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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. JESENIK; BRIAN A. OLIVER; and N. SCOTT GILLIS,

Defendants.

Case No. 3:16-CV-00438-JR

PLAINTIFF SECURITIES AND EXCHANGE COMMISSION'S UNOPPOSED MOTION TO TRANSFER FUNDS FOR DISTRIBUTION

LR 7-1 CERTIFICATION

On June 25, 2026, the undersigned circulated to the approximately 60 counsels of record, via email, a version of this motion (and proposed form of order) that is substantially the same as this filed version. The conferral requested that counsel respond by 12:00 P.M. (Pacific Time) on

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July 1, 2026, as to whether their clients object or consent to the motion. As of the time of filing of this motion, the undersigned has received two (2) consents and zero (0) objections.

MOTION

Plaintiff, the United States Securities and Exchange Commission (the "Commission"), moves for an Order to Transfer Funds for Distribution to the Successor Trustee of the Aequitas Qualified Settlement Fund Irrevocable Trust (the "QSF Trustee") so that injured investors may be compensated for their losses. Plaintiff further moves that any future funds the Commission may collect pursuant to the judgments entered in this case be disbursed directly to the QSF Trustee for distribution without further order of this Court.

MEMORANDUM OF LAW

I. BACKGROUND

On March 10, 2016, the SEC filed the above-captioned action against Aequitas Management, LLC ("Aequitas") and several of its subsidiaries and affiliates (collectively, the "Entity Defendants" or the "Aequitas Enterprise"), along with three individuals who controlled the Aequitas Enterprise: Robert Jesenik (CEO), Brian Oliver (Executive VP Product & Business Development), and N. Scott Gillis (Exec. VP, COO & CFO) (collectively, the "Individual Defendants"). Complaint (Dkt. 1). The Complaint alleged that these individuals executed a "Ponzi—like" scheme through the Aequitas Enterprise in which they defrauded investors who were led to believe that they were purchasing indirect interests in consumer credit receivables. In fact, the Complaint alleged, the Individual Defendants were misappropriating the vast majority of the funds that they raised to pay operating expenses and to repay earlier investors, in violation of the antifraud provisions of the Securities Act of 1933 (the "Securities Act"), the

Securities Exchange Act of 1934 (the "Exchange Act"), and the Investment Advisor Act of 1940 (the "Advisers Act"). *Id.* at ¶¶ 1-7.

On March 16, 2016, pursuant to the Stipulated Interim Order Appointing Receiver (Dkt. 30), the Court appointed the Receiver for the Entity Defendants and 43 related entities (collectively, the "Receivership Entity") on an interim basis. On April 14, 2016, pursuant to the Order Appointing Receiver (Dkt. 156), the Court appointed the Receiver of the Receivership Entity on a final basis.

On June 15, 2016, the Court entered a consent judgment filed by the SEC and the Receiver, acting on behalf of the Entity Defendants. This consent judgment imposed injunctions on the Entity Defendants against any further violations of the antifraud provisions of the federal securities laws and resolved the SEC's claims against the Entity Defendants only. (Dkt. 192). Also, on April 13, 2020, the SEC and the Receiver agreed to the entry of a final judgment against the Entity Defendants, which held them jointly and severally liable for disgorgement of $435,000,000.00 and prejudgment interest of $87,048,072.87. (Dkt. 822).

Additionally, on April 13, 2020, the Court issued three separate final judgments against each of the Individual Defendants, imposing (*inter alia*) injunctions and financial remedies. (Dkts. 823-825). The final judgment against Defendant Jesenik ordered disgorgement, prejudgment interest, and a civil penalty totaling $1,565,806.92. (Dkt. 823). The final judgment against Defendant Oliver ordered disgorgement and prejudgment interest in the aggregate of $235,928.00, to be offset in an amount equal to the Order of Restitution (and/or Forfeiture) against Defendant Oliver in the parallel criminal proceeding, *U.S. v. Oliver*, Crim. No. 3:10-cr-00132. (Dkt. 824). Lastly, the final judgment against Defendant Gillis ordered a civil penalty of

$300,000.00 and stated that "[t]he Commission shall hold the funds, together with any interest and income earned thereon . . . pending further order of the Court." It further authorized that "[t]he Commission may propose a plan to distribute the Fund subject to the Court's approval." Final Judgement as to Gillis (Dkt. 825) at §VII. The civil penalty of $300,000.00 paid by Defendant Gillis constitutes the Distribution Fund and is the sole source of funds that the SEC has collected in this matter.

On December 23, 2019, the Court issued an order authorizing the Receiver to establish the Qualified Settlement Fund ("QSF") and appointing the Receiver, Ronald F. Greenspan, as trustee and administrator of the QSF. Order Granting Receiver's Jurisdiction Over a QSF (Dkt. 781). This order also mandated that the cash assets held by the Receivership Estate and certain Aequitas entities are the property of the QSF without further action and approved the use of the QSF to satisfy claims against the Receivership Estate. *Id*. at 3. The Court approved the Receiver's Distribution Plan and Ponzi scheme determination on March 31, 2020. Findings of Fact and Conclusions of Law (Dkt. 813). From 2020 through 2023, the Receiver made four distributions of over $117 million to defrauded investors and other claimants of the Receivership Estate, in addition to over $105 million to secured creditors and other counterparties. Motion of Receiver Approving Final Report (Dkt. 1042).

