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11 Attorneys for Receiver
12 KRISTA FREITAG

13 UNITED STATES DISTRICT COURT
14 SOUTHERN DISTRICT OF CALIFORNIA

15
16 SECURITIES AND EXCHANGE
COMMISSION,

17 Plaintiff,

18 v.

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

21 Defendants,

22 AMERICAN NATIONAL
INVESTMENTS, INC.,

23 Relief Defendant.
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27
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Case No. 3:19-cv-01628-LAB-AHG

**RECEIVER'S SIXTEENTH
INTERIM REPORT AND
RECOMMENDATIONS**

Ctrm: 14A
Judge: Hon. Larry Alan Burns

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1 Krista Freitag (“Receiver”), the Court-appointed permanent receiver for
2 Defendant ANI Development, LLC, Relief Defendant American National
3 Investments, Inc., and their subsidiaries and affiliates (“Receivership Entities”),
4 hereby submits her Sixteenth Interim Report and Recommendations (“Sixteenth
5 Report”).

6 I. BACKGROUND

7 This equity receivership involves a large, complex, and wide-ranging group
8 of enterprises and assets which are the subject of the Complaint filed by the
9 Securities and Exchange Commission. This quarterly report covers the Receiver’s
10 activities during the second quarter of 2023 and reflects the status of certain assets
11 as of the date of this report, if material activity has occurred between June 30, 2023
12 and the date of this report.

13 II. EXECUTIVE SUMMARY

14 As previously reported, the receivership estate assets were primarily
15 comprised of cash, 33 commercial and residential properties, 27 restaurant and retail
16 operations, not including commissary kitchen operations (both owned and leased
17 properties), voluminous personal property (including restaurant equipment, product
18 inventory, retail merchandise, liquor licenses and intellectual property associated
19 with the operations of the enterprise), various notes receivable or equity investments
20 made by the Receivership Entities, and potential causes of action. During the
21 second quarter of 2023, the Receiver continued to make steady progress in
22 marshalling the Receivership Entities’ assets, resolving on-going litigation matters
23 and otherwise discharging her duties. Those efforts include sending the first interim
24 distribution of receivership estate funds to holders of allowed claims, working
25 towards resolution of the outstanding litigation and monitoring the remaining assets
26 that have yet to be monetized.

27 As of the date of this report, all owned real property and nearly all personal
28 property assets have been monetized or otherwise resolved. The remaining assets

1 consist of a few items of personal property/office equipment and some investments
 2 summarized as “Other Investments/Loans” in the attached Exhibit A asset chart.
 3 The remaining recovery from these assets remains in flux; however, further recovery
 4 is not expected to materially increase the total receivership estate funds.

5 Since her appointment, the Receiver has closed sales of real properties and
 6 leasehold interests (including associated liquor licenses) with an aggregate gross
 7 sale price of over \$40 million, while paying off nearly \$24 million in secured debt
 8 through escrow, resolving those secured claims against the receivership estate. The
 9 remaining work consists of the sale/disposition of a few remaining investment
 10 assets, resolving the three (3) remaining clawback claims, and completing the Court-
 11 approved interim distribution process (\$21 million in payments for the first interim
 12 distribution were sent to investors and creditors with allowed claims).

13 **III. SUMMARY OF RECEIVER’S ACTIVITIES**

14 **A. Second Quarter 2023 Funds Recovered**

15 As discussed below, the Receiver’s tangible asset sales are nearly complete,
 16 however, recovery efforts are ongoing. A few recovery highlights during the second
 17 quarter of 2023 include:

- 18 • \$172,000 in payments from new clawback settlements, plus installment
 19 payments from existing settlements.¹
- 20 • \$147,476 of interest income resulting from the receivership estate’s
 21 participation in an insured cash sweep program, which not only earns
 22 interest, but also fully protects the funds in FDIC-insured accounts.

23 Additional recovery and expense detail through the second quarter of 2023 is
 24 included on the receipts and disbursements schedule attached hereto as Exhibit B.

