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*Attorneys for Receiver for Defendants*  
*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

DECLARATION OF RONALD F.  
GREENSPAN IN SUPPORT OF MOTION  
FOR ORDER (1) APPROVING  
COMPROMISE OF CLAIMS, (2)  
AUTHORIZING PERFORMANCE OF  
SETTLEMENT AGREEMENTS, AND (3)  
AUTHORIZING DISBURSEMENT OF  
FUNDS HELD IN A SEGREGATED  
ACCOUNT

I, Ronald F. Greenspan, the duly appointed Receiver for the Receivership Entity, declare  
as follows:

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**DECLARATION OF RONALD F. GREENSPAN IN SUPPORT OF  
MOTION FOR ORDER (1) APPROVING COMPROMISE OF  
CLAIMS, (2) AUTHORIZING PERFORMANCE OF SETTLEMENT  
AGREEMENTS, AND (3) AUTHORIZING DISBURSEMENT OF  
FUNDS HELD IN A SEGREGATED ACCOUNT**

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1. I am over 18 years of age and otherwise competent to testify. I am providing this declaration in support of the Receiver's Motion for order (1) approving compromise of claims, (2) authorizing performance of settlement agreements, and (3) releasing the balance of funds from the segregated account for the benefit of the Defrauded Investors ("Motion").<sup>1</sup>

2. On March 16, 2016, pursuant to the Interim Receivership Order entered in this Court (also referred to as the "Oregon District Court" and cited as "Dkt."), I was appointed as Receiver for the Receivership Entity on an interim basis. (Dkt. No. 30). On April 14, 2016, pursuant to the Final Receivership Order entered in this Court, I was appointed as Receiver of the Receivership Entity on a final basis. (Dkt. No. 156).

3. By their terms, all of the nine settlement agreements ("Settlement Agreements") addressed in this Motion are expressly subject to approval of this Court.

4. On April 18, 2022, the Receivership Entity entered a Settlement Agreement with Gillis Management Solutions, Inc. ("Gillis"). A true and accurate copy of the Gillis Settlement Agreement is attached hereto as Exhibit 1.

5. Gillis was a member of the Aequitas Advisory Board and, during the Ponzi period, received transfers from Aequitas, referred to as advisory fees, totaling \$34,675.

6. On October 1, 2020, the Receiver issued a demand letter to Gillis, outlining the grounds upon which the Receivership Entity is entitled to recover certain transfers received during the Ponzi period, and demanding repayment of \$31,207.50.

7. Gillis did not respond to the demand letter or otherwise engage with the Receiver and, therefore, it was necessary to file suit on behalf of the Receivership Entity.

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<sup>1</sup> Capitalized terms not otherwise defined in this declaration shall have the meanings ascribed to them in the Motion.

8. Shortly after suit was filed, through its counsel, Gillis engaged in good faith settlement negotiations with the Receiver. The entity made disclosures and provided information supporting the compromise resolution outlined in the settlement. I believe the terms of the compromise resolution are in the best interests of the Receivership Entity.

9. On March 28, 2022, the Receivership Entity entered a Settlement Agreement with Ocean Avenue Financial Services, LLC (“Ocean”). Ocean paid the Receivership Entity \$7,000 and released all claims against the Receivership Entity, in exchange for a release of the Receivership Entity’s claims. A true and accurate copy of the Ocean Settlement Agreement is attached hereto as Exhibit 2.

10. During the Ponzi period, Ocean received transfers from Aequitas totaling \$9,750, referred to as consulting fees.

11. On February 5, 2021, the Receiver issued a demand letter to Ocean, outlining the grounds upon which the Receivership Entity is entitled to recover certain transfers received prior to and during the Ponzi period, and demanding repayment of \$8,775.

12. Ocean did not respond to the demand letter or otherwise engage with the Receiver and, therefore, it was necessary to file suit on behalf of the Receivership Entity.

13. Shortly after suit was filed, through its counsel, Ocean engaged in settlement negotiations and ultimately agreed to return \$7,000. I believe the terms of the compromise resolution are in the best interests of the Receivership Entity.

14. On April 28, 2022, the Receivership Entity entered a settlement agreement with the Liquidating Trust of the Bankruptcy Estate of Tango Delta Financial, Inc., as established in the United States Bankruptcy Court for the Middle District of Florida, captioned *In re Tango Delta Financial, Inc.*, Case No. 8:20-bk-3672-CPM (“Liquidating Trust”). The Receiver and the

Liquidating Trustee agreed to the release of various claims as well as release of the \$2,483,403.38 plus accrued interest held in a segregated account (“Deposited Receivership Property”) to the Receiver, to be utilized in accordance with the terms of the Receivership Order, the Court-approved Distribution Plan, and the Liquidating Trust Settlement Agreement. A true and accurate copy of the Liquidating Trust Settlement Agreement is attached hereto as Exhibit 3.

15. ACM is a Receivership Defendant and a Receivership Entity.

16. On January 16, 2015, ACM and other defendants filed “Defendants’ Fourth Amended Answer, Affirmative Defenses, and Counterclaims to Plaintiffs’ Third Amended Complaint,” in Case No. 12-CV-02446-CAB-JMA, then pending before the U.S. District Court for the Southern District of California (“California District Court”), asserting four counterclaims, including fraud, as well as numerous affirmative defenses, including offset. (SDCA Dkt. No. 123).

17. On April 25, 2016, the Receiver filed a Motion for Disbursement of Funds (“Disbursement Motion”), seeking disbursement of the \$2,483,403.38 Deposited Receivership Property held in the California District Court’s Investment Registry System. On June 6, 2016, the California District Court entered an order granting the Receiver’s Disbursement Motion, over the objections of ASFG and TRD. In ordering release of the funds, the California District Court determined that the funds were Receivership property, with the Receiver having a vested right to possession.

18. Pursuant to a stipulation entered by the Receiver, ASFG and TRD, the California District Court entered an order on August 22, 2016, transferring the entire case then pending before the California District Court to the Oregon District Court and releasing \$2,483,403.38 previously held in the California District Court’s Investment Registry System to the custody and

control of the Receiver. The Deposited Receivership Property (\$2,483,403.38) was placed in a segregated Receivership bank account, where it remains.

19. ASFG and TRD filed an additional lawsuit against Campus Student Funding, LLC (a Receivership Entity that was formerly known as ASFG, LLC) on January 2, 2013, in the Superior Court for the County of San Diego (“San Diego Superior Court”).

20. The San Diego Superior Court Case also was stayed pursuant to the Interim and Final Receivership Orders.

21. The student loans upon which ASFG/TRD are claiming a “profits participation” were the subject of a massive settlement between the Receiver and the federal Consumer Financial Protection Bureau and 14 States Attorneys General, which settlement cost the Receivership over \$183 million<sup>2</sup> in principal and accrued and unpaid interest and fees. Moreover, as detailed in the Receiver’s Forensic Report, these loans and the ASFG/TRD scheme were a significant factor in the financial failure of Aequitas and the need for the appointment of the Receiver. The fraudulent ASFG/TRD conduct eventually caught up with them too, when after a name change, ASFG filed bankruptcy with few remaining material assets, other than avoidance claims against ASFG’s insiders and affiliates, including TRD.

22. On July 30, 2019, ASFG and TRD Consulting, LLC (“Joint Claimants”) filed a proof of claim (“Proof of Claim”) in the Receivership Case noting that the basis of such claim was for “Services Performed” and “Contractual obligations, including any current, future, or contingent contractual or indemnity obligations arising from any contracts entered into by or on behalf of the Receivership Estate[.]” The “Total Claim Amount” is listed as \$27,381,251,

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<sup>2</sup> These amounts do not include future interest that would have been earned on the cancelled principal amount.

estimated as of June 2019. The Proof of Claim includes a check mark asserting the claim is secured, but did not include a check mark asserting that it is an administrative claim. Although the Joint Claimants' Proof of Claim is largely illegible, it appears to include the following language on the "Additional Information" sheet:

See Attachment to Claim Form. Note that ASFG, Inc.'s claim is for \$16,655,136 pre-receiver[ship] (prior to 3/16/2016) and as administrative claim post-receivership of \$4,496,850 (up to 6/19) for money that belonged to ASFG, Inc. but received by the Receiver as a constructive trustee for ASFG, Inc. plus attorney fees....

23. An attachment to the Proof of Claim further referred to both the California District Court and San Diego Superior Court cases. In the Proof of Claim, the Joint Claimants wrongly asserted that "ASFG, Inc. is entitled to an immediate release of [the \$2,483,403.38] plus the accrued interest as part of its \$27,281,251.00 claim which, if paid, would be a credit against that amount." William Rathbone is the attorney who filed the ASFG/TRD Proof of Claim. He is designated as the Claimant contact on the Proof of Claim, providing both his firm's physical mailing address, together with his personal email address. Mr. Rathbone is the same attorney who is of record for ASFG/TRD in the California District Court and San Diego Superior Court cases. Additionally, pursuant to the Order approving his Application For Special Admission *Pro Hac Vice*, Mr. Rathbone was and still is attorney of record in the Receivership Case.

24. ASFG's bankruptcy schedules were executed on June 3, 2020, by the entity's President, Timothy Duoos, under penalty of perjury. Those schedules do not list Aequitas as a creditor and do not include the Receiver on the Master Mailing list, precluding the Receiver from receipt of any notices related to the ASFG bankruptcy proceeding. The schedules and statement of financial affairs, however, are replete with references to the Receivership Case. In the "Legal Actions or Assignments" section of the statement of financial affairs, ASFG references the

Receivership Case as “Pending” in the United States District Court for the District of Oregon and further discloses that ASFG is an “Intervenor” in the Receivership Case.

25. I did not receive notice of the bankruptcy filing by Tango Delta Financial, Inc. (formerly known as ASFG), in the matter captioned *In re Tango Delta Financial, Inc.*, M.D. Fl. Bankr. Case No. 8:20-bk-03672.

26. A review of the ASFG docket reveals that the Texas Trustee and the Florida Trustee had a contentious relationship, including, for example, fee application objections, a motion to transfer venue from Florida to Texas, multiple discovery disputes, and the filing of competing liquidation plans.

27. Pursuant to its own motion, on July 1, 2021, the Bankruptcy Court entered an amended order directing the Florida Trustee, the Texas Trustee, TRD, and the Duoos Parties, including Timothy Duoos, to mediation. (“Amended Order Directing Mediation In Connection With This Bankruptcy Case And Related Adv. Proc. No. 8:20-AP-00667-CPM And Appointing Mediator”) (FLBK Dkt. No. 304).

28. The Mediated Joint Amended Plan of Liquidation was filed on September 22, 2021. (“Mediated Joint Amended Plan of Liquidation”).

29. On September 23, 2021, the Notice of Filing Mediation Results Report was filed by the Florida Trustee in the Bankruptcy Court, advising the Court that a majority of the disputes among the parties had been resolved and incorporated into the “Mediated Joint Amended Plan of Liquidation.”

30. On September 23, 2021, the Florida Trustee also filed a “Motion for Entry of Order Conditionally Approving the Settlement Among Warren-Trustee, on Behalf of the Debtor, TRD, the Duoos Parties, and Lowe-Trustee” (the “Mediated Settlement Motion”).

31. On October 28, 2021, the Bankruptcy Court entered its Hearing Proceeding Memo granting the Mediated Settlement Motion. Three (3) court days later, on November 2, 2021, the Bankruptcy Court entered its “Order Approving Disclosure Statement for Plan of Liquidation for . . . , Debtor . . . [and] Confirming Mediated Joint Amended Plan of Liquidation for . . . Debtor . . . .”

32. Pursuant to the Mediated Joint Amended Plan of Liquidation (the “Liquidating Plan”), ASFG’s estate is to be liquidated through the creation of a “Liquidating Trust,” as defined in the Liquidating Plan. The Liquidating Plan designated John Patrick Lowe as the liquidating trustee, but he subsequently was replaced by Larry S. Hyman (the “Liquidating Trustee”). A true and accurate copy of the Liquidating Plan is attached hereto as Exhibit 4.

33. Pursuant to the “Notice of Effective Date of Mediated Joint Amended Plan of Liquidation For Tango Delta Financial, Inc., Debtor By J. Patrick Lowe Chapter 7 Trustee For Creditor The Bankruptcy Estate of Dickinson of San Antonio, Inc., D/B/A Career Point College And Jeffrey W. Warren Chapter 11 Trustee For Tango Delta Financial, Inc.”, the Effective Date of the Liquidating Plan is November 22, 2021, when all conditions to the Effective Date were satisfied or waived.

34. I believe the terms of the compromise resolution with the Liquidating Trust are in the best interests of the Receivership Entity.

35. On May 4, 2022, the Receivership Entity entered a Settlement Agreement with Michael Pirello (“Pirello”). A true and accurate copy of the Pirello Settlement Agreement is attached hereto as Exhibit 5. Under the terms of the Settlement Agreement, the parties released all claims against the other, including two claims submitted by Pirello during the claims process totaling \$2,825,727.14.



36. The Receivership Entity's claims against Pirello were based on indemnity obligations arising under a Purchase Agreement governing the Receivership Entity's sale of certain assets to Silvermine Media Holdings, LLC. Pirello agreed to indemnify the Receivership Entity up to the amount of \$75,000, in the event specified representations and warranties were breached.

37. Prior to filing suit, the Receiver demanded payment of the \$75,000. When Pirello refused to perform on the indemnification obligation, I necessarily directed counsel to file suit.

38. Following the discovery stage of the litigation, the parties participated in a mediation, during which they mutually agreed to release all claims with neither party making a monetary payment to the other. I believe the terms of the compromise resolution are in the best interests of the Receivership Entity.

39. I caused to be issued written pre-litigation demand letters to net winners, offering to release the Receivership Entity's claims relating to the net winnings in exchange for repayment of 90% of the net winnings.

40. Prior to necessarily filing suit, 64 of the net winners accepted the pre-litigation offer and made the required repayment. Those pre-litigation settlements resulted in a combined recovery totaling \$2,921,309.70. (Dkt. No. 889, p. 5, ¶¶ 24 and 25).

41. On June 28, 2021, I directed that lawsuits be filed against 52 net winners – *Greenspan v. Kingstrom, et. al.*, U.S. District Court for the District of Oregon, Case No. 3:21-cv-00954-JR (“Net Winner Lawsuit”).

42. Many of the defendants in the Net Winner Lawsuit readily engaged, seeking to resolve the Receivership Entity's claims.

43. Given that the majority of the net winners settled prior to the filing of a suit, it is

not surprising that many of the remaining net winners who were named in the Net Winner Lawsuit did not receive the pre-litigation demand letters, as a result of having moved or an inaccurate address contained in the Aequitas books and records. In those circumstances, I reverted to the pre-litigation offer to release the Receivership Entity's claims in exchange for repayment of 90% of the net winnings.

44. As of March 24, 2022, when I last sought an order approving compromises of claims against net winners (Dkt. No. 961), the Receivership had reached settlements with 34 of the net winners named in the Net Winner Lawsuit. The majority of those settlements were with parties who did not receive the pre-litigation demand letters, at the 90% figure. The parties who received but ignored the pre-litigation demand letters agreed to return 100% of their net winnings.

45. Since the filing of the latest Motion (Dkt. No. 961), I reached settlements with four additional net winners named in the Net Winner Lawsuit. True and accurate copies of the four additional net winner settlement agreements are attached hereto as Exhibits 6-9.

46. A net winner who agreed to settlement terms before the Net Winner Lawsuit was filed, made the necessary payment but had failed to countersign and return the Settlement Agreement just completed the settlement by countersigning and returning the Settlement Agreement. A true and accurate copy of that agreement is attached hereto as Exhibit 10.

47. The terms of the Settlement Agreements outlined above are the result of good faith negotiations among the Receiver on behalf of the Receivership Entity and the various counterparties. After diligent investigation and, in the exercise of my business judgment, I believe the Settlement Agreements are in the best interests of the creditors of, and investors in, the Receivership Entity.

**I DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.**

Dated this 26th day of May, 2022.

*/s/ Ronald F. Greenspan* \_\_\_\_\_

Ronald F. Greenspan, Receiver

## **SETTLEMENT AGREEMENT**

This Settlement Agreement (also referred to herein as the “Agreement”) is entered into by and among the Receivership Entity (defined below) and Gillis Management Solutions, Inc. and Nelson Scott Gillis (“Gillis Parties”), each a “Party” and collectively, the “Parties.”

### **RECITALS**

A. WHEREAS, on March 10, 2016, the Securities and Exchange Commission (“SEC”) filed a complaint against Aequitas Management, LLC, Aequitas Holdings, LLC, Aequitas Commercial Finance, LLC, Aequitas Capital Management, Inc., Aequitas Investment Management, LLC, Robert J. Jesenik, Brian A. Oliver, and N. Scott Gillis;

B. WHEREAS, on March 16, 2016, pursuant to the Stipulated Interim Order Appointing Receiver, Ronald F. Greenspan was appointed as Receiver for the Receivership Entity on an interim basis;

C. WHEREAS, on April 14, 2016, pursuant to the Receivership Order (defined below), Mr. Greenspan was appointed as Receiver for the Receivership Entity on a final basis;

D. WHEREAS, pursuant to the Receivership Order, the Receiver is charged with the duty of marshalling and preserving the assets of the Receivership Entity;

E. WHEREAS, after July 1, 2014, the Gillis Parties received \$34,675 designated as “Advisory Fees”; and

F. WHEREAS, in accordance with the Receivership Order, the Receiver is authorized to compromise and/or settle claims of the Receivership Entity subject to approval by the Court (defined below).

### **AGREEMENT**

NOW, THEREFORE, in consideration of the mutual promises and obligations contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby stipulate and agree as follows:

1. Recitals Incorporated. The Recitals set forth above are incorporated herein by reference.

2. Definitions. The following defined terms are incorporated into this Agreement:

a. **Aequitas Securities** means any security, including but not limited to promissory notes, other debt instruments, and equity interests, issued or sold by any entity included within the Receivership Entity.

b. **Court** refers to the court in the SEC enforcement action titled *SEC v. Aequitas Management, LLC, et al.*, 3:16-CV-00438-JR, currently pending in the U.S. District Court for the District of Oregon.

c. **Gillis Parties** means Gillis Management Solutions, Inc., a Nevada Corporation, together with all of its officers, directors, shareholders, and employees, including but not limited to Nelson Scott Gillis and Vicki Sue Gillis.

d. **Payment** means the payment of \$31,000 by Gillis to the Receivership Entity, as set forth in Paragraph 4 below.

e. **Receiver** refers to Ronald F. Greenspan, in his capacity as the Court-appointed Receiver for the Receivership Entity, pursuant to the Receivership Order.

f. **Receivership Entity** means, individually and collectively, Aequitas Management, LLC, Aequitas Holdings, LLC, Aequitas Commercial Finance, LLC, Aequitas Capital Management, Inc., Aequitas Investment Management, LLC and each of their 43 subsidiaries and/or majority-owned affiliates, as set forth on Exhibit A of the Receivership Order.

g. **Receivership Order** means the Order Appointing Receiver, entered on or about April 14, 2016 [Dkt. 156].

h. **Receivership Released Parties** means the Receivership Entity, its former officers, directors, Advisory Board members, employees and agents, as well as the Qualified Settlement Fund Irrevocable Trust, the Receiver, and all professionals and other agents serving the Receiver, the Receivership Entity and the Qualified Settlement Fund Irrevocable Trust.

i. **Releases** means the mutual releases set forth in Paragraph 6 below.

3. Agreement Subject to Court Approval. This Agreement is subject to approval by the Court. If this Agreement is not approved by the Court for any reason and/or if the Court's decision is appealed and the Ninth Circuit Court of Appeals holds that the Agreement is not approved, and any such decision shall become final, then this Agreement shall be without effect and all of the rights, remedies, claims, and defenses of the Parties shall be preserved as if this Agreement did not exist.

4. Payment.

A. On or before January 2, 2023, the Gillis Parties will pay \$31,000, by wire transfer to an account held by the Qualified Settlement Fund Irrevocable Trust and designated by the Receiver.

B. The Parties agree that the Payment constitutes reasonably equivalent value exchanged for the Receivership Entity's release of its claims against the Gillis Parties as set forth in Paragraph 6 below.

5. Bankruptcy. In the event Gillis Management Solutions, Inc. or Nelson Scott Gillis files for bankruptcy protection and the Receivership Entity is deprived of all or any portion of the Payment, Gillis Management Solutions, Inc. and Nelson Scott Gillis are jointly and severally responsible for the difference between the total Payment figure and any portion of the Payment retained by the Receivership Entity ("Replacement Obligation"). If the Replacement Obligation is not fully satisfied within ten (10) business days of the Receivership Entity surrendering all or any

portion of the Payment to a bankruptcy estate of either Gillis Management Solutions, Inc. or Nelson Scott Gillis, the Receivership Entity may retain any portion of the Payment already received, rescind its Release of the Gillis Parties and, thereby, retain all rights and remedies for the full amount of its claims against the Gillis Parties. The Gillis Parties' Release of the Receivership Released Parties, set forth in Paragraph 6 below, shall not be affected by a failure to timely satisfy the Replacement Obligation and/or rescission of the Receivership Entity's release of the Gillis Parties.

6. Mutual Releases.

The Receivership Entity releases the Gillis Parties and the Gillis Parties release the Receivership Released Parties from:

A. All claims which the Parties had or held in any capacity, currently have, or may in the future have against one another, regardless of whether any such claims are direct or indirect, known or unknown, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, liquidated or unliquidated, matured or unmatured, accrued or unaccrued, apparent or unapparent, now existing or hereinafter arising, specifically including but not limited to the following:

i. All claims related in any way to the purchase, issuance, sale or solicitation of the sale of any Aequitas Securities;

ii. All claims related to or arising out service as an Advisory Board member, including but not limited to those for receipt of any form of compensation, payment or reimbursement; and

iii. All claims against Receivership Property, the Receivership Estates (as those terms are defined in the Receivership Order) or any other assets of the Receivership Entity, including but not limited to any claim under any Court-approved distribution plan.

B. These Releases shall bind the Parties, as well as their respective members, officers, directors, receivers, trustees, insurers, marital communities, successors, subrogees, transferees, and assigns to the maximum extent allowable by law. The Parties acknowledge that they may discover facts in addition to or different from those that they now know to be true with respect to the subject matter of the claims that they have released pursuant to this provision of the Agreement, but that it is their intention to fully, finally, and forever settle and release the claims addressed in this provision of the Agreement, whether known or unknown, suspected or unsuspected, and without regard to the subsequent discovery or existence of such additional or different facts concerning the subject matter of the claims that have been released. Accordingly, the Release set forth in this provision of this Agreement shall extend to claims that the Parties do not know or suspect to exist in their favor at the time that they execute this Agreement, which if known, might have affected their decision to enter into the Release and this Agreement. The Parties shall be deemed to waive any and all provisions, rights, and benefits conferred by any law of the United States, any state or territory of the United States, any foreign law or any principle of common law that may have the effect of limiting this Release, including but not limited to those that are similar, comparable or equivalent to California Civil Code Section 1542.

D. Effective Date of Releases. The Releases shall become effective immediately upon final Court approval. The Receivership Entity's Release of the Gillis Parties may be rescinded in accordance with the provisions of Paragraph 5 above.

7. No Admission of Liability. The Parties agree that this Agreement is made without admission of wrongdoing or wrongful intent on the part of the Gillis Parties, and nothing in this Agreement shall be construed as an admission of any wrongful act, whether negligent, intentional or otherwise, or any wrongful intent by Gillis.

8. Entire Agreement. This Agreement sets forth the full and complete agreement of the Parties with respect to its subject matter, and there is no mistake of law or fact with respect to this Agreement. This Agreement supersedes and replaces any earlier representations, inducements, promises, settlements, compromises, agreements, or understandings, written or oral, between the Parties.

9. No Oral Modification. This Agreement may not be amended, modified, or revoked except by means of a supplemental writing that is signed by the Party against whom the amendment, modification or revocation is to be enforced.

10. Binding Agreement. This Agreement is binding on the Parties and their respective successors, legal representatives, heirs and assigns.

11. Governing Law and Venue. This Agreement has been executed under and shall be construed in accordance with the laws of the State of Oregon and the laws of federal common law receiverships. If there is any litigation or other proceeding to enforce or interpret any provision of this Agreement, jurisdiction and venue shall be exclusively in the Court.

12. Attorney Fees and Costs. In the event of any suit or action, to interpret or enforce the provisions of this Agreement, the prevailing Party as defined in ORS 20.077, shall be entitled to an award of reasonable attorney fees, costs and expenses incurred in such suit or action and in any appeal therefrom, in addition to all other remedies afforded the prevailing Party.

13. Notices. All notices shall be effective upon receipt, shall be in writing, and shall be sent by U.S. Certified Mail, overnight courier, hand delivery, or email as follows:

If to the Receivership Entity:

Troy Greenfield  
Schwabe, Williamson & Wyatt  
1420 Fifth Avenue, Suite 3400  
Seattle, WA 98101  
Phone: (206) 624-1711  
tgreenfield@schwabe.com

If to the Gillis Parties:

Kevin W. Luby  
Luby/Daraee Law Group, PC  
16869 S.W. 65<sup>th</sup> Ave., No. 290  
Lake Oswego, OR 97035  
Phone: (503) 766-4771  
kevin@luda-law.com

14. Construction. The rule of construction that an agreement is to be construed against the drafting Party is not to be applied in interpreting this Agreement. The Parties acknowledge that they have each read this Agreement, that they understand its meaning and intent, and that this Agreement has been executed voluntarily.

15. Severability. The invalidity of all or any part of any paragraph or any provision of this Agreement shall not render invalid the remainder of this Agreement to the extent it represents the intent of the Parties in all material respects if interpreted without the invalid provision.

16. Counterparts. This Agreement may be executed in one or more counterparts, each of which is to be deemed an original. All counterparts may be consolidated into one Agreement, binding on the Parties.

17. Representation Regarding Authority to Execute Agreement. The Receiver, on behalf of the Receivership Entity, represents that, to the extent prescribed in the Receivership Order, he has the power and authority to enter into this Agreement and provide the Release to the Gillis Parties upon the final, non-appealable approval of this Agreement by the Court. Vicki Sue Gillis represents that she has the authority to enter into this Agreement, providing the Release to the Receivership Released Parties, on behalf of herself individually as well as on behalf of Gillis Management Solutions, Inc.

18. Representation by Counsel. All Parties have had a reasonable opportunity to consult with legal counsel regarding the terms and legal meaning of this Agreement.

19. Inadmissibility. This Agreement (whether executed or not executed, revoked, or made ineffective for any reason) and any proceedings or discussions related to this Agreement are inadmissible as evidence of any liability or wrongdoing whatsoever by the Parties in any court or tribunal in any state, territory, or jurisdiction.

IN WITNESS WHEREOF, the undersigned executed this Agreement as of the dates noted below.

By: \_\_\_\_\_  
Nelson Scott Gillis

DATED: \_\_\_\_\_

By: \_\_\_\_\_  
Vicki Sue Gillis, Individually and as  
President of Gillis Management  
Solutions, Inc.

DATED: \_\_\_\_\_

*Ronald F. Greenspan*

By: \_\_\_\_\_  
Receivership Entity  
By: Ronald F. Greenspan  
Title: Receiver

DATED: April 18, 2022



14. Construction. The rule of construction that an agreement is to be construed against the drafting Party is not to be applied in interpreting this Agreement. The Parties acknowledge that they have each read this Agreement, that they understand its meaning and intent, and that this Agreement has been executed voluntarily.

15. Severability. The invalidity of all or any part of any paragraph or any provision of this Agreement shall not render invalid the remainder of this Agreement to the extent it represents the intent of the Parties in all material respects if interpreted without the invalid provision.

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17. Representation Regarding Authority to Execute Agreement. The Receiver, on behalf of the Receivership Entity, represents that, to the extent prescribed in the Receivership Order, he has the power and authority to enter into this Agreement and provide the Release to the Gillis Parties upon the final, non-appealable approval of this Agreement by the Court. Vicki Sue Gillis represents that she has the authority to enter into this Agreement, providing the Release to the Receivership Released Parties, on behalf of herself individually as well as on behalf of Gillis Management Solutions, Inc.

18. Representation by Counsel. All Parties have had a reasonable opportunity to consult with legal counsel regarding the terms and legal meaning of this Agreement.

