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13 UNITED STATES DISTRICT COURT
14 SOUTHERN DISTRICT OF CALIFORNIA

15
16 SECURITIES AND EXCHANGE
COMMISSION,

17 Plaintiff,

18 v.

19 GINA CHAMPION-CAIN and ANI
20 DEVELOPMENT, LLC,

21 Defendants,

22 AMERICAN NATIONAL
23 INVESTMENTS, INC.,

24 Relief Defendant.

Case No. 3:19-cv-01628-LAB-AHG

**MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF
MOTION FOR ORDER:**

- 1) **APPROVING PROCEDURES
FOR THE ADMINISTRATION
OF CLAIMS AGAINST THE
RECEIVERSHIP ESTATE;**
- 2) **SETTING CLAIMS BAR
DATE; AND**
- 3) **APPROVING CLAIMS BAR
DATE NOTICE AND PROOF
OF CLAIM FORMS.**

Date: August 2, 2021
Time: 11:30 a.m.
Courtroom: 14A
Judge: Hon. Larry Alan Burns

TABLE OF CONTENTS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Page

I. INTRODUCTION4

II. PROPOSED CLAIM PROCEDURES5

 A. Summary and Timeline.....5

 B. Investor Claims10

 C. Non-Investor Creditor Claims.....11

 D. Return of Proof of Claim Forms12

 E. Procedures for Claim Disputes12

III. LEGAL AUTHORITY13

 A. District Courts Have Broad Equitable Powers to Administer Receivership Matters13

 B. Approval of Proposed Claim Procedures.....14

IV. CONCLUSION16

TABLE OF AUTHORITIES

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Page(s)

Cases

CFTC v. Topworth Int'l, Ltd.,
205 F.3d 1107 (9th Cir. 1999)..... 14, 15

In re Taubman,
160 B.R. 964 (Bankr. S.D. Ohio 1993)..... 15

In re Tedlock Cattle Company Inc.,
552 F.2d 1351 (9th Cir. 1977)..... 15

Lundell v. Anchor Constr. Specialists, Inc.,
223 F.3d 1035 (9th Cir. 2000)..... 15

Revere Copper & Brass, Inc. v. Adriance Machine Works, Inc.,
76 F.2d 876 (2d Cir. 1935)..... 15

SEC v. Capital Consultants, LLC,
397 F.3d 733 (9th Cir. 2005)..... 13, 14

SEC v. Elliot,
953 F.2d 1560 (11th Cir. 1992)..... 13

SEC v. Hardy,
803 F.2d 1034 (9th Cir 1986)..... 13, 14

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 Krista Freitag (the "Receiver"), the Court-appointed permanent receiver for
3 Defendant ANI Development, LLC, Relief Defendant American National
4 Investments, Inc., and their respective subsidiaries and affiliates (collectively, the
5 "Receivership Entities"), hereby respectfully submits this Memorandum of Points
6 and Authorities in Support of Motion for Order (1) Approving of Procedures for the
7 Administration of Claims Against the Receivership Estate; (2) Setting Claims Bar
8 Date; and (3) Approving Claims Bar Date Notice and Proof of Claim Forms
9 ("Motion").

10 **I. INTRODUCTION**

11 With her forensic accounting now essentially completed, the Receiver
12 requests approval of procedures for the efficient administration of claims against the
13 receivership estate in anticipation of making distributions upon Court approval of a
14 distribution plan. The ultimate goal of the claims process is to reach an approved
15 list of allowed claims as efficiently as possible, while also providing claimants with
16 an opportunity to be heard as to their claim amounts.

17 The Receiver's forensic accounting analysis sought to determine a preliminary
18 value of investor claimants' prospective claims and the Receiver has tracked
19 prospective non-investor claimants. As discussed in more detail below, the Receiver
20 proposes to transmit to investor claimants the Receivership Entities' preliminary
21 value of the claim amounts with notice, a proof of claim form and to seek
22 confirmation of the claim amount details provided. And the Receiver proposes to
23 transmit to any known, prospective non-investor claimant notice and a proof of
24 claim form; non-investor claimants must submit claims to the Receiver on or before
25 the claims deadline by submitting a completed claim form, along with all relevant
26 back-up documentation to substantiate their claim.

27 As discussion in Section III below, the Receiver proposes investor claims to
28 be determined based on a money-in / money-out ("**MIMO**"), or netting basis, and

1 anticipates recommending a rising tide approach to distributions. A rising tide
2 methodology aims to ensure equitable distributions across investor claimants with
3 vastly differing pre-receivership amounts paid into and out of the scheme as well as
4 Chicago Title (aka "CTC") settlement payments, resulting in vastly differing
5 recovery rates calculated as money out divided by money in (the "Prior Recovery
6 Rate"); the Receiver anticipates rising tide will be the most appropriate and
7 equitable approach in this case because there are vast differences among investor
8 claimants' Prior Recovery Rates.

9 The streamlined claims process proposed herein, which uses the extensive
10 accounting work done by the Receiver as its foundation, will allow the Receiver and
11 the Court to efficiently determine the appropriate claim amounts for all investors
12 and non-investor creditors, which is a key step towards being able to make a fair and
13 equitable distribution of funds in the receivership estate. The Receiver recognizes
14 that the investor losses are substantially greater than reflected in the MIMO or "net
15 loss" claim calculation. If the Receiver recovers funds sufficient to pay investors
16 100% of their net losses, then the Receiver will commence a new claims process in
17 which investors actual loss claims (*i.e.* interest, consequential damages, etc.) are
18 addressed.