28 ¹ As of the date of this report, approximately \$8.8 million of payments,
 representing approximately 87 clawback settlements, have been received.

1 **B. Status of Real and Personal Property Assets**

2 Throughout this case, the Receiver took significant steps to implement the
3 Appointment Order, including previously managing all assets controlled, operated,
4 leased, or owned by the Receivership Entities. Exhibit A is a schedule of all known
5 real property, businesses/operations, third-party investments/loans, and liquor
6 license assets of the Receivership Entities and their disposition.

7 The Receiver recovered over \$16 million from the assets reflected on
8 Exhibit A. In addition, the Bandini Street Property, which was owned by Defendant
9 Champion-Cain and her husband Steven Cain, was refinanced with Court approval,
10 resulting in a \$1.3 million recovery for the receivership estate. The Receiver
11 continues to work on recovery for the assets listed as “Other Investments/Loans” on
12 Exhibit A.

13 It is important to note that the \$16 million recovered does not and has never
14 included any amounts associated with potential recoveries from clawback claims,
15 causes of action or third-party recoveries not reflected specifically on Exhibit A.
16 Those efforts are discussed in further detail below. Exhibit A is also reflective of
17 actual net sales proceeds and does not reflect revenue or expenses associated with
18 the listed assets leading up to the sale thereof.

19 **C. Property Taxes**

20 As the final real property in the receivership was sold, no further property tax
21 obligations are expected.

22 **D. Insurance**

23 As the final real property was sold, no property and general liability policies
24 remain. The Receiver received a final refund from the prior insurance broker in
25 April 2023. Since there are no remaining employees, the insurance policies linked
26 to them, such as health insurance and worker’s compensation, have been cancelled.
27 A one-year tail on the EPLI claims made policy was purchased and expired without
28

1 any additional claims. The worker's compensation insurance final audit was
2 completed, resulting in a refund in late 2021.

3 The Receiver recently received a demand from an attorney representing an
4 individual who was alleged to be involved in an incident which occurred pre-
5 receivership in a Patio Marketplace restaurant in Irvine, CA. The Receiver's special
6 conflicts counsel responded to the demand and the details of the claim were
7 forwarded to the appropriate insurance carrier in place at the time of the alleged
8 incident (early 2019).

9 **E. Debt Service**

10 All real property in the receivership was sold, and so no further debt service
11 payments have been made or are expected.

12 **F. Loans and Other Investments**

13 Through her investigation, meetings, and document review, the Receiver
14 identified numerous loans and investments made by Champion-Cain and the
15 Receivership Entities, as well as associated business interests and assets. Based
16 upon interviews with Champion-Cain and records reviewed by the Receiver, it
17 appears that millions of dollars were spent in connection with investments in various
18 enterprises and loans to third parties. The Receiver has recovered certain of these
19 items to date (see Exhibit A) and will continue efforts to do so in a cost-effective
20 manner. However, it is important to note that many of these investments or loans
21 were highly speculative with few cost-effective alternatives for recovery.

22 In previous periods, the investment in BayMedica, a cannabis/pharmaceutical
23 company, was converted into shares and cash in InMed, a publicly traded Canadian
24 pharmaceutical company as part of a sale transaction. Pursuant to the sale terms, the
25 Receiver has recovered over \$10,000 in cash and has shares of InMed that are
26 available for sale. Those shares are expected to be sold this year to complete the
27 recovery on that asset.

28

1 The Court approved the Receiver's settlement with Illa Designs, LLC ("Illa")
2 a company that made the "Dash Wagon", a startup fitness/maternity product.
3 Pursuant to that agreement, Illa's principals recorded a deed of trust in favor of the
4 receivership estate on their property and placed their home for sale. Depending on
5 when the home sells, the recovery is expected to be between \$250,000 to \$265,000,
6 with modest, interim payments currently being made toward the amount due.

