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AEQUITAS MANAGEMENT, LLC; AEQUITAS HOLDINGS, LLC;
AEQUITAS COMMERCIAL FINANCE, LLC; AEQUITAS
CAPITAL MANAGEMENT, INC.; AEQUITAS INVESTMENT
MANAGEMENT, LLC

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF OREGON
PORTLAND DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

AEQUITAS MANAGEMENT, LLC;
AEQUITAS HOLDINGS, LLC;
AEQUITAS COMMERCIAL
FINANCE, LLC; AEQUITAS
CAPITAL MANAGEMENT, INC.;
AEQUITAS INVESTMENT
MANAGEMENT, LLC; ROBERT J.
JESENİK, BRIAN A. OLIVER; and
N. SCOTT GILLIS,

Defendants.

No. 3:16-cv-00438-JR

ORDER GRANTING THE RECEIVER'S
OBJECTION TO AND REQUEST FOR
DISALLOWANCE OF THE PROOFS OF
CLAIM FILED BY ELLIOT HAYES D/B/A
GLOBAL MERCHANT HOUSE

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This matter having come before the Honorable Jolie A. Russo on the Receiver's Objection To And Request For Disallowance Of The Proofs of Claim Filed By Elliot Hayes d/b/a Global Merchant House [Dkt. 943] (the "Objection"), and the Court, being fully advised in the premises, now, therefore,

THE COURT FINDS as follows:

A. On March 10, 2016, the Securities and Exchange Commission ("SEC") filed a complaint in this Court against the Entity Defendants¹ and three individual defendants, Robert J. Jesenik, Brian A. Oliver, and N. Scott Gillis.

B. On March 16, 2016, pursuant to the Stipulated Interim Order Appointing Receiver, the Receiver was appointed as receiver for the Entity Defendants and 43 related entities on an interim basis (the "Interim Receivership Order"). On April 14, 2016, pursuant to the Final Receivership Order, the Receiver was appointed as receiver of the Entity Defendants and 43 related entities on a final basis.

C. On April 25, 2019, the Court fixed a Claims Bar Date of July 31, 2019; approved the manner of notice of the Claims Bar Date; and approved the Proof of Claim Form, the Claims Procedure, and associated exhibits and attachments (the "Claims Bar Date and Procedures Order"). The Claims Bar Date has passed.

D. On August 19, 2019, Elliot Hayes d/b/a Global Merchant House ("Mr. Hayes") submitted two proofs of claim, each asserting a Creditor Claim, one in the amount of \$15,000.00 and one in the amount of \$150,000.00 (the "Disputed Hayes Claims"). Mr. Hayes confirmed in writing that his \$150,000.00 claim replaced the earlier filed \$15,000.00 claim.

E. On March 31, 2020 the Court entered its Findings of Fact and Conclusions of Law approving the Receiver's Distribution Plan (the "Court-approved Distribution Plan").

¹ Capitalized terms not otherwise defined in this Order shall have the meanings ascribed to them in the Objection.

F. The Court-approved Distribution Plan provides for the classification and treatment of Allowed Claims, including what constitutes a Creditor Claim.

G. The Disputed Hayes Claims were not timely filed and do not include a claim for services provided to the Receivership or any Receivership Entity.

H. The documents attached to the proofs of claim are inadequate to support the subject claims. One document is an invoice in the amount of \$7,109.50 for legal services related to corporate formation and foreign tax issues. Mr. Hayes has not provided any evidence that the legal services relate to his claims or that the invoice was paid.

I. Mr. Hayes has not provided any evidence that his efforts developed additional investors for Aequitas and the Receiver is unaware of any such investors.

J. The Disputed Hayes Claims do not comply with the definition of a Creditor Claim nor do they evidence any other form of claim validly asserted against the Receivership as determined in accordance with the Court-approved Distribution Plan.

K. Due, timely, and adequate notice of the Objection was given, and such notice was good, sufficient, and appropriate under the circumstances. No other or further notice of the Objection is or shall be required.

The Court having reviewed the Objection, and being duly advised,

IT IS HEREBY ORDERED AND DECREED as follows.

1. The Objection is granted in its entirety.
2. The proofs of claim filed by Elliot Hayes d/b/a Global Merchant House are disallowed in their entirety and no distribution will be paid on account of such claims from the Receivership Estate or the Aequitas Qualified Settlement Fund Irrevocable Trust.

Dated this 12th day of April, 2022.

/s/ Jolie A. Russo
United States Magistrate Judge Jolie A. Russo

SUBMITTED BY:

SCHWABE, WILLIAMSON & WYATT, P.C.

By: /s/ Troy D. Greenfield

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