19 **II. PROPOSED CLAIM PROCEDURES**

20 **A. Summary and Timeline**

21 While the Receiver believes the forensic accounting accurately reflects the
22 investors' transactional details to a high degree, there are particular challenges with
23 investors, (a) who invested or received payments through Aggregators or others,
24 and/or (b) whose records may not reconcile to those compiled by the Receiver for
25 various reasons, including but not limited the scenarios where investors invested
26 multiple times, through different (but affiliated) entities, through personal accounts,
27 trust accounts and through retirement custodial accounts, or through joint accounts.
28 The claims process will assist in determining how these investments ultimately get

1 segregated or aggregated as a "unique investor". In order to determine the
2 appropriate claim amount for each unique claimant and formulate a proposed plan
3 for distributing receivership estate funds, there must be an orderly process for the
4 submission and review of claim information, and the determination of any disputed
5 claims. As such, the Receiver is first seeking Court approval of the claims process
6 presented herein and will later seek Court approval of a distribution plan in order to
7 proceed with the actual distribution of funds from the receivership estate.

8 A deadline or "Claims Bar Date" to submit claims to the Receiver should be
9 established and should apply to all claimants (known and unknown) such that all
10 claims can be determined at one time and there is certainty and finality to the claims
11 process. This receivership has been in place since September 3, 2019 and has
12 received considerable media attention. Therefore, anyone with a connection to the
13 Receivership Entities who might assert a claim should be aware of the case and the
14 receivership by now. Accordingly, the Receiver recommends that a deadline of 60
15 days from the date the Receiver sends out the Claims Bar Date Notice be set for all
16 claims to be submitted to the Receiver.

17 The Claims Bar Date Notice will include a Proof of Claim Form and: (a) a
18 link to anireceivership@ethreadvisors.com, which will include a copy of the
19 applicable Court order(s) and instructions for how to request a copy of or download
20 the Proof of Claim Form and W9¹; (b) a schedule reflecting the detailed Net Loss
21 Amount calculations based on the MIMO methodology (for prospective investor
22 claimants only); (c) clarification that the Proof of Claim Form and W9, along with
23 the notice of the requirement that the Proof of Claim Form and W9, must be
24 returned to the Receiver within 60 days; (d) instructions for submitting a dispute
25 regarding the calculated Net Loss Amount; and (e) contact information so
26 prospective claimants may contact the Receiver. The email address to contact the
27

28 _____
¹ Note the W9 Form proposed to be distributed is attached hereto as **Exhibit D**.

1 Receiver's office is ani@ethreadvisors.com and the phone number is 619.788.5602
 2 - pre-recorded information about the claims process will be available at this number.
 3 The general form of notice to be sent to all prospective claimants is attached hereto
 4 as **Exhibit A**.

5 It is important to the note that the aforementioned website for this
 6 receivership has been used from the beginning of the receivership as an efficient
 7 means of disseminating information to interested parties. In fact, interested parties
 8 who wish to receive updates regarding the receivership have been able to do so
 9 throughout the case by signing up at the receivership website. Accordingly, the
 10 receivership website is the appropriate platform to post the Claims Bar Date Notice
 11 and other relevant documents allowing any claimants, including non-investor
 12 claimants who wish to assert claims, a reasonable and fair opportunity to do so.

13 As with investor claims, the Receiver will review any non-investor claims
 14 that are received, attempt to resolve any disputes informally with the claimants, and
 15 then file a motion with the Court with a recommendation regarding the allowed
 16 amounts of the claims.

17 The Receiver proposes the following timeline for the claims process:

TASKS	DUE DATE
1. Send Claims Bar Date Notice, Proof of Claim (POC) Form and W9 Form (via Email if possible)	45 Days after entry of Court Order approving this Motion
2. Claims Filing Deadline (aka Claims Bar Date)	60 Days from date Claims Bar Date Notice is sent (via Email and USPS, as necessary)
3. Deficiency Notifications	90 Days from Claims Filing Deadline
4. File Motion to Allow and Deny Claims and for Approval of Distribution Plan	150 Days from Claims Filing Deadline

- 1 1. **Send Claims Bar Date Notice, Proof of Claim (POC) Form and W9**
2 **Form** - prepare and send out the Claims Bar Date Notice, Proof of
3 Claim Form and W9 form to potential non-investor and investor
4 claimants via electronic mail and/or USPS mail (if necessary). Investor
5 claimants will receive a schedule reflecting the detailed Net Loss
6 Amount calculations based on the MIMO methodology as well.
- 7 a) For investors, the electronic mail contact information obtained
8 from various sources will be used to generate the notice
9 packages. This is the contact information used to send notices to
10 investors throughout the case. If electronic mail addresses are
11 not in the possession of the Receiver, the Receiver will send out
12 the notice package via USPS mail to the last known mailing
13 address.
- 14 b) For other potential claimants, the Receiver will send the notice
15 packages via USPS to the last known address of, for example,
16 employees at the Receiver's takeover, known Receivership Entity
17 vendors, and government agencies.
- 18 c) Prospective investor claimants will be provided a unique
19 identifier and all prospective claimants will be asked to review,
20 sign and return their claim forms via USPS mail.
- 21 d) A copy of the Claims Bar Date Notice, Proof of Claim Form(s)
22 and the W9 form will be posted to the receivership website.
- 23 2. **Deficiency Notifications** – notices regarding deficiencies with claims
24 submitted to the Receiver will be sent to the applicable claimants
25 within 90 days of the Claims Filing Deadline/Claims Bar Date.
26 Deficiencies can include, without limitation, unsigned or incomplete
27 Proof of Claim forms, missing or incomplete W9 forms, and/or lack of
28 supporting documentation.