7 The Receiver maintains a watchful eye on the investment in Casa del Zorro, a
8 boutique hotel located in Borrego Springs, California. Previous interest by the
9 partnership to purchase the receivership estates interest was muted. A 2022 capital
10 improvement project along with a change in management companies appears to
11 have improved the property's economics and appeal. Subsequently, an improved
12 offer was made to purchase the receivership estate's interest by the partnership
13 group. The offer was significantly greater than the previous offers received, but also
14 materially less than the initial investment. As the economics of the asset continue to
15 improve, the Receiver hopes to be able to negotiate a sale of the interests in the near
16 term.

17 Other loans/investments appear unlikely to lead to any recovery. The
18 underlying investments are the subject of complex litigation (Trek Partners), a music
19 festival that needed so much additional capital after the initial capital raise that the
20 initial investment value has been completely diluted to a negligible amount
21 (Wonderlust Events, LLC), a liquor distribution investment that never materialized
22 beyond the startup phase (BSV Group, LLC), and an investment in a startup fish
23 based agricultural feed company (Menon Renewable Energy) that has no near-term
24 exit strategy. As appropriate, the Receiver's staff continues to follow-up on these
25 investments, and the others, to determine the prospects for and best approach to
26 securing a recovery, if possible.

27 As previously discussed, the 2Budz Holdings, LLC investment has been
28 resolved via an offset to 2Budz Holding's claim against the receivership estate.

1 **G. Third-Party Claims**

2 The receivership estate made significant claims against third parties for the
3 substantial losses suffered by the Receivership Entities and the amounts owed to
4 investors and creditors of the Receivership Entities. The Receiver identified certain
5 third parties who directly or indirectly aided and abetted the principals of the
6 receivership entities in wrongful conduct resulting in tens of millions of dollars of
7 losses.

8 All funds associated with two settlements with third-party professionals -
9 William Adams and Randolph Houts – have now been collected as approved by this
10 Court. Dkt. 682 and 925.

11 In December 2021, the Court conditionally approved the Receiver’s request
12 for authority to pursue the receivership estate’s claims against CTC. Dkt. 737.
13 After reaching a settlement with CTC and various related parties, on November 22,
14 2022, the Court entered its Order 1) Approving Global Settlement and 2) Entering
15 Chicago Title Bar order. Dkt. 927. Three (3) separate parties filed appeals of the
16 CTC bar order and a related bar order in favor of Nossaman, LLP - Ovation
17 Management, Kim Peterson and his funding entities, and CalPrivate Bank
18 (“CalPrivate”). Subsequently, the Receiver entered into a settlement agreement with
19 CalPrivate to resolve its appeal of the order approving the CTC settlement and
20 resolve its disputed claim in the receivership. A joint motion seeking Court
21 approval of the settlement was filed (Dkt. 956) and on April 24, 2023, this
22 settlement was approved by the Court (Dkt. 995). The now Court-approved
23 settlement includes an assignment to the receivership estate of CalPrivate’s claims
24 against Kim Peterson and his entities and trusts. In exchange, CalPrivate received
25 its allocated share of the CTC Global Settlement, along with an additional payment
26 of \$500,000, and will receive a portion of the funds recovered by the Receiver from
27 Kim Peterson and his related entities. CalPrivate has dismissed its appeal. Peterson
28

1 and his funding entities appealed the order approving the settlement with CalPrivate,
2 but subsequently dismissed the appeal.

3 The Court authorized the Receiver to proceed with claims to recover profits,
4 referral fees, commissions and other amounts paid to profiting investors and other
5 third parties (“Clawback Claims”). Dkt. 551. The Receiver has signed settlement
6 agreements for 87 Clawback Claims. The Clawback Claims that have been filed
7 thus far have been transferred to this Court as related actions. In each of these cases,
8 an ENE with Magistrate Judge Goddard has either been held or has been scheduled
9 (in some cases, multiple ENE sessions have been held), or a default has been entered
10 against the Clawback Defendants. Most of the Clawback cases have now been
11 resolved through settlement, default judgment (collection of which is underway), or
12 in one instance, a bankruptcy filed by the clawback defendant. Only three (3) active
13 Clawback cases remain (motions for summary judgment have been filed by the
14 Receiver and are pending in two of those cases).

