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21 KRISTA FREITAG

22 UNITED STATES DISTRICT COURT
23 SOUTHERN DISTRICT OF CALIFORNIA

24 SECURITIES AND EXCHANGE
25 COMMISSION,

26 Plaintiff,

27 v.

28 GINA CHAMPION-CAIN and ANI
DEVELOPMENT, LLC,

Defendants.

AMERICAN NATIONAL
INVESTMENTS, INC.,

Relief Defendant.

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

Ctrm: 14A
Judge Hon. Larry Alan Burns

**DECLARATION OF KRISTA L.
FREITAG IN SUPPORT OF
MOTION FOR PARTIAL
SETTLEMENTS OF RELATED
CLAWBACK ACTION AGAINST LA
JOLLA BRIDGE, LLC**

Date: October 11, 2022
Time: 11:30 a.m.
Courtroom: 14A
Judge: Hon. Larry Alan Burns

1 I, Krista Freitag, declare:

2 1. I am the Court-appointed permanent receiver for Defendant ANI
3 Development, LLC, Relief Defendant American National Investments, Inc., and
4 their subsidiaries and affiliates ("Receivership Entities"). I make this declaration in
5 support of my Motion to Approve Partial Settlements of Related Clawback Action
6 Against La Jolla Bridge, LLC ("Motion"). I have personal knowledge of the facts
7 stated herein, and if called upon to do so, I could and would personally and
8 competently testify to them.

9 2. This motion seeks approval of three partial settlements of my Clawback
10 action against La Jolla Bridge, LLC ("La Jolla Bridge") that fall outside the pre-
11 approved settlement parameters. There were two iterations of La Jolla Bridge, both
12 with the exact same name and both of which made investments in the Ponzi scheme
13 through Kim Funding, LLC, an entity controlled by Kim Peterson. The first La
14 Jolla Bridge entity was formed in 2016 and dissolved in 2017 ("LJB No. 1"), and the
15 second was formed in 2019 and dissolved in 2020 ("LJB No. 2"). Subject to Court
16 approval, I have settled the estate's claims against LJB No. 2 (including all of its
17 former members) ("LJB No. 2 Settlement Agreement") and has separately settled
18 the estate's claims against nine (9) of the 12 former members of LJB No. 1 – eight
19 (8) in one settlement agreement ("LJB No. 1 Members Settlement Agreement") and
20 one (1) in a separate settlement agreement ("Threefoot Settlement Agreement").
21 True and correct copies of the LJB No. 2 Settlement Agreement, the LJB No. 1
22 Members Settlement Agreement, and the Threefoot Settlement Agreement are
23 attached hereto as Exhibits A, B, and C.

24 3. Although the two La Jolla Bridge entities together received just over
25 \$625,263.68 in net profits from the Ponzi scheme, LJB No. 2 received only
26 \$76,869.85 of that amount. LJB No. 2 was dissolved prior to the receivership, so I
27 must pursue recovery from its former members, each of whom received a share of
28 the net profits paid to LJB No. 2. There are 14 former members of LJB No. 2 and

1 each of them received less than \$15,000 in net profits (through LJB No. 2) from the
2 Ponzi scheme. Therefore, the Clawback Claim against the members of LJB No. 2
3 presents unique cost/benefit challenges in terms of obtaining and enforcing a
4 judgment against 14 separate parties, each for a relatively small amount. For this
5 reason, I, subject to Court approval, agreed to a larger discount of the Clawback
6 Claim than I would otherwise accept pursuant to the pre-approved settlement
7 parameters. While the pre-approved amount for a post-litigation settlement would
8 be \$65,339.37 (85% of \$76,869.85), the proposed settlement provides for a payment
9 of \$50,000 (or 65%). Under the circumstances, I believe this settlement amount is
10 fair and reasonable, and represents a greater net recovery than would likely be
11 obtained through litigation and enforcement of a judgment to collect relatively small
12 amounts from 14 separate parties.

13 4. As with LJB No. 2, LJB No. 1 has been dissolved, so I must pursue the
14 former members of the entity for the portions of the total net profits they received.
15 Through special interrogatories issued through counsel in the La Jolla Bridge
16 Clawback case, I obtained a breakdown showing how the total net profits paid to
17 LJB No. 1 from the Ponzi scheme (\$548,393.83) were distributed to the former
18 members of LJB No. 1. Unlike the distribution of profits to the former members of
19 LJB No. 2, which was fairly even with no one member receiving more than \$15,000,
20 the distribution amounts the former members of LJB No. 1 received varied quite
21 widely. There are 12 former members of LJB No. 1; five of them received less than
22 \$15,000, five of them received between \$15,000 and \$50,000, and two of them
23 received more than \$50,000 (with one of those two having received more than
24 \$240,000). Again, considering the cost/benefit challenges of obtaining and
25 enforcing a judgment for relatively small amounts against a large number of parties,
26 I, subject to Court approval, agreed to accept reduced settlement amounts from
27 former members of LJB No. 1 who received smaller portions of the total net profits.