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- a) Claimants will have 20 days from the date of the Deficiency Notifications to respond and address the deficiencies.
 - b) The Receiver will then have 40 additional days to review the claimants' responses.
3. **File Motion to Allow or Deny Claims** – upon completion of the Deficiency Notification process, the Receiver will prepare and file a motion to allow or disallow claims and recommendations as to next steps (the "Claims Approval Motion").
- a) The Receiver will prepare and file objections to claims she recommends be disallowed and seek approval of claims she recommends be allowed. Prospective investor claimants will be referred to by his/her/its confidential, unique identifier which will be provided to each investor on the Net Loss Amount schedule inserted into their POC Forms.
 - b) To the extent there are claims disputes that cannot be resolved, the Receiver will identify those claims in the motion, state her recommendation as to the allowed claim amount (if any), and the applicable claimants will be allowed to file a response to the motion stating their position and setting forth their supporting evidence.
4. **File Motion for Approval of Distribution Plan** – in conjunction with the Claims Approval Motion, the Receiver will file a motion for Court approval of a proposed Distribution Plan.

1 **B. Investor Claims**

2 By sending prospective investor claimants Claims Bar Date Notices, Proof of
3 Claim Forms² and W9 forms with instructions and a schedule listing their deposits
4 and disbursements by date and amount, the bulk of the work will have been
5 completed before the notice packages go out. One of the main benefits of the
6 Receiver's forensic accounting work is that she is able to generate this schedule
7 reflecting the deposits and disbursements and Prior Recovery Rate for each investor
8 based on the extensive banking records she has gathered and analyzed. This should
9 substantially reduce the number of disputed claims and streamline the process of
10 reviewing claims and resolving any claim disputes. The form of Proof of Claim the
11 Receiver proposes to send to investors is hereto as **Exhibit B**. As noted above, the
12 Receiver proposes to set a Claims Bar Date at 60 days following the date when the
13 Claims Bar Date Notices are sent to investors.

14 Although there are always some adjustments that must be made, the
15 Receiver's accounting of investor deposits and disbursements is believed to be
16 accurate to a high degree. The types of adjustments that are expected to be made
17 during the claims process are too many to list out, but one example would be a
18 married couple who had invested and since got divorced, meaning the claim needs
19 to be split between the two former spouses. Other examples include investors who
20 invested through others, or investors who invested through personal accounts *and*
21 retirement accounts; although such investments appear separate, the ultimate
22 beneficiary is the same, thus these investments would be aggregated, but still
23 potentially paid in proportion to avoid negative tax consequences. Other issues
24 often arise due to claimants' misunderstanding of the Receiver's proposed use of a
25 MIMO calculation and where claimants believe they can claim losses related to

26 _____
27 ² CTC settlement payments are to be included in the MIMO calculations; such
28 payments and resulting calculations may be fluid at the time the Claims Bar Date
Notices are sent; as such, revisions may be needed if any settlements occur after
the date on which the notices are sent.

1 unpaid interest or attorneys' fees. In any event, these issues are typically resolved
2 after Claims Bar Date Notices go out and the Receiver and her staff have a direct
3 dialogue with the applicable claimant(s).

4 After the Receiver and her staff work through these kinds of
5 issues/adjustments to claims, the Receiver expects that most, if not all, investor
6 claim issues will be resolved and the investor claims can then be presented to the
7 Court in the noticed Claims Approval Motion for allowance and disallowance of
8 claims. Any claim disputes that have not been resolved will be laid out in the
9 Claims Approval Motion, the applicable claimants will then be allowed to respond,
10 and the Court can make a determination of the proper claims and claim amounts.

11 **C. Non-Investor Creditor Claims**

12 The Receiver has been in contact with many non-investor creditors since her
13 appointment and has kept a list of them, including vendors, landlords, taxing
14 authorities and others. The Receiver will send each known non-investor creditor a
15 Claims Bar Date Notice, Proof of Claim Form and W9 form, and will provide
16 instructions regarding the process and deadline for returning to the Receiver a
17 completed Proof of Claim Form along with copies of supporting documents,
18 including bank records, contracts, invoices, and other documents (as applicable) to
19 substantiate the amount they claim to be owed. The form of Proof of Claim Form
20 the Receiver proposes to send to non-investor creditors is attached hereto as
21 **Exhibit C**. The instructions therein will inform the claimants that that only claims
22 for actual services provided or materials delivered to the Receivership Entities prior
23 to the receivership will be considered as allowed claims. As with investor
24 claimants, at this time, claims for consequential damages such as interest, late fees,
25 contract or other damages, legal fees incurred, loss of future rent on a lease or lost
26 profits on a contract will not be considered. The Receiver will attempt to resolve
27 disputes informally through communications with non-investor claimants and will
28

1 ask the Court to determine only those claim disputes that remain unresolved at the
2 end of the process.