15 Regarding the Clawback Claim against Kim Peterson and related entities, the
16 Receiver sought and was granted authority by the Court to expand the claims in her
17 complaint to include additional tort claims for additional damages. The Receiver’s
18 First Amended Complaint was filed on May 18, 2022 and the Defendants’ answer
19 was filed on June 27, 2022. A scheduling order was entered by the Court on
20 August 1, 2022, and the Receiver proceeded with discovery. Recently, in
21 connection with the Court-approved settlement with CalPrivate, CalPrivate assigned
22 its claims against Peterson and his entities and trusts to the receivership. After the
23 Court issued an Amended Scheduling Order in the Receiver’s pending action
24 against Peterson, the Receiver filed her Second Amended Complaint against
25 Peterson and his entities and trusts on May 5, 2023, adding contract-based claims
26 against one of Peterson’s entities (ANI License Fund) and his irrevocable trust. The
27 Receiver has also filed a motion to substitute in as the plaintiff in a state court action
28

1 filed by CalPrivate against Peterson personally that includes contract-based and tort
2 claims.

3 A summary of these third-party settlement collections through June 30, 2023
4 is below:

5 Chicago Title Settlement	\$23,805,295
6 William Adams Settlement	\$703,200
7 Randolph Houts Settlement	\$290,000
8 Approximately 87 Clawback settlements	\$8,768,809
9 Total collected through 06/30/2023	\$33,567,304

10 **H. Receivership Estate Operations**

11 The remaining operations of the Receivership Entities are very limited at this
12 stage. The IT vendor, AMA Networks, continues to monitor the corporate network
13 operations for a minimal monthly charge and responds to requests on an as-needed
14 basis. The remaining general operational work is completed by the Receiver's staff,
15 as needed. Company servers, remaining personal property and records are held in
16 storage at the Receiver's San Diego office or in Iron Mountain document storage.

17 **I. Pending Litigation at Appointment**

18 At the time of the Receiver's Appointment, there were two pending litigation
19 matters involving the Receivership Entities. One of these matters, a state court
20 lawsuit filed by a former employee was stayed because of the litigation stay
21 contained in the Appointment Order. That case was recently voluntarily dismissed.
22 The other case involved a lawsuit filed by one of the Receivership Entities, Westlink
23 Development, LLC ("Westlink"), along with other co-plaintiffs, against SunTrust
24 Bank in Pinellas County, Florida. A settlement in that case was completed, as
25 approved by the Court. Dkt. 736, 740.

26 **J. Claims Process & Taxes**

27 The Receiver filed her Motion for Order (1) Approving Procedures for the
28 Administration of Claims against the Receiver Estate; (2) Setting Claims Bar Date;

1 and (3) Approving Claims Bar Date Notice and Proof of Claim Forms (Dkt. No.
2 681). That motion was granted by the Court (Dkt. No. 716) on October 14, 2021.
3 Investors and creditors had until December 31, 2021, to submit their claims to the
4 Receiver (the “Claims Bar Date”). The Receiver concluded the process as set forth
5 therein, and on May 31, 2022, filed her Motion for Order: (1) Approving Receiver’s
6 Recommended Treatment of Claims (Allowed, Disallowed, Disputed); (2)
7 Approving Distribution Methodology; and (3) Approving Proposed Distribution
8 Plan (“Claims Allowance and Plan Motion”). Dkt. 807. At the Court’s direction, on
9 May 26, 2022, the Receiver filed a proposed plan for providing notice of the Claims
10 Allowance and Plan Motion, as well as the Settlement Approval Motion, including a
11 proposed briefing schedule for the motions. Dkt. 797. The Court approved the plan
12 for providing notice and held a hearing on the Claims Allowance and Plan Motion
13 on August 31, 2022. Dkt. 812. On February 24, 2023, the Court issued an Order (1)
14 Approving Receiver’s Recommended Treatment of Claims (Allowed, Disallowed
15 Disputed; (2) Approving Distribution Methodology; (3) Approving Proposed
16 Distribution Plan; (4) Granting Leave to File Excess Pages. Dkt. 958.