On November 1, 2023, the Court issued an order terminating the Receivership and appointing Mr. David Stapleton of the Stapleton Group as the QSF Trustee. Order Approving the Final Report and Accounting (Dkt. 1045) at 7. The order also transferred authority of the QSF to the QSF Trustee, mandating that the QSF Trustee will determine whether there are any further distributions and authorizing the QSF Trustee to make a final distribution to allowed

claimants, including defrauded investors. *Id*. The Commission understands that the QSF Trustee will make a final distribution later in 2026 after paying any remaining expenses of the QSF and winding up the other affairs of the Receivership Entity. The QSF trustee has agreed to distribute the SEC Distribution Fund if the court approves the transfer of funds.

II. PROPOSAL TO TRANSFER FUNDS FOR DISTRIBUTION BY THE QSF TRUSTEE

A. The Equitable Remedies Ordered in This Case

As the Ninth Circuit has observed: "A district court overseeing an SEC enforcement action has broad equitable powers to shape equitable remedies to the necessities of the particular case." *SEC v. Dean Props., LLC*, 828 F. Appx. 374, 375 (9th Cir. 2020); *see also SEC v. Hardy*, 803 F.2d 1034, 1037 (9th Cir. 1986) (This court possesses "extremely broad" power when "determin[ing] the appropriate action to be taken in the administration of the receivership."). The equity jurisdiction of this Court has been properly invoked by a showing of a securities law violation.

The standard applied by courts in assessing a plan of distribution is whether it is "fair and reasonable." *See SEC v. Copeland,* No. CV 11-8607-R, 2014 U.S. Dist. Lexis 195315, at *5 (C.D. Cal. May 19, 2014) ("With respect to the motion to approve the distribution of CWM Realty, 'the primary job of the district court is to ensure that the proposed plan of distribution is fair and reasonable.'" (Quoting *SEC v. Wealth Mgmt. LLC*, 628 F.3d 323, 332 (7th Cir. 2010))). The Ninth Circuit accords wide discretion to the district court in instituting reasonable procedures for the "orderly and efficient administration of the receivership for the benefit of creditors." *CFTC v. Topworth Int'l, Ltd.*, 205 F.3d 1107, 1115 (9th Cir. 1999) (citing *Hardy*, 803 F.2d at 1037-38; *see SEC v. Wencke*, 783 F.2d 829, 837 n.9 (9th Cir. 1986)). In this case, the

proposed transfer of funds to the QSF Trustee would provide some additional compensation to allowed claimants, including defrauded investors, pursuant to the Distribution Plan approved by the Court. As a result, the plan to transfer funds to the QSF Trustee is fair and reasonable.

B. The Distribution Fund Should Be Transferred to the QSF Trustee for Distribution

The QSF Trustee will distribute funds to investors who were harmed by the Defendants' underlying violations in this case. Thus, it is fair and equitable that the funds held by the Commission in this matter be transferred to the QSF Trustee for distribution. Although the $300,000.00 that the Commission proposes to transfer to the QSF Trustee falls far short of making the harmed investors whole, it will afford at least some additional measure of financial recovery for the victims of the illicit conduct. In addition, transferring money from the Distribution Fund to the QSF Trustee for distribution will be more cost-effective and efficient. Further, a final, additional distribution to the harmed investors would minimize administrative costs and thereby increase the funds available for distribution to the injured investors.

III. CONCLUSION

WHEREFORE, the Commission respectfully requests that this Court enter the Proposed Order (1) directing the Office of Financial Management of the Commission to transfer the funds in the Distribution Fund to the QSF Trustee for distribution according to the powers and authority that the Court has granted to the QSF Trustee; (2) stating that any future funds that the Commission may collect pursuant to judgments entered in this case are to be disbursed directly to the QSF Trustee for distribution until such time as the QSF Trustee has been terminated,

without further order of this Court; and (3) granting such other relief as the Court deems just and proper.

Dated: July 1, 2026

Respectfully submitted,

/s/ *Michael K. Catoe*

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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 MANAGEMEN, INC.;** **AEQUITAS INVESTMENT MANAGEMENT, LLC;** **ROBERT J. JESENIK; BRIAN A. OLIVER; and N. SCOTT GILLIS,** **Defendants.**	**No. 3:16-cv-00438-JR** **PROPOSED ORDER APPROVING THE TRANSFER OF FUNDS FOR DISTRIBUTION**

The Court, having reviewed the Securities and Exchange Commission's ("Commission") Motion and Memorandum of Law in Support of its Unopposed Motion to Transfer Funds for Distribution; having found that the relief requested therein is in the best interests of the Distribution Fund, the injured investors, and all parties in interest; and after due deliberation and for good cause shown,

IT IS HEREBY ORDERED:

1. The Commission's Motion is hereby GRANTED.
    a. The Office of Financial Management of the Commission shall transfer the funds in the Distribution Fund to the QSF Trustee for distribution according to the powers and authority that the Court has granted to the QSF Trustee.
    b. Any future funds that the Commission may collect pursuant to judgments entered in this case are to be disbursed directly to the QSF Trustee for distribution until

such time as the QSF Trustee has been terminated, without further order of this Court.

SO ORDERED.

Dated: _____

_____
United States District Court Judge