3 **D. Return of Proof of Claim Forms**

4 The Proof of Claim Form, which for investor claimants, will include the
5 Receiver's calculation of each prospective investor claimant's Net Loss Amounts,
6 and for all claimants, will request confirmation of the correct name of the payee to
7 which any distributions will be issued (if approved), must be signed by each
8 claimant, under penalty of perjury, and returned to the Receiver by the Claims Bar
9 Date. The Proof of Claim Form *and* W9 form must be executed by the actual
10 claimant, unless the Receiver accepts such Proof of Claim Form from a successor,
11 heir, or power of attorney who is authorized to act on the prospective claimant's
12 behalf.

13 If a prospective claimant fails to return a completed and signed Proof of
14 Claim Form and W9 form to the Receiver by the Claims Bar Date or for any claim
15 notices that are returned to the Receiver as not being deliverable, the Receiver will
16 attempt to contact the prospective claimant and/or conduct a reasonable search to
17 locate a current physical address or email address for the claimant and resend the
18 notice package, as appropriate. The search will include the records of the
19 Receivership Entities, as well as publicly available online websites and databases.
20 Through these steps, the Receiver hopes to be able to locate and successfully
21 transmit claim letters to all investors and known non-investor prospective claimants.
22 It should be noted that investors have been reminded throughout the receivership of
23 the importance of maintaining current contact information with the Receiver.

24 **E. Procedures for Claim Disputes.**

25 Upon her receipt of the completed Proof of Claim and W9 forms, the
26 Receiver will review them. Each prospective claimant will have the burden of proof
27 to establish his/her/its identity as a legitimate claimant. To communicate that they
28 are disputing their Net Loss Amount, an investor must submit the Proof of Claim

1 and W9 forms to the Receiver explaining the nature of his/her/its dispute, along with
2 all documentation supporting his/her/its position, on or before the Claims Bar Date.
3 In each case, the Receiver will review and evaluate the dispute, including the
4 supporting documentation provided.

5 **III. LEGAL AUTHORITY**

6 **A. District Courts Have Broad Equitable Powers to Administer**
7 **Receivership Matters**

8 "The power of a district court to impose a receivership or grant other forms of
9 ancillary relief does not in the first instance depend on a statutory grant of power
10 from the securities laws. Rather, the authority derives from the inherent power of a
11 court of equity to fashion effective relief." *SEC v. Wencke*, 622 F.2d 1363, 1369
12 (9th Cir. 1980). The "primary purpose of equity receiverships is to promote orderly
13 and efficient administration of the estate by the district court for the benefit of
14 creditors." *SEC v. Hardy*, 803 F.2d 1034, 1038 (9th Cir 1986). As the appointment
15 of a receiver is authorized by the broad equitable powers of the court, any
16 distribution of assets must also be done equitably and fairly. See *SEC v. Elliot*,
17 953 F.2d 1560, 1569 (11th Cir. 1992).

18 District courts have the broad power of a court of equity to determine the
19 appropriate action in the administration and supervision of an equity receivership.
20 See *SEC v. Capital Consultants, LLC*, 397 F.3d 733, 738 (9th Cir. 2005). The Ninth
21 Circuit explained:

22 A district court's power to supervise an equity receivership
23 and to determine the appropriate action to be taken in the
24 administration of the receivership is extremely broad. The
25 district court has broad powers and wide discretion to
26 determine the appropriate relief in an equity receivership.
27 The basis for this broad deference to the district court's
28 supervisory role in equity receiverships arises out of the
fact that most receiverships involve multiple parties and
complex transactions. A district court's decision
concerning the supervision of an equitable receivership is
reviewed for abuse of discretion.

1 *Id.* (citations omitted); see also *CFTC v. Topworth Int'l, Ltd.*, 205 F.3d 1107, 1115
2 (9th Cir. 1999) ("This court affords 'broad deference' to the court's supervisory role,
3 and 'we generally uphold reasonable procedures instituted by the district court that
4 serve th[e] purpose' of orderly and efficient administration of the receivership for
5 the benefit of creditors."). Accordingly, the Court has broad equitable powers and
6 discretion in formulating procedures, schedules, and guidelines for administration of
7 the receivership estate assets.

8 **B. Approval of Proposed Claim Procedures**

9 In overseeing a receivership, the court must "make rules which are practicable
10 as well as equitable." *Hardy* at 1039 (quoting *First Empire Bank-New York v.*
11 *FDIC*, 572 F.2d 1361, 1368 (9th Cir. 1978)). The Receiver requests the Court set
12 the following rules and procedures in the interest of fairly and efficiently
13 administering claims against the receivership estate.

14 First, all claim disputes should be resolved via summary proceedings, *i.e.* via
15 noticed motion. District Courts have the power to use "summary procedures in
16 allowing, disallowing, and subordinating claims of creditors . . ." *United States v.*
17 *Arizona Fuels Corp.*, 739 F.2d 455, 458 (9th Cir. 1984). A noticed motion, to
18 which claimants who dispute their claims have the opportunity to respond, is the
19 appropriate procedure for resolving claims in a receivership and is comports with
20 the requirements of due process. *SEC v. Hardy*, 803 F.2d 1034, 1040 (9th Cir.
21 1986). Plenary proceedings to resolve each disputed claim would unduly delay the
22 administration of the case and consume receivership estate and judicial resources.