19. Inadmissibility. This Agreement (whether executed or not executed, revoked, or made ineffective for any reason) and any proceedings or discussions related to this Agreement are inadmissible as evidence of any liability or wrongdoing whatsoever by the Parties in any court or tribunal in any state, territory, or jurisdiction.

IN WITNESS WHEREOF, the undersigned executed this Agreement as of the dates noted below.

By: Nelson Scott Gillis DATED: 4/15/2022  
Nelson Scott Gillis

By: Vicki Sue Gillis DATED: 4/15/2022  
Vicki Sue Gillis, Individually and as  
President of Gillis Management  
Solutions, Inc.

By: \_\_\_\_\_ DATED: \_\_\_\_\_  
Receivership Entity  
By: Ronald F. Greenspan  
Title: Receiver

## **SETTLEMENT AGREEMENT**

This Settlement Agreement (also referred to herein as the “Agreement”) is entered into by and among the Receivership Entity (defined below) and Ocean Avenue Financial Services, LLC (“Ocean”), each a “Party” and collectively, the “Parties.”

### **RECITALS**

A. WHEREAS, on March 10, 2016, the Securities and Exchange Commission (“SEC”) filed a complaint against Aequitas Management, LLC, Aequitas Holdings, LLC, Aequitas Commercial Finance, LLC, Aequitas Capital Management, Inc., Aequitas Investment Management, LLC, Robert J. Jesenik, Brian A. Oliver, and N. Scott Gillis;

B. WHEREAS, on March 16, 2016, pursuant to the Stipulated Interim Order Appointing Receiver, Ronald F. Greenspan was appointed as Receiver for the Receivership Entity on an interim basis;

C. WHEREAS, on April 14, 2016, pursuant to the Receivership Order (defined below), Mr. Greenspan was appointed as Receiver for the Receivership Entity on a final basis;

D. WHEREAS, pursuant to the Receivership Order, the Receiver is charged with the duty of marshalling and preserving the assets of the Receivership Entity;

E. WHEREAS, after July 1, 2014, Ocean received \$9,750 from Aequitas Capital Management, Inc., referred to as “consulting fees”; and

F. WHEREAS, in accordance with the Receivership Order, the Receiver is authorized to compromise and/or settle claims of the Receivership Entity subject to approval by the Court (defined below).

### **AGREEMENT**

NOW, THEREFORE, in consideration of the mutual promises and obligations contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby stipulate and agree as follows:

1. Recitals Incorporated. The Recitals set forth above are incorporated herein by reference.

2. Definitions. The following defined terms are incorporated into this Agreement:

a. **Aequitas Securities** means any security, including but not limited to promissory notes, other debt instruments, and equity interests, issued or sold by any entity included within the Receivership Entity.

b. **Court** refers to the court in the SEC enforcement action titled *SEC v. Aequitas Management, LLC, et al.*, 3:16-CV-00438-JR, currently pending in the U.S. District Court for the District of Oregon.

c. **Payment** means the payment of \$7,000 by Ocean to the Receivership Entity, as set forth in Paragraph 4 below.

d. **Receiver** refers to Ronald F. Greenspan, in his capacity as the Court-appointed Receiver for the Receivership Entity, pursuant to the Receivership Order.

e. **Receivership Entity** means, individually and collectively, Aequis Management, LLC, Aequis Holdings, LLC, Aequis Commercial Finance, LLC, Aequis Capital Management, Inc., Aequis Investment Management, LLC and each of their 43 subsidiaries and/or majority-owned affiliates, as set forth on Exhibit A of the Receivership Order.

f. **Receivership Order** means the Order Appointing Receiver, entered on or about April 14, 2016 [Dkt. 156].

g. **Receivership Released Parties** means the Receivership Entity, its former officers, directors, Advisory Board members, employees and agents, as well as the Qualified Settlement Fund Irrevocable Trust, the Receiver, and all professionals and other agents serving the Receiver, the Receivership Entity and the Qualified Settlement Fund Irrevocable Trust.

h. **Releases** means the mutual releases set forth in Paragraph 6 below.

3. Agreement Subject to Court Approval. This Agreement is subject to approval by the Court. If this Agreement is not approved by the Court for any reason and/or if the Court's decision is appealed and the Ninth Circuit Court of Appeals holds that the Agreement is not approved, and any such decision shall become final, then this Agreement shall be without effect and all of the rights, remedies, claims, and defenses of the Parties shall be preserved as if this Agreement did not exist.

4. Payment.

A. The Receiver acknowledges receipt of \$3,500 paid by Ocean. On or before August 31, 2022, Ocean will make another payment, by wire transfer to an account held by the Qualified Settlement Fund Irrevocable Trust and designated by the Receiver.

B. The Parties agree that the Payment constitutes reasonably equivalent value exchanged for the Receivership Entity's release of its claims against Ocean as set forth in Paragraph 6 below.

5. Bankruptcy. In the event Ocean files for bankruptcy protection and the Receivership Entity is deprived of all or any portion of the Payment, Ocean is responsible for the difference between the total Payment figure and any portion of the Payment retained by the Receivership Entity ("Replacement Obligation"). If the Replacement Obligation is not fully satisfied within ten (10) business days of the Receivership Entity surrendering all or any portion of the Payment to a bankruptcy estate of Ocean, the Receivership Entity may retain any portion of the Payment already received, rescind its Release of Ocean and, thereby, retain all rights and remedies for the full amount of its claims against Ocean. Ocean's Release of the Receivership Released Parties, set forth in Paragraph 6 below, shall not be affected by a failure to timely satisfy the Replacement Obligation and/or rescission of the Receivership Entity's release of Ocean.

6. Mutual Releases.

The Receivership Entity releases Ocean and Ocean releases the Receivership Released Parties from:

A. All claims which the Parties had or held in any capacity, currently have, or may in the future have against one another, regardless of whether any such claims are direct or indirect, known or unknown, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, liquidated or unliquidated, matured or unmatured, accrued or unaccrued, apparent or unapparent, now existing or hereinafter arising, specifically including but not limited to the following:

i. All claims related in any way to the purchase, issuance, sale or solicitation of the sale of any Aequitas Securities;

ii. All claims related to or arising out of any consulting or other service provided to the Receivership Entity, including but not limited to those for receipt of any form of compensation, payment or reimbursement; and

iii. All claims against Receivership Property, the Receivership Estates (as those terms are defined in the Receivership Order) or any other assets of the Receivership Entity, including but not limited to any claim under any Court-approved distribution plan.

B. These Releases shall bind and inure to the benefit of the Parties, as well as their respective members, managers, shareholders, officers, directors, receivers, trustees, insurers, marital communities, successors, subrogees, transferees, and assigns to the maximum extent allowable by law. The Parties acknowledge that they may discover facts in addition to or different from those that they now know to be true with respect to the subject matter of the claims that they have released pursuant to this provision of the Agreement, but that it is their intention to fully, finally, and forever settle and release the claims addressed in this provision of the Agreement, whether known or unknown, suspected or unsuspected, and without regard to the subsequent discovery or existence of such additional or different facts concerning the subject matter of the claims that have been released. Accordingly, the Release set forth in this provision of this Agreement shall extend to claims that the Parties do not know or suspect to exist in their favor at the time that they execute this Agreement, which if known, might have affected their decision to enter into the Release and this Agreement. The Parties shall be deemed to waive any and all provisions, rights, and benefits conferred by any law of the United States, any state or territory of the United States, any foreign law or any principle of common law that may have the effect of limiting this Release, including but not limited to those that are similar, comparable or equivalent to California Civil Code Section 1542.

C. Effective Date of Releases. The Releases shall become effective immediately upon final Court approval. The Receivership Entity's Release of Ocean may be rescinded in accordance with the provisions of Paragraph 5 above.

7. No Admission of Liability. The Parties agree that this Agreement constitutes a compromise of disputed claims and is made without admission of wrongdoing or wrongful intent

on the part of Ocean, and nothing in this Agreement shall be construed as an admission of any wrongful act, whether negligent, intentional or otherwise, or any wrongful intent by Ocean.

8. Entire Agreement. This Agreement sets forth the full and complete agreement of the Parties with respect to its subject matter, and there is no mistake of law or fact with respect to this Agreement. This Agreement supersedes and replaces any earlier representations, inducements, promises, settlements, compromises, agreements, or understandings, written or oral, between the Parties.

9. No Oral Modification. This Agreement may not be amended, modified, or revoked except by means of a supplemental writing that is signed by the Party against whom the amendment, modification or revocation is to be enforced.

10. Binding Agreement. This Agreement is binding on the Parties and their respective successors, legal representatives, heirs and assigns.

11. Governing Law and Venue. This Agreement has been executed under and shall be construed in accordance with the laws of the State of Oregon and the laws of federal common law receiverships. If there is any litigation or other proceeding to enforce or interpret any provision of this Agreement, jurisdiction and venue shall be exclusively in the Court.

12. Attorney Fees and Costs. In the event of any suit or action, to interpret or enforce the provisions of this Agreement, the prevailing Party as defined in ORS 20.077, shall be entitled to an award of reasonable attorney fees, costs and expenses incurred in such suit or action and in any appeal therefrom, in addition to all other remedies afforded the prevailing Party.

13. Notices. All notices shall be effective upon receipt, shall be in writing, and shall be sent by U.S. Certified Mail, overnight courier, hand delivery, or email as follows:

If to the Receivership Entity:

Troy Greenfield  
Schwabe, Williamson & Wyatt  
1420 Fifth Avenue, Suite 3400  
Seattle, WA 98101  
Phone: (206) 624-1711  
tgreenfield@schwabe.com

If to Ocean:

Chad Weaver  
Freeman Mathis & Gary, LLP  
3030 Old Ranch Parkway, Suite 200  
Seal Beach, CA 90740-2713  
Phone: (562) 583-2126  
cweaver@fmglaw.com

14. Construction. The rule of construction that an agreement is to be construed against the drafting Party is not to be applied in interpreting this Agreement. The Parties

acknowledge that they have each read this Agreement, that they understand its meaning and intent, and that this Agreement has been executed voluntarily.

15. Severability. The invalidity of all or any part of any paragraph or any provision of this Agreement shall not render invalid the remainder of this Agreement to the extent it represents the intent of the Parties in all material respects if interpreted without the invalid provision.

16. Counterparts. This Agreement may be executed in one or more counterparts, each of which is to be deemed an original. All counterparts may be consolidated into one Agreement, binding on the Parties.

17. Representation Regarding Authority to Execute Agreement. The Receiver, on behalf of the Receivership Entity, represents that, to the extent prescribed in the Receivership Order, he has the power and authority to enter into this Agreement and provide the Release to Ocean upon the final, non-appealable approval of this Agreement by the Court. The undersigned corporate representative of Ocean represents that he/she has the authority to enter into this Agreement, providing the Release to the Receivership Released Parties.

18. Representation by Counsel. All Parties have had a reasonable opportunity to consult with legal counsel regarding the terms and legal meaning of this Agreement.

19. Inadmissibility. This Agreement (whether executed or not executed, revoked, or made ineffective for any reason) and any proceedings or discussions related to this Agreement are inadmissible as evidence of any liability or wrongdoing whatsoever by the Parties in any court or tribunal in any state, territory, or jurisdiction.

IN WITNESS WHEREOF, the undersigned executed this Agreement as of the dates noted below.

By: \_\_\_\_\_  
Ocean Avenue Financial Services, LLC  
By: \_\_\_\_\_  
Title: \_\_\_\_\_

DATED: \_\_\_\_\_

*Ronald F. Greenspan*  
By: \_\_\_\_\_  
Receivership Entity  
By: Ronald F. Greenspan  
Title: Receiver

DATED: March 28, 2022

acknowledge that they have each read this Agreement, that they understand its meaning and intent, and that this Agreement has been executed voluntarily.

15. Severability. The invalidity of all or any part of any paragraph or any provision of this Agreement shall not render invalid the remainder of this Agreement to the extent it represents the intent of the Parties in all material respects if interpreted without the invalid provision.

16. Counterparts. This Agreement may be executed in one or more counterparts, each of which is to be deemed an original. All counterparts may be consolidated into one Agreement, binding on the Parties.

17. Representation Regarding Authority to Execute Agreement. The Receiver, on behalf of the Receivership Entity, represents that, to the extent prescribed in the Receivership Order, he has the power and authority to enter into this Agreement and provide the Release to Ocean upon the final, non-appealable approval of this Agreement by the Court. The undersigned corporate representative of Ocean represents that he/she has the authority to enter into this Agreement, providing the Release to the Receivership Released Parties.

18. Representation by Counsel. All Parties have had a reasonable opportunity to consult with legal counsel regarding the terms and legal meaning of this Agreement.

19. Inadmissibility. This Agreement (whether executed or not executed, revoked, or made ineffective for any reason) and any proceedings or discussions related to this Agreement are inadmissible as evidence of any liability or wrongdoing whatsoever by the Parties in any court or tribunal in any state, territory, or jurisdiction.

IN WITNESS WHEREOF, the undersigned executed this Agreement as of the dates noted below.

By: [Signature]  
Ocean Avenue Financial Services, LLC  
By: [Signature]  
Title: [Signature]

DATED: 05/27/22

By: \_\_\_\_\_  
Receivership Entity  
By: Ronald F. Greenspan  
Title: Receiver

DATED: \_\_\_\_\_

## SETTLEMENT AGREEMENT

This Settlement Agreement (referred to herein as the “Agreement”) is entered into by and among the Receivership Entity (defined below) and the Liquidating Trust (defined below), each a “Party” and collectively, the “Parties.”

### RECITALS

A. WHEREAS, Aequitas Capital Management, Inc. (“ACM”), American Student Financial Group, Inc. (“ASFG” subsequently known as Tango Delta Financial, Inc.) and TRD Consulting, LLC (“TRD”) were parties to a Consulting Services Agreement, dated effective June 29, 2011;

B. WHEREAS, between July 2011 and February 2014, entities included within the Receivership Entity transferred \$12,804,283.75 to ASFG and TRD;

C. WHEREAS, ACM, ASFG and TRD were parties to a lawsuit titled *American Student Financial Group, Inc., et. al. v. Aequitas Capital Management, Inc, et al.*, before the United States District Court for the Southern District of California (“California District Court”), Case No.: 12-cv-02446-CAB-JMA (“Federal Court Case” and cited as “SDCA Dkt”);

D. WHEREAS, on January 2, 2013, ASFG filed another lawsuit against other entities included within the Receivership Entity, as well as two individuals, titled *American Student Financial Group, Inc. v. Campus Student Funding, LLC, et. al.*, before the Superior Court of the State of California, County of San Diego, Case No. 37-2013-00028562-CU-IP-CTL (“State Court Case”);

E. On February 8, 2013 and subsequently, ACM filed counterclaims against ASFG and TRD in the Federal Court Case;

F. WHEREAS, on or about May 16, 2014, Campus Student Funding, LLC (“CSF”), an entity included within the Receivership Entity, transferred another \$2,081,561 to TRD;

G. WHEREAS, on June 17, 2014, the California District Court entered an order granting ASFG and TRD a writ of attachment (SDCA Dkt No. 62);

H. WHEREAS, on July 25, 2014, which is during the period from July 1, 2014 to March 16, 2016 that the U.S. District Court for the District of Oregon (“Oregon District Court” and cited as “DOR Dkt”) determined ACM and the other entities comprising the Receivership Entity were collectively operated as a Ponzi scheme (“Ponzi Period”), *see* DOR Dkt No. 813, the California District Court approved a stipulation entered by ACM, ASFG and TRD for ACM to deposit funds in the California District Court’s Registry (SDCA Dkt No. 70);

I. WHEREAS, on July 28, 2014, again during the Ponzi Period, ACM deposited \$2,483,403.38 in the California District Court’s Registry (“Deposited Receivership Property”) (SDCA Dkt No. 73);



J. WHEREAS, on March 10, 2016, the Securities and Exchange Commission (“SEC”) filed a complaint against ACM, Aequitas Management, LLC, Aequitas Holdings, LLC, Aequitas Commercial Finance, LLC, Aequitas Investment Management, LLC, Robert J. Jesenik, Brian A. Oliver, and N. Scott Gillis, in the Oregon District Court commencing *SEC v. Aequitas Management, LLC, et al.*, Case No. 3:16-CV-00438-JR, currently pending in the Oregon District Court (DOR Dkt No. 1) (“Receivership Case”);

K. WHEREAS, on March 16, 2016, the Oregon District Court entered a Stipulated Interim Order Appointing Receiver, directing the Receiver (defined below) to marshal and preserve assets of the Receivership Entity, and imposing a blanket stay of litigation (DOR Dkt No. 30);

L. WHEREAS, on March 18, 2016, the California District Court entered an Order Staying and Administratively Closing the Federal Court Case (SDCA Dkt No. 269);

M. WHEREAS, on April 14, 2016, the Oregon District Court entered the final Order Appointing Receiver (“Receivership Order” as defined below), directing the Receiver to “take custody, control and possession” and “to sue for and collect, recover, receive and take into possession” all Receivership Property, enjoining third parties from interfering with the Receiver, and imposing a blanket stay of litigation (DOR Dkt No. 156);

N. WHEREAS, the Receiver promptly filed the Receivership Order, in the California District Court in Cause No. 3:16-MC-00426, pursuant to 28 U.S.C. § 754;

O. WHEREAS, on April 25, 2016, the Receiver filed a Motion for Disbursement of Funds (“Disbursement Motion”), seeking disbursement of the \$2,483,403.38 Deposited Receivership Property held in the California District Court Registry (SDCA Dkt No. 270);

P. WHEREAS, on June 6, 2016, the California District Court granted the Receiver’s Disbursement Motion, concluding that the \$2,483,403.38 held in the Registry is property of the Receivership Estate (SDCA Dkt No. 276);

Q. WHEREAS, on July 1, 2016, ASFG and TRD, together with Timothy Duoos (“Duoos”) and Kevin Jasper (“Jasper”), filed a Motion for Relief from Litigation Stay in the Oregon District Court (DOR Dkt No. 210);

R. WHEREAS, on August 7, 2016, the Receiver, ASFG, TRD, Duoos and Jasper reached a negotiated resolution of the issues presented in the Motion for Relief from Litigation Stay;

S. WHEREAS, on August 19, 2016, the parties to the Federal Court Case entered a Stipulation to Transfer Venue and for Release of Funds Held in the Court Registry (“Stipulation”);

T. WHEREAS, the Stipulation provided that venue for the claims between the parties shall be transferred to the Oregon District Court;

U. WHEREAS, the Stipulation further provided that the \$2,483,403.38 previously held in the California District Court Registry shall be released to the Receiver and thereafter held in an interest-bearing, segregated account;

V. WHEREAS, the Stipulation further provided that the Receiver may later seek an order from the Oregon District Court authorizing disbursement of the \$2,483,403.38;

W. WHEREAS, in accordance with the Stipulation, the California District Court transferred the Federal Court Case to the Oregon District Court (SDCA Dkt No. 284);

X. WHEREAS on November 21, 2018, the Receiver filed in the Receivership Case a Report Regarding the Investigation of the Receivership Entity's Business Conduct, which indicated that the Receivership Entity (defined below) was insolvent from at least as early as July 3, 2014 (DOR Dkt No. 663);

Y. WHEREAS, on or about July 30, 2019, ASFG and TRD jointly filed a proof of claim in the Receivership Case (defined below);

Z. WHEREAS, with proper notice to counsel for the joint claimant ASFG/TRD, on December 31, 2019, the Receiver filed the Motion to Approve the Receiver's Distribution Plan and Determination of a Ponzi Scheme ("Distribution Plan and Ponzi Scheme Motion") (DOR Dkt No. 787);

AA. WHEREAS, the Receiver's Distribution Plan and Ponzi Scheme Motion outlined the factual basis upon which the Oregon District Court determined that Aequitas operated as a Ponzi scheme and included the Receiver's detailed proposal for the classification of claims, the priority of each class, and the distribution of assets;

BB. WHEREAS, on March 31, 2020, the Receiver's Distribution Plan and Ponzi Scheme Motion was granted by the Oregon District Court upon the entry of its Findings of Fact and Conclusions of Law ("Court-approved Distribution Plan") (DOR Dkt No. 813);

CC. WHEREAS, pursuant to the Court-approved Distribution Plan, the jointly filed ASFG/TRD claim is properly classified as a Creditor Claim and lower in priority than Allowed Administrative Claims and Allowed Defrauded Investor Claims;

DD. WHEREAS, without notice to the Receiver, on May 11, 2020, Tango Delta Financial, Inc. ("Tango Delta" previously, known as ASFG), filed a Chapter 11 bankruptcy proceeding in the United States Bankruptcy Court for the Middle District of Florida, titled *In re Tango Delta Financial, Inc.*, Case No. 8:20-bk-3672-CPM ("Florida Bankruptcy" and cited as "FLBK Dkt");

EE. WHEREAS, the Tango Delta bankruptcy petition was filed shortly after Chief Bankruptcy Judge Ronald B. King, for the U.S. Bankruptcy Court for the Western District of Texas, orally issued findings of fact and conclusions of law, finding that ASFG was the recipient of fraudulent transfers and that its entire financing program (which appears to be similar to the one it utilized with respect to Aequitas) was designed to defraud the U.S. Department of Education by evading the 90/10 financing rule contained in Code of Federal Regulations;

FF. WHEREAS, the findings of fact and conclusions of law entered by Judge King were in relation to the twenty-nine causes of action brought against ASFG and certain related entities in October, 2018 by John Patrick Lowe as the Chapter 7 Trustee of Dickenson of San Antonio, Inc. d/b/a Career Point College (“Texas Trustee”);

GG. WHEREAS, despite the numerous claims set forth in the Federal Court Case and State Court Case, Tango Delta’s bankruptcy schedules did not list Aequitas as a creditor and did not include the Receiver on the Master Mailing list, precluding the Receiver from receipt of any notices related to the Florida Bankruptcy (FLBK Dkt No. 45);

HH. WHEREAS, Tango Delta’s bankruptcy schedules include, as one of its assets, a “Cause of Action” against Aequitas Management, LLC (“AM”), with a stated value of \$2,483,403.38 (matching the Deposited Receivership Property), and references to the Receivership Case number (with a typo) and “Writ of Attachment”;

II. WHEREAS, Tango Delta’s bankruptcy schedules include, as another of its assets, a separate “Cause of Action” against AM, for “Money Owed” in an “Unknown” amount;

JJ. WHEREAS, Tango Delta’s bankruptcy schedules were executed on June 3, 2020, by the entity’s President, Duoos, under penalty of perjury;

KK. WHEREAS, on July 15, 2020, Jeffrey W. Warren, was appointed as the Chapter 11 Trustee to oversee Tango Delta’s bankruptcy and business operations (“Florida Trustee”);

LL. WHEREAS, on March 19, 2021, the Texas Trustee filed a Disclosure Statement and proposed Plan of Liquidation for Tango Delta and, on April 21, 2021, the Florida Trustee filed a competing Disclosure Statement as well as a competing Plan of Liquidation;

MM. WHEREAS, ultimately, the Texas Trustee, Florida Trustee, TRD, Duoos and the Duoos Parties negotiated a plan of liquidation for Tango Delta (“Mediated Joint Amended Plan of Liquidation”) (FLBK Dkt No. 368);

NN. WHEREAS, on November 2, 2021, the Florida Bankruptcy Court approved the Mediated Joint Amended Plan of Liquidation, that defines “Causes of Action” to include any potential claims described in the Disclosure Statement;

OO. WHEREAS, the competing Disclosure Statements both identify and describe, including the Texas Trustee’s reference to the Debtor’s Schedules, as property of the Tango Delta bankruptcy estate, a Cause of Action against Aequitas in the amount of \$2,483,403.38, the Deposited Receivership Property (FLBK Dkt Nos. 165 & 215);

PP. WHEREAS, the Mediated Joint Amended Plan of Liquidation defines “Liquidating Trust Claims” to include “[a]ny and all claims or Causes of Action involving the receivership of Aequitas”;

QQ. WHEREAS, any and all claims or Causes of Action involving the receivership of Aequitas were transferred to the Liquidating Trust on November 22, 2021;

RR. WHEREAS, the Mediated Joint Amended Plan of Liquidation defines “Duoos Parties” as The Duoos 2004 Trust, a Revocable Inter-Vivos Trust, Christine Duoos, Deborah Duoos, Timothy Duoos, Tyler Duoos, Lynn Duoos, Garden Ad Agency, Inc., the Largo Garden Group, LLC, and the Duoos Affiliated Entities;

SS. WHEREAS, pursuant to the Mediated Joint Amended Plan of Liquidation, TRD and the Duoos Parties released their lien interests, if any, against any amounts owed by Aequitas;

TT. WHEREAS, the Mediated Joint Amended Plan of Liquidation purported to extinguish all of the Receivership’s counterclaims and affirmative defenses, including the affirmative defenses of setoff and recoupment initially set forth in the Federal Court Case and State Court Case, and the Receiver contends that violates the injunction provisions of the Receivership Order;

UU. WHEREAS, on February 23, 2022, the Receiver filed a Motion to Enforce Receivership Injunction and Receivership’s Classification of the American Student Financial Group, Inc. Claim (DOR Dkt No. 923);

VV. WHEREAS, in accordance with the Receivership Order, the Receiver is authorized to compromise and/or settle claims of the Receivership Entity subject to approval by the Oregon District Court (DOR Dkt No. 156); and

WW. WHEREAS, the Receiver and the Liquidating Trustee (defined below) have reached agreement to resolve all claims by and between the Receivership Entity and Liquidating Trust.

## AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and obligations contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby stipulate and agree as follows:

1. Recitals Incorporated. The Recitals set forth above are incorporated herein by reference.
2. Definitions. The following defined terms are incorporated into this Agreement:
  - a. **Liquidating Trust** means the Liquidating Trust of the Bankruptcy Estate of Tango Delta Financial, Inc., as established in the United States Bankruptcy Court for the Middle District of Florida, *In re Tango Delta Financial, Inc.*, Case No. 8:20-bk-3672-CPM.
  - b. **Liquidating Trustee** means Larry S. Hyman, the trustee of the Liquidating Trust appointed by the Florida Bankruptcy Court.
  - c. **Payment** means the payment of \$800,000 to the Liquidating Trust, as set forth in Paragraph 4 below.

d. **Receiver** refers to Ronald F. Greenspan, in his capacity as the Court-appointed Receiver for the Receivership Entity, pursuant to the Receivership Order.

e. **Receivership Entity** means, individually and collectively, Aequitas Management, LLC, Aequitas Holdings, LLC, Aequitas Commercial Finance, LLC, Aequitas Capital Management, Inc., Aequitas Investment Management, LLC and each of their 43 subsidiaries and/or majority-owned affiliates, as set forth on Exhibit A of the Receivership Order.

f. **Receivership Order** means the Order Appointing Receiver, entered on or about April 14, 2016 (DOR Dkt No. 156).

g. **Receivership Released Parties** means the Receivership Entity, its former officers, directors, Advisory Board members, employees and agents, as well as the Aequitas Qualified Settlement Fund Irrevocable Trust, its Administrator and Trustee, the Receiver, and all professionals and other agents serving the Receiver, the Receivership Entity, and the Aequitas Qualified Settlement Fund Irrevocable Trust.

h. **Releases** means the releases set forth in Paragraph 5 below.

3. Agreement Subject to Court Approval and Order to Disburse. This Agreement is expressly contingent upon a final, non-appealable order of the Oregon District Court approving each of the terms set forth herein and directing that the \$2,483,403.38 Deposited Receivership Property be disbursed to the Receiver to be utilized in accordance with the terms of the Receivership Order, the Court-approved Distribution Plan, and this Agreement.

4. Payment.

A. Within ten (10) business days of a final, non-appealable order as described in Paragraph 3 above, the Receivership Entity will pay \$800,000 to the Liquidating Trust, by wire transfer to an account held by the Liquidating Trust and designated by the Liquidating Trustee.

B. The Parties agree that the Payment constitutes reasonably equivalent value exchanged for the Parties' releases of their claims as set forth in Paragraph 5 below.

5. Releases.

A. The Liquidating Trust releases the Receivership Released Parties from all claims, including but not limited to the following:

- i. Those set forth in the Federal Court Case;
- ii. Those set forth in the State Court Case;
- iii. All "Liquidating Trust Claims" as defined in the Mediated Joint Amended Plan of Liquidation; and
- iv. All claims against Receivership Property, the Receivership Estates (as those terms are defined in the Receivership Order), the Aequitas Qualified Settlement Fund

Irrevocable Trust, or any other assets of the Receivership Entity, including but not limited to any claim under any Court-approved Distribution Plan.