28

1 5. Under the proposed LJB No. 1 Members Settlement Agreement, there
2 are eight (8) settling former members, all of whom received less than \$50,000 in net
3 profits. Those who received less than \$15,000 will pay 70% of the net profits they
4 received, and those who received between \$15,000 and \$50,000 will pay 75% of the
5 net profits they received. In the aggregate, the settling former members will pay
6 \$111,178.70 to settle Clawback Claims against them collectively in the total amount
7 of \$151,336.65. I believe this settlement amount is fair and reasonable, and
8 represents a greater net recovery than would likely be obtained through litigation
9 and enforcement of a judgment to collect relatively small amounts from eight (8)
10 separate parties.

11 6. This proposed settlement does not fully resolve the Clawback Claim as
12 to LJB No. 1 and its former members. There are four (4) other former members
13 who are not part of the proposed LJB No. 1 Members Settlement Agreement ; one
14 (1) of whom (the former member with the second largest net profit amount) settled
15 with me at the pre-approved settlement amount, one (1) of whom has settled subject
16 to Court approval (as discussed below), and two of whom have not settled. I will
17 continue to pursue the estate's Clawback Claim against LJB No. 1 and the two (2)
18 former members who have not settled.

19 7. As noted above, one (1) of the former members of LJB No. 1 has
20 settled separately from the eight (8) former members in the LJB No. 1 Members
21 Settlement Agreement, which settlement is subject to Court approval. The
22 Threefoot Settlement Agreement falls outside of the pre-approved parameters and
23 outside of the settlement percentages under the LJB No. 1 Members Settlement
24 Agreement. This is because the former member involved, Henry K. Threefoot, is
25 deceased. Based on information obtained from available public records, Mr.
26 Threefoot died in December 2020 and lived in Louisiana. Considering that Mr.
27 Threefoot is deceased and the receivership estate's claim (\$29,979.70) would have to
28 first be reduced to judgment and then made against his estate in Louisiana probate

1 court, the collection costs and challenges to securing a recovery on the claim are
 2 unique and support a larger settlement discount. Therefore, I have accepted an offer
 3 from Horacio Valeiras to pay \$15,000 on behalf of Mr. Threefoot's estate in full
 4 satisfaction of the claim.

5 8. I believe the Clawback Claims are very strong, but also believe reduced
 6 settlements below what I would otherwise accept pursuant to the pre-approved
 7 settlement parameters are appropriate because of the relatively small amounts that
 8 would need to be collected from a large number of separate parties, including the
 9 estate of one party who is deceased. The costs of enforcing a judgment go up
 10 significantly when it must be enforced against numerous parties. Pursuing the
 11 Clawback Claims against the 14 former members of LJB No. 2 and the nine (9)
 12 settling former members of LJB No. 1 (including the estate of Mr. Threefoot) would
 13 result in higher costs, reducing the net recovery for the estate. Under these
 14 circumstances, I believe the proposed settlements at slightly lower percentages (e.g.,
 15 50%, 65%, 70% and 75%, as noted above) than what would otherwise be accepted
 16 for a post-litigation Clawback settlement (85%) are reasonable and will produce a
 17 greater net recovery for the estate than continued litigation and enforcement of
 18 judgments against the numerous parties involved.

19 I declare under penalty of perjury under the laws of the United States of
 20 America that the foregoing is true and correct.

21 Executed this 6th day of September 2022, at Los Angeles, California.

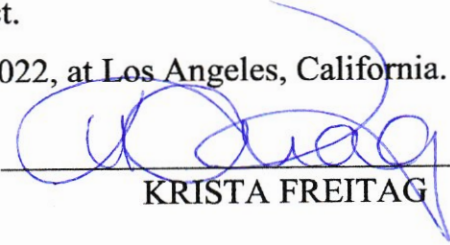
22
 23 
 KRISTA FREITAG

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION	PAGE NO.
Exhibit A	Settlement Agreement and Mutual Release (LJB No. 2)	7
Exhibit B	Settlement Agreement and Mutual Release (LJB No. 1)	13
Exhibit C	Settlement Agreement and Mutual Release (Threefoot)	21

EXHIBIT A

EXHIBIT A

SETTLEMENT & MUTUAL RELEASE AGREEMENT

July 11
This SETTLEMENT & MUTUAL RELEASE AGREEMENT ("Agreement"), dated as of February 4, 2022 is made by and between KRISTA L. FREITAG ("Receiver"), in her capacity as the Court-appointed permanent receiver for ANI DEVELOPMENT, LLC, AMERICAN NATIONAL INVESTMENTS, INC., and their subsidiaries and affiliates ("Receivership Entities"), and LA JOLLA BRIDGE LLC, a canceled California limited liability company—entity number: 201900810690, registration date: 01/03/2019 and its former managing member FRONTIER GLOBAL PARTNERS, LLC (collectively "LJB No. 2"). Receiver and LJB No. 2 are collectively referred to herein as "Parties" or individually as a "Party."

RECITALS

A. On August 28, 2019, the Securities and Exchange Commission ("Commission") filed a Complaint in the United States District Court for the Southern District of California ("District Court") against Defendants Gina Champion-Cain ("Champion-Cain") and ANI Development, Inc., and Relief Defendant American National Investments, Inc. ("SEC Action"). Concurrently with filing the Complaint, the Commission and Champion-Cain filed a Joint Motion and Stipulated Request by all parties for a Preliminary Injunction Order and Orders (1) Freezing Assets; (2) Requiring Accountings; (3) Prohibiting the Destruction of Documents; and (4) Appointing a Permanent Receiver ("Joint Motion").