23 Second, all investor claims should initially be calculated using a simple,
24 money-in/money-out formula that limits claims to each investor's net loss from the
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1 Receivership Entities.³ The money-in/money-out or "MIMO" formula has been
2 endorsed by the Ninth Circuit Court of Appeals and other courts in fraud cases
3 where, like here, the assets of the estate may be insufficient to pay all claims in full.
4 *See Capital Consultants*, 397 F.3d at 738 (describing a net claim calculation as "an
5 administratively workable and equitable method of allocating the limited assets of
6 the receivership"); *Topworth*, 205 F.3d at 1116; *In re Tedlock Cattle Company Inc.*,
7 552 F.2d 1351, 1354 (9th Cir. 1977); *In re Taubman*, 160 B.R. 964, 980-82 (Bankr.
8 S.D. Ohio 1993). Thus, at least initially, only the amounts deposited into the
9 Receivership Entities by investors (directly or indirectly) and distributed from the
10 Receivership Entities to investors (directly or indirectly) should be used to
11 determine allowed claim amounts. Unless and until there are sufficient amounts in
12 the receivership to pay all MIMO claims in full, all additional amounts claimed by
13 investors (such as interest, lost profits, attorney fees, etc.) should be disallowed.

14 Third, as in a bankruptcy case, it should be a claimant's burden to establish a
15 valid claim against the receivership estate. *See Lundell v. Anchor Constr.*
16 *Specialists, Inc.*, 223 F.3d 1035, 1039 (9th Cir. 2000); *Revere Copper & Brass, Inc.*
17 *v. Adriance Machine Works, Inc.*, 76 F.2d 876, 878 (2d Cir. 1935) (claimants failed
18 to sustain burden of proving claims against receivership). Here, the Receiver has
19 done an extensive accounting analysis of the sources and uses of funds by the
20 Receivership Entities. Investor claimants who dispute the Net Loss Amounts in
21 their Proof of Claim Notices should be required to provide sufficient bank record
22 and other documentary support for their own calculation in order to rebut the
23 Receiver's accounting. If they fail to do so, the amounts reflected in the Receiver's
24 accounting should be accepted as their allowed claim amount.

25

26 ³ The Receiver recognizes that the investor losses are substantially greater than
27 reflected in the MIMO or "net loss" claim calculation. As previously stated, the
28 Receiver may commence an additional claims process if it becomes apparent that
the Receiver has recovered proceeds available for distribution to investors in
excess of the total investor net losses.

1 Based on her experience in complex federal equity receivership matters and
2 her forensic accounting work performed in this case, the Receiver believes the rules
3 and procedures for administration of claims proposed herein are reasonable and fair,
4 consistent with the requirements of due process, and will promote the orderly and
5 efficient determination of all claims against the receivership estate, including any
6 and all claim disputes that cannot be resolved consensually by the Receiver and the
7 applicable claimant(s). As noted above, having all claims against the receivership
8 estate resolved and set by Court order will be a critical step in being able to make a
9 fair and equitable distribution of funds in the receivership estate.

10 **IV. CONCLUSION**

11 Based on the foregoing, the Receiver respectfully requests that the Motion be
12 granted and thus the proposed rules and procedures for the administration of claims
13 against the receivership estate approved, the proposed Claims Bar Date be set and
14 the Proof of Claim Notice and Proof of Claim Forms be approved.

15
16 Dated: June 3, 2021

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP

17
18 By: s/Edward G. Fates

19 DAVID R. ZARO
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21 NORMAN M. ASPIS
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23 KRISTA FREITAG
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EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION	PAGE NO.
Exhibit A	General Form of Notice to be Sent to all Prospective Claimants	18
Exhibit B	Form of Proof of Claim to be Sent to Investors	24
Exhibit C	Form of Proof of Claim to be Sent to Non-Investor Creditors	29
Exhibit D	Proposed W9 Form to be Distributed	34

EXHIBIT A

EXHIBIT A

_____, 2021

Re: **Claims Bar Date Notice and Instructions for Proof of Claim Form**
in the matter of Securities and Exchange Commission v. Gina Champion-Cain and ANI Development, LLC, Defendants, and American National Investments, Inc., Relief Defendant, United States District Court, Southern District of California (the "Court") Case No. 3:19-cv-01628-LAB-AHG

Dear Claimant:

As you are aware, I have been appointed as permanent receiver for Defendant ANI Development, LLC, Relief Defendant American National Investments, Inc., and their subsidiaries and affiliates (collectively, "Receivership Entities" or individually, a "Receivership Entity") in connection with the above-referenced Securities and Exchange Commission (the "SEC" or "Commission") enforcement action.

Among my duties as the Receiver is to oversee the administration of the claims process whereby each prospective claimant can submit a claim for payment of her/his/its net loss or other claim, which claim, if allowed by the Court, will be paid in accordance with a (yet to be filed) distribution plan. As presented in the Motion for, (1) Approval of Procedures for the Administration of Claims Against the Receivership Estate; (2) Setting Claims Bar Date; and (3) Approval of the Claims Bar Date Notice and Proof of Claim Forms (the "Claims Motion"), in order to determine the appropriate claim amount for each unique claimant and formulate a proposed plan for distributing receivership estate funds, an orderly process for the submission and review of claim information, and the determination of any disputed claims must be established. As such, the Receiver first sought Court approval of the Claims Motion and will later seek Court approval of a distribution plan in order to proceed with the actual distributions.