B. The Liquidating Trustee will not object to the Receivership Entity filing a proof of claim in the Florida Bankruptcy, in the amount of \$5,000,000, provided it is treated as a late-filed claim and subordinated to the claims of other allowed, non-subordinated, unsecured creditors.

C. Except for the \$5,000,000 claim described in B. immediately above, the Receivership Entity releases the Liquidating Trust from all claims, including but not limited to the following:

- i. Those set forth in the Federal Court Case;
- ii. Those set forth in the State Court Case; and
- iii. All claims against Assets of the Bankruptcy Estate of Tango Delta Financial, Inc.

D. The Parties acknowledge that they may discover facts in addition to or different from those that they now know to be true with respect to the subject matter of the claims that they have released pursuant to this provision of the Agreement, but that it is their intention to fully, finally, and forever settle and release the claims addressed in this provision of the Agreement, whether known or unknown, suspected or unsuspected, and without regard to the subsequent discovery or existence of such additional or different facts concerning the subject matter of the claims that have been released. Accordingly, the Release set forth in this provision of this Agreement shall extend to claims that the Parties do not know or suspect to exist in their favor at the time that they execute this Agreement, which if known, might have affected their decision to enter into the Release and this Agreement. The Parties shall be deemed to waive any and all provisions, rights, and benefits conferred by any law of the United States, any state or territory of the United States, any foreign law or any principle of common law that may have the effect of limiting this Release, including but not limited to those that are similar, comparable or equivalent to California Civil Code Section 1542.

E. Effective Date of Releases. The Releases shall become effective immediately upon entry of a final, non-appealable order of the Oregon District Court as described in Paragraph 3 and the Liquidating Trustee's receipt of the Payment.

7. No Admission of Liability. The Parties agree that this Agreement is made without admission of wrongdoing or wrongful intent, and nothing in this Agreement shall be construed as an admission of any wrongful act, whether negligent, intentional or otherwise.

8. Entire Agreement. The Parties agree there is no mistake of law or fact with respect to this Agreement. This Agreement supersedes and replaces any earlier representations, inducements, promises, settlements, compromises, agreements, or understandings, written or oral, between the Parties on the subject matter addressed herein.

9. No Oral Modification. This Agreement may not be amended, modified, or revoked except by means of a supplemental writing that is signed by the Party against whom the amendment, modification or revocation is to be enforced.

10. Binding Agreement. This Agreement is binding on the Parties and their respective successors, legal representatives, heirs and assigns.

11. Governing Law and Venue. This Agreement has been executed under and shall be construed in accordance with the laws of the State of Oregon and the laws of federal common law receiverships. If there is any litigation or other proceeding to enforce or interpret any provision of this Agreement, jurisdiction and venue shall be exclusively in the Oregon District Court.

12. Attorney Fees and Costs. In the event of any suit or action, to interpret or enforce the provisions of this Agreement, the prevailing Party as defined in ORS 20.077, shall be entitled to an award of reasonable attorney fees, costs and expenses incurred in such suit or action and in any appeal therefrom, in addition to all other remedies afforded the prevailing Party.

13. Notices. All notices shall be effective upon receipt, shall be in writing, and shall be sent by U.S. Certified Mail, overnight courier, hand delivery, or email as follows:

If to the Receivership Entity:

Troy Greenfield  
Schwabe, Williamson & Wyatt  
1420 Fifth Avenue, Suite 3400  
Seattle, WA 98101  
Phone: (206) 624-1711  
tgreenfield@schwabe.com

If to the Liquidating Trust:

Randall A. Pulman  
Pulman, Cappuccio & Pullen, LLP  
2161 NW Military Highway, Suite 400  
San Antonio, Texas 78213  
Phone: (210) 222-9494  
rpulman@pulmanlaw.com

14. Construction. The rule of construction that an agreement is to be construed against the drafting Party is not to be applied in interpreting this Agreement. The Parties acknowledge that they have each read this Agreement, that they understand its meaning and intent, and that this Agreement has been executed voluntarily.

15. Counterparts. This Agreement may be executed in one or more counterparts, each of which is to be deemed an original. All counterparts may be consolidated into one Agreement, binding on the Parties.

16. Representation Regarding Authority to Execute Agreement. The Receiver, on behalf of the Receivership Entity, represents that, to the extent prescribed in the Receivership Order, he has the power and authority to enter into this Agreement and provide the Release to the Liquidating Trust upon the final, non-appealable approval of this Agreement by the Oregon

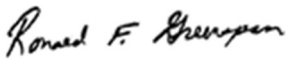
District Court. The Liquidating Trustee represents that, to the extent prescribed in the Mediated Joint Amended Plan of Liquidation and the terms of the Liquidating Trust Agreement, he has the authority to execute this Agreement and, thereby, provide the Release to the Receivership Released Parties.

17. Representation by Counsel. All Parties have had a reasonable opportunity to consult with legal counsel regarding the terms and legal consequence of this Agreement.

18. Inadmissibility. This Agreement (whether executed or not executed, revoked, or made ineffective for any reason) and any proceedings or discussions related to this Agreement are inadmissible as evidence of any liability or wrongdoing whatsoever (other than breach of this Agreement) by the Parties in any court or tribunal in any state, territory, or jurisdiction.

IN WITNESS WHEREOF, the undersigned executed this Agreement as of the dates noted below.

By: \_\_\_\_\_ DATED: \_\_\_\_\_  
Liquidating Trust of the Bankruptcy Estate  
of Tango Delta Financial, Inc.  
By: Larry S. Hyman  
Title: Liquidating Trustee

  
By: \_\_\_\_\_ DATED: April 27, 2022  
Receivership Entity  
By: Ronald F. Greenspan  
Title: Receiver




District Court. The Liquidating Trustee represents that, to the extent prescribed in the Mediated Joint Amended Plan of Liquidation and the terms of the Liquidating Trust Agreement, he has the authority to execute this Agreement and, thereby, provide the Release to the Receivership Released Parties.

17. Representation by Counsel. All Parties have had a reasonable opportunity to consult with legal counsel regarding the terms and legal consequence of this Agreement.

18. Inadmissibility. This Agreement (whether executed or not executed, revoked, or made ineffective for any reason) and any proceedings or discussions related to this Agreement are inadmissible as evidence of any liability or wrongdoing whatsoever (other than breach of this Agreement) by the Parties in any court or tribunal in any state, territory, or jurisdiction.

IN WITNESS WHEREOF, the undersigned executed this Agreement as of the dates noted below.

By:  DATED: 04/28/2022  
Liquidating Trust of the Bankruptcy Estate  
of Tango Delta Financial, Inc.  
By: Larry S. Hyman  
Title: Liquidating Trustee

By: \_\_\_\_\_ DATED: \_\_\_\_\_  
Receivership Entity  
By: Ronald F. Greenspan  
Title: Receiver

UNITED STATES BANKRUPTCY COURT  
MIDDLE DISTRICT OF FLORIDA  
TAMPA DIVISION  
[www.flmb.uscourts.gov](http://www.flmb.uscourts.gov)

In re:

Chapter 11

TANGO DELTA FINANCIAL, INC.,  
  
DEBTOR.

Case No. 8:20-bk-3672-CPM

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**MEDIATED JOINT AMENDED PLAN OF LIQUIDATION FOR TANGO DELTA FINANCIAL, INC.,  
DEBTOR BY J. PATRICK LOWE CHAPTER 7 TRUSTEE FOR CREDITOR THE BANKRUPTCY  
ESTATE OF DICKINSON OF SAN ANTONIO, INC. D/B/A CAREER POINT COLLEGE  
AND JEFFREY W. WARREN CHAPTER 11 TRUSTEE FOR TANGO DELTA FINANCIAL, INC.**

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Florida Bar No. 0710679  
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(210) 222-9494 Telephone  
(210) 892-1610 Facsimile

**ATTORNEYS FOR CHAPTER 11 TRUSTEE**

**ATTORNEYS FOR LOWE-TRUSTEE**

THIS PLAN HAS NOT BEEN CONFIRMED BY THE BANKRUPTCY COURT. A HEARING TO CONSIDER THE CONFIRMATION OF THIS PLAN PURSUANT TO SECTION 1129 OF THE BANKRUPTCY CODE WILL BE SCHEDULED BY SEPARATE ORDER OF THE BANKRUPTCY COURT. THE PLAN PROPONENTS RESERVE THE RIGHT TO MODIFY OR SUPPLEMENT THIS PLAN AND THE ACCOMPANYING DISCLOSURE STATEMENT UP TO AND INCLUDING THE TIME OF CONFIRMATION OF THE PLAN. THE PLAN PROPONENTS ARE NOT CURRENTLY SOLICITING VOTES ON THE PLAN.

## INTRODUCTION

John Patrick Lowe, as the duly-appointed Chapter 7 Trustee for the Bankruptcy Estate of Dickinson of San Antonio, Inc. d/b/a Career Point College (“**Lowe-Trustee**”), and Jeffrey W. Warren, as the duly-appointed Chapter 11 Trustee of Tango Delta Financial, Inc. (“**Warren-Trustee**” and together with Lowe-Trustee, the “**Plan Proponents**”), hereby file this *Mediated Joint Amended Plan of Liquidation for Tango Delta Financial, Inc., Debtor by J. Patrick Lowe Chapter 7 Trustee for Creditor the Bankruptcy Estate of Dickinson of San Antonio, Inc. d/b/a Career Point College and Jeffrey W. Warren Chapter 11 Trustee for Tango Delta Financial, Inc.* (the “**Plan**”) for Tango Delta Financial, Inc. (the “**Debtor**”), in the above-captioned chapter 11 case pending before the United States Bankruptcy Court for the Middle District of Florida, Tampa Division (the “**Bankruptcy Court**”). This Plan amends the Plan of Liquidation for Tango Delta Financial, Inc., Debtor By J. Patrick Lowe Chapter 7 Trustee for Creditor the Bankruptcy Estate of Dickinson of San Antonio, Inc. D/B/A Career Point College (Doc. No. 164) filed by Lowe-Trustee to incorporate the terms of a mediated settlement between Lowe-Trustee, Warren-Trustee, TRD and the Duoos Parties. As part of the mediated settlement, Warren-Trustee has agreed to withdraw his prior competing plan (Doc. No. 214) and to be a Plan Proponent under this mediated joint Plan. The Plan Proponents propose this Plan pursuant to section 1121(a) of the Bankruptcy Code for the resolution of the outstanding claims against and equity interests in the Debtor. Capitalized terms used herein shall have the meanings ascribed to such terms in Article I.

Subject to certain restrictions and requirements set forth in Section 1127 of the Bankruptcy Code and Fed. R. Bankr. P. 3019, the Plan Proponents expressly reserve the right to alter, amend, modify, revoke, or withdraw this Plan, one or more times, prior to its substantial consummation.

## SUMMARY OF PLAN

The Plan contemplates that TRD will subordinate its liens against certain assets and release its lien on certain other assets. In addition, the Lowe-Trustee will subordinate the Allowed Unsecured Claims held by Dickinson of San Antonio, Inc. d/b/a Career Point College (“**CPC**”) to the Claims of all Creditors holding General Unsecured Claims in an amount not to exceed \$100,000, except any Claims asserted by TRD and the Duoos Parties. These voluntary subordinations of Claims will allow for payment in full of Class 2 General Unsecured Claims from Available Plan Cash and future recoveries by the Liquidating Trust.

The Debtor’s Estate will be liquidated through the creation of the Liquidating Trust. John Patrick Lowe, or an individual appointed by Lowe-Trustee, will be appointed as the Liquidating Trustee. The assets to be transferred to the Liquidating Trust will include: 1) Causes of Action, including the Warren-Duoos Adversary; 2) the Student Loan Portfolio with a face value of approximately \$9,000,000 of which approximately \$1,200,000 in loans are still performing; 3) the claims Causes of Action against Aequitas Capital Management, Inc., which is itself in receivership; and 4) miscellaneous other assets of de minimis value. The Student Loan Portfolio is managed by UAS, which has collected approximately \$850,000 post-petition and continues to receive approximately \$30,000 in loan proceeds per month. The servicing agreements with UAS will be assumed by the Debtor and assigned to the Liquidating Trust.

The terms of the Plan incorporate agreements reached in a mediation, which was conducted by a retired bankruptcy judge over an extended period of time. The Plan seeks approval of the agreements reached at mediation and authorization to consummate actions to implement the agreements reached at mediation.

## ARTICLE I DEFINED TERMS AND RULES OF INTERPRETATION

### A. Definitions

Unless the context otherwise requires, the following terms shall have the following meanings when used in initially capitalized form in the Plan. **Any term used in capitalized form that is not defined in the Plan but that is defined in section 101 of the Bankruptcy Code shall have the meaning ascribed to such term in the Bankruptcy Code.** The rules of construction set forth in section 102 of the Bankruptcy Code shall apply in interpreting the Plan.

**1.1 “Administrative Expense”** means (a) any cost or expense of administration of the Bankruptcy Case that is Allowed under section 503(b) of the Bankruptcy Code, to the extent the party claiming any such Administrative Expense files an application or other Bankruptcy Court-approved pleading seeking such expense in the Bankruptcy Case on or before the applicable Administrative Expense Claims Bar Date or other applicable deadline established by the Bankruptcy Court, and (b) any and all other costs or expenses of administration of the Bankruptcy Case that are Allowed by Final Order of the Bankruptcy Court; provided, however, that, when used in the Plan, the term “Administrative Expense” shall not include any Priority Tax Claim or, unless otherwise expressly provided in the Plan, any of the Claims in Classes 1 through 4. In no event shall any Claim set out in a proof of claim be deemed to be an Administrative Expense.

**1.2 “Administrative Expense Claim”** means any Allowed Claim for the payment of any Administrative Expense.

**1.3 “Administrative Expense Claims Bar Date”** means the last day for filing an application or other Bankruptcy Court-approved pleading for an Administrative Expense Claim established by Order of the Bankruptcy Court. Holders of Administrative Expense Claims (including Holders of any Claims for post-petition Federal, state, or local taxes) that do not file an application or other Bankruptcy Court-approved pleading by the Administrative Expense Claims Bar Date shall be forever barred from asserting such Administrative Expense Claims against the Debtor, the Estate, any of the Debtor’s Property, the Liquidating Trust, or the Available Plan Cash.

**1.4 “Aequitas”** means Aequitas Capital Management, Inc.

**1.5 “Allowed”** means and includes, with respect to any Claim or Equity Interest, (a) any Claim (other than a Disputed Claim) or Equity Interest, proof of which was timely filed or, by Order of the Bankruptcy Court, was not required to be filed or (b) any Claim (other than a Disputed Claim) or Equity Interest that is listed in the Schedules as liquidated in the amount and not disputed or not contingent, and, in each such case in (a) and (b) herein, as to which either (1) no objection to the allowance thereof has been or may be filed within the applicable period of limitation fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court or (2) the Claim

or Equity Interest has been Allowed by a Final Order of the Bankruptcy Court (but only to the extent so Allowed).

**1.6** “**Allowed Amount**” means the dollar amount in which a Claim is Allowed; provided, however, that the Allowed Amount of a Claim shall not exceed the amount of such Claim as determined pursuant to an Order estimating the amount of such Claim. No amount shall be Allowed for or on account of punitive damages, penalties, or post-petition interest on account of any Claim except as otherwise expressly specified in the Plan or provided by Final Order of the Bankruptcy Court.

**1.7** “**Allowed Bush Ross Professional Fee Claim**” means the sum of (a) the total amount of \$450,000 for fees amounts (not costs and expenses) sought in the Amended Application of Bush Ross, P.A. for Compensation for Services Rendered and Reimbursement of Expenses as Counsel to the Chapter 11 Trustee, Jeffrey W. Warren (Doc. No. 195), Second Application of Jeffrey W. Warren, Chapter 11 Trustee, for Compensation for Services Rendered and Reimbursement of Expenses (Doc. No. 323), and any subsequently filed applications, and (b) costs and expenses approved by the Bankruptcy Court.

**1.8** “**Allowed Lowe-Trustee Secured Claim**” means Claim No. 6-1 filed by Lowe-Trustee against the Debtor as allowed in the amount of \$8,291,003.51, of which \$292,078.37 is secured by a first priority lien in the UAS Garnishment Proceeds and the remainder is an Allowed General Unsecured Claim.

**1.9** “**Assets**” means all assets of the Estate as of the Effective Date including “property of the estate” as described in section 541 of the Bankruptcy Code.

**1.10** “**Available Plan Cash**” means the Debtor’s Cash on the Effective Date less all amounts necessary to satisfy all Allowed Administrative Expense Claims, Allowed Priority Tax Claims, U.S. Trustee Fees, the UAS Cure Claim, the Liquidating Trust Reserve, the Allowed Lowe-Trustee Secured Claim, and the Allowed Class 2 General Unsecured Claims.

**1.11** “**Avoidance Actions**” means Causes of Action arising under sections 502, 510, 541, 542, 543, 544, 545, 547 through 551 or 553 of the Bankruptcy Code, or under similar or related state or federal statutes and common law, including fraudulent transfer laws, whether or not litigation is commenced to prosecute such Causes of Action.

**1.12** “**Bankruptcy Code**” means title 11 of the United States Code, 11 U.S.C. §§ 101 et seq., including all amendments thereto, to the extent such amendments are applicable to the Case.

**1.13** “**Bankruptcy Court**” means the United States Bankruptcy Court for the Middle District of Florida, Tampa Division.

**1.14** “**Bankruptcy Rules**” means the Federal Rules of Bankruptcy Procedure and the local rules of the Bankruptcy Court, as now in effect or hereafter amended and applicable to the Cases.

**1.15 “Bar Date”** means the deadline for filing proofs of claim established by the Notice of Bankruptcy as July 20, 2020, and any supplemental bar dates established by the Bankruptcy Court pursuant to a Final Order.

**1.16 “Business Day”** means any day, other than a Saturday, Sunday or “legal holiday” (as defined in Bankruptcy Rule 9006(a)).

**1.17 “Case”** means the case under chapter 11 of the Bankruptcy Code commenced by Debtor on May 11, 2020, pending in the Bankruptcy Court.

**1.18 “Cash”** means cash or cash equivalents including, but not limited to, bank deposits, checks or other similar items.

**1.19 “Causes of Action”** means any and all actions, causes of action, suits, accounts, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights to payment and claims, whether know, unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured and whether asserted or assertible directly or derivatively, in law, equity or otherwise, including Avoidance Actions, and any and all other claims or rights of the Debtor or the Estate of any value whatsoever, at law or in equity, against any Creditor or other third party. For the avoidance of doubt, the Causes of Action shall include all claims asserted in the Warren Duoos Adversary and any potential claims described in the Disclosure Statement.

**1.20 “Chapter 11 Case”** means the case of the Debtor pending before the Bankruptcy Court, which was commenced on the Petition Date and presently bears Case No. 8:20-bk-3672-CPM.

**1.21 “Claims Objection Deadline”** means as applicable (except for Administrative Expense Claims) (a) the day that is the later of (i) the first Business Day that is sixty (60) days after the Effective Date, and (ii) as to proofs of claim filed after the Bar Date, the first Business Day that is sixty (60) days after a Final Order is entered deeming the late filed claim to be treated as timely filed, or (b) such later date as may be established by the Bankruptcy Court as may be requested by the Liquidating Trustee.

**1.22 “Class”** means a category of holders of Claims or Equity Interests as described in Article III of this Plan.

**1.23 “Collateral”** means any property or interest in property of the Estate that is subject to a valid and enforceable lien to secure a Claim.

**1.24 “Confirmation”** or **“Confirmation of the Plan”** means the entry by the Bankruptcy Court of the Confirmation Order.

**1.25 “Confirmation Date”** means the date upon which the Clerk of the Bankruptcy Court enters the Confirmation Order on the docket of the Bankruptcy Court.

1.26 “**Confirmation Hearing**” means the hearing held by the Bankruptcy Court pursuant to section 1128 of the Bankruptcy Code to consider Confirmation of this Plan as such hearing may be adjourned or continued from time to time.

1.27 “**Confirmation Order**” means the order of the Bankruptcy Court confirming this Plan pursuant to section 1129 of the Bankruptcy Code.

1.28 “**CPC**” means Dickinson of San Antonio, Inc., a Texas corporation d/b/a Career Point College.

1.29 “**CPC Bankruptcy Case**” means the Chapter 7 bankruptcy case of Dickinson of San Antonio, Inc., a Texas corporation d/b/a Career Point College, currently pending before the United States Bankruptcy Court for the Western District of Texas, San Antonio Division, Case No. 16-52492-RBK.

1.30 “**Debtor**” means Tango Delta Financial, Inc.

1.31 “**Disallowed Claim**” means a Claim, or any portion thereof, that (a) has been disallowed by a Final Order or pursuant to a settlement, or (b)(i) is Scheduled at zero or as contingent, disputed or unliquidated and (ii) as to which a Bar Date has been established but no proof of claim has been filed or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court or otherwise deemed timely filed under applicable law.

1.32 “**Disclosure Statement**” means the written disclosure statement (including all schedules thereto or referenced therein) that relates to the Plan, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code, as such disclosure statement may be amended, modified or supplemented from time to time.

1.33 “**Disputed Claim**” means (i) a Claim, Equity Interest or Administrative Expense that is subject to a pending objection which objection has not been withdrawn or overruled by a Final Order of the Bankruptcy Court; or (ii) until the Objection Deadline:

(a) a Claim for which a corresponding Claim has not been listed in the Debtor’s Schedules, has been Scheduled at zero or for which the corresponding Claim is listed in the Debtor’s Schedules with a differing amount, with a differing classification, or as a disputed, contingent, or unliquidated Claim;

(b) a Claim which the Liquidating Trustee in good faith believes is held by a holder either (i) from which property is recoverable by the applicable Debtor under any of sections 542, 543, 550 or 553 of the Bankruptcy Code or (ii) that is a transferee of a transfer avoidable under sections 522(f), 522(h), 544, 545, 547, 548, 549 or 724(a) of the Bankruptcy Code unless the holder has paid the amount, or turned over any such property for which such holder is liable under the terms of sections 522(i), 542, 543, 550, or 553 of the Bankruptcy Code; and

(c) an Equity Interest for which a corresponding Equity Interest has not been listed in the Debtor's List of Equity Interests or has been listed in a different number (to the extent of such difference).

1.34 “**Disputed Claims Reserve**” shall mean the reserve of Cash from the Available Plan Cash to be established on and maintained following the Effective Date by the Liquidating Trustee in an amount the Liquidating Trustee estimates (or, upon request of a Holder of a Disputed Claim, determined by the Bankruptcy Court) to be reasonably sufficient to satisfy payments on account of any Disputed Claims that have not been withdrawn or determined as of the Effective Date, or subsequently withdrawn or determined as of any Distribution Date.

1.35 “**Distribution**” means any transfer under this Plan of Cash or other property or instruments.

1.36 “**Distribution Date**” means the date, upon which Distributions are made to holders of Allowed Claims entitled to receive Distributions under the Plan. Such date shall not occur until at least thirty (30) days after the later of either: (a) the Claims Objection Deadline or (b) a Final Order on a Disputed Claim.

1.37 “**Duoos Affiliated Entities**” means Gautier Fabrication Services, LLC, Gautier Financial Services, LLC, GSC, LLC, MC Property Holdings, LLC, and TD2 Properties, LLC.

1.38 “**Duoos Parties**” means The Duoos 2004 Trust, a Revocable Inter-Vivos Trust, Christine Duoos, Deborah Duoos, Timothy Duoos, Tyler Duoos, Lynn Duoos, Garden Ad Agency, Inc., the Largo Garden Group, LLC, and the Duoos Affiliated Entities.

1.39 “**Effective Date**” means, and shall occur on, the first (1<sup>st</sup>) Business Day that is fifteen (15) days following the entry of the Confirmation Order and upon which all of the conditions to occurrence of the Effective Date contained in the Plan have been satisfied or waived by the Proponent.

1.40 “**Equity Interest(s)**” means any equity interest in the Debtor.

1.41 “**Estate**” means the bankruptcy estate of the Debtor as created under section 541 of the Bankruptcy Code.

1.42 “**Final Chapter 11 Trustee's Report**” means the final report to be filed by Warren-Trustee.

1.43 “**Final Order**” means an order, decree or judgment of the Bankruptcy Court, the operation or effect of which has not been reversed, stayed, modified or amended, and as to which order, decree or judgment (or any revision, modification or amendment thereof), the time to appeal or seek review or rehearing has expired and as to which no appeal or petition for review or rehearing has been taken or is pending.

1.44 “**Garnished Funds**” means \$292,078.37, which UAS is holding of Tango's funds pursuant to the UAS Garnishments.



**1.45** “**General Unsecured Claims**” means any Claim which is not an Administrative Expense Claim, Priority Tax Claim, Priority Claim, Secured Tax Claim, Secured Claim, Subordinated Claim of Lowe-Trustee, or Subordinated Claims of Duoos Parties, including (a) any Claim arising from the rejection of an executory contract or unexpired lease under § 365 of the Bankruptcy Code, (b) except as otherwise provided in the Plan, any portion of a Claim to the extent the value of the Creditor’s interest in the Estate’s interest in the Collateral securing such Claim is less than the amount of the Allowed Claim, or to the extent that the amount of the Claim subject to setoff is less than the amount of the Allowed Claim, as determined pursuant to § 506(a) of the Bankruptcy Code, (c) any Claim arising from the provision of goods or services to the Debtor prior to the Petition Date, and (d) any Claim designated as an Unsecured Claim elsewhere in the Plan.

**1.46** “**Impaired**” means, when used in reference to a Claim or Equity Interest, a Claim or Equity Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

**1.47** “**Lien**” shall have the meaning set forth in section 101(37) of the Bankruptcy Code, except that a lien that has been avoided in accordance with sections 544, 545, 546, 547, 548, or 549 of the Bankruptcy Code shall not constitute a Lien.

**1.48** “**Liquidating Trust**” means the trust described in Section 12.2 of the Plan.

**1.49** “**Liquidating Trust Agreement**” means that certain Trust Agreement that is to govern the Liquidating Trust, pursuant to which shall hold the Liquidating Trust Assets initially conveyed to the Liquidating Trust and shall ultimately govern Distributions to holders of the beneficial interests in the Liquidating Trust, as set forth in, and in a manner consistent with the terms of, this Plan.

**1.50** “**Liquidating Trust Assets**” means collectively (i) all Assets of the Debtor not distributed under the Plan and (ii) Liquidating Trust Claims.

**1.51** “**Liquidating Trust Claims**” means the following:

(a) Any and all rights, powers, agreements, and privileges necessary to permit the Liquidating Trust to collect upon and/or enforce and/or transfer the insider loan receivables, accounts receivables, and note receivables, together with all related documents and agreements;

(b) Any and all claims or Causes of Action, including Avoidance Actions, against any Party: (i) to avoid, set aside, or recover any payment or other transfer made to any party under Section 547, 548, 549, and/or 550 of the Bankruptcy Code, (ii) to avoid, set aside, or recover any payment or other transfer made to any party under any applicable State law(s), (iii) to avoid or set aside any interest of a party in property under Section 544 of the Bankruptcy Code; and (iv) to recover damages against an officer, director, manager, shareholder, member, or insider for breach of their duties to the Debtor or its creditors accruing pre or post-bankruptcy filing;

(c) Any and all Causes of Action asserted or that could be asserted in connection with the prosecution of the Warren-Duoos Adversary; and

(d) Any and all claims or Causes of Action involving the receivership of Aequitas.

**1.52** “**Liquidating Trust Reserve Fund**” means the amount of \$25,000 which shall be renewed from Available Cash to pay the fees and costs of the Liquidating Trustee and his professionals.

**1.53** “**Liquidating Trustee**” means John Patrick Lowe or another individual designated by Lowe-Trustee. The identity of the individual to be designated as the Liquidating Trustee shall be filed with the Bankruptcy Court prior to the Effective Date.

**1.54** “**Lowe-Duoos Adversary**” means Adv. Pro. No. 19-5046-RBK pending in the Texas Bankruptcy Court, in which Lowe-Trustee filed a complaint seeking to recover at least \$17 million in fraudulent conveyances from the Debtor to some of the Duoos Parties.

