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UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA, OAKLAND DIVISION

In re: Pacific Capital Funding Group Inc., Debtor. In re: Pacific Capital Funding Group Inc. Pacific Private Money Group LLC Private Money Management Group LLC Pacific Mortgage Capital, LLC Pacific Note Fund Management Group LLC Pacific Private Money, Inc. Pacific Private Money Partners LLC Arrival Home Loans LLC Pacific Private Money Fund 1 LLC Pacific Southwest Note Fund LLC Pacific Freedom Fund LLC Pacific Opportunity Fund LLC Arrival Fund I, LLC Affects: ☐ Pacific Capital Funding Group Inc. ☐ Pacific Private Money Group LLC ☐ Private Money Management Group LLC ☐ Pacific Mortgage Capital, LLC ☐ Pacific Note Fund Management Group LLC ☐ Pacific Private Money, Inc.	Case No. 26-30538 Chapter 11 Jointly Administered with: Case No. 26-30538 (WJL) Case No. 26-30535 (WJL) Case No. 26-30544 (WJL) Case No. 26-30539 (WJL) Case No. 26-30540 (WJL) Case No. 26-30533 (WJL) Case No. 26-30536 (WJL) Case No. 26-30543 (WJL) Case No. 26-30534 (WJL) Case No. 26-30541 (WJL) Case No. 26-30532 (WJL) Case No. 26-30537 (WJL) Case No. 26-30542 (WJL) **DEBTORS' JOINDER IN THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS' MOTION FOR ENTRY OF AN ORDER SUBSTANTIVELY CONSOLIDATING THE DEBTORS' ESTATES AND FOR RELATED RELIEF** Status Conference: Date: November 18, 2026 Time: 10:30 a.m. Place: Courtroom 220 (In Person or via Zoom) 1300 Clay Street, Oakland, CA 94612

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☐ Pacific Private Money Partners LLC

☐ Arrival Home Loans LLC

☐ Pacific Private Money Fund 1 LLC

☐ Pacific Southwest Note Fund LLC

☐ Pacific Freedom Fund LLC

☐ Pacific Opportunity Fund LLC

☐ Arrival Fund I, LLC

☒ All Debtors

Pacific Capital Funding Group, Inc., Pacific Private Money, Inc., Private Money Management Group LLC, Pacific Mortgage Capital LLC, Pacific Southwest Note Fund LLC, Pacific Private Money Partners LLC, Pacific Private Money Group LLC, Pacific Private Money Fund LLC, Pacific Opportunity Fund LLC, Pacific Note Fund Management Group LLC, Pacific Freedom Fund LLC, Arrival Home Loans, LLC and Arrival Fund I, LLC, the debtors and debtors-in-possession (collectively the "**Debtors**"), hereby join in the Official Committee of Unsecured Creditors' (the "**Committee**") Motion For Entry of An Order Substantively Consolidating the Debtors' Estates (the "**Motion**") (dkt. no. 182). The facts on which this joinder is based are set forth in the Declaration of William R. Brinkman In Support of Chapter 11 Petitions And First Day Motions (dkt. no. 9).

1. The Debtors join in and support the Committee's Motion. The issue of whether to substantively consolidate the Debtors has been present since before the commencement of these Chapter 11 cases. The facts of the common ownership and control of the Debtors by Mr. Hanf and Mr. Phan, the Debtors' corporate and operational interconnections, their substantially similar businesses, overlapping investor groups, the widespread allegations of fraud and wrongdoing, and the massive intercompany loans and other intercompany transactions were apparent from the outset and immediately raised the question of substantive consolidation. These facts demonstrated significant entanglement of the Debtors' affairs that would be costly to unravel and sporadic and intermittent observance of corporate formalities.

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2. The Debtors have discussed with the Committee's professionals the forensic investigation conducted by the Committee's financial advisors and have reviewed and independently considered the results of that investigation. The Debtors agree with the Committee's conclusion that the Debtors' affairs are so hopelessly entangled that substantive consolidation is in the best interests of all parties in interest. *See In re Bonham*, 229 F.3d 750, 766 (9th Cir. 2000); *In re Augie/Restivo Baking Co.*, 860 F.2d 515, 519 (2d Cir. 1988).

3. The Debtors submit that substantive consolidation is warranted under the second prong of the *Bonham* test that "the affairs of the debtor are so entangled that consolidation will benefit all creditors." *In re Bonham, supra*, 229 F.3d at 766. The Debtors' assets are limited, especially when compared to the approximately $140 million of capital contributed by investors. The Debtors' assets consist of 40 promissory notes, almost all of which are non-performing, and 10 REO properties (excluding 3 REO properties as to which the Debtors have no equity), plus whatever litigation recoveries may be available.

4. The Debtors' limited asset pool mandates controlling the cost of unwinding the Debtors' affairs if creditors are to see any significant recovery. The Committee's forensic investigation demonstrates that the Debtors' assets and liabilities are significantly intertwined. The Debtors simply cannot afford the $3.7 million to $9.3 million in incremental costs the Committee estimates would be required to unscramble the Debtors' affairs. The Debtors thus present a textbook case of "the time and expense necessary even to attempt to unscramble [the Debtors' affairs] is so substantial as to threaten the realization of any net assets for all the creditors." *In re Bonham, supra*, 229 F.3d at 766.

Accordingly, the Debtors join the Motion and request that the Court enter an order substantively consolidating the Debtors' estates.

DATED: November 13, 2026

JEFFER MANGELS & MITCHELL LLP
BENNETT G. YOUNG
CHRISTOPHER K. WHANG

By: */s/ Bennett G. Young*
BENNETT G. YOUNG
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CERTIFICATE OF SERVICE

STATE OF CALIFORNIA, CITY AND COUNTY OF SAN FRANCISCO

I am employed in the City and County of San Francisco, State of California. I am over the age of 18 and not a party to the within action; my business address is: 333 Bush Street, 11th Floor, San Francisco, California 94104.

On November 13, 2026, I served the document(s) described as

- **DEBTORS' JOINDER IN THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS' MOTION FOR ENTRY OF AN ORDER SUBSTANTIVELY CONSOLIDATING THE DEBTORS' ESTATES AND FOR RELATED RELIEF**

in this action addressed as follows:

SEE ATTACHED SERVICE LIST

☐ (BY MAIL) True and correct copies of the aforementioned document(s) were deposited, in a sealed envelope with postage thereon fully prepaid, with the U.S. Postal Service on that same day to be mailed via first class mail at San Francisco, California. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

☐ **BY E-MAIL OR ELECTRONIC TRANSMISSION:** I caused a copy of the document(s) to be sent from e-mail address jbultena@jeffer.com to the persons at the e-mail addresses listed in the Service List. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

☒ (TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)) Pursuant to the controlling Rules, the aforementioned document(s) will be served by the court via NEF and proper link(s) to the document(s).

Executed on November 13, 2026 at San Francisco, California.

☒ (FEDERAL) I declare under penalty of perjury under the laws of the State of California and the United States of America that the above is true and correct. I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

/s/ Jo Anne Bultena
JO ANNE BULTENA

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