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11 Attorneys for Receiver  
12 KRISTA FREITAG

13 UNITED STATES DISTRICT COURT  
14 SOUTHERN DISTRICT OF CALIFORNIA

15  
16 SECURITIES AND EXCHANGE  
COMMISSION,  
17 Plaintiff,  
18  
19 v.  
20 GINA CHAMPION-CAIN and ANI  
DEVELOPMENT, LLC,  
21 Defendants,  
22 AMERICAN NATIONAL  
INVESTMENTS, INC.,  
23 Relief Defendant.  
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Case No. 3:19-cv-01628-LAB-AHG  
**JOINT MOTION FOR APPROVAL  
OF SETTLEMENT OF CHARLES  
RIHARB'S DISPUTED DEEDS OF  
TRUST RECORDED AGAINST THE  
737 WINDEMERE COURT AND  
750 YARMOUTH COURT  
PROPERTIES**  
Courtroom: 3B  
Judge: Hon. Larry A. Burns

1 **JOINT MOTION**

2 The Securities and Exchange Commission, Gina Champion-Cain, and Krista  
3 Freitag, the Court-appointed permanent receiver for Defendant ANI Development,  
4 LLC, Relief Defendant American National Investments, Inc., and their subsidiaries  
5 and affiliates (the "Receiver"), together with third party investor/lender Charles M.  
6 Riharb (collectively, the "Parties"), by and through their respective counsel, hereby  
7 respectfully submit this Joint Motion For Approval of Settlement of Charles  
8 Riharb's Disputed Deeds of Trust Recorded Against the 737 Windemere Court and  
9 750 Yarmouth Court Properties (the "Joint Motion").

10 **WHEREAS**, as discussed in the Receiver's Motion to Amend Order Granting  
11 Receiver's Motion to Approve Sale of 737 Windemere Court Property ("Motion to  
12 Amend") and incorporated herein by reference, the Receiver disputes the validity of  
13 the Deeds of Trust recorded by Charles Riharb and all associated  
14 liens/encumbrances on the receivership properties located at 737 Windemere Court  
15 and 750 Yarmouth Court in San Diego, California. Dkt. 440.

16 **WHEREAS**, as discussed in the Limited Opposition filed by Mr. Riharb to  
17 the Motion to Amend and incorporated herein by reference, Mr. Riharb asserts that  
18 the Deeds of Trust were validly obtained and recorded and therefore establish valid  
19 liens in his favor on the 737 Windemere Court and 750 Yarmouth Court properties,  
20 securing his loan to the Receivership Entities in the principal amount \$1,574,762.60.  
21 Dkt. 458.

22 **WHEREAS**, the parties hereto recognize that litigation concerning the  
23 disputed Deeds of Trust and associated liens would likely be costly and time-  
24 consuming, and therefore a resolution of the dispute without litigation would save  
25 significant costs, both for the receivership estate and for Mr. Riharb.

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1           **THEREFORE, IT IS HEREBY STIPULATED, AGREED, AND**  
2 **REQUESTED**, by and between the Parties, that:

3           1.       As soon as possible, but within five business days of the Court's  
4 approval of this Joint Motion, Mr. Riharb shall deliver to counsel for the Receiver  
5 notarized releases/reconveyances of the disputed Deeds of Trust on the  
6 737 Windemere Court and 750 Yarmouth Court Properties and fully executed  
7 demand statements for the escrow/title company showing no money due on his  
8 secured claims against the Properties contingent upon the settlement payment  
9 referenced in Paragraph 2, below.

10          2.       As soon as possible but within five business days of receipt of the fully  
11 executed demand statements showing no money due and notarized  
12 releases/reconveyances by the Receiver's counsel, the Receiver shall pay the sum of  
13 one hundred thousand dollars and no/100 (\$100,000.00) to Mr. Riharb from  
14 receivership estate funds. The Receiver's counsel shall simultaneously cause the  
15 fully executed and notarized releases/reconveyances to be recorded with the San  
16 Diego County Recorder's Office.

17          3.       Mr. Riharb shall fully cooperate with the Receiver in terms of  
18 executing such additional documents as may be required by the title company and/or  
19 to remove all liens, claims or encumbrances in his favor from title of the  
20 737 Windemere Court and 750 Yarmouth Court properties. The Receiver shall be  
21 responsible for any and all costs associated with processing and recording all  
22 documents.

23          4.       Upon receipt of the \$100,000 payment, Mr. Riharb shall no longer have  
24 any security interests or direct claims to the 737 Windemere Court or 750 Yarmouth  
25 Court Properties. His remaining unsecured claim against the receivership estate,  
26 which will be determined in the claims process in the receivership, shall be reduced  
27 dollar-for-dollar by the \$100,000 payment from the Receiver, and the \$100,000  
28 payment shall be counted as a distribution received (*i.e.*, money out) from the

1 Receivership Entities for purposes of a "rising tide" distribution method, if such  
2 distribution method is approved by the Court.

3 5. In the event that this Joint Motion is approved by the Court after the  
4 Motion to Amend has been granted and the sale of the 737 Windemere Court  
5 Property has closed, then contingent upon the Receiver paying the settlement  
6 amount to Mr. Riharb, the \$599,000 in receivership estate funds set aside on account  
7 of Mr. Riharb's claims in connection with the sale closing shall no longer be set  
8 aside/restricted or subject to Mr. Riharb's claims (other than as a potential, general  
9 unsecured investor/lender claimant, as ultimately determined in the claims process  
10 in the receivership).

11 The undersigned have read and hereby agree to comply with and be bound by  
12 all of the terms and provisions of the foregoing Joint Motion. This Joint Motion  
13 may be signed by the parties in multiple counterparts, all of which shall be taken  
14 together as a single document, and facsimile and electronic signatures shall be  
15 effective as originals.

16 **SO STIPULATED.**

17 Dated: September 30, 2020

ALLEN MATKINS LECK GAMBLE  
MALLORY & NATSIS LLP

18 By: \_\_\_\_\_ s/Edward G. Fates

19 DAVID R. ZARO  
20 EDWARD G. FATES  
Attorneys for Receiver  
21 KRISTA FREITAG

22 Dated: September 30, 2020

U.S. SECURITIES AND EXCHANGE  
COMMISSION

23 By: \_\_\_\_\_ s/Kathryn C. Wanner

24 KATHRYN C. WANNER  
25 ALEC JOHNSON  
26 GARY Y. LEUNG  
Attorneys for Plaintiff  
27 U.S. SECURITIES AND  
28 EXCHANGE COMMISSION

1 Dated: September 30, 2020

SCHEPER KIM & HARRIS LLP

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By:           s/Angela Machala

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DAVID SCHEPER  
ANGELA MACHALA  
Attorneys for Defendant  
GINA CHAMPION-CAIN

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6 Dated: September 30, 2020

BUCHALTER  
A Professional Corporation

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By:           s/Russell L. Allyn

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RUSSELL L. ALLYN  
Attorneys for Third Party  
Investor/Lender  
CHARLES M. RIHARB

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**SIGNATURE CERTIFICATION**

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12 In accordance with Section 2(f)(4) of the Electronic Case Filing  
13 Administrative Policies and Procedures Manual, the filer hereby attests that all other  
14 signatories listed, and on whose behalf the filing is submitted, concur in the filing's  
15 content and have authorized the filing.

16 Dated: September 30, 2020

ALLEN MATKINS LECK GAMBLE  
MALLORY & NATSIS LLP

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By:           s/Edward G. Fates

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EDWARD G. FATES  
Attorneys for Receiver  
KRISTA FREITAG

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