**1.55** “**Lowe-Trustee**” means John Patrick Lowe, as Chapter 7 Trustee for the bankruptcy estate of Dickinson of San Antonio, Inc. d/b/a Career Point College in the CPC Bankruptcy Case.

**1.56** “**Order**” means an order or judgment of a court.

**1.57** “**Person**” means an individual, partnership, corporation, association, joint stock company, joint venture, estate, trust, unincorporated organization, limited liability company, limited liability partnership, or other entity.

**1.58** “**Petition Date**” means May 11, 2020.

**1.59** “**Plan**” means this joint chapter 11 plan of liquidation for the Debtor as herein proposed, including all supplements, appendices and schedules thereto, either in its present form or as the same may be further altered, amended or modified from time to time in accordance with the Bankruptcy Code.

**1.60** “**Plan Documents**” means all documents, attachments, and exhibits, as the same may be amended, modified, or supplemented from time to time, that aid in effectuating the Plan, which documents, attachments, and exhibits shall be filed by the Plan Proponents with the Bankruptcy Court.

**1.61** “**Priority Non-Tax Claim**” means a Claim, other than an Administrative Claim or Priority Tax Claim, which is entitled to priority in payment pursuant to section 507(a) of the Bankruptcy Code.

**1.62** “**Priority Tax Claim**” means a Claim entitled to priority pursuant to section 507(a)(8) of the Bankruptcy Code.

**1.63** “**Professional**” means any professional employed in the Cases pursuant to section 327, 328 or 1103 of the Bankruptcy Code.

1.64 “**Professional Fee Claim**” means a Claim under sections 328, 330(a), 331, or 503 of the Bankruptcy Code for compensation of a Professional for services rendered or expenses incurred in the Case on or prior to the Effective Date.

1.65 “**Pro Rata or Pro Rata Share**” means (i) with respect to any Claim, the ratio of the amount of such Claim to the aggregate amount of all Claims in such Claim’s Class and (ii) with respect to a Class of Claims, the ratio of the aggregate amount of Claims in one Class to the aggregate amount of Claims in another Class.

1.66 “**Proof of Claim**” means a claim filed with the Bankruptcy Court with respect to a Claim against the Debtor pursuant to Bankruptcy Rule 3001, 3002, or 3003.

1.67 “**Property**” means “property of the estate” as set forth in Section 541 of the Bankruptcy Code.

1.68 “**Scheduled**” means with respect to any Claim, the status and amount, if any, of such Claim as set forth in the Schedules.

1.69 “**Schedules**” means the schedules of assets and liabilities and the statements of financial affairs filed in the Case by the Debtor, as such schedules have been or may be further modified, amended or supplemented from time to time in accordance with Rule 1009 of the Bankruptcy Rules or Orders of the Bankruptcy Court.

1.70 “**Secured Claim**” means a Claim that is secured by a security interest in or lien upon property in which the Debtor’s Estate has an interest or that is subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Claim holder’s interest in the applicable Estate’s interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code.

1.71 “**Secured Tax Claim**” means a Secured Claim owing to a taxing authority.

1.72 “**Student Loan Portfolio**” means the student loans owned by the Debtor, together with any proceeds received from the collection of student loans, including funds held pursuant to the UAS Garnishments.

1.73 “**Subordinated Claims of TRD and Duoos Parties**” means all Claims asserted by TRD and the Duoos Parties against the Debtor.

1.74 “**Subordinated General Unsecured Claim of Lowe-Trustee**” means the amounts set forth in proof of claim 5-1, 6-1 and 8-1 totaling \$15,812,451.43, less Allowed Lowe-Trustee Secured Claim.

1.75 “**Tango Claims**” means the proofs of claims filed by Warren-Trustee in the CPC Bankruptcy Case.

1.76 “**Texas Appeal**” means the right to appeal from the decision of the United States District Court for the Western District of Texas entered on August 9, 2021 in Case Nos. 5:20-cv-0580-XR; 5:19-cv-01237-XR; and 5:19-cv-01238-XR.

1.77 “**Texas Bankruptcy Court**” means the United States Bankruptcy Court for the Western District of Texas, San Antonio Division, or, as the context requires, any other court of competent jurisdiction exercising jurisdiction over the CPC Bankruptcy Case.

1.78 “**TRD**” means TRD Consulting Services, LLC, a Minnesota limited liability company.

1.79 “**UAS**” means University Accounting Services, LLC.

1.80 “**UAS Cure Claim**” means any and all cure obligations of the Estate related to the assumption or assignment of executory contracts related to the servicing account for the Student Loan Portfolio, including, but not limited to, the attorney’s fees incurred by UAS in connection with the UAS Garnishments in the amount of \$15,000.00.

1.81 “**UAS Garnishments**” means the writs of garnishment entered against UAS by the Texas Bankruptcy Court in the adversary proceeding pending before the Texas Bankruptcy Court, Adv. Pro. No. 18-05259-RBK, including (i) that certain Writ of Garnishment dated December 5, 2019, (ii) that certain Second Writ of Garnishment dated January 23, 2020, and (iii) that Third Writ of Garnishment dated March 17, 2020.

1.82 “**Unclaimed Property**” means any funds or property distributed to Creditors (together with any interest earned thereon) which are unclaimed as of one hundred eighty (180) days after a Distribution. Unclaimed Property will include, without limitation, Cash and any other property which is to be distributed pursuant to this Plan which has been returned as undeliverable without a proper forwarding address, or which was not mailed or delivered because of the absence of a proper address to which to mail or deliver such property.

1.83 “**Unimpaired Claim**” means a Claim that is not impaired within the meaning of section 1124 of the Bankruptcy Code.

1.84 “**Unsecured Claim**” means any Claim (regardless of whether such Claim is covered by insurance) that is neither secured nor entitled to priority under the Bankruptcy Code or a Final Order of the Bankruptcy Court, including, but not limited to: (a) any Claim arising from the rejection of an executory contract or unexpired lease under section 365 of the Bankruptcy Code; and (b) any portion of a Claim to the extent the value of the Holder’s interest in the Estate’s interest in the Property securing such Claim is less than the amount of the Claim, or to the extent that the amount of the Claim subject to setoff is less than the amount of the Claim, as determined pursuant to section 506(a) of the Bankruptcy Code.

1.85 “**U.S. Trustee Fees**” means the United States Trustee fees required to be paid pursuant to 28 U.S.C. § 1930(a)(6).

1.86 “**Warren-Duoss Adversary**” means Adversary Proceeding No. 8:20-ap-00667-CPM, in which Warren-Trustee objects to certain claims asserted against the Debtor by the Duoss Parties and TRD, disputes the extent, validity, and priority of the liens on the assets of the Estate asserted by TRD and the Duoss 2004 Trust, and seeks the avoidance and recovery of certain transfers from the Debtor to TRD and the Duoss Parties.

**1.87** “Warren-Trustee” means Jeffrey W. Warren, as the duly appointed Chapter 11 Trustee for the bankruptcy estate of the Debtor.

## **B. Rules of Interpretation**

For purposes of this Plan: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, will include both the singular and the plural; (b) any reference in this Plan to a contract, instrument, release or other agreement or document being in a particular form or on particular terms and conditions means that such agreement or document will be substantially in such form or substantially on such terms and conditions; (c) any reference in this Plan to an existing document or exhibit filed or to be filed means such document or exhibit, as it may have been or may be amended, modified or supplemented; (d) unless otherwise specified, all references in this Plan to sections, articles and exhibits are references to sections, articles and exhibits of or to this Plan; (e) any reference to any entity as a holder of a Claim includes that Entity’s successors and assigns; (f) the words “herein” “hereunder,” and “hereto” refer to this Plan in its entirety rather than to a particular portion of this Plan; (g) captions and headings to articles and sections are inserted for convenience of reference only and are not intended to be a part of, or to affect, the interpretation of this Plan; (h) “after notice and a hearing,” or a similar phrase has the meaning ascribed in Bankruptcy Code § 102; (i) “includes” and “including” are not limiting; (j) “may not” is prohibitive, and not permissive; (k) “or” is not exclusive; and (l) U.S. Trustee includes a designee of the U.S. Trustee.

## **C. Computation of Time.**

In computing any period of time prescribed or allowed by this Plan, the provisions of Bankruptcy Rule 9006(a) will apply.

## **ARTICLE II ADMINISTRATIVE EXPENSES AND PRIORITY TAX CLAIMS**

### **2.1. Administrative Claims**

Subject to the provisions of Article X of this Plan, on, or as soon as reasonably practicable thereafter, the later of (i) the Effective Date, (ii) the date such Administrative Claim becomes an Allowed Administrative Claim, or (iii) the date such Administrative Claim becomes payable pursuant to any agreement, the holder of each Allowed Administrative Claim shall receive in full satisfaction, release, settlement and discharge of such Allowed Administrative Claim: (a) Cash equal to the unpaid portion of such Allowed Administrative Claim; or (b) in accordance with the terms of any written agreement regarding such Allowed Administrative Claim; provided, however, that Allowed Administrative Claims with respect to liabilities incurred by the Debtor in the ordinary course of business during this Case will be paid in the ordinary course of business in accordance with the terms and conditions of the particular transactions relating to such liabilities and any agreements relating thereto and (b) the Allowed Administrative Claims of Professionals shall be paid pursuant to order of the Bankruptcy Court.

To the extent Cash on the Effective Date is insufficient to pay the Allowed Bush Ross Professional Fee Claim in full, Bush Ross will receive a beneficial interest in the Liquidating Trust

senior to holders of Allowed Class 2 Unsecured Claims and the Allowed Class 3 Subordinated General Unsecured Claim of Lowe-Trustee, but junior to the extent necessary to satisfy the Liquidating Trust's operating expenses (which shall include legal fees only to the extent they relate to routine operations of the Liquidating Trust, and will not include any legal fees incident to either litigation with the Duos Parties or objecting to Administrative Claims of Professionals).

## **2.2. Priority Tax Claims**

On, or as soon as reasonably practicable thereafter, the later of (a) the Effective Date or (b) the date on which such Priority Tax Claim becomes an Allowed Priority Tax Claim, each holder of an Allowed Priority Tax Claim shall receive in full satisfaction, settlement, release and discharge of, and in exchange for, such Allowed Priority Tax Claim, at the election of the Liquidating Trust, (i) Cash equal to the due and unpaid portion of such Allowed Priority Tax Claim, or (ii) such different treatment agreed to in writing.

**2.3. Statutory Fees.** On or before the Effective Date, Administrative Expense Claims for fees payable pursuant to 28 U.S.C. §1930, as determined by the Bankruptcy Court at the Confirmation Hearing, will be paid in Cash equal to the Allowed amount of such Administrative Expense Claims. All fees payable pursuant to 28 U.S.C. § 1930 subsequent to the Confirmation Date will be paid by the Liquidating Trust in accordance therewith until the entry of a Final Decree.

## **ARTICLE III CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS**

Pursuant to section 1122 of the Bankruptcy Code, set forth below is a designation of classes of Claims against and Equity Interests in the Debtor. All Claims and Equity Interests, except Administrative Claims and Priority Tax Claims, are placed in the Classes as set forth below. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims of the kinds specified in sections 507(a)(1) and 507(a)(8) of the Bankruptcy Code have not been classified, and their treatment is set forth in Article II above.

A Claim or Equity Interest is placed in a particular Class only to the extent the Claim or Equity Interest falls within the description of that Class and classified in other Classes to the extent that any portion of the Claim or Equity Interest falls within the description of such other Classes. A Claim or Equity Interest is also placed in a particular Class only for the purpose of voting on, and receiving distributions pursuant to, the Plan to the extent such Claim or Equity Interest is an Allowed Claim or an Allowed Equity Interest in that Class and such Claim or Equity Interest has not been paid, released or otherwise settled prior to the Effective Date.

### **3.1. Classification of Claims Against and Equity Interests in the Debtor**

- Class 1. Class 1 consists of the Allowed Lowe-Trustee Secured Claim.
- Class 2. Class 2 consists of the Allowed General Unsecured Claims in an amount not to exceed \$100,000.
- Class 3. Class 3 consists of the Allowed Subordinated General Unsecured Claim of Lowe-Trustee.

Class 4. Class 4 consists of the Subordinated Claims of TRD and the Duoos Parties.

Class 5. Class 5 consists of the Allowed Equity Interests.

**ARTICLE IV  
IDENTIFICATION OF CLASSES OF CLAIMS AND EQUITY INTERESTS IMPAIRED  
AND NOT IMPAIRED BY THE PLAN**

**4.1. Impaired/Unimpaired Classes of Claims.**

| <b>Class</b> | <b>Designation</b>   | <b>Impairment</b> | <b>Entitled to Vote</b> |
|--------------|--|-------------------|-------------------------|
| N/A          | Administrative Claims  | N/A               | No                      |
| N/A          | Priority Tax Claims  | N/A               | No                      |
| Class 1      | Allowed Lowe-Trustee Secured Claim                           | Impaired          | Yes                     |
| Class 2      | Allowed General Unsecured Claims                             | Impaired          | Yes                     |
| Class 3      | Allowed Subordinated General Unsecured Claim of Lowe-Trustee | Impaired          | Yes                     |
| Class 4      | Subordinated Claims of TRD and Duoos Parties                 | Impaired          | Yes                     |
| Class 5      | Allowed Equity Interests                                     | Impaired          | No                      |

**ARTICLE V  
PROVISIONS FOR TREATMENT OF CLAIMS AND INTERESTS**

**5.1. Provisions For Treatment Of Claims And Interests**

(a) **Class 1 Secured Claim of Lowe-Trustee.** Class 1 is the Allowed Lowe-Trustee Secured Claim based on the Garnished Funds. On the Effective Date, the Garnished Funds will be paid to Lowe-Trustee in full and complete satisfaction of the Allowed Lowe-Trustee Secured Claim and the UAS Garnishments. Class 1 is Impaired by the Plan, and Lowe-Trustee is entitled to vote to accept or reject the Plan.

(b) **Class 2 Allowed General Unsecured Claims.** Each holder of an Allowed General Unsecured Claim limited to the aggregate amount of \$100,000 will receive on the later of either the Effective Date or the date such Claim is Allowed, a *pro rata* payment of their Allowed Claim from the Available Plan Cash up to 100% of their Allowed Claim. In the event Holders of Class 2 Allowed General Unsecured Claims are not paid in full on the Effective Date, then the Holders of Allowed Class 2 General Unsecured Claims shall also receive *pro rata* beneficial interests based on the remaining balance of their Allowed Claims in the Liquidating Trust entitling such Holders to Distributions from the assets of the Liquidating Trust after satisfaction of all of the reasonable fees and expenses of the Liquidating Trust. Class 2 is Impaired by the Plan and Allowed General Unsecured Claims are entitled to vote to accept or reject the Plan.

(c) **Class 3 Allowed Subordinated General Unsecured Claim of Lowe-Trustee** On the Effective Date, Lowe-Trustee agrees to subordinate the Class 3 Allowed Subordinated General Unsecured Claims to all Holders of Class 2 Allowed General Unsecured Claims, including any beneficial interests that the Holders of Class 2 Allowed General Unsecured Claims receive in the Liquidating Trust, until Holders of Class 2 Allowed General Unsecured Claims are paid in full without interest. On the Effective Date, Lowe-Trustee shall receive *pro rata* beneficial interests in the Liquidating Trust on account of the Class 3 Subordinated General Unsecured Claim of Lowe-Trustee entitling Lowe-Trustee to their *pro rata* Distributions from the assets of the Liquidating Trust. Class 3 is Impaired by the Plan and Lowe-Trustee is entitled to vote to accept or reject the Plan.

(d) **Class 4 – Subordinated Claims of TRD and the Duos Parties.** On the Effective Date, TRD and the Duos Parties shall retain any Liens encumbering the assets of the Estate that secure the Subordinated Claims of TRD and the Duos Parties to the same extent, validity, and priority as such Liens had as of the Effective Date; provided, however, that (i) TRD and the Duos Parties subordinate such Liens to the extent necessary to permit the payment of Allowed Administrative Expense Claims, Allowed Priority Tax Claims, U.S. Trustee Fees, the Class 1 Allowed Lowe-Trustee Secured Claim, and Class 2 General Unsecured Claims limited to a pool of \$100,000, and the initial funding of \$25,000 for the Liquidating Trust Reserve Fund, and (ii) TRD and the Duos Parties release their liens, if any, against any amounts owed by Aequitas. For the avoidance of doubt, TRD will have a lien on property transferred to the Liquidating Trust that was previously encumbered by TRD’s lien other than the liens released pursuant to the terms of the Plan. Provided, however, any liens against Liquidating Trust Assets in favor of TRD will be potentially subject to vacatur as a consequence of possible rulings in the Warren-Duos Adversary. Class 4 is Impaired by the Plan, and TRD and the Duos Parties are entitled to vote to accept or reject the Plan.

(e) **Class 5 Allowed Equity Interests.** On the Effective Date, all existing Equity Interests in the Debtor shall be cancelled and holders of Equity Interests shall receive Beneficial Interests in the Liquidating Trust that are subordinate to any Beneficial Interests of the Allowed Class 2 General Unsecured Claims, any Beneficial Interests of Trustee Lowe on account of his Allowed Class 3 Unsecured Claims, any Beneficial Interests on account of the Subordinated TRD/Duos Claims, and all of the reasonable fees and expenses of the Liquidating Trust, including but not limited to the professional fees of the Liquidating Trustee and the Liquidating Trust’s Professionals. Class 5 is Impaired by the Plan, and Holders of Equity Interests are entitled to vote to accept or reject the Plan.

## ARTICLE VI ACCEPTANCE OR REJECTION OF PLAN

### 6.1. Classes Entitled to Vote

Subject to Section 6.3, Claim and Equity Interest holders in Impaired Classes of Claims and Equity Interests are entitled to vote as a class to accept or reject the Plan.



## **6.2. Acceptance by Impaired Classes**

Each Impaired Class of Claims that will (or may) receive or retain property or any interest in property under the Plan, shall be entitled to vote to accept or reject the Plan. An Impaired Class of Claims shall have accepted the Plan if (a) the holders (other than any holder designated under section 1126(e) of the Bankruptcy Code) of at least two-thirds in amount of the Allowed Claims actually voting in such Class have voted to accept the Plan and (b) the holders (other than any holder designated under section 1126(e) of the Bankruptcy Code) of more than one-half in number of the Allowed Claims actually voting in such Class have voted to accept the Plan. An Impaired Class of Equity Interests shall have accepted the Plan if the holders (other than any holder designated under section 1126(e) of the Bankruptcy Code) of at least two-thirds in amount of the Allowed Equity Interests actually voting in such Class have voted to accept or reject the Plan.

## **6.3. Classes Deemed to Reject Plan**

Class 5 is not entitled to receive or retain any property under the Plan. Claims and Equity Interests in Impaired Classes that do not entitle the holders thereof to receive or retain any property under the Plan are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code and, therefore, are not entitled to vote to accept or reject the Plan.

## **6.4. Summary of Classes Voting on the Plan**

Classes 1, 2 3, and 4 will be solicited with respect to this Plan.

## **6.5. Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code**

If any Class of Claims or Equity Interests entitled to vote on the Plan shall not vote to accept the Plan, the Plan Proponents shall (a) seek Confirmation of the Plan under section 1129(b) of the Bankruptcy Code or (b) amend or modify the Plan in accordance with Article XVI of the Plan. With respect to any Class of Claims or Equity Interests that is deemed to reject the Plan, the Plan Proponents shall request that the Bankruptcy Court confirm or “cram down” the Plan pursuant to section 1129(b) of the Bankruptcy Code.

# **ARTICLE VII MEANS FOR IMPLEMENTATION OF THE PLAN**

## **7.1. Discharge of Chapter 11 Trustee**

Upon making the Distributions to Allowed Administrative Expense Claims, Allowed Priority Tax Claims, U.S. Trustee Fees, the UAS Cure Claim, the Liquidating Trust Reserve Fund, the Allowed Lowe-Trustee Secured Claim, and Allowed Class 2 General Unsecured Claims contemplated under this Plan on the Effective Date, and making Distributions of Available Plan Cash, if any, to the Liquidating Trustee for Distribution pursuant to the Liquidating Trust and the terms of this Plan. Warren-Trustee shall file a Final Chapter 11 Trustee’s Report and shall be discharged from his duties and obligations on behalf of the Debtor or the Debtor’s Estate to the fullest extent provided by law.

## 7.2. Restructuring Transactions

On the Effective Date, the Liquidating Trust will be created as set forth in Article XII of the Plan, and all of the Liquidating Trust Assets will be transferred to the Liquidating Trust.

**7.2.1 Warren-Duoos Adversary.** On the Effective Date, the following actions shall occur on the Effective Date in the Warren-Duoos Adversary:

(a) The objection to Lowe-Trustee's motion seeking to intervene in the Warren-Duoos Adversary shall be withdrawn and Lowe-Trustee, with the consent of Warren-Trustee, the Duoos Parties, and TRD, shall be permitted to intervene in the Warren-Duoos Adversary;

(b) All rights and claims of the Estate asserted or that could be asserted in the Warren-Duoos Adversary shall be transferred to the Liquidating Trust and the Liquidating Trust shall be substituted as the plaintiff in the Warren-Duoos Adversary;

**7.2.2 Lowe-Duoos Adversary.** On the Effective Date, the following actions shall occur in the Lowe-Duoos Adversary:

(c) Lowe-Trustee shall dismiss without prejudice the Lowe-Duoos Adversary;

(d) Neither the Lowe-Trustee nor the Liquidating Trustee shall prosecute any claims or rights seeking to recover claims or rights against TRD or the Duoos Parties except in connection with the Warren-Duoos Adversary and neither the Lowe-Trustee nor the Liquidating Trustee shall litigate or assert such claims and rights against TRD or the Duoos Parties in any forum other than the Bankruptcy Court.

**7.2.3 Texas Appeal.** On the Effective Date, the following actions shall occur with respect to the Texas Appeal:

(e) To the extent the Texas Appeal has been filed, the Texas Appeal shall be dismissed;

(f) To the extent a notice of appeal has not been filed, the Liquidating Trustee, as well as any other party, shall not be entitled to file a notice of appeal.

**7.2.4 Bankruptcy Case.** On the Effective Date, the following actions shall occur in the Bankruptcy Case:

(g) The Claims filed by Trustee-Lowe in the Bankruptcy Case shall be allowed as filed;

(h) The Tango Claims filed by Trustee-Warren in the CPC Bankruptcy Case shall be withdrawn;

(i) Any claims or Causes of Action against CPC or Trustee-Lowe for alleged preferences related to the Garnished Funds shall be released;

(j) The restrictions in paragraphs 3 and 5 of the Order Regarding Motion by John Patrick Lowe, Chapter 7 Trustee for the Bankruptcy Estate of Dickinson of San Antonio, Inc. For Relief from the Automatic Stay dated August 17, 2020, shall be vacated;

(k) All requests for sanctions or related requested relief in either this Bankruptcy Case or before the Texas Bankruptcy Court shall be withdrawn.

### **7.3. TRD and Duoos Parties' Subordination of Liens and Claims.**

To the extent necessary to fund obligations under the Plan, TRD and the Duoos Parties shall:

(a) Release Liens on the Student Loan Portfolio to allow the release of funds to pay the Lowe Trustee's Secured Claim;

(b) Release Liens against the Student Loan Portfolio to allow the Liquidating Trustee to make Distributions under the Plan (including any statutory fees for the Liquidating Trustee) consistent with the treatment of TRD in Class 4; and

(c) Release Liens on claims against Aequitas.

### **7.4. Distribution of UAS Proceeds**

(a) The Cash assets of the Estate shall be utilized by Warren-Trustee Distributions to pay (i) Allowed Administrative Expense Claims in the Bankruptcy Case, (ii) Allowed Priority Tax Claims, (iii) U.S. Trustee Fees, (iv) the UAS Cure Claim, (v) the Allowed Lowe-Trustee Secured Claim, (vi) up to 100% of the Allowed Class 2 General Unsecured Claims without interest (in an amount not to exceed \$100,000), (vii) the Liquidating Trust Reserve Fund, and (viii) the remaining Available Plan Cash, if any, to the Liquidating Trustee for Distribution pursuant to the Liquidating Trust and the terms of this Plan.

(b) The Cash assets of the Liquidating Trust, shall be (i) first used to satisfy in full any beneficial interests issued on account of the remaining balance of the Allowed Bush Ross Professional Fee Claim, (ii) then used to satisfy in full any beneficial interests issued on account of Allowed Class 2 General Unsecured Claims (in an amount not to exceed \$100,000), (iii) then used to satisfy in full the beneficial interests issued on account of the Class 3 Allowed Subordinated General Unsecured Claims of Lowe-Trustee, and (iv) finally used to satisfy in full any beneficial interests issued on account of the Class 4 Subordinated Claims of TRD and the Duoos Parties.

### **7.5. Cancellation of Equity Interests**

All Equity Interests of the Debtor shall be cancelled on the Effective Date.

## 7.6. Authority

Until the Effective Date, the Bankruptcy Court shall retain jurisdiction over the Debtor, its assets, and operations.

## 7.7. Exemption from Certain Transfer Taxes

Pursuant to section 1146(a) of the Bankruptcy Code, any transfers or mortgages from or by the Debtor, or any other Person or entity pursuant to the Plan shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax or other similar tax or governmental assessment, and the Confirmation Order shall direct the appropriate state or local governmental officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

## 7.8. Preservation of Rights of Action; Settlement

### (a) Retention of Causes of Action

Except to the extent such rights, claims, causes of action, defenses, and counterclaims are otherwise dealt with in the Plan or are expressly and specifically released in connection with the Plan, the Confirmation Order or in any settlement agreement approved during the Chapter 11 Cases, or otherwise provided in the Confirmation Order or in any contract, instrument, release, indenture or other agreement entered into in connection with the Plan, in accordance with section 1123(b) of the Bankruptcy Code: (1) any and all rights, claims, causes of action (including the Avoidance Actions), defenses, and counterclaims of or accruing to the Debtor or its Estate shall vest in the Liquidating Trust, whether or not litigation relating thereto is pending on the Effective Date, and whether or not any such rights, claims, causes of action, defenses and counterclaims have been listed or referred to in the Plan, the Schedules, or any other document filed with the Bankruptcy Court, and (2) the Debtor and the Liquidating Trustee, as applicable, do not waive, relinquish, or abandon (nor shall they be estopped or otherwise precluded from asserting) any right, claim, cause of action, defense, or counterclaim that constitutes property of the Estate: (a) whether or not such right, claim, cause of action, defense, or counterclaim has been listed or referred to in the Plan or the Schedules, or any other document filed with the Bankruptcy Court, (b) whether or not such right, claim, cause of action, defense, or counterclaim is currently known to the Debtor, and (c) whether or not a defendant in any litigation relating to such right, claim, cause of action, defense or counterclaim filed a proof of Claim in the Chapter 11 Case, filed a notice of appearance or any other pleading or notice in the Chapter 11 Case, voted for or against the Plan, or received or retained any consideration under the Plan. Without in any manner limiting the generality of the foregoing, notwithstanding any otherwise applicable principal of law or equity, without limitation, any principals of judicial estoppel, res judicata, collateral estoppel, issue preclusion, or any similar doctrine, the failure to list, disclose, describe, identify, or refer to a right, claim, cause of action, defense, or counterclaim, or potential right, claim, cause of action, defense, or counterclaim, in the Plan, the Schedules, or any other document filed with the Bankruptcy Court shall in no manner waive, eliminate, modify, release, or alter any right to commence, prosecute, defend against, settle,

and realize upon any rights, claims, causes of action, defenses, or counterclaims that the Debtor or the Liquidating Trustee, as applicable, have, or may have, as of the Effective Date.

(b) Retention of Subsequent Causes of Action

Except as is otherwise expressly provided herein or in the Confirmation Order, nothing in this Plan or the Confirmation Order shall preclude or estop the Trustee or its privies, as successors in interest to the Debtor and their privies, from bringing a subsequent action in any court or adjudicative body of competent jurisdiction; provided, however, any claims or rights seeking to recover against TRD or the Duoos Parties for claims based on property assertedly traceable to the CPC bankruptcy estate shall only be brought in connection with the Warren-Duoos Adversary and neither the Lowe-Trustee nor the Liquidating Trustee shall litigate or assert such claims and rights against TRD or the Duoos Parties for claims based on property assertedly traceable to the CPC bankruptcy estate in any forum other than the Bankruptcy Court in accordance with Section 7.2.2(b) of the Plan, to enforce any or all of its or their rights in connection with the Causes of Action, irrespective of the identity of any interest, cause of action, or nexus of fact, issues or events which is now or which could have been asserted in this Case, the present litigation, and those which may be asserted in any subsequent litigation brought by the Trustee. Moreover, the failure to commence any Causes of Action prior to the Confirmation Date shall not constitute res judicata, judicial or collateral estoppel. Except as otherwise specifically stated in this Plan, all rights, claims and defenses of Debtor, the Liquidating Trust, TRD and the Duoos Parties are fully reserved and preserved.