On _____, 2021, the United States District Court approved the Claims Motion via the Order Granting Motion for, (1) Approval of Procedures for the Administration of Claims Against the Receivership Estate; (2) Setting Claims Bar Date; and (3) Approval of the Claims Bar Date

Notice and Proof of Claim Forms ("Claims Process Order"). A copy of the Claims Motion and Claims Process Order can be found at www.anireceivership.com or you can request a copy by phone at (619) 788-5602 or email at ani@ethreadvisors.com.

This Claims Bar Date Notice and Instructions for Proof of Claim Form serves as formal notice of the Claims Process Order, which among other things, requires that each claimant sign (under penalty of perjury) and submit the enclosed Proof of Claim Form and Substitute W9 form to the Receiver on or before *[insert date 60 days from date of this letter]* (the "Bar Date"). Should you fail to return the completed and signed Proof of Claim Form and W9 form on or before the Bar Date, your claim may be disallowed as untimely.

You have been identified as a prospective claimant. With regard to investor claimants, I have worked to calculate the Net Loss Amount, which reflects the net amount of actual payments you made to and received from the Receivership Entities or others in connection with the scheme. The Proof of Claim Form provides each of you with a detailed summary of my calculations of your claim, resulting from the money-in/money-out ("MIMO") calculation (which includes any settlement payment you received from Chicago Title) as approved by the Court. Please note that, pursuant to the Claims Process Order, this calculation does not include any interest or principal amounts "reinvested", "compounded", "rolled over" or otherwise never actually paid out to you; it also does not include any accrued interest or legal fees you may have incurred.

For most investor claimants, this calculation may aggregate or identify multiple investments which appear affiliated or investors in the same household (e.g., husband and wife) as a single unit/unique investor. For example, if you invested \$10,000 via 'Account A' and \$10,000 via 'Account B' and received total payments from the Receivership Entities' or others in

connection with the scheme for 'Account A' of \$12,000 and rolled over \$3,000 of unpaid interest for 'Account B'; your total claim amount will be \$8,000 (\$10,000 plus \$10,000 less \$12,000 actually received).

However, it may be necessary in some instances to separate affiliated investments or household units. As such, you and your spouse, significant other, or relative must provide to my office all documentation which is relevant to showing who (along with the appropriate tax identification number) is the ultimate beneficiary of your investment(s). For example, if a family trust's beneficiaries are different from your individual investment, it is imperative you provide all current trust documents which reflect the legal beneficiaries of the trust's assets. Or, for example, if an investor has married or divorced, is deceased, is a corporation or an LLC, paperwork reflecting such occurrence (e.g., marriage certificate, divorce decree or death certificate, will and/or estate documents which reflect beneficiaries) or proper ownership (in the event of a corporate or LLC investments) must be provided to my office. If separation of investments is determined appropriate or necessary, we will need each separate investor to complete his/hers/its own Proof of Claim Form. **Each of you will be required to timely complete and return a Proof of Claim Form and W9 to my office. The Proof of Claim Form and W9 Form will be available for download on the www.anireceivership.com website or you can request an additional copy by emailing the Receiver at ani@ethreadvisors.com.**

Please note that if you receive any payments for any reason (between now and the distribution plan implementation) relating to your investment(s), the amount(s) of those payments will reduce your net MIMO balance for the purpose of the forthcoming distribution plan to be submitted for Court approval upon completion of this claims process.

Trade creditors and taxing authorities must also timely submit Proof of Claim Forms and W9 Forms to my office. Per the Claims Process Order and the attached Trade Creditor and Tax Proof of Claim Forms, each Trade Creditor who asserts a claim against the Receivership Entities for amounts due prior to the Receivership Appointment Date (September 3, 2019), must complete, sign and submit the Proof of Claim Form with supporting documentation to my office on or before the Claims Bar Date. If approved, trade claims will only be allowed in the amount of the actual value of the goods or services provided prior to the Receivership Date.

With regard to both investor claimants and trade creditor claimants, please note that pursuant to the Claims Process Order, an allowed claim shall not include claims for interest, late fees, contract or other damages, legal fees, contingent or unliquidated damages, claims submitted by a Defendant or their present or former officer or director.

AT THIS TIME, PLEASE READ, REVIEW, AND COMPLETE THE ATTACHED INVESTOR PROOF OF CLAIM FORM OR TRADE CREDITOR AND TAX PROOF OF CLAIM FORM AND RETURN A COPY, ALONG WITH THE ENCLOSED W9 FORM AND ANY SUPPORTING DOCUMENTATION YOU DEEM NECESSARY, TO E3 ADVISORS, ATTN: ANI CLAIMS PROCESS ADMINISTRATOR AT 501 WEST BROADWAY, SUITE 290, SAN DIEGO, CA 92101. THESE FORMS MUST BE SIGNED AND RETURNED SUCH THAT THEY ARE RECEIVED ON OR BEFORE THE BAR DATE [INSERT DATE 60 DAYS FROM DATE OF THIS LETTER].

As always, I encourage you to follow this matter on the website at www.anireceivership.com. Thank you for your assistance during the pendency of this process.