B. On September 3, 2019, the District Court granted the Joint Motion and entered its Order; Granting the parties' Joint Motion and Stipulated Request by all parties for a Preliminary Injunction Order and Order (1) Freezing Assets; (2) Requiring Accountings; (3) Prohibiting the Destruction of Documents; and (4) Appointing a Permanent Receiver, including appointment of the Receiver on a permanent basis.

C. On September 20, 2021, the Receiver filed a Complaint for Fraudulent Transfer, Case No. 21 cv 1642 W AHG (the "Action"). In the Action, the Complaint singularly names "La Jolla Bridge, LLC" as a Defendant, but the body of the Complaint acknowledges, "that there were actually two entities named La Jolla Bridge, LLC..." Those two entities are LJB No. 2, on the one hand, and La Jolla Bridge, LLC, a canceled California limited liability company—entity number: 201609710198, registration date: 03/28/2016 and its former managing member HORACIO A. VALEIRAS (collectively "LJB No. 1"), on the other hand. This Agreement, its terms, and its releases only relate to LJB No. 2 and nothing herein shall be construed as relating to and/or admissible against LJB No. 1.

D. The Receiver has alleged that LJB No. 2 and its members received \$76,869.85 from the Receivership Entities in excess of any amounts paid or value provided to the Receivership Entities based on the 2019 transactions listed on Exhibit B of the Receiver's Complaint in the Action, i.e., those transactions starting 1/23/2019 and ending 5/7/2019 (the LJB No. 2 Transactions"). The Receiver has asserted claims against LJB No. 2 for the return of the amounts received as representing one or more voidable transactions under the California Uniform Voidable Transactions Act. LJB No. 2 denies the Receiver's allegations.

E. As a material representation to induce the Receiver to accept \$50,000, at the Early Neutral Evaluation (ENE) before Judge Goddard, LJB No. 2 represented that there were 14 members of LJB No. 2 and that the largest amount of alleged net gain received by any of the 14 members from the funding LJB No. 2 provided to Kim Funding was approximately \$10,000 and

other members received less than \$10,000. As supporting documentation, LJB No. 2 has produced a document showing the names of the members of LJB No. 2 and LJB No. 2's 2019 tax returns, which include income from other loans extended by LJB No. 2, which other loans LJB No. 2 represents have no relation whatsoever to the Receivership Entities. LJB No. 2 has also provided the names of its members and ownership information for entities or trusts to the extent it has that information. Based on this production of documents and information, the Receiver agreed to move forward with the settlement.

F. To avoid the cost of litigation, the Parties have agreed under the supervision of U.S. Magistrate Judge Goddard, to settle and resolve all disputes, and release all claims between them without either Party making any admissions whatsoever by entering into this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the above stated Recitals, which are incorporated herein, the covenants and conditions hereinafter contained, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the undersigned agree as follows:

1. Court Approval. This Agreement is conditioned on the entry of an order by the District Court approving the Agreement ("Approval Order"). If an Approval Order is not entered by the District Court, the Agreement shall have no force or effect. The Receiver shall file a motion in the SEC Action seeking approval of the Agreement.

2. Payment. LJB No. 2 has agreed to pay the lump sum amount of fifty-thousand dollars (\$50,000) to the Receiver, contingent upon entry of the Approval Order, as provided above, to resolve all claims and disputes arising between the Parties. The full payment shall be made by LJB No. 2 to the Receiver within 3 business days of entry of the Approval Order.

3. Frontier Global Partners Representation. Fronter Global Partners represents and warrants that it is not an investor, lender, or member in LJB No. 1, has no interest in LJB No. 1, and has never made any loans or transfers to or received any funds or other consideration from LJB No. 1, directly or indirectly.

4. Mutual Release. On the express conditions that (1) the District Court approves this settlement in an Approval Order; and (2) that the full payment due under Section 2 above has been fully made in good funds, then the Receiver, on the one hand, and LJB No. 2 on the other hand, and each of them, for themselves, their agents, managers, members, lenders, investors, employees, partners, directors, officers, successors and assigns, forever, irrevocably and unconditionally release and discharge one another, and their respective agents, managers, members, lenders, investors, employees, partners, directors, offices, representatives, heirs, executors, administrators, receivers, successors, assigns, predecessors, and attorneys, of and from any and all claims, demands, debts, obligations, liabilities, costs, expenses, rights of action, causes of action, awards and judgments arising exclusively from the LJB No. 2 Transactions (collectively, "Released Claims"). Expressly carved out and not included in the Released Claims are LJB No. 1 and its respective agents, managers, members, lenders, investors, employees, partners, directors, offices, representatives, heirs, executors, administrators, receivers, successors, assigns, predecessors, and attorneys, along with the 2016-2017 transactions as listed on Exhibit B of the Receiver's Complaint in the Action, all of which were LJB No. 1 transactions.