**ARTICLE VIII  
TREATMENT OF EXECUTORY CONTRACTS, UNEXPIRED  
LEASES AND OTHER AGREEMENTS**

**8.1. Assumption and Assignment of Executory Contracts**

The executory contracts with UAS to service the Student Loan Portfolio shall be assumed and assigned to the Liquidation Trust. Following the Effective Date, Warren-Trustee shall cure arrearages to UAS by making a Distribution to UAS by paying UAS the UAS Cure Claim. The executory contracts between the Debtor and the educational institutions listed on Exhibit A to the Plan shall also be assumed and assigned to the Liquidating Trustee. There are no arrearages to cure in connection with the assumption of the contracts listed on Exhibit A.

**8.2. Rejection of Executory Contracts and Unexpired Leases**

On the Effective Date, and to the extent permitted by applicable law, all other of the Debtor's executory contracts and unexpired leases will be rejected by Debtor unless such executory contract or unexpired lease: (a) is being assumed pursuant to the Plan; (b) is the subject of a motion to assume filed on or before the Confirmation Hearing; or (c) has been previously rejected or assumed.

**8.3. Claims Based on Rejection of Executory Contracts and Unexpired Leases**

Unless otherwise provided by a Bankruptcy Court order, any Proofs of Claim asserting

Claims arising from the rejection of the Debtor's executory contracts and unexpired leases pursuant to the Plan or otherwise must be filed no later than thirty (30) days after the later of the Effective Date or the effective date of rejection. Any Proofs of Claim arising from the rejection of the Debtor's executory contracts or unexpired leases that are not timely filed shall be disallowed automatically, forever barred from assertion, and shall not be enforceable against the Liquidating Trust, without the need for any objection by any party in interest or further notice to or action, order, or approval of the Bankruptcy Court, and any Claim arising out of the rejection of the executory contract or unexpired lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary. All Allowed Claims arising from the rejection of the Debtor's executory contracts and unexpired leases shall be classified as Class 2 General Unsecured Claims.

## **ARTICLE IX PROVISIONS GOVERNING DISTRIBUTIONS**

### **9.1. Distributions for Claims Allowed as of Effective Date**

Except as otherwise provided in the Plan or as ordered by the Bankruptcy Court, Distributions to be made on account of Allowed Claims as of the Effective Date shall be made on the Distribution Date. Interests in the Liquidating Trust issued under the Plan shall be deemed issued as of the Effective Date.

### **9.2. Disbursements to Classes of Claims**

Following the Effective Date, Warren-Trustee shall make all Distributions of cash to pay (i) Allowed Administrative Expense Claims in the Bankruptcy Case, (ii) Allowed Priority Tax Claims, (iii) U.S. Trustee Fees, (iv) the UAS Cure Claim, (v) the Allowed Lowe-Trustee Secured Claim, (vi) up to 100% of the Allowed Class 2 General Unsecured Claims without interest (in an amount not to exceed \$100,000), (vii) the Liquidating Trust Reserve Fund; and (viii) the remaining Available Plan Cash, if any, to the Liquidating Trustee for Distribution pursuant to the Liquidating Trust and the terms of the Plan. Thereafter, the Liquidating Trust shall make all further Distributions to holders of beneficial interests in the Liquidating Trust required under the Plan and the Liquidating Trust Agreement.

### **9.3. Means of Cash Payment**

Cash payments made pursuant to this Plan shall be by check, wire or ACH transfer in U.S. funds or by other means agreed to by the payor and payee or, absent agreement, such commercially reasonable manner as the payor determines in its sole discretion.

### **9.4. Delivery of Distributions**

Except as otherwise provided in the Plan, distributions to holders of Allowed Claims shall be made by the Warren-Trustee or the Liquidating Trustee, as applicable, (a) at the addresses set forth on the proofs of Claim filed by such holders (or at the last known addresses of such holders if no proof of Claim is filed or if Warren-Trustee or the Liquidating Trustee has been notified in writing of a change of address), (b) at the addresses set forth in any written notices of address

changes delivered to the Warren-Trustee or the Liquidating Trustee, as applicable, after the date of any related proof of Claim, (c) at the addresses reflected in the Schedules if no proof of Claim has been filed and Warren-Trustee or the Liquidating Trustee, as applicable, has not received a written notice of a change of address, (d) in the case of the holder of a Claim that is governed by an indenture or other agreement and is administered by an indenture trustee, agent, or servicer, at the addresses contained in the official records of such indenture trustee, agent, or servicer, or (e) at the addresses set forth in a properly completed letter of transmittal accompanying securities, if any, properly remitted to Warren-Trustee or the Liquidating Trustee, as applicable. If any holder's distribution is returned as undeliverable, no further distributions to such holder shall be made unless and until Warren-Trustee or the Liquidating Trustee, as applicable, or the appropriate indenture trustee, agent, or servicer is notified of such holder's then current address, at which time all missed distributions shall be made to such holder without interest. All claims for undeliverable distributions must be made on or before the first (1st) anniversary of the Distribution Date, after which date all Unclaimed Property shall be free of any restrictions thereon, except as provided in the Plan, and the claim of any holder or successor to such holder with respect to such property shall be satisfied and forever barred, notwithstanding any federal or state escheat laws to the contrary.

#### **9.5. Claims Paid by Third Parties**

The Liquidating Trustee shall reduce a Claim, and such Claim shall be disallowed without a Claim objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court, to the extent that the holder of such Claim receives payment in full or in part on account of such Claim from a party that is not the Warren-Trustee or the Liquidating Trust, as applicable. Subject to the last sentence of this paragraph, to the extent a holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not Warren-Trustee or the Liquidating Trust, as applicable, on account of such Claim, such holder shall, within two (2) weeks of receipt thereof, repay or return the distribution to the Warren-Trustee or the Liquidating Trustee, as applicable, to the extent the holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan. The failure of such holder to timely repay or return such distribution shall result in the holder owing the Liquidating Trust annualized interest at the maximum amount owed under Florida law on such amount owed for each Business Day after the two-week grace period specified above until the amount is repaid.

#### **9.6. Claims Payable by Third Parties**

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to any applicable insurance policies until the holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy. To the extent that one or more of the applicable insurers agrees to satisfy in full a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, such Claim may be expunged without a Claim objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

### **9.7. Applicability of Insurance Policies**

Except as otherwise provided in the Plan, distributions to holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Nothing contained in the Plan shall constitute or be deemed a waiver of any cause of action that the Liquidating Trust or any entity may hold against any other entity, including insurers under any policies of insurance, nor shall anything contained in the Plan constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses.

### **9.8. Withholding and Reporting Requirements**

In connection with this Plan and all distributions hereunder, Warren-Trustee or the Liquidating Trustee, to the extent applicable, will comply with all tax withholding and reporting requirements imposed by any federal, state, local, or foreign taxing authority, and all distributions hereunder shall be subject to any such withholding and reporting requirements. The Warren - Trustee or the Liquidating Trustee, as applicable, shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements. The Plan hereby reserves the right to allocate all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support, and other spousal awards, liens, and encumbrances.

### **9.9. Expunging of Certain Claims**

All Claims marked or otherwise designated as “contingent, unliquidated or disputed” on the Debtor’s Schedules and for which no proof of claim has been timely filed, shall be deemed disallowed and such claim may be expunged without the necessity of filing a claim objection and without any further notice to, or action, order or approval of the Bankruptcy Court.

## **ARTICLE X PROCEDURES FOR RESOLVING DISPUTED, CONTINGENT AND UNLIQUIDATED CLAIMS**

### **10.1. Objections to Claims**

As soon as practicable, but no later than the Claims Objection Deadline, any party with standing may file objections to filed and/or scheduled claims with the Bankruptcy Court and serve such objections on the creditors holding the Claims to which objections are made. Nothing contained herein, however, shall limit the right of any party with standing to object to Claims, if any, filed or amended after the Claims Objection Deadline. The Claims Objection Deadline may be extended by the Bankruptcy Court upon motion without notice or hearing.

### **10.2. Estimation of Claims**

The Liquidating Trustee may at any time request that the Bankruptcy Court estimate any contingent or unliquidated Claim pursuant to section 502(c) of the Bankruptcy Code, regardless of whether a previous objection has been made to such Claim or whether the Bankruptcy Court has ruled on any objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any claim, including during the pendency



of any appeal related to any such objection. In the event the Bankruptcy Court estimates any contingent or unliquidated Claim, that estimated amount will constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Liquidating Trustee may elect to pursue any supplemental proceedings to object to any ultimate payment on such Claim. All of the aforementioned objection, estimation and resolution procedures are cumulative and are not necessarily exclusive of one another. Claims may be estimated and thereafter resolved by any permitted mechanism.

### **10.3. Distributions Pending Allowance of Disputed Claim**

No Distributions will be made to Creditors whose Claims are Disputed Claims.

### **10.4. Disputed Claims Reserves**

Commencing on the Effective Date (or as soon thereafter as is reasonably practicable), the Liquidating Trustee shall deposit Cash and/or other forms of consideration in the Disputed Claim Reserve, that would have been distributed to the holders of Disputed Claims of such Class if such Disputed Claims had been Allowed Claims on the Effective Date. This amount will be determined based on the lesser of (1) the asserted amount of the Disputed Claims in the applicable Proofs of Claim, (2) the amount, if any, estimated by the Bankruptcy Court for purposes of distribution pursuant to section 502(c) of the Bankruptcy Code, or (3) the amount otherwise agreed to by the applicable Debtor and the holders of such Disputed Claims.

The Liquidating Trustee shall distribute from the Disputed Claims Reserve to the holder of any Disputed Claim that has become an Allowed Claim, not later than the tenth Business Day after the end of the calendar month in which such Disputed Claim becomes an Allowed Claim, the Cash that such holder would have received on account of such Claim if such Claim had been an Allowed Claim on the Effective Date to the extent thereafter Allowed.

If a Disputed Claim is disallowed, in whole or in part, the Liquidating Trustee shall (at such time as determined to be practicable by the Liquidating Trustee) distribute the Cash reserved in respect of such disallowed Disputed Claim Pro Rata to Allowed Claim holders.

### **10.5. Reduction of Claims Based on Post-Petition Payments**

Notwithstanding the contents of the Schedules, Claims listed therein as undisputed, liquidated and not contingent shall be reduced by the amount, if any, that was paid by the Debtor prior to the Effective Date including pursuant to orders of the Bankruptcy Court. To the extent such payments are not reflected in the Schedules, such Schedules will be deemed amended and reduced to reflect that such payments were made. Nothing in the Plan shall preclude payment of Claims that the Debtor was authorized to pay pursuant to any Final Order entered by the Bankruptcy Court prior to the Confirmation Date.

## **ARTICLE XI**

### **ALLOWANCE AND PAYMENT OF CERTAIN ADMINISTRATIVE CLAIMS**

#### **11.1. Professional Fee Claims**

All final requests for compensation or reimbursement of Professional Fees pursuant to sections 327, 328, 330, 331, 363, 503(b) or 1103 of the Bankruptcy Code for services rendered to or on behalf of the Debtor prior to the Effective Date must be filed and served on the Debtor, Warren-Trustee and its counsel no later than the Administrative Claims Bar Date, unless otherwise ordered by the Bankruptcy Court. Objections to applications of such Professionals or other entities for compensation or reimbursement of expenses must be filed and served on the Debtor, Warren-Trustee and its counsel and the requesting Professional or other entity no later than twenty-one (21) days (or such longer period as may be allowed by order of the Bankruptcy Court) after the date on which the applicable application for compensation or reimbursement was served.

#### **11.2. Administrative Claims**

The Confirmation Order will establish an Administrative Claims Bar Date for filing of all Administrative Claims, which date will be thirty (30) days after the Effective Date, unless an earlier date is set by orders of the Court, in which case, the date set by Court order shall control. Holders of asserted Administrative Claims, other than Professional Fee Claims, claims for U.S. Trustee fees under 28 U.S.C. §1930, administrative tax claims and administrative ordinary course liabilities, must submit proofs of Administrative Claim on or before such Administrative Claims Bar Date or forever be barred from doing so. A notice prepared by Warren-Trustee will set forth such date and constitute notice of this Administrative Claims Bar Date. Any party with standing shall have twenty-one (21) days (or such longer period as may be allowed by order of the Bankruptcy Court) following the Administrative Claims Bar Date to review and object to such Administrative Claims before a hearing for determination of allowance of such Administrative Claims.

#### **11.3. Administrative Ordinary Course Liabilities**

Holders of Administrative Claims that are based on liabilities incurred in the ordinary course of the Debtor's business (other than Claims of governmental units for taxes and for interest and/or penalties related to such taxes) shall not be required to file any request for payment of such Claims. Such Administrative Claims, unless objected to, shall be assumed, and paid in Cash, pursuant to the terms and conditions of the particular transaction giving rise to such Administrative Claim.

#### **11.4. Administrative Tax Claims**

All Administrative Claims by a governmental unit for taxes (and for interest and/or penalties related to such taxes) for any tax year or period, all or any portion of which occurs or falls within the period from and including the Petition Date through and including the Effective Date, and for which no bar date has otherwise been previously established, will be paid on the later of (i) thirty (30) days following the Effective Date; (ii) thirty (30) days following the allowance of such Administrative Tax Claim; (iii) pursuant to the provisions of, and at the time provided in

section 505(b)(2) of the Bankruptcy Code or (iv) the date upon which such Administrative Tax Claim would ordinarily become due.

## **ARTICLE XII LIQUIDATING TRUST**

### **12.1. Generally**

The Plan proposes that on the Effective Date that the Liquidating Trust will be created which will hold the Liquidating Trust Assets for the benefit of holders of Allowed Claims in Class 2 General Unsecured Claims, and Class 3 Allowed Subordinated General Unsecured Claim of Lowe-Trustee. The following description shall generally apply to the Liquidating Trust created under the Plan.

### **12.2. Establishment of the Liquidating Trust**

On the Effective Date, the Liquidating Trustee shall execute the Liquidating Trust Agreement on behalf of the Liquidating Trust. Warren-Trustee will transfer to the Liquidating Trust the Liquidating Trust Assets required under the confirmed Plan.

### **12.3. Purpose of the Trust**

The Liquidating Trust shall exist after the Effective Date, with all the powers of a trust under applicable Florida law. The Liquidating Trustee shall execute and consummate such assignments, purchase agreements, bills of sale, operating agreements, conveyance documents and all other transaction documents, contracts, agreements, and instruments as are necessary to implement and consummate the transactions required under or in connection with the Plan, on or after the Effective Date.

After the Effective Date, the Liquidating Trust will own the Liquidating Trust Assets and shall have the flexibility to conduct any operations necessary to enhance or preserve the value of the Liquidating Trust.

### **12.4. Appointment and Powers of Liquidating Trustee**

John Patrick Lowe or an individual appointed by Lowe-Trustee will be the Liquidating Trustee under the Liquidating Trust. The Liquidating Trustee will serve from and after the Effective Date until a successor is duly elected or appointed by a simple majority vote of the holders of the beneficial interests in the Liquidating Trust. The Liquidating Trustee shall receive title to all Liquidating Trust Assets that are transferred to the Liquidating Trust pursuant to the Confirmation Order, including but not limited to, and except as provided in the Plan, any interests held by the Liquidating Trust in real and personal property.

Pursuant to the Liquidating Trust Agreement, the Liquidating Trustee shall have the power and authority to perform the following acts, among others:

(a) Accept the Liquidating Trust Assets transferred and provided to the Liquidating Trust pursuant to the Liquidating Trust Agreement and the Plan;

- (b) Pay obligations under the Plan owing to holders of Class 2 Allowed General Unsecured Claims and Class 3 Allowed Subordinated General Unsecured Claim of Lowe-Trustee from the Liquidating Trust Assets;
- (c) Distribute Liquidating Trust Assets to Beneficiaries, as defined in the Liquidating Trust Agreement in accordance with the terms of this Liquidating Trust Agreement;
- (d) Perfect and secure his/her right, title and interest to any and all Liquidating Trust Assets;
- (e) Distribute the net proceeds of Liquidating Trust Assets as specified herein;
- (f) Release, convey, subordinate, or assign any right, title, or interest in or to the Liquidating Trust Assets;
- (g) Pay and discharge any costs, expenses, fees, or obligations deemed necessary to preserve the Liquidating Trust Assets, and to protect the Liquidating Trust and the Liquidating Trustee from liability;
- (h) Deposit Liquidating Trust funds and draw checks and make disbursements thereof;
- (i) Employ such attorneys, accountants, engineers, agents, tax specialists, other professionals, and clerical assistance as the Liquidating Trustee may deem necessary. The Liquidating Trustee shall be entitled to rely upon the advice of retained professionals and shall not be liable for any action taken in reliance of such advice. The fees and expenses of all such professionals shall be charges as expenses of the Liquidating Trust and shall be paid upon approval of the Liquidating Trustee;
- (j) Employ brokers, investment brokers, sales representatives or agents, or other Persons necessary to manage the Liquidating Trust Assets;
- (k) Exercise any and all powers granted the Liquidating Trustee by any agreements or by Florida common law or any statute that serves to increase the extent of the powers granted to the Liquidating Trustee hereunder;
- (l) Take any action required or permitted by the Plan or the applicable Liquidating Trust Agreement;
- (m) Execute obligations, whether negotiable or non-negotiable;
- (n) Sue and be sued;
- (o) Settle, compromise, or adjust by arbitration, or otherwise, any disputes or controversies in favor or against the Liquidating Trust;
- (p) Waive or release rights of any kind;

(q) Appoint, remove, and act through agents, managers and employees and confer upon them such power an authority as may be necessary or advisable;

(r) Negotiate, renegotiate or enter into any contract or agreements binding the Liquidating Trust, and to execute, acknowledge and deliver any and all investments that are necessary, required or deemed by the Liquidating Trustee to be advisable in connection with the performance of his/her duties; and

(s) In general, without in any manner limiting any of the foregoing, deal with the Liquidating Trust Assets or any part or parts thereof in all other ways as would be lawful for any person owing the same to deal therewith, whether similar to or different from the ways above specified, at any time or times hereafter.

### **12.5. Compensation of the Liquidating Trustee**

The Liquidating Trustee shall be entitled to receive reasonable compensation for services rendered to the Estate or the Liquidating Trust in accordance with § 326 of the Bankruptcy Code. The Liquidating Trustee's fees shall be approved by the Bankruptcy Court. The Liquidating Trustee shall be paid from the Liquidating Trust Reserve Fund and, if necessary, from the assets of the Liquidating Trust. The Liquidating Trustee may seek approval of the Bankruptcy Court to increase the amount of the Liquidating Trust Reserve Fund in the event the amount reserved appears to be insufficient to fully satisfy the reasonable fees and expenses of the Liquidating Trustee and his professionals. In the event that a balance remains in the Liquidating Trust Reserve Fund after the payment of all reasonable fees and expenses of the Liquidating Trustee and his professionals, any residual balance shall be included in the assets of the Liquidating Trust.

### **12.6. Retention of Professionals by the Liquidating Trustee**

After the Confirmation Date, the Liquidating Trustee shall have the authority to retain attorneys, accountants, investment advisors, appraisers, and other professionals as he may determine to be necessary or appropriate in carrying out the provisions of the Plan. Upon application and approval from the Bankruptcy Court, the Liquidating Trustee may pay the reasonable fees and expenses of such professionals from the Liquidating Trust Reserve Fund and, if necessary, from the assets of the Liquidating Trust. To the extent that approval of fees and costs of Professionals is required, the Professionals shall be entitled to seek such approval from the Texas Bankruptcy Court.

## **ARTICLE XIII CONFIRMATION AND CONSUMMATION OF THE PLAN**

### **13.1. Conditions Precedent to Confirmation**

The following are conditions precedent to confirmation of the Plan that may be satisfied or waived in accordance with Section 13.4 of the Plan:

(b) The Bankruptcy Court shall have approved by Final Order a Disclosure Statement with respect to the Plan in form and substance reasonably acceptable to the Plan Proponents.

(c) The Bankruptcy Court shall have entered the Confirmation Order in form and substance acceptable to the Plan Proponents.

(d) The Texas Bankruptcy Court shall have authorized Lowe-Trustee to be a Plan Proponent.

### **13.2. Conditions Precedent to Effective Date**

The following are conditions precedent to the occurrence of the Effective Date, each of which must be satisfied or waived in accordance with Section 13.4 below:

(b) If the Texas Appeal has been filed, the Texas Appeal has been dismissed;

(c) All authorizations, consents, and regulatory approvals required, if any, in connection with the consummation of this Plan shall have been obtained, including but not limited to the approvals of the Texas Bankruptcy Court with respect to the disposition of the UAS Garnishment Proceeds and the dismissal of the Lowe-Duoos Adversary and any other transactions contemplated herein requiring the approval of the Texas Bankruptcy Court;

(d) There shall not be in effect on the Effective Date any (i) order entered by a court, (ii) any order, opinion, ruling or other decision entered by any other court or governmental entity, or (iii) any applicable law staying, restraining, enjoining or otherwise prohibiting or making illegal the consummation of any of the transactions contemplated by the Plan;

(e) No request for revocation of the Confirmation Order under section 1144 of the Bankruptcy Code shall remain pending; however, the Effective Date will occur despite such request, unless an order is entered staying the Effective Date pending conclusion of the request for revocation; and

(f) All conditions to the consummation of the transactions contemplated by the Plan shall have been satisfied or waived.

### **13.3. Substantial Consummation**

On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

### **13.4. Waiver of Conditions**

Each of the conditions set forth in Sections 13.1 and 13.2 of the Plan may be waived in whole or in part by written consent of the Plan Proponents. The failure to satisfy or waive any condition to the Effective Date may be asserted by the Plan Proponents regardless of the circumstances giving rise to the failure of such condition to be satisfied. The failure of the Plan Proponents to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right that may be asserted at any time.

**ARTICLE XIV**  
**EFFECT OF THE PLAN ON CLAIMS AND EQUITY INTERESTS**

**14.1. Compromise and Settlement**

Pursuant to section 1123(b)(3) of the Bankruptcy Code and Bankruptcy Rule 9019(a), the Liquidating Trustee or Lowe-Trustee, as applicable, may compromise and settle Claims against the Debtor and claims that they have against other Persons. After the Effective Date, the Liquidating Trustee or Lowe-Trustee, as applicable, may compromise and settle any Claims against them and claims they may have against other Persons with Bankruptcy Court approval, following appropriate notice and opportunity for a hearing.

**14.2. Satisfaction of Claims**

The rights afforded in the Plan and the treatment of all Claims and Equity Interests herein shall be in exchange for and in complete satisfaction, and release of all Claims and Equity Interests of any nature whatsoever against the Debtor or its Estate, its assets, properties, or interests in property. Except as otherwise provided herein, on the Effective Date, all Claims against and Equity Interests in the Debtor shall be satisfied, and released in full. The Liquidating Trust, nor any of its successors or assigns, including any assets, properties or interests of the Liquidating Trust and their successors and assigns, shall be responsible for any pre-Effective Date obligations of the Debtor, except those expressly set forth in the Plan. Except as otherwise provided herein, all Persons and Entities shall be precluded and forever barred from asserting against the Debtor, the Liquidating Trust, their respective successors or assigns, or their estates, assets, properties, or interests in property any event, occurrence, condition, thing, or other or further Claims or Causes of Action based upon any act, omission, transaction, or other activity of any kind or nature that occurred or came into existence prior to the Effective Date, whether or not the facts of or legal bases therefore were known or existed prior to the Effective Date.

**14.3. Exculpation and Limitation of Liability**

Notwithstanding any other provision of the Plan, no holder of a Claim or Equity Interest, no other party in interest, none of their respective agents, employees, representatives, financial advisors, attorneys, or affiliates, and no successors or assigns of the foregoing, shall have any right of action whether in law or equity, whether for breach of contract, statute, or tort claim, against the Debtor, the Liquidating Trust, Warren-Trustee, and Lowe-Trustee, their respective professionals, successors or assigns, or the Estates, assets, properties, or interests in property, for any act or omission in connection with, relating to, or arising out of, this Case, the pursuit of Confirmation of the Plan, consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan.

**14.4. Good Faith**

As of the Confirmation Date, the Plan Proponents shall be deemed to have solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code. The Plan Proponents participated in good faith and in compliance with section 1125(e) of the Bankruptcy Code.

#### **14.5. Setoffs**

Except as otherwise expressly provided for in the Plan, pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable non-bankruptcy law, or as may be agreed to by the holder of a Claim, the Liquidating Trust may setoff against any Allowed Claim and the Distributions to be made pursuant to the Plan on account of such Allowed Claim (before such distribution is made), any claims, rights, and causes of action of any nature that the Liquidating Trust may hold against the holder of such Allowed Claim, to the extent such claims, rights, or causes of action against such holder have not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise); provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim or Equity Interest pursuant to the Plan shall constitute a waiver or release by the Liquidating Trust of any such claims, rights, and causes of action that the Liquidating Trust may possess against such holder. In no event shall any holder of Claims or Equity Interests be entitled to setoff any Claim or Equity Interest against any claim, right, or cause of action, except as set forth in the Plan, of the Liquidating Trust, as applicable, unless such holder has filed a motion with the Bankruptcy Court requesting the authority to perform such setoff on or before the Confirmation Date, and notwithstanding any indication in any Proof of Claim or otherwise that such holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 of the Bankruptcy Code or otherwise.

#### **14.6. Recoupment**

In no event shall any holder of Claims or Equity Interests be entitled to recoup any Claim or Equity Interest against any claim, right, or Cause of Action of the Liquidating Trust, as applicable, unless such holder actually has performed such recoupment and provided notice thereof in writing to the Liquidating Trust on or before the Effective Date, notwithstanding any indication in any Proof of Claim or Equity Interest or otherwise that such holder asserts, has, or intends to preserve any right of recoupment.

#### **14.7. Release of Liens**

Except as otherwise provided in the Plan or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan and, in the case of a Secured Claim, satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date, all mortgages, deeds of trust, liens, pledges, or other security interests against any property of the Debtor's Estate shall be fully released and discharged.

In addition to, and in no way a limitation of, the foregoing, to the extent the Debtor's property or assets are encumbered by mortgages, security interests or Liens of any nature for which any holder of such mortgages, security interests or Liens does not have an Allowed Claim against the Debtor, such mortgages, security interests or Liens shall be deemed fully released and discharged for all purposes and such holder shall execute such documents as reasonably requested by the Liquidating Trust in form and substance as may be necessary or appropriate to evidence the release of any such mortgages, security interests or Liens of any nature. If such holder fails to execute such documents, the Liquidating Trust is authorized to execute such documents on behalf



of such holder and to cause the filing of such documents with any or all governmental or other entities as may be necessary or appropriate to effect such releases.

## ARTICLE XV RETENTION OF JURISDICTION

### 15.1. Retention of Jurisdiction

Under sections 105 and 1142 of the Bankruptcy Code, and notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of or related to the Chapter 11 Cases and the Plan, to the fullest extent permitted by law, including jurisdiction to:

(b) enter such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, and other agreements or documents created in connection with the Plan, this Disclosure Statement, or the Confirmation Order;

(c) hear and determine disputes arising in connection with the interpretation, implementation, consummation, or enforcement of the Plan and all contracts, instruments, and other agreements executed in connection with the Plan;

(d) hear and determine any request to modify the Plan or to cure any defect or omission or reconcile any inconsistency in the Plan or any order of the Bankruptcy Court;

(e) issue and enforce injunctions or other orders, or take any other action that may be necessary or appropriate to restrain any interference with the implementation, consummation, or enforcement of the Plan or the Confirmation Order,

(f) enter and implement such orders as may be necessary or appropriate if the Confirmation Order is for any reason reversed, stayed, revoked, modified, or vacated;

(g) hear and determine any matters arising in connection with or relating to the Plan, this Disclosure Statement, the Confirmation Order or any contract, instrument, release, or other agreement or document created in connection with the Plan, this Disclosure Statement, or the Confirmation Order;

(h) enforce all orders, judgments, injunctions, releases, exculpations, and rulings entered in connection with the Chapter 11 Cases;

(i) hear and determine such other matters as may be provided in the Confirmation Order or as may be authorized under, or not inconsistent with, provisions of the Bankruptcy Code;

(j) hear and determine matters relating to the allowance, disallowance, determination, classification, estimation and/or liquidation of Claims against the Debtor and to enter or enforce any order requiring the filing of any such Claim before a particular date;

(k) hear and determine motions, application, adversary proceedings, contested matters and other litigation matters filed or commenced after the Effective Date, including proceedings with respect to the rights and claims of the Debtor to recover property under the applicable provisions of Chapter 5 of the Bankruptcy Code or to bring any Litigation Claims, or otherwise to collect or recover on account of any Litigation Claim;

(l) determine all applications, Claims, adversary proceedings and contested matters pending on the Effective Date; and

(m) enter a final decree closing the Chapter 11 Case.