Very truly yours,

Krista L. Freitag
Court-Appointed Receiver

Enclosure

EXHIBIT B

EXHIBIT B

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA
CASE NO. 3:19-cv-01628-LAB-AHG**

INVESTOR PROOF OF CLAIM FORM

SECURITIES AND EXCHANGE COMMISSION
vs.
GINA CHAMPION-CAIN; ANI DEVELOPMENT, LLC;
DEFENDANTS
and
AMERICAN NATIONAL INVESTMENTS, INC.;
RELIEF DEFENDANT

THIS SPACE RESERVED FOR ADMINISTRATIVE
USE ONLY

PLEASE READ THE ACCOMPANYING LETTER INSTRUCTIONS BEFORE COMPLETING THIS FORM, IT MUST BE RETURNED ON OR BEFORE [insert Claims Bar Date]

As reflected in Section 3 below, the Receiver has calculated the Net Loss Amount, the net amount of actual payments you made to and received from the Receivership Entities or others in connection with the scheme.

If the investor name and amounts listed in Section 3 below are consistent with your records, you do not need to provide any documents or further information; you need to simply complete and sign this Proof of Claim Form, complete and sign the enclosed W9 Form, and return both forms to: **E3 Advisors, Attn: ANI Claims Process Administrator, 501 West Broadway, Suite 290, San Diego, CA 92101.**

If your records are not consistent with the investor name or amounts listed in Section 3 below, you will need to provide further documentation, as described on the last page of this document. Please keep in mind that pursuant to the Court's order, an allowed claim shall not include claims for interest, late fees, contract or other damages, contingent or liquidated damages, or legal fees incurred.

The Receiver will review each Proof of Claim Form, attempt to resolve any questions or disputes directly with the claimant, and will ultimately make a recommendation to the Court to allow or disallow part or all of the claim. Claimants will receive notice and an opportunity to respond if the Receiver disagrees with the amount stated on their claim. For claims that are allowed, distributions will be made pursuant to a Court-approved distribution plan. The amount distributed will depend on the total amount of allowed claims, the total assets available for distribution, and the terms of the distribution plan.

Submission of a claim does not guarantee the claims will be allowed or any payment will be made. The claim must be allowed by the United States District Court for the Southern District of California ("Court").

ADDRESS OF CLAIMANT:

() Check this box **ONLY** if your current address or contact information has changed and, if so, please print your updated address and/or contact information here:

Updated Address: _____

Telephone No. of Claimant: _____

Email Address of Claimant: _____

() Check this box **ONLY** if you have an alternative contact for your investments. If so, please include all contact details here (you must also attach a Power of Attorney, Death Certificate, Trust Beneficiary, or other legal documentation, as applicable, which legally authorizes contact with such individual or entity):

Alternative Contact Name:.....

Alternative Contact Address:

Telephone No. of Alternative Contact: _____

Email Address of Alternative Contact: _____

Please complete the following:

1. Was your investment/loan made from an IRA account? YES / NO

If YES, please print the IRA Custodian name, address and phone number as well as your account number here:

Custodian Name and Address: _____

Telephone No. of Custodian: _____

Email Address of Custodian: _____

Account Number: _____

2. Name as it should appear on distribution check (if YES on Item 1. above, be certain to clarify if such payment is to be made payable to and sent directly to the IRA Custodian or to you individually):

Payee: _____

Payment Address (only IF different than address on file):

Payment Address: _____

NET LOSS CALCULATION(S):

According to the records of the Receivership Entities, it appears, you have made the following investments in and received the following payments from the Receivership Entities or others in connection with the scheme (to include payments to you made from Chicago Title):

Unique Identifier		1
Date	Payor/Payee	Amount
12/12/2012	Investor Name	100,000.00
5/13/2013	Investor Name	(15,000.00)
5/14/2013	Investor Name	150,000.00
9/26/2013	Investor Name	(43,125.00)
10/28/2013	Investor Name	(43,125.00)
11/22/2013	Investor Name	(43,125.00)
TOTAL MONEY IN		250,000.00
TOTAL MONEY OUT		(144,375.00)
TOTAL NET LOSS AMOUNT		\$105,625.00
PRIOR RECOVERY RATE (MONEY OUT/MONEY IN)		57.75%

If the information above is not consistent with your records (investor name or amounts), you will need to provide corrected information in the same format as Section 3 above (attach additional sheets if necessary) and supporting documentation, further discussed below.

3. **Supporting Documents: *DO NOT SEND*** copies of supporting documents if you agree with the information listed in Section 3 above. However, if you dispute the investor name or amounts listed in Section 3 above, ***DO SEND COPIES ONLY*** of all documents which support your corrected investment information along with your completed and signed Proof of Claim and W9 Forms to: E3 Advisors, Attn: ANI Claims Process Administrator, 501 West Broadway, Suite 290, San Diego, CA 92101. Examples of supporting documentation include bank statements, canceled checks, wire transfer documents, contracts, email messages, or other written correspondence. If the Receiver has questions or needs further information, her office will contact you.

4. **Date Stamped Copy:** To receive an acknowledgement of the filing of your Proof of Claim Form, please enclose a stamped, self-addressed envelope and an additional copy of this Proof of Claim Form.

5. **Signature:** Sign and print the name and title, if any, of the claimant or other person authorized to file this claim (attach copy of power of attorney, death certificate, trust beneficiary, or other documents as needed). **YOU MUST PROVIDE AN ORIGINAL SIGNATURE.**

PLEASE NOTE that we cannot provide you with tax or legal advice relating to your claim. If you have concerns about the tax or legal implications of your claim, please contact an attorney or your tax advisor.