Each of the Receiver and LJB No. 2 acknowledges and agrees that the Released Claims may include claims of every nature and kind whatsoever, whether known or unknown, suspected or unsuspected and further acknowledge that they may be presently unknown or unsuspected, and may be based upon hereafter discovered facts different from, or in addition to, those which they now know, or believe to be true. Nevertheless, the Parties agree that the foregoing release shall be and remain effective in all respects, notwithstanding such different or additional facts, or the discovery thereof, and the Parties further hereby expressly waive and relinquish any and all rights provided in California Civil Code Section 1542 which provides as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

The Receiver and LJB No. 2 expressly waive and release any rights and benefits that they have or may have under any similar law or rule of any other jurisdiction pertaining to the matters released herein. It is the intention of the Parties through this Agreement and with the advice of counsel to fully, finally and forever settle and release the claims and disputes existing between them as provided herein, known or unknown. The mutual releases herein given shall be and remain in effect as full and complete releases of all such matters notwithstanding the discovery of any additional claims or facts relating thereto.

5. Dismissal. After all of the conditions have been satisfied, the Receiver shall file a dismissal with prejudice of “Frontier Global Partners, LLC” from the Action within 5 business days of its receipt of the \$50,000. Based on the procedural fact that the Action only names one La Jolla Bridge, LLC entity and none of the underlying members of LJB No. 2, this paragraph will confirm that LJB No. 2 and its members (other than members who are also members of LJB No. 1) will be treated as if a dismissal with prejudice had been entered and the remaining presence of the La Jolla Bridge, LLC entity in the Action shall be interpreted to mean only LJB No. 1 for all purposes.

6. Covenant Not to Sue. The Receiver acknowledges and agrees that LJB No. 1 is not alleged to be liable for claims or causes of action arising from the LJB No. 2 Transactions and the Receiver covenants not to pursue any claims or causes of action against LJB No. 1 in the Action or otherwise to recover payments made based on the LJB No. 2 Transactions.

7. Voluntary Signing. Each of the Parties to this Agreement has executed this Agreement without any duress or undue influence.

8. Independent Counsel. Each of the Parties acknowledge and agree that it has been represented by independent counsel of its own choice throughout all negotiations which preceded the execution of this Agreement, that it has executed and approved of this Agreement after consultation with said counsel, and that no Party shall deny the validity of this Agreement on the ground that such Party did not have the advice of legal counsel.

9. Governing Law and Venue. This Agreement shall in all respects be interpreted, enforced, and governed by and under the laws of California, and Federal Equity Receivership law, and subject to the exclusive jurisdiction of the District Court.

10. Waiver/Amendment. No breach of any provision of this Agreement can be waived unless in writing. Waiver of any one breach of any provision of this Agreement is not a waiver of any other breach of the same or of any other provision of this Agreement. Amendment of this Agreement may be made only by written agreement signed by the Parties.

11. Fax and Counterparts. This Agreement may be executed by the Parties hereto electronically and/or in counterparts and, if so executed, each electronic copy and/or counterpart shall have the full force and effect of an original.

12. Attorneys' Fees and Costs. The Parties hereto shall each bear their own costs and attorneys' fees incurred in connection with the negotiation, documentation, and approval process of this Agreement. If any proceeding, action, suit or claim is undertaken to interpret or enforce this Agreement after all conditions have been satisfied, then the prevailing Party in any such dispute shall be entitled to reasonable attorneys' fees and costs incurred in connection with such dispute.

13. Notices. Notices to be provided hereunder shall be effective if sent to the following:

To LJB No. 2:

Frontier Global Partners, LLC
c/o Kirby & Kirby LLP
501 West Broadway, Suite 1720
San Diego, CA 92101-8700
Attn: Jason Kirby, Esq.

To the Receiver:

Krista L. Freitag, Receiver
c/o Allen Matkins
600 W. Broadway, 27th Floor
San Diego, CA 92101
Attn: Ted Fates, Esq.

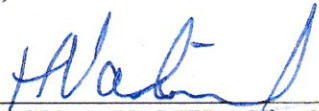
LA JOLLA BRIDGE LLC, a canceled California limited liability company (defined herein as LJB No. 2):

By:


FRONTIER GLOBAL PARTNERS, LLC
its former managing member
By Horacio Valeiras, its Chief Executive Officer

FRONTIER GLOBAL PARTNERS, LLC, a California limited liability company (defined herein as LJB No. 2):

By:


HORACIO A. VALIERAS its Chief Executive Officer

KRISTA L. FREITAG, COURT-APPOINTED PERMANENT RECEIVER FOR ANI DEVELOPMENT, LLC, AMERICAN NATIONAL INVESTMENTS, INC., AND THEIR SUBSIDIARIES AND AFFILIATES

By:

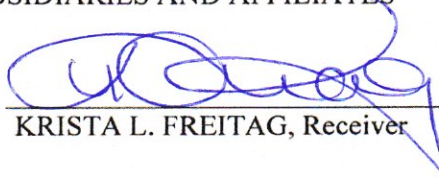

KRISTA L. FREITAG, Receiver

EXHIBIT B

EXHIBIT B

SETTLEMENT & MUTUAL RELEASE AGREEMENT

This SETTLEMENT & MUTUAL RELEASE AGREEMENT (“Agreement”), dated as of July 21, 2022 is made by and between KRISTA L. FREITAG (“Receiver”), in her capacity as the Court-appointed permanent receiver for ANI DEVELOPMENT, LLC, AMERICAN NATIONAL INVESTMENTS, INC., and their subsidiaries and affiliates (“Receivership Entities”), and the following eight former members of La Jolla Bridge, LLC, a canceled California limited liability company—entity number: 201609710198, registration date: 03/28/2016 (“LJB No. 1”): ADAM C. VALEIRAS, DAVID A. VALEIRAS, HORACIO A. VALEIRAS, PETER H. VALEIRAS, RICHARD KINTZ, as Trustee of KINTZ FAMILY TRUST and as Trustee of the RICHARD L. KINTZ TRUST DATED July 23, 1996, CHARLES A. FIELD, and OLIVIA SUN FIELD (collectively “Members”). The Receiver and the Members are collectively referred to herein as “Parties” or individually as a “Party.”

RECITALS

A. On August 28, 2019, the Securities and Exchange Commission (“Commission”) filed a Complaint in the United States District Court for the Southern District of California (“District Court”) against Defendants Gina Champion-Cain (“Champion-Cain”) and ANI Development, Inc., and Relief Defendant American National Investments, Inc. (“SEC Action”). Concurrently with filing the Complaint, the Commission and Champion-Cain filed a Joint Motion and Stipulated Request by all parties for a Preliminary Injunction Order and Orders (1) Freezing Assets; (2) Requiring Accountings; (3) Prohibiting the Destruction of Documents; and (4) Appointing a Permanent Receiver (“Joint Motion”).

B. On September 3, 2019, the District Court granted the Joint Motion and entered its Order; Granting the parties’ Joint Motion and Stipulated Request by all parties for a Preliminary Injunction Order and Order (1) Freezing Assets; (2) Requiring Accountings; (3) Prohibiting the Destruction of Documents; and (4) Appointing a Permanent Receiver, including appointment of the Receiver on a permanent basis.

C. On September 20, 2021, the Receiver filed a Complaint for Fraudulent Transfer, Case No. 21 cv 1642-LAB-AHG (the “Action”). In the Action, the Complaint singularly names “La Jolla Bridge, LLC” as a Defendant, but the body of the Complaint acknowledges, “that there were actually two entities named La Jolla Bridge, LLC...” Those two entities are LJB No. 1, on the one hand, and La Jolla Bridge, LLC, a canceled California limited liability company—entity number: 201900810690, registration date: 01/03/2019 and its former managing member Frontier Global Partners (collectively “LJB No. 2”), on the other hand. This Agreement, its terms, and its releases only relate to the Members.

D. The Receiver has alleged that LJB No. 1 received \$548,393.83 from the Receivership Entities in excess of any amounts paid or value provided to the Receivership Entities based on the 2016 and 2017 transactions listed on Exhibit B of the Receiver’s Complaint in the Action, i.e., those transactions starting 4/13/2016 and ending 11/10/2017 (the LJB No. 1 Transactions”). The Receiver has asserted claims against LJB No. 1 for the return of the amounts received as representing one or more voidable transactions under the California Uniform Voidable Transactions Act. LJB No. 1 denies the Receiver’s allegations.

E. As a material representation to induce the Receiver to accept the settlement provided for herein, LJB No. 1 provided a schedule showing what amount of the \$548,393.83 each Member (including non-settling members) of LJB No. 1 received from LJB No. 1. As

supporting documentation, LJB No. 1 produced its 2016 and 2017 tax returns, as well as its bank statements for the months of April 2016 through December 2017. Based on this production of documents and information and the Receiver's review thereof, the Receiver agreed to move forward with the settlement provided for herein.

F. To avoid the cost of litigation, the Parties have agreed to settle and resolve all disputes, and release all claims between them without either Party making any admissions whatsoever by entering into this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the above stated Recitals, which are incorporated herein, the covenants and conditions hereinafter contained, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the undersigned agree as follows:

1. Court Approval. This Agreement is conditioned on the entry of an order by the District Court approving the Agreement ("Approval Order"). The Receiver shall file a motion in the SEC Action seeking approval of the Agreement. If an Approval Order is not entered by the District Court, the Agreement shall have no force or effect.

2. Payment. The Members shall each make the following payments to the Receiver, contingent upon entry of the Approval Order, as provided above:

LJB No. 1 Member	Amount	Settlement %	Settlement Payment
Adam C. Valeiras	\$26,817.92	75	\$20,113.44
David A. Valeiras	\$9,713.60	70	\$6,799.52
Horacio A. Valeiras	\$1,126.13	70	\$788.29
Peter H. Valeiras	\$32,997.75	75	\$24,748.31
Kintz Family Trust	\$13,113.36	70	\$9,179.35
Richard L. Kintz Trust Dated 7-23-96	\$45,045.27	75	\$33,783.95
Charles A. Field	\$11,261.31	70	\$7,882.92
Olivia Sun Field	\$11,261.31	70	\$7,882.92
TOTALS	\$151,336.65		\$111,178.70

All payments shall be made to the Receiver within 10 business days of entry of the Approval Order.