## **ARTICLE XVI MISCELLANEOUS PROVISIONS**

### **16.1. Amendments and Modification**

The Plan Proponents may alter, amend, or modify the Plan or any exhibits thereto under section 1127(a) of the Bankruptcy Code at any time prior to the Confirmation Date. After the Confirmation Date and prior to “substantial consummation” as provided in the Plan, the Plan Proponents may, under section 1127(b) of the Bankruptcy Code, institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement or the Confirmation Order, and such matters as may be necessary to carry out the purposes and effects of the Plan, so long as such proceedings do not materially adversely affect the treatment of holders of Claims or Equity Interests under the Plan; provided, however, that prior notice of such proceedings shall be served in accordance with the Bankruptcy Rules or order of the Bankruptcy Court.

### **16.2. Binding Effect**

The Plan shall be binding upon and inure to the benefit of the Debtor, all present and former holders of Claims against and Equity Interests in the Debtor, their respective successors and assigns, including, but not limited to, the Liquidating Trust, and all other parties-in-interest in this Case.

### **16.3. Term of Injunctions or Stay**

Unless otherwise provided in the Plan or Confirmation Order, all injunctions or stays provided for in the Case under sections 105 or 362 of the Bankruptcy Code or otherwise, and existing on the Confirmation Date (excluding any injunctions or stays contained in the Plan or Confirmation Order), shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or Confirmation Order shall remain in full force and effect in accordance with their terms. The restrictions in paragraphs 3 and 5 of the Florida Bankruptcy Court’s Order Regarding Motion by John Patrick Lowe, Chapter 7 Trustee for the Bankruptcy Estate of Dickinson of San Antonio, Inc., For Relief from the Automatic Stay Under 11 U.S.C. §362(d)(1) dated August 17, 2020, shall be vacated on the Effective Date.

#### **16.4. No Admissions**

Notwithstanding anything in the Plan to the contrary, nothing in the Plan shall be deemed as an admission by the Debtor with respect to any matter set forth in the Plan, including liability on any Claim.

#### **16.5. Governing Law**

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules), the laws of the State of Florida, without giving effect to the principles of conflicts of law thereof, shall govern the construction and implementation of the Plan and any agreements, documents, and instruments executed in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control) as well as corporate governance matters with respect to the Debtor.

#### **16.6. Notices**

Any notices, requests, and demands required or permitted to be provided under the Plan, in order to be effective, shall be in writing (including, without express or implied limitation, by facsimile transmission), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

If to the Warren-Trustee:

**Jeffrey W. Warren, as Chapter 11 Trustee  
for Tango Delta Financial, Inc.**

c/o Bush Ross, P.A.  
Post Office Box 3913  
Tampa, FL 33601-3913

**with a copy to:**

**Adam L. Alpert**

Bush Ross, P.A.  
Post Office Box 3913  
Tampa, FL 33601-3913

If to Lowe-Trustee or the Liquidating Trust:

**J. Patrick Lowe, P. C.**

2402 E Main St  
Uvalde, TX 78801-4943

**with a copy to:**

**Randall A. Pulman**

Pulman, Cappuccio & Pullen, LLP  
2161 NW Military Highway, Suite 400  
San Antonio, Texas 78213  
Fax: (210) 892-1610

**16.7. Severability of Plan Provision**

If, before the Confirmation Order, the Bankruptcy Court holds that any provision of the Plan is invalid, void or unenforceable, the Plan Proponents at their option may amend or modify the Plan to correct the defect, by amending or deleting the offending provision or otherwise, or may withdraw the Plan. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been amended or modified in accordance with the foregoing, is valid and enforceable.

**16.8. U.S. Trustee Fees**

Debtor will pay pre-confirmation fees owed to the U.S. Trustee on the Effective Date or as reasonably practical thereafter. After confirmation, the Liquidating Trustee will file with the Court and serve on the U.S. Trustee quarterly financial reports in a format prescribed by the U.S. Trustee, and the Liquidating Trust will pay post-confirmation quarterly fees to the U.S. Trustee until a final decree is entered or the case is converted or dismissed as provided in 28 U.S.C. §1930(a)(6).

**16.9. Default**

Except as otherwise provided for in this Plan, in the event of an alleged default by the Liquidating Trust under the Plan, any party alleging such default shall provide written notice of the default (the “Default Notice”) to the Liquidating Trust at the addresses set forth in Section 16.6 of the Plan. The Liquidating Trust shall have thirty (30) days from receipt of the Default Notice to cure any actual default that may have occurred. The Liquidating Trust reserves the right to dispute that a default has occurred and shall notify the party alleging the default that the Liquidating Trust contends no default has occurred, with such notice to be sent within the thirty (30) day time period following receipt of the Default Notice. In such event, the Bankruptcy Court shall retain jurisdiction over the dispute relating to the alleged default. In the event the Liquidating Trust fails to either dispute the alleged default or timely cure such default, the party alleging such default shall be entitled to assert its rights under any and all applicable bankruptcy and/or non-bankruptcy laws.

[Remainder of Page Intentionally Left Blank]

Dated: September 22, 2021

Respectfully Submitted,

By: /s/ Scott A. Stichter  
Scott Stichter (FBN 010679)  
[sstichter@srbp.com](mailto:ssstichter@srbp.com)  
STICHTER, RIEDEL, BLAIN & POSTLER, P.A.  
110 E. Madison Street, Suite 200  
Tampa, Florida 33602  
(813) 229-0144 Telephone  
(813) 229-1811 Facsimile  
and  
Randall A. Pulman  
Texas State Bar No. 16393250  
[rpulman@pulmanlaw.com](mailto:rpulman@pulmanlaw.com)  
Thomas Rice  
Texas State Bar No. 24025613  
[Trice@pulmanlaw.com](mailto:Trice@pulmanlaw.com)  
[Anna K. MacFarlane](#)  
Texas State Bar No. 24116701  
[amacfarlane@pulmanlaw.com](mailto:amacfarlane@pulmanlaw.com)  
PULMAN, CAPPUCCIO & PULLEN, LLP  
2161 NW Military Highway, Suite 400  
San Antonio, Texas 78213  
[www.pulmanlaw.com](http://www.pulmanlaw.com)  
(210) 222-9494 Telephone  
(210) 892-1610 Facsimile  
**ATTORNEYS FOR LOWE-TRUSTEE**

By: /s/ Adam L. Alpert\*  
Adam L. Alpert (FBN 490857)  
BUSH ROSS, P.A.  
1801 N. Highland Avenue  
Tampa, Florida 33602  
(813) 204-6466 Telephone  
(813) 223-9620 Facsimile  
[aalpert@bushross.com](mailto:aalpert@bushross.com)  
Attorneys for Chapter 11 Trustee

*\*Pursuant to Local Rule 9011-4(d) regarding signatures, Scott A. Stichter attests that concurrence in the filing of this paper has been obtained.*

## Exhibit A

### Executory Contracts between the Debtor and Educational Institutions

1. *American Student Financing Group, Inc. Contract Servicing and Purchase Agreement* dated October 19, 2009 between American Student Financing Group, Inc., a Delaware corporation, and Ryokan College, a California corporation
2. *American Student Financing Group, Inc. Contract Servicing and Purchase Agreement* dated February 24, 2010 between American Student Financing Group, Inc., a Delaware corporation, and Automotive Training Institute, Inc., a Maryland corporation, and American Financial, LLC, a Maryland limited liability company
3. *American Student Financing Group, Inc. Contract Servicing and Purchase Agreement* dated July 2, 2010 between American Student Financing Group, Inc., a Delaware corporation, and Legacy Education, LLC d/b/a High Desert Medical College, a California limited liability company, and the replacement to Schedule “A” to the agreement dated December 22, 2011
4. *American Student Financing Group, Inc. Contract Servicing and Purchase Agreement* dated August 18, 2010 between American Student Financing Group, Inc., a Delaware corporation, and The Sullivan University System, Inc., a Kentucky corporation, and the replacement Schedule “A” to the agreement dated November 3, 2011
5. *American Student Financing Group, Inc. Contract Servicing and Purchase Agreement* dated June 28, 2011 between American Student Financing Group, Inc., a Delaware corporation, and Hult International Business School, Inc., a Massachusetts corporation
6. *American Student Financing Group, Inc. First Amended and Restated Tuition Loan Program* dated April 10, 2013 between American Student Financial Group, Inc., a Delaware corporation, and Employment Services, Inc., a Virginia corporation, Training Services, Inc., a Virginia corporation, Technical Education Services, Inc., a Virginia corporation, and American Trans Air Training Corporation, an Indiana corporation
7. *American Student Financing Group, Inc. Tuition Loan Program* dated August 14, 2013 between American Student Financial Group, Inc., a Delaware corporation, and Empowered Careers, a California corporation
8. *American Student Financing Group, Inc. Tuition Loan Program* dated April 28, 2014 between American Student Financial Group, Inc., a Delaware corporation, and Spartan Education, LLC, a Delaware limited liability company d/b/a Spartan College of Aeronautics and Technology
9. *American Student Financing Group, Inc. Tuition Loan Program* dated August 15, 2014 between American Student Financial Group, Inc., a Delaware corporation, and Eduvision, Inc., a Missouri corporation, d/b/a Arizona College
10. *American Student Financing Group, Inc. Third Amended and Restated Tuition Loan Program* dated September 4, 2014 between American Student Financial Group, Inc., a Delaware corporation, and SCI Acquisition Co., Inc., a Delaware corporation, Southern Careers Institute, Inc., a Texas corporation, Southern Careers Institute – South Texas, Inc., a Texas Corporation, Southern Careers Institute – Corpus Christi, Inc., a Texas corporation, and Southern Careers Institute #1, Inc., a Texas corporation

## SETTLEMENT AGREEMENT

This Settlement Agreement (also referred to herein as the “Agreement”) is entered into by and among the Receivership Entity (defined below) and Michael Pirello (“Pirello”), each a “Party” and collectively, the “Parties.”

### RECITALS

A. WHEREAS, on March 10, 2016, the Securities and Exchange Commission (“SEC”) filed a complaint against Aequitas Management, LLC, Aequitas Holdings, LLC, Aequitas Commercial Finance, LLC, Aequitas Capital Management, Inc., Aequitas Investment Management, LLC, Robert J. Jesenik, Brian A. Oliver, and N. Scott Gillis;

B. WHEREAS, on March 16, 2016, pursuant to the Stipulated Interim Order Appointing Receiver, Ronald F. Greenspan was appointed as Receiver for the Receivership Entity on an interim basis;

C. WHEREAS, on April 14, 2016, pursuant to the Receivership Order (defined below), Mr. Greenspan was appointed as Receiver for the Receivership Entity on a final basis;

D. WHEREAS, pursuant to the Receivership Order, the Receiver is charged with the duty of marshalling and preserving the assets of the Receivership Entity;

E. WHEREAS, Pirello executed a Purchase Agreement on or about April 9, 2018, which included an indemnity provision, with certain entities in the Receivership Entity and Silvermine Media Holdings, LLC;

F. WHEREAS, Pirello filed certain proofs of claim against the Receivership Entity, which were recorded as claims #241 and #289;

G. WHEREAS, in accordance with the Receivership Order, the Receiver is authorized to compromise and/or settle claims of the Receivership Entity subject to approval by the Court (defined below).

### AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and obligations contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby stipulate and agree as follows:

1. Recitals Incorporated. The Recitals set forth above are incorporated herein by reference.

2. Definitions. The following defined terms are incorporated into this Agreement:

a. **Aequitas Securities** means any security, including but not limited to promissory notes, other debt instruments, and equity interests, issued or sold by any entity included within the Receivership Entity.

b. **Court** refers to the court in the SEC enforcement action titled *SEC v. Aequitas Management, LLC, et al.*, 3:16-CV-00438-JR, currently pending in the U.S. District Court for the District of Oregon.

c. **Purchase Agreement** refers to the Purchase Agreement entered into by and among Pirello, Silvermine Media Holdings, LLC, Aequitas Management, LLC, Aequitas Holdings, LLC, Aequitas Corporate Lending, LLC, Aequitas Commercial Finance, LLC, and Aequitas Partner Fund, LLC, dated April 9, 2018.

d. **Receiver** refers to Ronald F. Greenspan, in his capacity as the Court appointed Receiver for the Receivership Entity, pursuant to the Receivership Order.

e. **Receivership Entity** means, individually and collectively, Aequitas Management, LLC, Aequitas Holdings, LLC, Aequitas Commercial Finance, LLC, Aequitas Capital Management, Inc., Aequitas Investment Management, LLC and each of their 43 subsidiaries and/or majority-owned affiliates, as set forth on Exhibit A of the Receivership Order.

f. **Receivership Order** means the Order Appointing Receiver, entered on or about April 14, 2016 [Dkt. 156].

g. **Receivership Released Parties** means the Receivership Entity, its former officers, directors, Advisory Board members, employees and agents, as well as the Aequitas Qualified Settlement Fund Irrevocable Trust, the Receiver, and all professionals and other agents serving the Receiver, the Receivership Entity and the Aequitas Qualified Settlement Fund Irrevocable Trust.

h. **Releases** means the mutual releases set forth in Paragraph 4 below.

3. Agreement Subject to Court Approval. This Agreement is subject to approval by the Court. If this Agreement is not approved in its entirety by the Court for any reason, or, if the Court's decision is appealed and the Ninth Circuit Court of Appeals shall hold that the Agreement in whole or in part shall not be approved, for any reason, or if after any appeal or remand the Agreement is not approved in its entirety, for any reason, any such decision becomes final, then this Agreement shall be without effect, and all of the rights, remedies, claims, and defenses of the Parties shall be preserved as if this Agreement did not exist.

4. Releases.

The Receivership Entity releases Pirello and Pirello releases the Receivership Released Parties from:

A. All claims which the Parties had or held in any capacity, currently have, or may in the future have against one another, regardless of whether any such claims are direct or indirect, known or unknown, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, liquidated or unliquidated, matured or unmatured, accrued or unaccrued, apparent or unapparent, now existing or hereinafter arising, specifically including but not limited to the following:



i. All claims related in any way to the purchase, issuance, sale or solicitation of the sale of any Aequitas Securities;

ii. All claims against Receivership Property, the Receivership Estates (as those terms are defined in the Receivership Order) or any other assets of the Receivership Entity or Aequitas Qualified Settlement Fund Irrevocable Trust, including but not limited to any claim under the Court-approved distribution plan; and

iii. All claims in any way related to the Purchase Agreement.

B. The foregoing Releases shall bind the Parties, as well as their respective members, officers, directors, receivers, trustees, beneficiaries, fiduciaries, insurers, marital communities, successors, subrogees, transferees, and assigns to the maximum extent allowable by law. The Parties acknowledge that they may discover facts in addition to or different from those that they now know to be true with respect to the subject matter of the claims that they have released pursuant to this provision of the Agreement, but that it is their intention to fully, finally, and forever settle and release the claims addressed in this provision of the Agreement, whether known or unknown, suspected or unsuspected, and without regard to the subsequent discovery or existence of such additional or different facts concerning the subject matter of the claims that have been released. Accordingly, the Release set forth in this provision of this Agreement shall extend to claims that the Parties do not know or suspect to exist in their favor at the time that they execute this Agreement, which if known, might have affected their decision to enter into the Release and this Agreement. The Parties shall be deemed to waive any and all provisions, rights, and benefits conferred by any law of the United States, any state or territory of the United States, any foreign law or any principle of common law that may have the effect of limiting this Release, including but not limited to those that are similar, comparable or equivalent to California Civil Code Section 1542.

C. Effective Date of Releases. The Releases shall become effective immediately upon final Court approval. Upon execution of this Agreement, the Receivership Entity will file a notice of settlement in the matter titled *Greenspan v. Pirello*, D. Or. Case No. 3:21-cv-00118. Upon final Court approval, the claims pending against Pirello shall be dismissed.

5. Claim Withdrawal. Upon execution of this Agreement, Pirello will execute a voluntary claim withdrawal of all of his pending claims filed against certain Receivership Entities (Claim Nos. 241 and 289). The Receiver is entitled to file that withdrawal immediately upon final Court approval of this Agreement.

6. No Admission of Liability. The Parties agree that this Agreement is made without admission of wrongdoing or wrongful intent on the part of Pirello, and nothing in this Agreement shall be construed as an admission of any wrongful act, whether negligent, intentional or otherwise, or any wrongful intent by Pirello.

7. Entire Agreement. This Agreement sets forth the full and complete agreement of the Parties with respect to its subject matter, and there is no mistake of law or fact with respect to this Agreement. This Agreement supersedes and replaces any earlier representations, inducements, promises, settlements, compromises, agreements, or understandings, written or oral, between the Parties.

8. No Oral Modification. This Agreement may not be amended, modified, or revoked except by means of a supplemental writing that is signed by the Party against whom the amendment, modification or revocation is to be enforced.

9. Binding Agreement. This Agreement is binding on the Parties and their respective successors, legal representatives, heirs and assigns.

10. Governing Law and Venue. This Agreement has been executed under and shall be construed in accordance with the laws of the State of Oregon and the laws of federal common law receiverships. If there is any litigation or other proceeding to enforce or interpret any provision of this Agreement, jurisdiction and venue shall be exclusively in the Court.

11. Attorney Fees and Costs. If the Receiver or Pirello commence any suit or action to interpret or enforce the provisions of this Agreement, the prevailing Party as defined in ORS 20.077, shall be entitled to an award of reasonable attorney fees, costs and expenses incurred in such suit or action and in any appeal therefrom, in addition to all other remedies afforded the prevailing Party.

12. Notices. All notices shall be effective upon receipt, shall be in writing, and shall be sent by U.S. Certified Mail, overnight courier, hand delivery, or email as follows:

If to the Receivership Entity:

Troy Greenfield

Schwabe, Williamson & Wyatt  
1420 Fifth Avenue, Suite 3400  
Seattle, WA 98101  
Phone: (206) 624-1711  
[tgreenfield@schwabe.com](mailto:tgreenfield@schwabe.com)

If to Pirello:

Troy Sexton  
Motschenbacher and Blattner  
117 SW Taylor St, Suite 300  
Portland, OR 97204  
Phone: (503) 417-0517  
[tsexton@portlaw.com](mailto:tsexton@portlaw.com)

13. Construction. The rule of construction that an agreement is to be construed against the drafting Party is not to be applied in interpreting this Agreement. The Parties acknowledge that they have each read this Agreement, that they understand its meaning and intent, and that this Agreement has been executed voluntarily.

14. Severability. The invalidity of all or any part of any paragraph or any provision of this Agreement shall not render invalid the remainder of this Agreement to the extent it represents the intent of the Parties in all material respects if interpreted without the invalid provision.


15. Counterparts. This Agreement may be executed in one or more counterparts, each of which is to be deemed an original. All counterparts may be consolidated into one Agreement binding on the Parties.

16. Representation Regarding Authority to Execute Agreement. The Receiver, on behalf of the Receivership Entity, represents that, to the extent prescribed in the Receivership Order, he has the power and authority to enter into this Agreement and provide the Release to Pirello upon the final, non-appealable approval of this Agreement by the Court. Pirello represents that he has the authority to enter into this Agreement and provide the Release to the Receivership Released Parties. Any corporate representatives executing this Agreement represent that they have the power and authority to enter into this Agreement and provide the Release to the Receivership Released Parties. The Receivership Entity further warrants and represents that it has not assigned its rights to any claims that it has or had against Pirello to any other party prior to the execution of this Agreement.

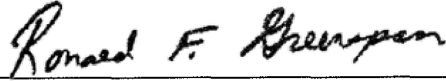
17. Representation by Counsel. All Parties have had a reasonable opportunity to consult with legal counsel regarding the terms and legal meaning of this Agreement.

18. Inadmissibility. This Agreement (whether executed or not executed, revoked, or made ineffective for any reason) and any proceedings or discussions related to this Agreement are inadmissible as evidence of any liability or wrongdoing whatsoever by the Parties in any court or tribunal in any state, territory, or jurisdiction.

IN WITNESS WHEREOF, the undersigned executed this Agreement as of the dates noted below.

By:   
Michael Pirello

DATED: May 4, 2022

By:   
Receivership Entity  
By: Ronald F. Greenspan  
Title: Receiver

DATED: May 4, 2022



## **SETTLEMENT AGREEMENT**

This Settlement Agreement (also referred to herein as the “Agreement”) is entered into by and among the Receivership Entity (defined below), Petrawest, Ltd. and Gerald T. Raydon (“Net Winners”) each a “Party” and collectively, the “Parties.”

### **RECITALS**

A. WHEREAS, on March 10, 2016, the Securities and Exchange Commission (“SEC”) filed a complaint against Aequitas Management, LLC, Aequitas Holdings, LLC, Aequitas Commercial Finance, LLC, Aequitas Capital Management, Inc., Aequitas Investment Management, LLC, Robert J. Jesenik, Brian A. Oliver, and N. Scott Gillis;

B. WHEREAS, on March 16, 2016, pursuant to the Stipulated Interim Order Appointing Receiver, Ronald F. Greenspan was appointed as Receiver for the Receivership Entity on an interim basis;

C. WHEREAS, on April 14, 2016, pursuant to the Receivership Order (defined below), Mr. Greenspan was appointed as Receiver for the Receivership Entity on a final basis;

D. WHEREAS, pursuant to the Receivership Order, the Receiver is charged with the duty of marshalling and preserving the assets of the Receivership Entity;

E. WHEREAS, Net Winners’ initial investment in Aequitas Securities (defined below) was returned and, in addition, they received \$14,833 (“Net Winnings”); and

F. WHEREAS, in accordance with the Receivership Order, the Receiver is authorized to compromise and/or settle claims of the Receivership Entity subject to approval by the Court (defined below).

### **AGREEMENT**

NOW, THEREFORE, in consideration of the mutual promises and obligations contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby stipulate and agree as follows:

1. Recitals Incorporated. The Recitals set forth above are incorporated herein by reference.

2. Definitions. The following defined terms are incorporated into this Agreement:

a. **Aequitas Securities** means any security, including but not limited to promissory notes, other debt instruments, and equity interests, issued or sold by any entity included within the Receivership Entity.

b. **Court** refers to the court in the SEC enforcement action titled *SEC v. Aequitas Management, LLC, et al.*, 3:16-CV-00438-JR, currently pending in the U.S. District Court for the District of Oregon.

c. **Payment** means the payment of \$13,350 by Net Winners to the Receivership Entity, as set forth in Paragraph 4 below.

d. **Receiver** refers to Ronald F. Greenspan, in his capacity as the Court-appointed Receiver for the Receivership Entity, pursuant to the Receivership Order.

e. **Receivership Entity** means, individually and collectively, Aequitas Management, LLC, Aequitas Holdings, LLC, Aequitas Commercial Finance, LLC, Aequitas Capital Management, Inc., Aequitas Investment Management, LLC and each of their 43 subsidiaries and/or majority-owned affiliates, as set forth on Exhibit A of the Receivership Order.

f. **Receivership Order** means the Order Appointing Receiver, entered on or about April 14, 2016 [Dkt. 156].

g. **Receivership Released Parties** means the Receivership Entity, its former officers, directors, Advisory Board members, employees and agents, as well as the Aequitas Qualified Settlement Fund Irrevocable Trust, the Receiver/Administrator/Trustee, and all professionals and other agents serving the Receiver/Administrator/Trustee, the Receivership Entity and the Aequitas Qualified Settlement Fund Irrevocable Trust.

h. **Releases** means the mutual releases set forth in Paragraph 6 below.

3. Agreement Subject to Court Approval. This Agreement is subject to approval by the Court. If this Agreement is not approved in its entirety by the Court for any reason, or, if the Court's decision is appealed and the Ninth Circuit Court of Appeals shall hold that the Agreement in whole or in part shall not be approved, for any reason, or if after any appeal or remand the Agreement is not approved in its entirety, for any reason, and any such decision shall become final, then this Agreement shall be without effect and all of the rights, remedies, claims, and defenses of the Parties shall be preserved as if this Agreement did not exist.

4. Payment.

A. The Receivership Entity acknowledges receipt of the Payment - \$13,350.

B. The Parties agree that the Payment constitutes reasonably equivalent value exchanged for the Receivership Entity's release of its claims against Net Winners as set forth in Paragraph 6 below.

5. Bankruptcy. In the event either of the Net Winners files for bankruptcy protection and the Receivership Entity is deprived of all or any portion of the Payment, Net Winners are jointly and severally responsible for the difference between the total Payment figure and any portion of the Payment retained by the Receivership Entity ("Replacement Obligation"). If the Replacement Obligation is not fully satisfied within ten (10) business days of the Receivership Entity surrendering all or any portion of the Payment to a bankruptcy estate of a Net Winner, the Receivership Entity may retain any portion of the Payment already received, rescind its Release of Net Winners and, thereby, retain all rights and remedies for the full amount of its claims against Net Winners. Net Winners' Release of the Receivership Entity, its former officers, directors and Advisory Board members, the Receiver, and all professionals and other agents serving the

Receiver and the Receivership Entity, set forth in Paragraph 6 below, shall not be affected by a failure to timely satisfy the Replacement Obligation and/or rescission of the Receivership Entity's release of Net Winners.

6. Releases.

A. The Receivership Entity releases Net Winners, including but not limited to (as applicable) each of Net Winners' current/former representatives, agents, attorneys, officers, directors, managers, shareholders, members, owners (including owners of the managers, shareholders or members), affiliates, parents, subsidiaries, employees, and insurers from all claims in any way relating to Net Winners' purchase of Aequitas Securities including but not limited to those for return of the Net Winnings.

B. Net Winners release the Receivership Released Parties from all claims, including but not limited to the following:

i. Claims related in any way to the purchase, issuance, sale, recommendation or solicitation of the sale of any Aequitas Securities; and

ii. Claims against Receivership Property, the Receivership Estates (as those terms are defined in the Receivership Order) or any other assets of the Receivership Entity or Qualified Settlement Fund Irrevocable Trust, including but not limited to any claim under the Court-approved distribution plan.

C. These Releases shall bind the Parties, as well as their respective members, officers, directors, receivers, trustees, insurers, marital communities, successors, subrogees, transferees, and assigns to the maximum extent allowable by law. The Parties acknowledge that they may discover facts in addition to or different from those that they now know to be true with respect to the subject matter of the claims that they have released pursuant to this provision of the Agreement, but that it is their intention to fully, finally, and forever settle and release the claims addressed in this provision of the Agreement, whether known or unknown, suspected or unsuspected, and without regard to the subsequent discovery or existence of such additional or different facts concerning the subject matter of the claims that have been released. Accordingly, the Release set forth in this provision of this Agreement shall extend to claims that the Parties do not know or suspect to exist in their favor at the time that they execute this Agreement, which if known, might have affected their decision to enter into the Release and this Agreement. The Parties shall be deemed to waive any and all provisions, rights, and benefits conferred by any law of the United States, any state or territory of the United States, any foreign law or any principle of common law that may have the effect of limiting this Release, including but not limited to those that are similar, comparable or equivalent to California Civil Code Section 1542.

D. Effective Date of Releases. Net Winners' Release of the Receivership Released Parties shall become effective upon final Court approval. The Receivership Entity's Release of Net Winners shall become effective upon final Court approval and the Receivership Entity's receipt of the entire Payment. The Receivership Entity's Release of Net Winners may be rescinded in accordance with the provisions of Paragraph 5 above. Upon execution of this Agreement and receipt of the Payment, the Receivership Entity will file a notice of settlement in

the matter titled *Greenspan v. Kingstrom, et. al.*, Case No. 3:21-cv-00954, pending before the U.S. District Court for the District of Oregon. Upon final Court approval, the claims against Net Winners shall be dismissed.