By Signing My/Our Name Below, I/We Acknowledge and Affirm that: I/we will supplement this Proof of Claim Form if any information given later becomes inaccurate or incomplete; I/we am/are a creditor of the Receivership Entities; I/we hereby affirm that the answers provided herein are truthful; and that I/we understand that this Proof of Form is submitted under penalty of perjury.

Date: _____, 2021

Signature: _____ Name: _____

Title (if any) _____

Signature: _____ Name: _____

Title (if any) _____

Signature: _____ Name: _____

Title (if any) _____

EXHIBIT C

EXHIBIT C

<p align="center">UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF CALIFORNIA CASE NO. 3:19-cv-01628-LAB-AHG</p> <p><i>SECURITIES AND EXCHANGE COMMISSION</i> vs. <i>GINA CHAMPION-CAIN; ANI DEVELOPMENT, LLC; DEFENDANTS</i> and <i>AMERICAN NATIONAL INVESTMENTS, INC.;</i> <i>RELIEF DEFENDANT</i></p>	<p align="center">TRADE CREDITOR PROOF OF CLAIM FORM</p> <p align="center">THIS SPACE RESERVED FOR ADMINISTRATIVE USE ONLY</p>
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**PLEASE READ THE ACCOMPANYING LETTER - INSTRUCTIONS BEFORE
COMPLETING THIS FORM, THIS FORM MUST BE COMPLETED AND
RETURNED ON OR BEFORE [insert Claims Bar Date]**

NAME AND ADDRESS OF CLAIMANT:

[insert name and address here]

The submission of a Trade Creditor and Tax Claim Form does not guarantee that you will receive a distribution of any amount. Each claim will be reviewed by the Receiver, and the Receiver will then make a recommendation to the United States District Court for the Southern District of California ("Court") to allow or disallow part or all of the claim. Claimants will receive notice and an opportunity to respond if the Receiver disagrees with the amount stated on their claim. For claims that are allowed, distributions will be made pursuant to a Court-approved distribution plan. The amount distributed will depend on the total amount of allowed claims, the total assets available for distribution, and the terms of the distribution plan.

In submitting your claim, please keep in mind that an allowed claim shall not include claims for interest, late fees, contract or other damages, legal fees incurred, contingent or unliquidated damages. Furthermore, only claims for actual services provided or materials delivered to the Receivership Entities prior to the receivership will be considered.

I am submitting a claim as an/a (must check only one box):

- Trade Creditor or Vendor
- Employee (if selected, must complete Section II **and** Section VII below)
- Tax Agency (State, Federal or local taxing authority)
- Other. If Other, provide explanation: _____

Check this box ONLY if your current address has changed and, if so, please print updated address here:

Updated Address: _____

Telephone No. of Claimant: _____

Email Address of Claimant: _____

Tax I.D.: _____

Name as it should appear on distribution check:

Payee: _____

Payment Address (only IF different than address on file):

Payment Address: _____

DETAILED CHART ON FOLLOWING PAGE(S)

Supporting Documents: If you are a trade creditor, vendor, employee, taxing authority or other claimant, you are required to provide sufficient documentation supporting your claim; claims submitted without sufficient supporting documentation may be disallowed. Please send copies only and retain your original records; original materials provided to the Monitor will not be returned to you. Upon completion, be sure to keep a copy of your completed claim form and proof of mailing. Please send all documentation to: E3 Advisors, Attn: ANI Claims Process Administrator, 501 West Broadway, Suite 290, San Diego, CA 92101. If the Receiver has questions or needs further information, her office will contact you.

Date Stamped Copy: To receive an acknowledgement of the filing of your Claim Certification Form, please enclose a stamped, self-addressed envelope and an additional copy of this Claim Certification Form.

Signature: Sign and print the name and title, if any, of the claimant or other person authorized to file this claim (attach copy of power of attorney, death certificate, trust beneficiary, or other documents as needed). **YOU MUST PROVIDE AN ORIGINAL SIGNATURE.**

PLEASE NOTE that we cannot provide you with tax or legal advice relating to your claim. If you have concerns about the tax or legal implications of your claim, please contact an attorney or your tax advisor.

By Signing My/Our Name Below, I/We Acknowledge and Affirm that: I/we will supplement this Proof of Claim Form if any information given later becomes inaccurate or incomplete; I/we am/are a creditor of the Receivership Entities; I/we hereby affirm that the answers provided herein are truthful; and that I/we understand that this Proof of Claim is submitted under penalty of perjury.

Date: _____, 2021

Signature: _____ Name: _____

Title (if any) _____

Signature: _____ Name: _____

Title (if any) _____

Signature: _____ Name: _____

Title (if any) _____

EXHIBIT D

EXHIBIT D

**Substitute FORM W-9
Taxpayer Identification Number Certification**

Social Security Number / Taxpayer Identification Number: _____

Exempt Payee Code (if any) _____ Exemption from FATCA reporting code (if any) _____

Check appropriate box for federal tax classification:

Individual C Corporation S Corporation Partnership Trust/estate Other

Limited Liability Company - choose tax classification C Corporation S Corporation Partnership

Print your name as it appears on your federal income tax return:

First Name and Last Name, for Individuals. Entity Name for businesses and trusts.

Under penalty of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number; **and**
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; **and**
3. I am a U.S. citizen or other U.S. person (including a U.S. resident alien); **and**
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Note: If you have been notified by the IRS that you are subject to backup withholding, you must cross out item 2 above.

Signature
of U.S. Person: _____ Date: _____