3. Mutual Release. On the express conditions that (1) the District Court approves this settlement in an Approval Order; and (2) that the full payments due under Section 2 above has been fully made in good funds, then the Receiver, on the one hand, and the Members on the other hand, and each of them, for themselves, their agents, managers, members, lenders,

investors, employees, partners, directors, officers, successors and assigns, forever, irrevocably and unconditionally release and discharge one another, and their respective agents, managers, members, lenders, investors, employees, partners, directors, offices, representatives, heirs, executors, administrators, receivers, successors, assigns, predecessors, and attorneys, of and from any and all claims, demands, debts, obligations, liabilities, costs, expenses, rights of action, causes of action, awards and judgments arising exclusively from the LJB No. 1 Transactions (collectively, "Released Claims"). Expressly carved out and not included in these Released Claims are LJB No. 1, the non-settling members of LJB No. 1, and their respective agents, managers, members, lenders, investors, employees, partners, directors, offices, representatives, heirs, executors, administrators, receivers, successors, assigns, predecessors, and attorneys, along with the 2019 transactions as listed on Exhibit B of the Receiver's Complaint in the Action, all of which were LJB No. 2 transactions. Also expressly carved out and not included in the Released Claims are the Receiver's claims on behalf of the receivership estate against Horacio A. Valeiras in his capacity as Trustee of the Valeiras Family Trust; this Agreement and mutual release provided for herein shall have no effect on the claims or defenses in the pending clawback action by the Receiver against the Valeiras Family Trust, Case No. 21-cv-1625-LAB-AHG.

Each of the Receiver and the Members acknowledges and agrees that the Released Claims may include claims of every nature and kind whatsoever, whether known or unknown, suspected or unsuspected and further acknowledge that they may be presently unknown or unsuspected, and may be based upon hereafter discovered facts different from, or in addition to, those which they now know, or believe to be true. Nevertheless, the Parties agree that the foregoing release shall be and remain effective in all respects, notwithstanding such different or additional facts, or the discovery thereof, and the Parties further hereby expressly waive and relinquish any and all rights provided in California Civil Code Section 1542 which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

The Receiver and the Members expressly waive and release any rights and benefits that they have or may have under any similar law or rule of any other jurisdiction pertaining to the matters released herein. It is the intention of the Parties through this Agreement and with the advice of counsel to fully, finally and forever settle and release the claims and disputes existing between them as provided herein, known or unknown. The mutual releases herein given shall be and remain in effect as full and complete releases of all such matters notwithstanding the discovery of any additional claims or facts relating thereto.

4. Dismissal. After all conditions herein have been satisfied, including all payments required under Section 2 above, the Receiver shall file a dismissal with prejudice of Horacio A. Valeiras from the Action.

5. Voluntary Signing. Each of the Parties to this Agreement has executed this Agreement without any duress or undue influence.

6. Independent Counsel. Each of the Parties acknowledge and agree that it has been represented by independent counsel of its own choice throughout all negotiations which preceded

the execution of this Agreement, that it has executed and approved of this Agreement after consultation with said counsel, and that no Party shall deny the validity of this Agreement on the ground that such Party did not have the advice of legal counsel.

7. Governing Law and Venue. This Agreement shall in all respects be interpreted, enforced, and governed by and under the laws of California, and Federal Equity Receivership law, and subject to the exclusive jurisdiction of the District Court.

8. Waiver/Amendment. No breach of any provision of this Agreement can be waived unless in writing. Waiver of any one breach of any provision of this Agreement is not a waiver of any other breach of the same or of any other provision of this Agreement. Amendment of this Agreement may be made only by written agreement signed by the Parties.

9. Fax and Counterparts. This Agreement may be executed by the Parties hereto electronically and/or in counterparts and, if so executed, each electronic copy and/or counterpart shall have the full force and effect of an original.

10. Attorneys' Fees and Costs. The Parties hereto shall each bear their own costs and attorneys' fees incurred in connection with the negotiation, documentation, and approval process of this Agreement. If any proceeding, action, suit or claim is undertaken to interpret or enforce this Agreement after all conditions have been satisfied, then the prevailing Party in any such dispute shall be entitled to reasonable attorneys' fees and costs incurred in connection with such dispute.

11. Notices. Notices to be provided hereunder shall be effective if sent to the following:

To the Members:

Horacio Valeiras
c/o Kirby & Kirby LLP
501 West Broadway, Suite 1720
San Diego, CA 92101-8700
Attn: Jason Kirby, Esq.

To the Receiver:

Krista L. Freitag, Receiver
c/o Allen Matkins
600 W. Broadway, 27th Floor
San Diego, CA 92101
Attn: Ted Fates, Esq.

