain from soliciting, accepting, taking control of, and/or depositing in any financial institution additional funds from actual or potential investors or clients.

13. Defendant Jerome P. Bonnett, or his wife Susan Bonnett, shall be entitled to withdraw a total of \$10,000.00 (ten thousand dollars) per month, for May and June 2016, from American National Bank, account number ending in 6567, for reasonable living expenses. Bonnett shall provide an accounting to Plaintiff's counsel of record within seven (7) days after the close of the month of the disposition and use of these funds.

14. If Defendants request additional reasonable living expenses going forward, they may apply to the Court for additional relief, with seven days prior notice to Plaintiff's counsel of record. Prior to making such application, Defendants will provide a sworn accounting to Plaintiff of all assets and liabilities they claim are relevant to their application, updating as necessary any prior accounting, and all expenses that they claim are reasonable and necessary. Plaintiff also will have the

opportunity to take an asset deposition prior to such application. The Court shall determine Defendants' applications upon written submissions of the parties, or by hearing, which may be conducted telephonically.

SO ORDERED this 20th day of May, 2016.



J. RUSSELL DERR  
District Judge

*[Faint, illegible handwritten text]*