17 On March 13, 2023, Kim Peterson, Kim Funding, LLC and ABC Funding
18 Strategies, LLC (“Peterson Parties”) filed a notice of appeal of the denial of their
19 claims in the receivership and a motion seeking to stay distributions to investors and
20 creditors from the receivership estate while they pursue their appeal. Dkt. 972, 973.
21 On April 10, 2023, the stay motion was denied, however a temporary stay was
22 granted until April 24, 2023, so the Peterson Parties could seek a further stay from
23 the Ninth Circuit Court of Appeals. Dkt. 987. The Peterson Parties filed an
24 emergency motion with the Ninth Circuit on April 17, 2023. The Receiver opposed
25 the emergency motion, and it was denied by the Ninth Circuit on April 24, 2023.

26 Notwithstanding the Peterson Parties’ appeal and stay motions, and pursuant
27 to the approved Distribution Plan, on April 6, 2023, the Receiver filed her Notice of
28 Allowed Claim Adjustments. Dkt 986. Likewise, on April 11, 2023, the Receiver

1 filed her Notice of Interim Distribution. Dkt 988. Both the Notice of Allowed
 2 Claim Adjustments and the Notice of Interim Distribution were posted to her
 3 website and emailed (or mailed if no email was available) to the applicable
 4 investors. The \$21 million in payments representing the first interim distribution, as
 5 approved by the Court, were then sent out on May 6, 2023. As of June 30, 2023,
 6 approximately \$475,000 of first interim distribution checks remained outstanding.

7 Regarding the Receivership Entities' tax returns, the Receiver continues to
 8 make progress on the tax returns for 70 separate entities. A significant number of
 9 prior year returns (2016, 2017 & 2018) had not been completed at the time of the
 10 Receiver's appointment. The Receiver will continue to file Receivership Entity tax
 11 returns, as necessary, in the most cost-effective and efficient manner possible.

12 **K. Receipts and Disbursements**

13 The following is a summary of the cash activity in the receivership estate
 14 from the inception of the receivership on September 3, 2019 through June 30, 2023.

15 Bank Balance at 09/03/2019 ² (accounts listed in Appointment Order)	\$368,614
16 Additional Bank Account Recoveries post-takeover	\$1,447,947
17 Chicago Title Funds Received	\$11,311,344
18 Total Receipts	\$59,487,199
19 Total Disbursements	(\$20,348,299)
20 Total Distributions	(\$42,778,864) ³
21 Ending Bank Balance at 06/30/2023	\$9,487,941

24 ² While September 3, 2019 is the date of the Appointment Order, the order was
 25 entered late in the afternoon, and the takeover occurred on September 4, 2019, so
 26 certain bank activity occurred (including certain September rents and debt
 27 service payments) on September 3rd, prior to the freeze order taking effect.

28 ³ As previously communicated, \$21,753,873.64 of this total was allocated to pay
 100% of certain investors' MIMO net loss claims under the Court-approved
 Global Settlement with CTC. During the first quarter of 2023, \$12,233,794 was
 paid out as approved by the Court. In the second quarter of 2023, an additional
 \$9,520,080 (CalPrivate) of this balance was paid out as approved by the Court.

1 As of June 30, 2023, outstanding checks (all distribution checks) totaled
2 \$475,010, resulting in a reconciled book balance of \$9,012,931. A more detailed
3 summary of the receipts and disbursements is attached hereto as Exhibit B. As
4 noted above, approximately \$43 million has been distributed to investors and
5 creditors with allowed claims, as approved by the Court.