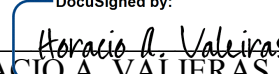
ADAM C. VALEIRAS, an Individual

By: 
ADAM C. VALIERAS

DAVID A. VALEIRAS, an Individual

By: _____
DAVID A. VALIERAS

HORACIO A. VALEIRAS, an Individual

By: 
HORACIO A. VALIERAS

PETER H. VALEIRAS, an Individual

By: _____
PETER H. VALIERAS

KINTZ FAMILY TRUST

By: 
RICHARD L. KINTZ, Trustee

THE RICHARD L. KINTZ TRUST DATED
JULY 23, 1996

By: 
RICHARD L. KINTZ, Trustee

CHARLES A. FIELD, an Individual

By: 
CHARLES A. FIELD

OLIVIA SUN FIELD, an Individual


ADAM C. VALEIRAS, an Individual

By: _____
ADAM C. VALIERAS

DAVID A. VALEIRAS, an Individual

By: 
4DEDF86D6BED4DF...
DAVID A. VALIERAS

HORACIO A. VALEIRAS, an Individual

By: 
28DEC7A88A864FE...
HORACIO A. VALIERAS

PETER H. VALEIRAS, an Individual

By: 
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PETER H. VALIERAS

KINTZ FAMILY TRUST

By: 
945DC1D392B4417...
RICHARD L. KINTZ, Trustee

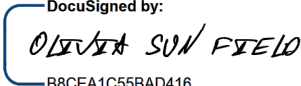
THE RICHARD L. KINTZ TRUST DATED
JULY 23, 1996

By: 
945DC1D392B4417...
RICHARD L. KINTZ, Trustee

CHARLES A. FIELD, an Individual

By: 
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CHARLES A. FIELD

OLIVIA SUN FIELD, an Individual

By: 
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OLIVIA SUN FIELD

KRISTA L. FREITAG, COURT-APPOINTED
PERMANENT RECEIVER FOR ANI
DEVELOPMENT, LLC, AMERICAN
NATIONAL INVESTMENTS, INC., AND THEIR
SUBSIDIARIES AND AFFILIATES

By: 
KRISTA L. FREITAG, Receiver

EXHIBIT C

EXHIBIT C

SETTLEMENT & MUTUAL RELEASE AGREEMENT

This SETTLEMENT & MUTUAL RELEASE AGREEMENT (“Agreement”), dated as of September 2, 2022 is made by and between KRISTA L. FREITAG (“Receiver”), in her capacity as the Court-appointed permanent receiver for ANI DEVELOPMENT, LLC, AMERICAN NATIONAL INVESTMENTS, INC., and their subsidiaries and affiliates (“Receivership Entities”), and HORACIO A. VALEIRAS (“Valeiras”) for the sole purpose of resolving the receivership estate’s claim against the following former member of La Jolla Bridge, LLC, a canceled California limited liability company -- entity number: 201609710198, registration date: 03/28/2016 (“LJB No. 1”): HENRY K. THREEFOOT, now deceased, including his heirs, estate, beneficiaries, or payees (“Threefoot”). The Receiver and Valeiras are collectively referred to herein as “Parties” or individually as a “Party.”

RECITALS

A. On August 28, 2019, the Securities and Exchange Commission (“Commission”) filed a Complaint in the United States District Court for the Southern District of California (“District Court”) against Defendants Gina Champion-Cain (“Champion-Cain”) and ANI Development, Inc., and Relief Defendant American National Investments, Inc. (“SEC Action”). Concurrently with filing the Complaint, the Commission and Champion-Cain filed a Joint Motion and Stipulated Request by all parties for a Preliminary Injunction Order and Orders (1) Freezing Assets; (2) Requiring Accountings; (3) Prohibiting the Destruction of Documents; and (4) Appointing a Permanent Receiver (“Joint Motion”).

B. On September 3, 2019, the District Court granted the Joint Motion and entered its Order; Granting the parties’ Joint Motion and Stipulated Request by all parties for a Preliminary Injunction Order and Order (1) Freezing Assets; (2) Requiring Accountings; (3) Prohibiting the Destruction of Documents; and (4) Appointing a Permanent Receiver, including appointment of the Receiver on a permanent basis.

C. On September 20, 2021, the Receiver filed a Complaint for Fraudulent Transfer, Case No. 21 cv 1642-LAB-AHG (the “Action”). In the Action, the Complaint singularly names “La Jolla Bridge, LLC” as a Defendant, but the body of the Complaint acknowledges, “that there were actually two entities named La Jolla Bridge, LLC...” Those two entities are LJB No. 1, on the one hand, and La Jolla Bridge, LLC, a canceled California limited liability company—entity number: 201900810690, registration date: 01/03/2019 and its former managing member Frontier Global Partners (collectively “LJB No. 2”), on the other hand. This Agreement, its terms, and its releases only relate to the resolution of the Receiver, the Receivership Entities, and the receivership estate’s claims against LJB No. 1 and the funds received by Threefoot from LJB No. 1 and no other claims.

D. The Receiver has alleged that LJB No. 1 received \$548,393.83 from the Receivership Entities in excess of any amounts paid or value provided to the Receivership Entities based on the 2016 and 2017 transactions listed on Exhibit B of the Receiver’s Complaint in the Action, i.e., those transactions starting 4/13/2016 and ending 11/10/2017 (the LJB No. 1 Transactions”). The Receiver has asserted claims against LJB No. 1 for the return of the amounts received as representing one or more voidable transactions under the California Uniform Voidable Transactions Act. LJB No. 1 denies the Receiver’s allegations.

