

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

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

vs.

**AEQUITAS MANAGEMENT, LLC, ET
AL,**

Defendants.

No. 3:16-cv-00438-JR

**NOTICE OF RECEIVER’S (FOURTH)
MOTION TO APPROVE (1)
CLASSIFICATION AND ALLOWANCE OF
CERTAIN ADMINISTRATIVE AND
CREDITOR CLASS CLAIMS, AND (2)
APPROVE DISTRIBUTIONS ON ACCOUNT
OF CERTAIN ALLOWED
ADMINISTRATIVE AND DEFRAUDED
INVESTOR CLASS CLAIMS**

You are receiving this Notice because the Receiver has filed a motion that will establish the Classification and amount of the Allowed Claim for certain Administrative and Creditor Class Claims, and approve distributions on account of certain Administrative and Defrauded Investor Class Claims.

On or about August 31, 2023, the Receiver filed a Motion to Approve (1) Classification and Allowance of certain Administrative and Creditor Class Claims, and (2) Approve Distributions on Account of Certain Allowed Administrative and Defrauded Investor Class Claims (the “Receiver’s Fourth Distribution Motion”). The Receiver’s Fourth Distribution Motion was filed in furtherance of the Receiver’s Court-approved distribution plan (the “Court-approved Distribution Plan”).

The Receiver’s Fourth Distribution Motion proposes (i) Classification, (ii) Allowance, and (iii) Distribution in relation to certain Claims, which class and treatment are addressed in the Court-approved Distribution Plan:

- Allowed Administrative Class Claims. Each such claim shall be paid the full amount of the Allowed Claim from the QSF.¹
- Allowed Creditor Class Claims. After the holders of Allowed Claims in all other Classes (other than the Individual Defendants Class) have been paid in full, holders

¹ Distribution Plan [Dkt. 787] at 65. *See also* FF&CL [Dkt. 813] (approving same).

of Allowed Creditor Claims (that are not Allowed Convenience Class Claims) shall be paid pro rata, if any, from the QSF, until paid in full.²

- Allowed Defrauded Investor Class Claims. Allowed Defrauded Investor Class Claims are calculated on the basis of their Total Investment, and each such Claim shall be paid under the rising tide methodology without interest, costs, or fees from the QSF.³

As set forth in the Court-approved Distribution Plan, a Final Order of the Court shall approve the (i) Classification, (ii) amount, and (iii) treatment of claims.⁴

A copy of the Receiver's Fourth Distribution Motion, related declaration, exhibits and other documents will be posted at the Aequitas Receiver's website (www.kccllc.net/aequitasreceivership) and the Receiver's Claims Agent website (www.AequitasClaims.com) and available for review within five (5) business days of the filing of the Motion and can be obtained by email request to Receiver's counsel, Larry Ream, at lream@schwabe.com. The Receiver's Fourth Distribution Motion sets forth how your claim is to be Classified, and, for certain Specified Claimants, will establish the amount of their Allowed Claim (some of which will be zero), the treatment of their Allowed Claim, and the distribution they will receive on their Allowed Claim, if any.

FURTHER ACTION?

You need not take any further action if you agree with the information contained in the Exhibits attached to the Declaration of Ronald F. Greenspan, filed contemporaneously with the Receiver's Fourth Distribution Motion. Should you have inquiries regarding the Receiver's Fourth Distribution Motion you may submit your inquiry by email through the Aequitas Receiver's

² When seeking Court approval of the Distribution Plan, the Receiver noted that "[c]urrent estimates ... are that holders of Allowed Creditor Class Claims will not receive a distribution" because there would be inadequate funds available for distribution. That remains true; the Receiver's current estimates are that there are insufficient funds to make any distribution to the holders of Allowed Creditor Class Claims. Receiver's Declaration, ¶ 3.

³ Distribution Plan [Dkt. 787] at 4, 66. *See also* FF&CL [Dkt. 813] (approving same). Exhibit 3 to Receiver's Declaration, including footnotes, further details the basis and payments to Defrauded Investors, as if it were distributed under the rising tide methodology of the Court-approved Distribution Plan.

⁴ Distribution Plan [Dkt. 787].

website (www.kccllc.net/aequitasreceivership or www.AequitasClaims.com) or by email to Receiver's counsel, Larry Ream, at lream@schwabe.com.

If you wish to support, oppose, or otherwise respond to the Receiver's Fourth Distribution Motion, you must do so by no later than September 14, 2023. To comply with that deadline, you must both:

- (a) Serve a copy of your written support, opposition or other response, if any, on counsel for the Receiver at:

Troy Greenfield
Lawrence R. Ream
SCHWABE WILLIAMSON & WYATT
1211 SW 5th Ave., Suite 1900
Portland, OR 97204

- (b) File the original of your written support, opposition or other response, if any, with the United States District Court, District of Oregon, Portland Division, located at 1000 SW Third Ave., Portland, OR 97204.

The Receiver will thereafter file and serve his reply to written support, objections, or other responses. If there are no objections, the Court may enter an order approving the motion without further notice to you. If there are objections that are unresolved, the Court may schedule a hearing to consider those unresolved objections before the Honorable Judge Jolie A. Russo, Room I 027 at the United States District Court, District of Oregon, Portland Division, 1000 SW Third Ave., Portland, OR 97204.

Finally, please recall that pursuant to the Court's Bar Date Order, it is your responsibility to keep the Receiver updated with your current address and contact information. The change of contact form can be found and submitted through the claim agent website at www.AequitasClaims.com. Additionally, should a Defrauded Investor determine it is in their best interest to close or change an investment account that contains the Aequitas investments, the Defrauded Investor should promptly notify the Receiver of the change by sending an email to receivership@aequitascapital.com.