7. No Admission of Liability. The Parties agree that this Agreement is made without admission of wrongdoing or wrongful intent on the part of Net Winners, and nothing in this Agreement shall be construed as an admission of any wrongful act, whether negligent, intentional or otherwise, or any wrongful intent by Net Winners.

8. Entire Agreement. This Agreement sets forth the full and complete agreement of the Parties with respect to its subject matter, and there is no mistake of law or fact with respect to this Agreement. This Agreement supersedes and replaces any earlier representations, inducements, promises, settlements, compromises, agreements, or understandings, written or oral, between the Parties.

9. No Oral Modification. This Agreement may not be amended, modified, or revoked except by means of a supplemental writing that is signed by the Party against whom the amendment, modification or revocation is to be enforced.

10. Binding Agreement. This Agreement is binding on the Parties and their respective successors, legal representatives, heirs and assigns.

11. Governing Law and Venue. This Agreement has been executed under and shall be construed in accordance with the laws of the State of Oregon and the laws of federal common law receiverships. If there is any litigation or other proceeding to enforce or interpret any provision of this Agreement, jurisdiction and venue shall be exclusively in the Court.

12. Attorney Fees and Costs. In the event of any suit or action, to interpret or enforce the provisions of this Agreement, the prevailing Party as defined in ORS 20.077, shall be entitled to an award of reasonable attorney fees, costs and expenses incurred in such suit or action and in any appeal therefrom, in addition to all other remedies afforded the prevailing Party.

13. Notices. All notices shall be effective upon receipt, shall be in writing, and shall be sent by U.S. Certified Mail, overnight courier, hand delivery, or email as follows:

If to the Receivership Entity:

Troy Greenfield  
Schwabe, Williamson & Wyatt  
1420 Fifth Avenue, Suite 3400  
Seattle, WA 98101  
Phone: (206) 624-1711  
tgreenfield@schwabe.com

If to Net Winners:

Eric Raydon  
eraydon@marmotproperties.com



14. Construction. The rule of construction that an agreement is to be construed against the drafting Party is not to be applied in interpreting this Agreement. The Parties acknowledge that they have each read this Agreement, that they understand its meaning and intent, and that this Agreement has been executed voluntarily.

15. Severability. The invalidity of all or any part of any paragraph or any provision of this Agreement shall not render invalid the remainder of this Agreement to the extent it represents the intent of the Parties in all material respects if interpreted without the invalid provision.

16. Counterparts. This Agreement may be executed in one or more counterparts, each of which is to be deemed an original. All counterparts may be consolidated into one Agreement, binding on the Parties.

17. Representation Regarding Authority to Execute Agreement. The Receiver, on behalf of the Receivership Entity, represents that, to the extent prescribed in the Receivership Order, he has the power and authority to enter into this Agreement and provide the Release to Net Winners upon the final, non-appealable approval of this Agreement by the Court. Net Winners represent that they have the authority to enter into this Agreement and provide the Release to the Receivership Released Parties. Any corporate representatives executing this Agreement represent that they have the power and authority to enter into this Agreement and provide the Release to the Receivership Released Parties. The Receivership Entity further warrants and represents that it has not assigned its rights to any claims that it has or had against Net Winners to any other party prior to the execution of this Agreement.

18. Representation by Counsel. All Parties have had a reasonable opportunity to consult with legal counsel regarding the terms and legal meaning of this Agreement.

*[remainder of page intentionally left blank]*

19. Inadmissibility. This Agreement (whether executed or not executed, revoked, or made ineffective for any reason) and any proceedings or discussions related to this Agreement are inadmissible as evidence of any liability or wrongdoing whatsoever by the Parties in any court or tribunal in any state, territory, or jurisdiction.

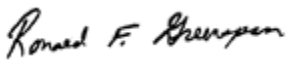
IN WITNESS WHEREOF, the undersigned executed this Agreement as of the dates noted below.

By: \_\_\_\_\_  
Gerald T. Raydon

DATED: \_\_\_\_\_

By: \_\_\_\_\_  
Petrawest, Ltd.  
By: Gerald T. Raydon  
Title: \_\_\_\_\_

DATED: \_\_\_\_\_

By:  \_\_\_\_\_  
Receivership Entity  
By: Ronald F. Greenspan  
Title: Receiver

DATE: April 19, 2022

19. Inadmissibility. This Agreement (whether executed or not executed, revoked, or made ineffective for any reason) and any proceedings or discussions related to this Agreement are inadmissible as evidence of any liability or wrongdoing whatsoever by the Parties in any court or tribunal in any state, territory, or jurisdiction.

IN WITNESS WHEREOF, the undersigned executed this Agreement as of the dates noted below.

1 By: G. Raydon DATED: 4/19/2022  
Gerald T. Raydon

1 By: G. Raydon DATED: 4/19/2022  
Petrawest, Ltd  
By: Gerald T. Raydon  
Title: manager & Sole owner formerly

By: \_\_\_\_\_ DATED: \_\_\_\_\_  
Receivership Entity  
By: Ronald F. Greenspan  
Title: Receiver

## SETTLEMENT AGREEMENT

This Settlement Agreement (also referred to herein as the “Agreement”) is entered into by and among the Receivership Entity (defined below) and Jae Son (“Net Winner”) each a “Party” and collectively, the “Parties.”

### RECITALS

A. WHEREAS, on March 10, 2016, the Securities and Exchange Commission (“SEC”) filed a complaint against Aequitas Management, LLC, Aequitas Holdings, LLC, Aequitas Commercial Finance, LLC, Aequitas Capital Management, Inc., Aequitas Investment Management, LLC, Robert J. Jesenik, Brian A. Oliver, and N. Scott Gillis;

B. WHEREAS, on March 16, 2016, pursuant to the Stipulated Interim Order Appointing Receiver, Ronald F. Greenspan was appointed as Receiver for the Receivership Entity on an interim basis;

C. WHEREAS, on April 14, 2016, pursuant to the Receivership Order (defined below), Mr. Greenspan was appointed as Receiver for the Receivership Entity on a final basis;

D. WHEREAS, pursuant to the Receivership Order, the Receiver is charged with the duty of marshalling and preserving the assets of the Receivership Entity;

E. WHEREAS, Net Winner’s initial investment in Aequitas Securities (defined below) was returned and, in addition, Net Winner received \$43,148 (“Net Winnings”); and

F. WHEREAS, in accordance with the Receivership Order, the Receiver is authorized to compromise and/or settle claims of the Receivership Entity subject to approval by the Court (defined below).

### AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and obligations contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby stipulate and agree as follows:

1. Recitals Incorporated. The Recitals set forth above are incorporated herein by reference.

2. Definitions. The following defined terms are incorporated into this Agreement:

a. **Aequitas Securities** means any security, including but not limited to promissory notes, other debt instruments, and equity interests, issued or sold by any entity included within the Receivership Entity.

b. **Court** refers to the court in the SEC enforcement action titled *SEC v. Aequitas Management, LLC, et al.*, 3:16-CV-00438-JR, currently pending in the U.S. District Court for the District of Oregon.

c. **Payment** means the payment of \$38,833 by Net Winner to the Receivership Entity, as set forth in Paragraph 4 below.

d. **Receiver** refers to Ronald F. Greenspan, in his capacity as the Court-appointed Receiver for the Receivership Entity, pursuant to the Receivership Order.

e. **Receivership Entity** means, individually and collectively, Aequis Management, LLC, Aequis Holdings, LLC, Aequis Commercial Finance, LLC, Aequis Capital Management, Inc., Aequis Investment Management, LLC and each of their 43 subsidiaries and/or majority-owned affiliates, as set forth on Exhibit A of the Receivership Order.

f. **Receivership Order** means the Order Appointing Receiver, entered on or about April 14, 2016 [Dkt. 156].

g. **Receivership Released Parties** means the Receivership Entity, its former officers, directors, Advisory Board members, employees and agents, as well as the Aequis Qualified Settlement Fund Irrevocable Trust, the Receiver, and all professionals and other agents serving the Receiver, the Receivership Entity and the Aequis Qualified Settlement Fund Irrevocable Trust.

h. **Releases** means the mutual releases set forth in Paragraph 6 below.

3. Agreement Subject to Court Approval. This Agreement is subject to approval by the Court. If this Agreement is not approved in its entirety by the Court for any reason, or, if the Court's decision is appealed and the Ninth Circuit Court of Appeals shall hold that the Agreement in whole or in part shall not be approved, for any reason, or if after any appeal or remand the Agreement is not approved in its entirety, for any reason, and any such decision shall become final, then this Agreement shall be without effect and all of the rights, remedies, claims, and defenses of the Parties shall be preserved as if this Agreement did not exist.

4. Payment.

A. The Receivership Entity acknowledges receipt of the Payment - \$38,833.

B. The Parties agree that the Payment constitutes reasonably equivalent value exchanged for the Receivership Entity's release of its claims against Net Winner as set forth in Paragraph 6 below.

5. Bankruptcy. In the event Net Winner files for bankruptcy protection and the Receivership Entity is deprived of all or any portion of the Payment, Net Winner is responsible for the difference between the total Payment figure and any portion of the Payment retained by the Receivership Entity ("Replacement Obligation"). If the Replacement Obligation is not fully satisfied within ten (10) business days of the Receivership Entity surrendering all or any portion of the Payment to a bankruptcy estate of Net Winner, the Receivership Entity may retain any portion of the Payment already received, rescind its Release of Net Winner and, thereby, retain all rights and remedies for the full amount of its claims against Net Winner. Net Winner's Release of the Receivership Released Parties, set forth in Paragraph 6 below, shall not be affected by a

failure to timely satisfy the Replacement Obligation and/or rescission of the Receivership Entity's release of Net Winner.

6. Releases.

A. The Receivership Entity releases Net Winner, including but not limited to (as applicable) each of Net Winner's current/former representatives, agents, attorneys, officers, directors, managers, shareholders, members, owners (including owners of the managers, shareholders or members), affiliates, parents, subsidiaries, employees, and insurers from all claims in any way relating to Net Winner's purchase of Aequitas Securities including but not limited to those for return of the Net Winnings.

B. Net Winner releases the Receivership Released Parties from all claims, including but not limited to the following:

i. Claims related in any way to the purchase, issuance, sale, recommendation or solicitation of the sale of any Aequitas Securities; and

ii. Claims against Receivership Property, the Receivership Estates (as those terms are defined in the Receivership Order) or any other assets of the Receivership Entity or Qualified Settlement Fund Irrevocable Trust, including but not limited to any claim under the Court-approved distribution plan.

C. These Releases shall bind the Parties, as well as their respective members, officers, directors, receivers, trustees, insurers, marital communities, successors, subrogees, transferees, and assigns to the maximum extent allowable by law. The Parties acknowledge that they may discover facts in addition to or different from those that they now know to be true with respect to the subject matter of the claims that they have released pursuant to this provision of the Agreement, but that it is their intention to fully, finally, and forever settle and release the claims addressed in this provision of the Agreement, whether known or unknown, suspected or unsuspected, and without regard to the subsequent discovery or existence of such additional or different facts concerning the subject matter of the claims that have been released. Accordingly, the Release set forth in this provision of this Agreement shall extend to claims that the Parties do not know or suspect to exist in their favor at the time that they execute this Agreement, which if known, might have affected their decision to enter into the Release and this Agreement. The Parties shall be deemed to waive any and all provisions, rights, and benefits conferred by any law of the United States, any state or territory of the United States, any foreign law or any principle of common law that may have the effect of limiting this Release, including but not limited to those that are similar, comparable or equivalent to California Civil Code Section 1542.

D. Effective Date of Releases. Net Winner's Release of the Receivership Released Parties shall become effective upon final Court approval. The Receivership Entity's Release of Net Winner shall become effective upon final Court approval and the Receivership Entity's receipt of the entire Payment. The Receivership Entity's Release of Net Winners may be rescinded in accordance with the provisions of Paragraph 5 above. Upon execution of this Agreement and receipt of the Payment, the Receivership Entity will file a notice of settlement in the matter titled *Greenspan v. Kingstrom, et. al.*, Case No. 3:21-cv-00954, pending before the U.S.

District Court for the District of Oregon. Upon final Court approval, the claims against Net Winner shall be dismissed with prejudice.

7. No Admission of Liability. The Parties agree that this Agreement is made without admission of wrongdoing or wrongful intent on the part of Net Winner, and nothing in this Agreement shall be construed as an admission of any wrongful act, whether negligent, intentional or otherwise, or any wrongful intent by Net Winner.

8. Entire Agreement. This Agreement sets forth the full and complete agreement of the Parties with respect to its subject matter, and there is no mistake of law or fact with respect to this Agreement. This Agreement supersedes and replaces any earlier representations, inducements, promises, settlements, compromises, agreements, or understandings, written or oral, between the Parties.

9. No Oral Modification. This Agreement may not be amended, modified, or revoked except by means of a supplemental writing that is signed by the Party against whom the amendment, modification or revocation is to be enforced.

10. Binding Agreement. This Agreement is binding on the Parties and their respective successors, legal representatives, heirs and assigns.

11. Governing Law and Venue. This Agreement has been executed under and shall be construed in accordance with the laws of the State of Oregon and the laws of federal common law receiverships. If there is any litigation or other proceeding to enforce or interpret any provision of this Agreement, jurisdiction and venue shall be exclusively in the Court.

12. Attorney Fees and Costs. In the event of any suit or action, to interpret or enforce the provisions of this Agreement, the prevailing Party as defined in ORS 20.077, shall be entitled to an award of reasonable attorney fees, costs and expenses incurred in such suit or action and in any appeal therefrom, in addition to all other remedies afforded the prevailing Party.

13. Notices. All notices shall be effective upon receipt, shall be in writing, and shall be sent by U.S. Certified Mail, overnight courier, hand delivery, or email as follows:

If to the Receivership Entity:

Troy Greenfield  
Schwabe, Williamson & Wyatt  
1420 Fifth Avenue, Suite 3400  
Seattle, WA 98101  
Phone: (206) 624-1711  
tgreenfield@schwabe.com

If to Net Winner:

Jae Son  
dr.jae.son@gmail.com

14. Construction. The rule of construction that an agreement is to be construed against the drafting Party is not to be applied in interpreting this Agreement. The Parties acknowledge

that they have each read this Agreement, that they understand its meaning and intent, and that this Agreement has been executed voluntarily.

15. Severability. The invalidity of all or any part of any paragraph or any provision of this Agreement shall not render invalid the remainder of this Agreement to the extent it represents the intent of the Parties in all material respects if interpreted without the invalid provision.

16. Counterparts. This Agreement may be executed in one or more counterparts, each of which is to be deemed an original. All counterparts may be consolidated into one Agreement, binding on the Parties.

17. Representation Regarding Authority to Execute Agreement. The Receiver, on behalf of the Receivership Entity, represents that, to the extent prescribed in the Receivership Order, he has the power and authority to enter into this Agreement and provide the Release to Net Winner upon the final, non-appealable approval of this Agreement by the Court. Net Winner represents that he has the authority to enter into this Agreement and provide the Release to the Receivership Released Parties. Any corporate representatives executing this Agreement represent that they have the power and authority to enter into this Agreement and provide the Release to the Receivership Released Parties. The Receivership Entity further warrants and represents that it has not assigned its rights to any claims that it has or had against Net Winner to any other party prior to the execution of this Agreement.

18. Representation by Counsel. All Parties have had a reasonable opportunity to consult with legal counsel regarding the terms and legal meaning of this Agreement.

19. This Agreement (whether executed or not executed, revoked, or made ineffective for any reason) and any proceedings or discussions related to this Agreement are inadmissible as evidence of any liability or wrongdoing whatsoever by the Parties in any court or tribunal in any state, territory, or jurisdiction.

IN WITNESS WHEREOF, the undersigned executed this Agreement as of the dates noted below.

By: \_\_\_\_\_  
Jae Son

DATED: \_\_\_\_\_

By: *Ronald F. Greenspan*  
\_\_\_\_\_  
Receivership Entity  
By: Ronald F. Greenspan  
Title: Receiver

DATED: May 17, 2022



that they have each read this Agreement, that they understand its meaning and intent, and that this Agreement has been executed voluntarily.

15. Severability. The invalidity of all or any part of any paragraph or any provision of this Agreement shall not render invalid the remainder of this Agreement to the extent it represents the intent of the Parties in all material respects if interpreted without the invalid provision.

16. Counterparts. This Agreement may be executed in one or more counterparts, each of which is to be deemed an original. All counterparts may be consolidated into one Agreement, binding on the Parties.

17. Representation Regarding Authority to Execute Agreement. The Receiver, on behalf of the Receivership Entity, represents that, to the extent prescribed in the Receivership Order, he has the power and authority to enter into this Agreement and provide the Release to Net Winner upon the final, non-appealable approval of this Agreement by the Court. Net Winner represents that he has the authority to enter into this Agreement and provide the Release to the Receivership Released Parties. Any corporate representatives executing this Agreement represent that they have the power and authority to enter into this Agreement and provide the Release to the Receivership Released Parties. The Receivership Entity further warrants and represents that it has not assigned its rights to any claims that it has or had against Net Winner to any other party prior to the execution of this Agreement.

18. Representation by Counsel. All Parties have had a reasonable opportunity to consult with legal counsel regarding the terms and legal meaning of this Agreement.

19. This Agreement (whether executed or not executed, revoked, or made ineffective for any reason) and any proceedings or discussions related to this Agreement are inadmissible as evidence of any liability or wrongdoing whatsoever by the Parties in any court or tribunal in any state, territory, or jurisdiction.

IN WITNESS WHEREOF, the undersigned executed this Agreement as of the dates noted below.

By:   
Jae Son

DATED: 05 - 14 - 2022

By: \_\_\_\_\_  
Receivership Entity  
By: Ronald F. Greenspan  
Title: Receiver

DATED: \_\_\_\_\_

## **SETTLEMENT AGREEMENT**

This Settlement Agreement (also referred to herein as the “Agreement”) is entered into by and among the Receivership Entity (defined below) and Larry Welch (“Net Winner”) each a “Party” and collectively, the “Parties.”

### **RECITALS**

A. WHEREAS, on March 10, 2016, the Securities and Exchange Commission (“SEC”) filed a complaint against Aequitas Management, LLC, Aequitas Holdings, LLC, Aequitas Commercial Finance, LLC, Aequitas Capital Management, Inc., Aequitas Investment Management, LLC, Robert J. Jesenik, Brian A. Oliver, and N. Scott Gillis;

B. WHEREAS, on March 16, 2016, pursuant to the Stipulated Interim Order Appointing Receiver, Ronald F. Greenspan was appointed as Receiver for the Receivership Entity on an interim basis;

C. WHEREAS, on April 14, 2016, pursuant to the Receivership Order (defined below), Mr. Greenspan was appointed as Receiver for the Receivership Entity on a final basis;

D. WHEREAS, pursuant to the Receivership Order, the Receiver is charged with the duty of marshalling and preserving the assets of the Receivership Entity;

E. WHEREAS, Net Winner’s initial investment in Aequitas Securities (defined below) was returned and, in addition, Net Winner received \$11,673 (“Net Winnings”); and

F. WHEREAS, in accordance with the Receivership Order, the Receiver is authorized to compromise and/or settle claims of the Receivership Entity subject to approval by the Court (defined below).

### **AGREEMENT**

NOW, THEREFORE, in consideration of the mutual promises and obligations contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby stipulate and agree as follows:

1. Recitals Incorporated. The Recitals set forth above are incorporated herein by reference.

2. Definitions. The following defined terms are incorporated into this Agreement:

a. **Aequitas Securities** means any security, including but not limited to promissory notes, other debt instruments, and equity interests, issued or sold by any entity included within the Receivership Entity.

b. **Court** refers to the court in the SEC enforcement action titled *SEC v. Aequitas Management, LLC, et al.*, 3:16-CV-00438-JR, currently pending in the U.S. District Court for the District of Oregon.

c. **Payment** means the payment of \$10,506 by Net Winner to the Receivership Entity, as set forth in Paragraph 4 below.

d. **Receiver** refers to Ronald F. Greenspan, in his capacity as the Court-appointed Receiver for the Receivership Entity, pursuant to the Receivership Order.

e. **Receivership Entity** means, individually and collectively, Aequis Management, LLC, Aequis Holdings, LLC, Aequis Commercial Finance, LLC, Aequis Capital Management, Inc., Aequis Investment Management, LLC and each of their 43 subsidiaries and/or majority-owned affiliates, as set forth on Exhibit A of the Receivership Order.

f. **Receivership Order** means the Order Appointing Receiver, entered on or about April 14, 2016 [Dkt. 156].

g. **Receivership Released Parties** means the Receivership Entity, its former officers, directors, Advisory Board members, employees and agents, as well as the Qualified Settlement Fund Irrevocable Trust, the Receiver, and all professionals and other agents serving the Receiver, the Receivership Entity and the Qualified Settlement Fund Irrevocable Trust.

h. **Releases** means the mutual releases set forth in Paragraph 6 below.

3. Agreement Subject to Court Approval. This Agreement is subject to approval by the Court. If this Agreement is not approved in its entirety by the Court for any reason, or, if the Court's decision is appealed and the Ninth Circuit Court of Appeals shall hold that the Agreement in whole or in part shall not be approved, for any reason, or if after any appeal or remand the Agreement is not approved in its entirety, for any reason, and any such decision shall become final, then this Agreement shall be without effect and all of the rights, remedies, claims, and defenses of the Parties shall be preserved as if this Agreement did not exist.

4. Payment.

A. The Receivership Entity acknowledges receipt of \$10,506.

B. The Parties agree that the Payment constitutes reasonably equivalent value exchanged for the Receivership Entity's release of its claims against Net Winner as set forth in Paragraph 6 below.

5. Bankruptcy. In the event Net Winner files for bankruptcy protection and the Receivership Entity is deprived of all or any portion of the Payment, Net Winner is responsible for the difference between the total Payment figure and any portion of the Payment retained by the Receivership Entity ("Replacement Obligation"). If the Replacement Obligation is not fully satisfied within ten (10) business days of the Receivership Entity surrendering all or any portion of the Payment to a bankruptcy estate of Net Winner, the Receivership Entity may retain any portion of the Payment already received, rescind its Release of Net Winner and, thereby, retain all rights and remedies for the full amount of its claims against Net Winner. Net Winner's Release of the Receivership Released Parties, set forth in Paragraph 6 below, shall not be affected by a failure to timely satisfy the Replacement Obligation and/or rescission of the Receivership Entity's release of Net Winner.

6. Releases.

A. The Receivership Entity releases Net Winner, including but not limited to (as applicable) each of Net Winner's current/former representatives, agents, attorneys, officers, directors, managers, shareholders, members, owners (including owners of the managers, shareholders or members), affiliates, parents, subsidiaries, employees, and insurers from all claims in any way relating to Net Winner's purchase of Aequitas Securities including but not limited to those for return of the Net Winnings.

B. Net Winner releases the Receivership Released Parties from all claims, including but not limited to the following:

i. Claims related in any way to the purchase, issuance, sale, recommendation or solicitation of the sale of any Aequitas Securities; and

ii. Claims against Receivership Property, the Receivership Estates (as those terms are defined in the Receivership Order) or any other assets of the Receivership Entity or Qualified Settlement Fund Irrevocable Trust, including but not limited to any claim under the Court-approved distribution plan.

C. These Releases shall bind the Parties, as well as their respective members, officers, directors, receivers, trustees, insurers, marital communities, successors, subrogees, transferees, and assigns to the maximum extent allowable by law. The Parties acknowledge that they may discover facts in addition to or different from those that they now know to be true with respect to the subject matter of the claims that they have released pursuant to this provision of the Agreement, but that it is their intention to fully, finally, and forever settle and release the claims addressed in this provision of the Agreement, whether known or unknown, suspected or unsuspected, and without regard to the subsequent discovery or existence of such additional or different facts concerning the subject matter of the claims that have been released. Accordingly, the Release set forth in this provision of this Agreement shall extend to claims that the Parties do not know or suspect to exist in their favor at the time that they execute this Agreement, which if known, might have affected their decision to enter into the Release and this Agreement. The Parties shall be deemed to waive any and all provisions, rights, and benefits conferred by any law of the United States, any state or territory of the United States, any foreign law or any principle of common law that may have the effect of limiting this Release, including but not limited to those that are similar, comparable or equivalent to California Civil Code Section 1542.

D. Effective Date of Releases. Net Winner's Release of the Receivership Released Parties shall become effective upon final Court approval. The Receivership Entity's Release of Net Winner shall become effective upon final Court approval and the Receivership Entity's receipt of the Payment. The Receivership Entity's Release of Net Winners may be rescinded in accordance with the provisions of Paragraph 5 above. Upon execution of this Agreement and receipt of the Payment, the Receivership Entity will file a notice of settlement in the matter titled *Greenspan v. Kingstrom, et. al.*, Case No. 3:21-cv-00954, pending before the U.S. District Court for the District of Oregon. Upon final Court approval, the claims against Net Winner shall be dismissed with prejudice.

7. No Admission of Liability. The Parties agree that this Agreement is made without admission of wrongdoing or wrongful intent on the part of Net Winner, and nothing in this Agreement shall be construed as an admission of any wrongful act, whether negligent, intentional or otherwise, or any wrongful intent by Net Winner.

8. Entire Agreement. This Agreement sets forth the full and complete agreement of the Parties with respect to its subject matter, and there is no mistake of law or fact with respect to this Agreement. This Agreement supersedes and replaces any earlier representations, inducements, promises, settlements, compromises, agreements, or understandings, written or oral, between the Parties.

9. No Oral Modification. This Agreement may not be amended, modified, or revoked except by means of a supplemental writing that is signed by the Party against whom the amendment, modification or revocation is to be enforced.

10. Binding Agreement. This Agreement is binding on the Parties and their respective successors, legal representatives, heirs and assigns.

11. Governing Law and Venue. This Agreement has been executed under and shall be construed in accordance with the laws of the State of Oregon and the laws of federal common law receiverships. If there is any litigation or other proceeding to enforce or interpret any provision of this Agreement, jurisdiction and venue shall be exclusively in the Court.

12. Attorney Fees and Costs. In the event of any suit or action, to interpret or enforce the provisions of this Agreement, the prevailing Party as defined in ORS 20.077, shall be entitled to an award of reasonable attorney fees, costs and expenses incurred in such suit or action and in any appeal therefrom, in addition to all other remedies afforded the prevailing Party.

13. Notices. All notices shall be effective upon receipt, shall be in writing, and shall be sent by U.S. Certified Mail, overnight courier, hand delivery, or email as follows:

If to the Receivership Entity:

Troy Greenfield  
Schwabe, Williamson & Wyatt  
1420 Fifth Avenue, Suite 3400  
Seattle, WA 98101  
Phone: (206) 624-1711  
tgreenfield@schwabe.com

If to Net Winner:

Lawrence E. Skidmore  
Aronowitz Skidmore Lyon, P.C.  
200 Auburn Folsom Road, Suite 305  
Auburn, CA 95603  
Phone: (530) 823-9736  
lskidmore@asilaw.org

14. Construction. The rule of construction that an agreement is to be construed against the drafting Party is not to be applied in interpreting this Agreement. The Parties acknowledge that they have each read this Agreement, that they understand its meaning and intent, and that this Agreement has been executed voluntarily.

15. Severability. The invalidity of all or any part of any paragraph or any provision of this Agreement shall not render invalid the remainder of this Agreement to the extent it represents the intent of the Parties in all material respects if interpreted without the invalid provision.

16. Counterparts. This Agreement may be executed in one or more counterparts, each of which is to be deemed an original. All counterparts may be consolidated into one Agreement, binding on the Parties.

17. Representation Regarding Authority to Execute Agreement. The Receiver, on behalf of the Receivership Entity, represents that, to the extent prescribed in the Receivership Order, he has the power and authority to enter into this Agreement and provide the Release to Net Winner upon the final, non-appealable approval of this Agreement by the Court. Net Winner represents that he has the authority to enter into this Agreement and provide the Release to the Receivership Released Parties. The Receivership Entity further warrants and represents that it has not assigned its rights to any claims that it has or had against Net Winner to any other party prior to the execution of this Agreement.