6 **L. Investor/Creditor Communications**

7 The Receiver continues to maintain a dedicated website which is being used
8 to provide case information, regular updates, and answers to frequently asked
9 questions to investors and creditors. The website is not intended to duplicate the
10 Court's electronic case filing system for this case, but it is intended to provide
11 investors with important information about the receivership. The Internet address
12 for the website is: www.anireceivership.com. In addition, the Receiver maintains a
13 dedicated e-mail address (ani@ethreadvisors.com) and telephone line for investor
14 and creditor inquiries. The Receiver has had her staff attempt to respond to investor
15 and creditor correspondence to acknowledge receipt of their correspondence (via
16 email and/or phone).

17 The Receiver has provided communications directing all investors and
18 creditors to the receivership website for further notices, information, and updates,
19 and notifies them of the opportunity to subscribe to receive automatic periodic e-
20 mail updates with links to reports and other relevant documents filed with the Court.
21 Investors and creditors are reminded of the importance of maintaining current
22 contact information with the Receiver's office to ensure receipt of important
23 information relating to the claims approval process, distributions, and other
24 important updates.

25 **IV. CONCLUSION**

26 The Receiver's efforts to marshal and recover assets and complete remaining
27 litigation matters are ongoing. The Receiver and her professionals recommend that
28 the receivership continue pursuant to the Appointment Order and supplemental

1 orders issued by the Court until such time as remaining litigation matters have been
2 resolved and a final distribution of receivership estate funds has been made.

3
4 Dated: September 21, 2023

ALLEN MATKINS LECK GAMBLE
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6
7 By: s/Edward G. Fates

EDWARD G. FATES
Attorneys for Receiver
KRISTA FREITAG

EXHIBIT INDEX

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EXHIBIT A

EXHIBIT A

Updated Asset Schedule (not including FF&E)

All values and commentary, unless a transaction has occurred, are preliminary based on the best information available to the Receiver at this time. Nothing contained herein shall be construed as an admission of any values or balances or a waiver of any rights.

Properties Sold:

	Address	Asset Type or Name	Asset Status & Commentary		Net Sale Proceeds
1	4205 Lamont Street, #12, San Diego, CA 92109	Rental Condo	Closed 12/26/19 - Sale Price \$409,000. Payment to Lender \$374,752. Loan cross collateralized with Valle Vista and certain Surf Rider personal property. No net sales proceeds realized in this sale, but are realized in later transactions.		0
2	132 Keller Street, Petaluma, CA 94952	Closed Restaurant (prior to receivership appt)	Closed 12/26/19 - Sale price \$1,800,000. Payment to lender \$1,698,556. Loan cross collateralized with 140 Keller. No net sales proceeds realized in this sale, but are realized in later transactions.		0
3	805 Brighton Court, San Diego, CA 92109	Vacation Rental	Closed 01/31/2020 - sale price \$1,275,000. Payment to lender \$1,223,906 (includes \$67,760.45 of net sale proceeds). Loan cross collateralized with various other properties; excess net sale proceeds was used to pay down overall debt per sale Order.		0
4	1617 Thomas Street Pacific Beach, CA 92109	Vacation Rental	Closed 2/18/2020 - sale price \$985,000. Payment to lender \$675,542. Net sale proceeds were \$224,740.		224,740
5	83 Royal Saint Georges Way, Rancho Mirage, CA 92103	Vacation Rental	Closed 2/10/2020 - sale price \$2,999,000. Payment to lender \$1,588,561. Net sale proceeds were \$1,271,093.		1,271,093
6	SE Corner of Casanova St & Palou Ave Carmel by the Sea 93921	Vacation Rental	Closed 4/1/2020 - sale price \$1,550,000. Net payment to lender \$917,622. Net sale proceeds were \$534,153.		534,153
7	724 Zanzibar Ct., San Diego, CA 92109	Vacation Rental	Closed 5/22/2020 - sale price \$1,875,000. Net payment to lender \$1,524,704. Net sales proceeds were \$258,776.		258,776
8	3833 Mission Blvd., San Diego, CA 92109	Commercial Property Restaurant	Closed 6/4/2020 - sale price \$825,000. Net payment to lender \$610,630. Net sales proceeds were \$129,306 after the July 2020 payment of the \$60,000 UCC.		129,306
9	3735 Mission Blvd., San Diego, CA 92109	Quick Service Restaurant -- Bao Beach	Closed 6/5/2020 - sale price \$28,000. Net sales proceeds were \$19,592.		19,592
10	3768 Mission Blvd, San Diego, CA 92109	Restaurant operation	Closed 6/25/2020 - sale price \$2,300,000. Net payment to lender \$2,044,306. Net sales proceeds were \$54,393. The liquor license escrow closed on August 11, 2020 resulting in \$79,398 of additional net sale proceeds (which is not reflected in this number).		54,393
11	3814 Mission Blvd. San Diego, CA 92109	Redondo Parking Lot Next to Surf Rider Pizza - Mission Beach	Closed 6/25/2020 - sale price \$1,011,000. Lender paid off with sale of Saskas (3768 Mission Blvd). Net sales proceeds were \$965,481.		965,481
12	3445 Ingraham Street, San Diego, CA 92109	Commercial Property Restaurant	Closed 7/21/2020 - sale price \$695,000. Net payment to lender \$272,201. Net sales proceeds were \$400,618.		400,618
13	3415 Mission Blvd., San Diego, CA 92109	Retail store and 3 apartments	Closed 8/19/2020 - sale price \$1,550,000. Net payment to lender \$1,212,627. Net sales proceeds were \$273,811.		273,811
14	3548 Tennyson Street, San Diego, CA	Long term rental - Just purchased 8/20/19	Closed 8/21/2020 - sale price \$885,000. Net payment to lender \$551,269. Net sales proceeds were \$263,184. Also recovered prev. transaction for which buyer did not perform - \$8,450.		271,948
15	809 San Rafael Pl., San Diego, CA 92109	Vacation Rental	Closed 9/14/2020 - sale price \$1,630,000. Net payment to lender \$1,313,047. Net sales proceeds were \$252,962.		252,962
16	7569-7571/7565 University Avenue, La Mesa, CA 91942	ANI, Inc. planned condo Units	Property was pending foreclosure. Closed 10/30/2020 - sale price \$1,400,000. Net payment to lender \$1,047,394. Net sales proceeds were \$261,418.		261,418
17	4829 Bella Pacific #215, San Diego, CA 92109	Rental Condo	Closed 10/30/2020 - sale price \$490,000. Net payment to lender \$414,153. Net sales proceeds were \$41,161.		41,161
18	737 Windemere Ct., San Diego, CA 92109	Vacation Rental	Closed 11/02/2020 - sale price \$1,515,000. Net payment to lender \$142,729 (after \$158.45 refund). Net sales proceeds were \$1,349,216 (after \$158.45 refund).		1,349,216