E. As a material representation to induce the Receiver to accept the settlement provided for herein, LJB No. 1 provided a schedule showing what amount of the \$548,393.83

each Member (including non-settling members) of LJB No. 1 received from LJB No. 1. As supporting documentation, LJB No. 1 produced its 2016 and 2017 tax returns, as well as its bank statements for the months of April 2016 through December 2017. Based on this production of documents and information and the Receiver's review thereof, as well as the Receiver's independent investigation into the death of Henry K. Threefoot and his probate estate (with the assistance of her counsel), the Receiver agreed to move forward with the settlement provided for herein.

F. As a material representation to induce Valeiras to accept the settlement provided for herein, the Receiver represents that it is currently not aware of any facts that would give rise to any claims against Valeiras for the \$29,979.70 received by Threefoot from LJB No. 1.

G. To avoid the cost of litigation, the Parties have agreed to settle and resolve all disputes, and release all claims between them without either Party making any admissions whatsoever by entering into this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the above stated Recitals, which are incorporated herein, the covenants and conditions hereinafter contained, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the undersigned agree as follows:

1. Payment. Valeiras shall pay \$15,000 to the Receiver within 5 business days of Court Approval of this Agreement. The Receiver shall file a motion in the SEC Action seeking entry of an order approving this Agreement ("Court Approval"). This Agreement is conditioned on Court Approval and shall have no force or effect if Court Approval is not granted by the District Court.

2. No Impact on Other Receivership Claims. The Receiver and Valeiras agree that the agreement by Valeiras to pay \$15,000 to settle the Receiver's claim against Threefoot, and the payment itself, once made, shall have no impact whatsoever on any claims the Receiver, the Receivership Entities or the receivership estate have against anyone other than Threefoot and his participation in LJB No. 1 as disclosed to the Receiver. This Agreement and the payment itself has nothing to do with other claims against Valeiras or any trusts or entities affiliated with Valeiras, or any other claims at all, other than the Released Claims (as defined below). The Parties agree that evidence of this Agreement or Valeiras' payment under this Agreement is not relevant and shall be inadmissible in other cases involving the Receiver, including the Receiver's clawback case against Valeiras, as Trustee of the Valeiras Family Trust, Case No. 21-cv-01625-LAB-AHG.

3. Release. On the express condition that the Court Approval has been obtained and the full payment due under Section 1 above has been fully made in good funds, then the Receiver, for herself, her agents, managers, members, lenders, investors, employees, partners, directors, officers, successors and assigns, forever, irrevocably and unconditionally release and discharge Threefoot, and their respective agents, managers, members, lenders, investors, employees, partners, directors, offices, representatives, heirs, executors, administrators, receivers, successors, assigns, predecessors, and attorneys, of and from any and all claims, demands, debts, obligations, liabilities, costs, expenses, rights of action, causes of action, awards and judgments arising exclusively from the LJB No. 1 Transactions (collectively, "Released Claims"). Expressly carved out and not included in these Released Claims are LJB No. 1, the

non-settling members of LJB No. 1, and their respective agents, managers, members, lenders, investors, employees, partners, directors, offices, representatives, heirs, executors, administrators, receivers, successors, assigns, predecessors, and attorneys, along with the 2019 transactions as listed on Exhibit B of the Receiver's Complaint in the Action, all of which were LJB No. 2 transactions.

The Receiver acknowledges and agrees that the Released Claims may include claims of every nature and kind whatsoever, whether known or unknown, suspected or unsuspected and further acknowledge that they may be presently unknown or unsuspected, and may be based upon hereafter discovered facts different from, or in addition to, those which they now know, or believe to be true. Nevertheless, the foregoing release shall be and remain effective in all respects, notwithstanding such different or additional facts, or the discovery thereof, and the Receiver further hereby expressly waives and relinquishes any and all rights provided in California Civil Code Section 1542 which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

The Receiver expressly waives and releases any rights and benefits that she has or may have under any similar law or rule of any other jurisdiction pertaining to the matters released herein. It is the intention of the Parties through this Agreement and with the advice of counsel to fully, finally and forever settle and release the claims and disputes existing between them as provided herein, known or unknown. The mutual releases herein given shall be and remain in effect as full and complete releases of all such matters notwithstanding the discovery of any additional claims or facts relating thereto.

4. Voluntary Signing. Each of the Parties to this Agreement has executed this Agreement without any duress or undue influence.

5. Independent Counsel. Each of the Parties acknowledge and agree that it has been represented by independent counsel of its own choice throughout all negotiations which preceded the execution of this Agreement, that it has executed and approved of this Agreement after consultation with said counsel, and that no Party shall deny the validity of this Agreement on the ground that such Party did not have the advice of legal counsel.

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c/o Kirby & Kirby LLP
501 West Broadway, Suite 1720
San Diego, CA 92101-8700
Attn: Jason Kirby, Esq.

To the Receiver:

Krista L. Freitag, Receiver
c/o Allen Matkins
600 W. Broadway, 27th Floor
San Diego, CA 92101
Attn: Ted Fates, Esq.

HORACIO A. VALEIRAS

By:



HORACIO A. VALEIRAS

KRISTA L. FREITAG, COURT-APPOINTED
PERMANENT RECEIVER FOR ANI
DEVELOPMENT, LLC, AMERICAN
NATIONAL INVESTMENTS, INC., AND THEIR
SUBSIDIARIES AND AFFILIATES

By:



KRISTA L. FREITAG, Receiver

acting in capacity as Receiver