18. Representation by Counsel. All Parties have had a reasonable opportunity to consult with legal counsel regarding the terms and legal meaning of this Agreement.

19. This Agreement (whether executed or not executed, revoked, or made ineffective for any reason) and any proceedings or discussions related to this Agreement are inadmissible as evidence of any liability or wrongdoing whatsoever by the Parties in any court or tribunal in any state, territory, or jurisdiction.

IN WITNESS WHEREOF, the undersigned executed this Agreement as of the dates noted below.

By: \_\_\_\_\_  
Larry Welch

DATED: \_\_\_\_\_

By: \_\_\_\_\_  
*Ronald F. Greenspan*  
Receivership Entity  
By: Ronald F. Greenspan  
Title: Receiver

DATED: February 23, 2022

14. Construction. The rule of construction that an agreement is to be construed against the drafting Party is not to be applied in interpreting this Agreement. The Parties acknowledge that they have each read this Agreement, that they understand its meaning and intent, and that this Agreement has been executed voluntarily.

15. Severability. The invalidity of all or any part of any paragraph or any provision of this Agreement shall not render invalid the remainder of this Agreement to the extent it represents the intent of the Parties in all material respects if interpreted without the invalid provision.

16. Counterparts. This Agreement may be executed in one or more counterparts, each of which is to be deemed an original. All counterparts may be consolidated into one Agreement, binding on the Parties.

17. Representation Regarding Authority to Execute Agreement. The Receiver, on behalf of the Receivership Entity, represents that, to the extent prescribed in the Receivership Order, he has the power and authority to enter into this Agreement and provide the Release to Net Winner upon the final, non-appealable approval of this Agreement by the Court. Net Winner represents that he has the authority to enter into this Agreement and provide the Release to the Receivership Released Parties. The Receivership Entity further warrants and represents that it has not assigned its rights to any claims that it has or had against Net Winner to any other party prior to the execution of this Agreement.

18. Representation by Counsel. All Parties have had a reasonable opportunity to consult with legal counsel regarding the terms and legal meaning of this Agreement.

19. This Agreement (whether executed or not executed, revoked, or made ineffective for any reason) and any proceedings or discussions related to this Agreement are inadmissible as evidence of any liability or wrongdoing whatsoever by the Parties in any court or tribunal in any state, territory, or jurisdiction.

IN WITNESS WHEREOF, the undersigned executed this Agreement as of the dates noted below.

By:   
Larry Welch

DATED: January 20, 2022

By: \_\_\_\_\_  
Receivership Entity  
By: Ronald F. Greenspan  
Title: Receiver

DATED: \_\_\_\_\_

## **SETTLEMENT AGREEMENT**

This Settlement Agreement (also referred to herein as the “Agreement”) is entered into by and among the Receivership Entity (defined below) and the Welch Family 2008 Revocable Trust dtd 10/15/2008 (“Net Winner”) each a “Party” and collectively, the “Parties.”

### **RECITALS**

A. WHEREAS, on March 10, 2016, the Securities and Exchange Commission (“SEC”) filed a complaint against Aequitas Management, LLC, Aequitas Holdings, LLC, Aequitas Commercial Finance, LLC, Aequitas Capital Management, Inc., Aequitas Investment Management, LLC, Robert J. Jesenik, Brian A. Oliver, and N. Scott Gillis;

B. WHEREAS, on March 16, 2016, pursuant to the Stipulated Interim Order Appointing Receiver, Ronald F. Greenspan was appointed as Receiver for the Receivership Entity on an interim basis;

C. WHEREAS, on April 14, 2016, pursuant to the Receivership Order (defined below), Mr. Greenspan was appointed as Receiver for the Receivership Entity on a final basis;

D. WHEREAS, pursuant to the Receivership Order, the Receiver is charged with the duty of marshalling and preserving the assets of the Receivership Entity;

E. WHEREAS, Net Winner’s initial investment in Aequitas Securities (defined below) was returned and, in addition, Net Winner received \$18,902 (“Net Winnings”); and

F. WHEREAS, in accordance with the Receivership Order, the Receiver is authorized to compromise and/or settle claims of the Receivership Entity subject to approval by the Court (defined below).

### **AGREEMENT**

NOW, THEREFORE, in consideration of the mutual promises and obligations contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby stipulate and agree as follows:

1. Recitals Incorporated. The Recitals set forth above are incorporated herein by reference.

2. Definitions. The following defined terms are incorporated into this Agreement:

a. **Aequitas Securities** means any security, including but not limited to promissory notes, other debt instruments, and equity interests, issued or sold by any entity included within the Receivership Entity.

b. **Court** refers to the court in the SEC enforcement action titled *SEC v. Aequitas Management, LLC, et al.*, 3:16-CV-00438-JR, currently pending in the U.S. District Court for the District of Oregon.



c. **Payment** means the payment of \$17,011 by Net Winner to the Receivership Entity, as set forth in Paragraph 4 below.

d. **Receiver** refers to Ronald F. Greenspan, in his capacity as the Court-appointed Receiver for the Receivership Entity, pursuant to the Receivership Order.

e. **Receivership Entity** means, individually and collectively, Aequis Management, LLC, Aequis Holdings, LLC, Aequis Commercial Finance, LLC, Aequis Capital Management, Inc., Aequis Investment Management, LLC and each of their 43 subsidiaries and/or majority-owned affiliates, as set forth on Exhibit A of the Receivership Order.

f. **Receivership Order** means the Order Appointing Receiver, entered on or about April 14, 2016 [Dkt. 156].

g. **Receivership Released Parties** means the Receivership Entity, its former officers, directors, Advisory Board members, employees and agents, as well as the Qualified Settlement Fund Irrevocable Trust, the Receiver, and all professionals and other agents serving the Receiver, the Receivership Entity and the Qualified Settlement Fund Irrevocable Trust.

h. **Releases** means the mutual releases set forth in Paragraph 6 below.

3. Agreement Subject to Court Approval. This Agreement is subject to approval by the Court. If this Agreement is not approved in its entirety by the Court for any reason, or, if the Court's decision is appealed and the Ninth Circuit Court of Appeals shall hold that the Agreement in whole or in part shall not be approved, for any reason, or if after any appeal or remand the Agreement is not approved in its entirety, for any reason, and any such decision shall become final, then this Agreement shall be without effect and all of the rights, remedies, claims, and defenses of the Parties shall be preserved as if this Agreement did not exist.

4. Payment.

A. The Receivership Entity acknowledges receipt of \$17,011.

B. The Parties agree that the Payment constitutes reasonably equivalent value exchanged for the Receivership Entity's release of its claims against Net Winner as set forth in Paragraph 6 below.

5. Bankruptcy. In the event Net Winner or any of its beneficiaries files for bankruptcy protection and the Receivership Entity is deprived of all or any portion of the Payment, Net Winner and its beneficiaries are responsible for the difference between the total Payment figure and any portion of the Payment retained by the Receivership Entity ("Replacement Obligation"). If the Replacement Obligation is not fully satisfied within ten (10) business days of the Receivership Entity surrendering all or any portion of the Payment to a bankruptcy estate of Net Winner or any of its beneficiaries, the Receivership Entity may retain any portion of the Payment already received, rescind its Release of Net Winner and, thereby, retain all rights and remedies for the full amount of its claims against Net Winner. Net Winner's Release of the Receivership Released Parties, set forth in Paragraph 6 below, shall not be affected by a failure to timely satisfy the Replacement Obligation and/or rescission of the Receivership Entity's release of Net Winner.

6. Releases.

A. The Receivership Entity releases Net Winner, including but not limited to (as applicable) each of Net Winner's current/former representatives, trustees agents, attorneys, officers, directors, managers, shareholders, members, owners (including owners of the managers, shareholders or members), affiliates, parents, subsidiaries, employees, and insurers from all claims in any way relating to Net Winner's purchase of Aequitas Securities including but not limited to those for return of the Net Winnings.

B. Net Winner releases the Receivership Released Parties from all claims, including but not limited to the following:

i. Claims related in any way to the purchase, issuance, sale, recommendation or solicitation of the sale of any Aequitas Securities; and

ii. Claims against Receivership Property, the Receivership Estates (as those terms are defined in the Receivership Order) or any other assets of the Receivership Entity or Qualified Settlement Fund Irrevocable Trust, including but not limited to any claim under the Court-approved distribution plan.

C. These Releases shall bind the Parties, as well as their respective members, officers, directors, receivers, trustees, insurers, marital communities, successors, subrogees, transferees, and assigns to the maximum extent allowable by law. The Parties acknowledge that they may discover facts in addition to or different from those that they now know to be true with respect to the subject matter of the claims that they have released pursuant to this provision of the Agreement, but that it is their intention to fully, finally, and forever settle and release the claims addressed in this provision of the Agreement, whether known or unknown, suspected or unsuspected, and without regard to the subsequent discovery or existence of such additional or different facts concerning the subject matter of the claims that have been released. Accordingly, the Release set forth in this provision of this Agreement shall extend to claims that the Parties do not know or suspect to exist in their favor at the time that they execute this Agreement, which if known, might have affected their decision to enter into the Release and this Agreement. The Parties shall be deemed to waive any and all provisions, rights, and benefits conferred by any law of the United States, any state or territory of the United States, any foreign law or any principle of common law that may have the effect of limiting this Release, including but not limited to those that are similar, comparable or equivalent to California Civil Code Section 1542.

D. Effective Date of Releases. Net Winner's Release of the Receivership Released Parties shall become effective upon final Court approval. The Receivership Entity's Release of Net Winner shall become effective upon final Court approval and the Receivership Entity's receipt of the Payment. The Receivership Entity's Release of Net Winners may be rescinded in accordance with the provisions of Paragraph 5 above. Upon execution of this Agreement and receipt of the Payment, the Receivership Entity will file a notice of settlement in the matter titled *Greenspan v. Kingstrom, et. al.*, Case No. 3:21-cv-00954, pending before the U.S. District Court for the District of Oregon. Upon final Court approval, the claims against Net Winner shall be dismissed with prejudice.

7. No Admission of Liability. The Parties agree that this Agreement is made without admission of wrongdoing or wrongful intent on the part of Net Winner, and nothing in this Agreement shall be construed as an admission of any wrongful act, whether negligent, intentional or otherwise, or any wrongful intent by Net Winner.

8. Entire Agreement. This Agreement sets forth the full and complete agreement of the Parties with respect to its subject matter, and there is no mistake of law or fact with respect to this Agreement. This Agreement supersedes and replaces any earlier representations, inducements, promises, settlements, compromises, agreements, or understandings, written or oral, between the Parties.

9. No Oral Modification. This Agreement may not be amended, modified, or revoked except by means of a supplemental writing that is signed by the Party against whom the amendment, modification or revocation is to be enforced.

10. Binding Agreement. This Agreement is binding on the Parties and their respective successors, legal representatives, heirs and assigns.

11. Governing Law and Venue. This Agreement has been executed under and shall be construed in accordance with the laws of the State of Oregon and the laws of federal common law receiverships. If there is any litigation or other proceeding to enforce or interpret any provision of this Agreement, jurisdiction and venue shall be exclusively in the Court.

12. Attorney Fees and Costs. In the event of any suit or action, to interpret or enforce the provisions of this Agreement, the prevailing Party as defined in ORS 20.077, shall be entitled to an award of reasonable attorney fees, costs and expenses incurred in such suit or action and in any appeal therefrom, in addition to all other remedies afforded the prevailing Party.

13. Notices. All notices shall be effective upon receipt, shall be in writing, and shall be sent by U.S. Certified Mail, overnight courier, hand delivery, or email as follows:

If to the Receivership Entity:

Troy Greenfield  
Schwabe, Williamson & Wyatt  
1420 Fifth Avenue, Suite 3400  
Seattle, WA 98101  
Phone: (206) 624-1711  
tgreenfield@schwabe.com

If to Net Winner:

Lawrence E. Skidmore  
Aronowitz Skidmore Lyon, P.C.  
200 Auburn Folsom Road, Suite 305  
Auburn, CA 95603  
Phone: (530) 823-9736  
lskidmore@asilaw.org

14. Construction. The rule of construction that an agreement is to be construed against the drafting Party is not to be applied in interpreting this Agreement. The Parties acknowledge that they have each read this Agreement, that they understand its meaning and intent, and that this Agreement has been executed voluntarily.

15. Severability. The invalidity of all or any part of any paragraph or any provision of this Agreement shall not render invalid the remainder of this Agreement to the extent it represents the intent of the Parties in all material respects if interpreted without the invalid provision.

16. Counterparts. This Agreement may be executed in one or more counterparts, each of which is to be deemed an original. All counterparts may be consolidated into one Agreement, binding on the Parties.

17. Representation Regarding Authority to Execute Agreement. The Receiver, on behalf of the Receivership Entity, represents that, to the extent prescribed in the Receivership Order, he has the power and authority to enter into this Agreement and provide the Release to Net Winner upon the final, non-appealable approval of this Agreement by the Court. The undersigned trustees of Net Winner represents that they have the authority to enter into this Agreement and provide the Release to the Receivership Released Parties. The Receivership Entity further warrants and represents that it has not assigned its rights to any claims that it has or had against Net Winner to any other party prior to the execution of this Agreement.

18. Representation by Counsel. All Parties have had a reasonable opportunity to consult with legal counsel regarding the terms and legal meaning of this Agreement.

*[Signature page follows]*

19. This Agreement (whether executed or not executed, revoked, or made ineffective for any reason) and any proceedings or discussions related to this Agreement are inadmissible as evidence of any liability or wrongdoing whatsoever by the Parties in any court or tribunal in any state, territory, or jurisdiction.

IN WITNESS WHEREOF, the undersigned executed this Agreement as of the dates noted below.

By: \_\_\_\_\_  
Welch Family 2008 Revocable Trust  
dtd 10/15/2008  
By: Larry Welch  
Title: Trustee

DATED: \_\_\_\_\_

By: \_\_\_\_\_  
Welch Family 2008 Revocable Trust  
dtd 10/15/2008  
By: Linda Welch  
Title: Trustee

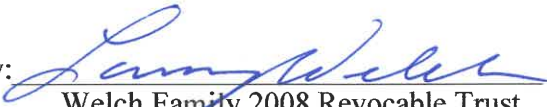
DATED: \_\_\_\_\_

By: \_\_\_\_\_  
*Ronald F. Greenspan*  
Receivership Entity  
By: Ronald F. Greenspan  
Title: Receiver


DATED: February 23, 2022

19. This Agreement (whether executed or not executed, revoked, or made ineffective for any reason) and any proceedings or discussions related to this Agreement are inadmissible as evidence of any liability or wrongdoing whatsoever by the Parties in any court or tribunal in any state, territory, or jurisdiction.

IN WITNESS WHEREOF, the undersigned executed this Agreement as of the dates noted below.

By:   
Welch Family 2008 Revocable Trust  
dtd 10/15/2008  
By: Larry Welch  
Title: Trustee

DATED: January 20, 2022

By:   
Welch Family 2008 Revocable Trust  
dtd 10/15/2008  
By: Linda Welch  
Title: Trustee

DATED: 1-20-2022

By: \_\_\_\_\_  
Receivership Entity  
By: Ronald F. Greenspan  
Title: Receiver

DATED: \_\_\_\_\_

## **SETTLEMENT AGREEMENT**

This Settlement Agreement (also referred to herein as the “Agreement”) is entered into by and among the Receivership Entity (defined below) and Mary Greenheck (“Net Winner”) each a “Party” and collectively, the “Parties.”

### **RECITALS**

A. WHEREAS, on March 10, 2016, the Securities and Exchange Commission (“SEC”) filed a complaint against Aequitas Management, LLC, Aequitas Holdings, LLC, Aequitas Commercial Finance, LLC, Aequitas Capital Management, Inc., Aequitas Investment Management, LLC, Robert J. Jesenik, Brian A. Oliver, and N. Scott Gillis;

B. WHEREAS, on March 16, 2016, pursuant to the Stipulated Interim Order Appointing Receiver, Ronald F. Greenspan was appointed as Receiver for the Receivership Entity on an interim basis;

C. WHEREAS, on April 14, 2016, pursuant to the Receivership Order (defined below), Mr. Greenspan was appointed as Receiver for the Receivership Entity on a final basis;

D. WHEREAS, pursuant to the Receivership Order, the Receiver is charged with the duty of marshalling and preserving the assets of the Receivership Entity;

E. WHEREAS, Net Winner’s initial investment in Aequitas Securities (defined below) was returned and, in addition, Net Winner received \$12,012 (“Net Winnings”); and

F. WHEREAS, in accordance with the Receivership Order, the Receiver is authorized to compromise and/or settle claims of the Receivership Entity subject to approval by the Court (defined below).

### **AGREEMENT**

NOW, THEREFORE, in consideration of the mutual promises and obligations contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby stipulate and agree as follows:

1. Recitals Incorporated. The Recitals set forth above are incorporated herein by reference.

2. Definitions. The following defined terms are incorporated into this Agreement:

a. **Aequitas Securities** means any security, including but not limited to promissory notes, other debt instruments, and equity interests, issued or sold by any entity included within the Receivership Entity.

b. **Court** refers to the court in the SEC enforcement action titled *SEC v. Aequitas Management, LLC, et al.*, 3:16-CV-00438-JR, currently pending in the U.S. District Court for the District of Oregon.

c. **Payment** means the payment of \$10,810 by Net Winner to the Receivership Entity, as set forth in Paragraph 4 below.

d. **Receiver** refers to Ronald F. Greenspan, in his capacity as the Court-appointed Receiver for the Receivership Entity, pursuant to the Receivership Order.

e. **Receivership Entity** means, individually and collectively, Aequis Management, LLC, Aequis Holdings, LLC, Aequis Commercial Finance, LLC, Aequis Capital Management, Inc., Aequis Investment Management, LLC and each of their 43 subsidiaries and/or majority-owned affiliates, as set forth on Exhibit A of the Receivership Order.

f. **Receivership Order** means the Order Appointing Receiver, entered on or about April 14, 2016 [Dkt. 156].

g. **Receivership Released Parties** means the Receivership Entity, its former officers, directors, Advisory Board members, employees and agents, as well as the Qualified Settlement Fund Irrevocable Trust, the Receiver, and all professionals and other agents serving the Receiver, the Receivership Entity and the Qualified Settlement Fund Irrevocable Trust.

h. **Releases** means the mutual releases set forth in Paragraph 6 below.

3. Agreement Subject to Court Approval. This Agreement is subject to approval by the Court. If this Agreement is not approved in its entirety by the Court for any reason, or, if the Court's decision is appealed and the Ninth Circuit Court of Appeals shall hold that the Agreement in whole or in part shall not be approved, for any reason, or if after any appeal or remand the Agreement is not approved in its entirety, for any reason, and any such decision shall become final, then this Agreement shall be without effect and all of the rights, remedies, claims, and defenses of the Parties shall be preserved as if this Agreement did not exist.

4. Payment.

A. The Receivership Entity acknowledges receipt of the Payment - \$10,810.

B. The Parties agree that the Payment constitutes reasonably equivalent value exchanged for the Receivership Entity's release of its claims against Net Winner as set forth in Paragraph 6 below.

5. Bankruptcy. In the event Net Winner files for bankruptcy protection and the Receivership Entity is deprived of all or any portion of the Payment, Net Winner is responsible for the difference between the total Payment figure and any portion of the Payment retained by the Receivership Entity ("Replacement Obligation"). If the Replacement Obligation is not fully satisfied within ten (10) business days of the Receivership Entity surrendering all or any portion of the Payment to a bankruptcy estate of Net Winner, the Receivership Entity may retain any portion of the Payment already received, rescind its Release of Net Winner and, thereby, retain all rights and remedies for the full amount of its claims against Net Winner. Net Winner's Release of the Receivership Entity, its former officers, directors and Advisory Board members, the Receiver, and all professionals and other agents serving the Receiver and the Receivership Entity,



set forth in Paragraph 6 below, shall not be affected by a failure to timely satisfy the Replacement Obligation and/or rescission of the Receivership Entity's release of Net Winner.

6. Releases.

A. The Receivership Entity releases Net Winner, including but not limited to (as applicable) each of Net Winner's current/former representatives, agents, attorneys, officers, directors, managers, shareholders, members, owners (including owners of the managers, shareholders or members), affiliates, parents, subsidiaries, employees, and insurers from all claims in any way relating to Net Winner's purchase of Aequitas Securities including but not limited to those for return of the Net Winnings.

B. Net Winner releases the Receivership Released Parties from all claims, including but not limited to the following:

i. Claims related in any way to the purchase, issuance, sale, recommendation or solicitation of the sale of any Aequitas Securities; and

ii. Claims against Receivership Property, the Receivership Estates (as those terms are defined in the Receivership Order) or any other assets of the Receivership Entity or Qualified Settlement Fund Irrevocable Trust, including but not limited to any claim under the Court-approved distribution plan.

C. These Releases shall bind the Parties, as well as their respective members, officers, directors, receivers, trustees, insurers, marital communities, successors, subrogees, transferees, and assigns to the maximum extent allowable by law. The Parties acknowledge that they may discover facts in addition to or different from those that they now know to be true with respect to the subject matter of the claims that they have released pursuant to this provision of the Agreement, but that it is their intention to fully, finally, and forever settle and release the claims addressed in this provision of the Agreement, whether known or unknown, suspected or unsuspected, and without regard to the subsequent discovery or existence of such additional or different facts concerning the subject matter of the claims that have been released. Accordingly, the Release set forth in this provision of this Agreement shall extend to claims that the Parties do not know or suspect to exist in their favor at the time that they execute this Agreement, which if known, might have affected their decision to enter into the Release and this Agreement. The Parties shall be deemed to waive any and all provisions, rights, and benefits conferred by any law of the United States, any state or territory of the United States, any foreign law or any principle of common law that may have the effect of limiting this Release, including but not limited to those that are similar, comparable or equivalent to California Civil Code Section 1542.

D. Effective Date of Releases. Net Winner's Release of the Receivership Released Parties shall become effective upon final Court approval. The Receivership Entity's Release of Net Winner shall become effective upon final Court approval and the Receivership Entity's receipt of the entire Payment. The Receivership Entity's Release of Net Winners may be rescinded in accordance with the provisions of Paragraph 5 above. Upon execution of this Agreement and receipt of the Payment, the Receivership Entity will file a notice of settlement in the matter titled *Greenspan v. Kingstrom, et. al.*, Case No. 3:21-cv-00954, pending before the U.S.

District Court for the District of Oregon. Upon final Court approval, the claims against Net Winner shall be dismissed.

7. No Admission of Liability. The Parties agree that this Agreement is made without admission of wrongdoing or wrongful intent on the part of Net Winner, and nothing in this Agreement shall be construed as an admission of any wrongful act, whether negligent, intentional or otherwise, or any wrongful intent by Net Winner.

8. Entire Agreement. This Agreement sets forth the full and complete agreement of the Parties with respect to its subject matter, and there is no mistake of law or fact with respect to this Agreement. This Agreement supersedes and replaces any earlier representations, inducements, promises, settlements, compromises, agreements, or understandings, written or oral, between the Parties.

9. No Oral Modification. This Agreement may not be amended, modified, or revoked except by means of a supplemental writing that is signed by the Party against whom the amendment, modification or revocation is to be enforced.

10. Binding Agreement. This Agreement is binding on the Parties and their respective successors, legal representatives, heirs and assigns.

11. Governing Law and Venue. This Agreement has been executed under and shall be construed in accordance with the laws of the State of Oregon and the laws of federal common law receiverships. If there is any litigation or other proceeding to enforce or interpret any provision of this Agreement, jurisdiction and venue shall be exclusively in the Court.

12. Attorney Fees and Costs. In the event of any suit or action, to interpret or enforce the provisions of this Agreement, the prevailing Party as defined in ORS 20.077, shall be entitled to an award of reasonable attorney fees, costs and expenses incurred in such suit or action and in any appeal therefrom, in addition to all other remedies afforded the prevailing Party.

13. Notices. All notices shall be effective upon receipt, shall be in writing, and shall be sent by U.S. Certified Mail, overnight courier, hand delivery, or email as follows:

If to the Receivership Entity:

Troy Greenfield  
Schwabe, Williamson & Wyatt  
1420 Fifth Avenue, Suite 3400  
Seattle, WA 98101  
Phone: (206) 624-1711  
tgreenfield@schwabe.com

If to Net Winner:

Mary Greenheck  
Phone: (425) 359-2833  
mpgreenheck@gmail.com

14. Construction. The rule of construction that an agreement is to be construed against the drafting Party is not to be applied in interpreting this Agreement. The Parties acknowledge that they have each read this Agreement, that they understand its meaning and intent, and that this Agreement has been executed voluntarily.

15. Severability. The invalidity of all or any part of any paragraph or any provision of this Agreement shall not render invalid the remainder of this Agreement to the extent it represents the intent of the Parties in all material respects if interpreted without the invalid provision.

16. Counterparts. This Agreement may be executed in one or more counterparts, each of which is to be deemed an original. All counterparts may be consolidated into one Agreement, binding on the Parties.

17. Representation Regarding Authority to Execute Agreement. The Receiver, on behalf of the Receivership Entity, represents that, to the extent prescribed in the Receivership Order, he has the power and authority to enter into this Agreement and provide the Release to Net Winner upon the final, non-appealable approval of this Agreement by the Court. Net Winner represents that she has the authority to enter into this Agreement and provide the Release to the Receivership Released Parties. Any corporate representatives executing this Agreement represent that they have the power and authority to enter into this Agreement and provide the Release to the Receivership Released Parties. The Receivership Entity further warrants and represents that it has not assigned its rights to any claims that it has or had against Net Winner to any other party prior to the execution of this Agreement.

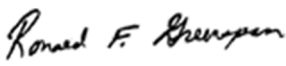
18. Representation by Counsel. All Parties have had a reasonable opportunity to consult with legal counsel regarding the terms and legal meaning of this Agreement.

19. This Agreement (whether executed or not executed, revoked, or made ineffective for any reason) and any proceedings or discussions related to this Agreement are inadmissible as evidence of any liability or wrongdoing whatsoever by the Parties in any court or tribunal in any state, territory, or jurisdiction.

IN WITNESS WHEREOF, the undersigned executed this Agreement as of the dates noted below.

By: \_\_\_\_\_  
Mary Greenheck

DATED: \_\_\_\_\_

By:  \_\_\_\_\_  
Receivership Entity  
By: Ronald F. Greenspan  
Title: Receiver

DATED: May 4, 2022

14. Construction. The rule of construction that an agreement is to be construed against the drafting Party is not to be applied in interpreting this Agreement. The Parties acknowledge that they have each read this Agreement, that they understand its meaning and intent, and that this Agreement has been executed voluntarily.

15. Severability. The invalidity of all or any part of any paragraph or any provision of this Agreement shall not render invalid the remainder of this Agreement to the extent it represents the intent of the Parties in all material respects if interpreted without the invalid provision.

16. Counterparts. This Agreement may be executed in one or more counterparts, each of which is to be deemed an original. All counterparts may be consolidated into one Agreement, binding on the Parties.

17. Representation Regarding Authority to Execute Agreement. The Receiver, on behalf of the Receivership Entity, represents that, to the extent prescribed in the Receivership Order, he has the power and authority to enter into this Agreement and provide the Release to Net Winner upon the final, non-appealable approval of this Agreement by the Court. Net Winner represents that she has the authority to enter into this Agreement and provide the Release to the Receivership Released Parties. Any corporate representatives executing this Agreement represent that they have the power and authority to enter into this Agreement and provide the Release to the Receivership Released Parties. The Receivership Entity further warrants and represents that it has not assigned its rights to any claims that it has or had against Net Winner to any other party prior to the execution of this Agreement.

18. Representation by Counsel. All Parties have had a reasonable opportunity to consult with legal counsel regarding the terms and legal meaning of this Agreement.

19. This Agreement (whether executed or not executed, revoked, or made ineffective for any reason) and any proceedings or discussions related to this Agreement are inadmissible as evidence of any liability or wrongdoing whatsoever by the Parties in any court or tribunal in any state, territory, or jurisdiction.

IN WITNESS WHEREOF, the undersigned executed this Agreement as of the dates noted below.

By: Mary Greenheck  
Mary Greenheck

DATED: 5/4/2022

By: \_\_\_\_\_  
Receivership Entity  
By: Ronald F. Greenspan  
Title: Receiver

DATED: \_\_\_\_\_