19	8381 La Mesa Blvd., La Mesa CA	Commercial Property Restaurant	Closed 11/13/2020 - sale price \$2,425,000 (for all assets). Net payment to lender \$2,264,386. Net sales proceeds were \$26,366. The liquor license escrow closed on November 20, 2020 resulting in \$49,193 of additional net sale proceeds (which is not reflected in this number).		26,366
20	4030-4034 Randolph Street, San Diego, CA 92103	Rentals Apt - 5 Units; House - 4 Units	Closed 11/18/2020 - sale price \$1,650,000. Net payment to lender \$1,087,150. Net sales proceeds were \$467,303.		467,303
21	7940 University Avenue #9, La Mesa, CA 91941	Rental Condo	Closed 11/25/2020 - sale price \$351,000. Net payment to lender \$303,332. Net sales proceeds were \$25,450.		25,450
22	812 San Rafael Pl., San Diego, CA 92109	Vacation Rental	Closed 12/08/2020 - sale price \$1,622,000. No payment to lender (paid off with Windemere closing). Net sales proceeds were \$1,552,795.		1,552,795
23	4364 Valle Vista, San Diego, CA 92103	SFR - Long Term Rental	Closed 12/17/2020 - sale price \$1,150,000. Net payment to two lenders \$978,272. Net sales proceeds were \$105,898. Payoff of the second loan frees up 3770 Mission Blvd. net sales proceeds for the receivership estate.		106,736
24	750 Yarmouth Ct., San Diego, CA 92109	Vacation Rental	Closed 12/17/2020 - sale price \$1,350,000. No payment to lender (paid off with Windemere closing). Net sales proceeds \$1,292,325.		1,292,325
25	7243 Camino Degrazia, Unit 59, San Diego, CA 92111	Rental Condo	Closed 12/28/2020 - sale price \$450,000. Lender paid \$381,545. Net sales proceeds \$41,323.		41,323
26	901, 903, 904 W. Washington St., San Diego, CA	Commercial Property 1 Commercial Tenants	Closed 1/22/2021 - sale price \$1,910,000. Lender paid \$1,441,856. Net sales proceeds \$367,551.		367,551
27	3792 Mission Blvd. (Suite A), San Diego, CA 92109	Office space	Closed 1/08/2021 - sale price \$399,000. Lender paid \$15,755. Net sales proceeds \$364,014.		364,014
28	2163 Abbott Street, Ocean Beach, CA 92107	Surf Rider Pizza Cafe	Closed 2/18/21 - sale price \$85,000. A payment was made to a secured vendor for \$27,500. Net sales proceeds \$50,504 (received in Q221).		50,504
29	140 Keller Street, Petaluma, CA 94952	CoWorking Office Business	Closed 5/3/21 - sale price \$2,600,000. Lender paid \$1,121,423 and secured creditor paid \$82,587. Net sales proceeds \$1,272,380 (includes a \$271.22 lender escrow refund received after reporting net proceeds to the Court). An additional \$2,565.08 was received in a post sale true-up in July 2021.		1,274,945
30	3770 Mission Blvd., San Diego, CA 92109	Quick Service Restaurant -- Surf Rider Pizza Mission Beach	Closed 5/7/21 - sale price \$402,500. No payment to lender (paid with sale of various other transactions). Net sale proceeds \$381,618.		381,618
31	3816 Mission Blvd./733 Salem Court, San Diego, CA 92109	Mixed Use - Surf Shop Ground Floor Apartment Loft Rented	Closed 6/3/21 - sale price \$1,360,000. Net sale proceeds are \$826,924.73. Lender paid \$485,616.77. Additionally, the receiver collected \$105,000 in forfeited deposits from two prior approved buyers who failed to close.		931,925
32	1775 Diamond Street, #301, San Diego, CA 92111	Condo	Closed 11/15/2021 - sale price \$425,000. Receiver previously collected \$12,570 in deposit forfeit from the previous buyer.		410,178
Total Net Sales Proceeds (Plus reduction of loans payable of \$3.188 million for Items 1-3)					13,601,701

Properties Foreclosed/Relief from Injunction Granted:					
	Address	Asset Type or Name	Asset Status & Commentary		Value to be Realized
1	3515 Hancock Street San Diego, CA 92110	Commercial Use - Main Office and Parking Lot	Former HQ office space. Foreclosure was completed in December 2020.		0
2	4437-4445 Lamont Street, San Diego, CA 92109	Commercial Use - Restaurant (4439 is 2-story building used as storage and office for Lamont operations)	Former Patio on Lamont Restaurant; operations closed as a result of COVID. Foreclosure was completed in November 2020.		0
3	369 10th Avenue, San Diego, CA 92101	Real Estate Condo Envelope	Former Himmelberg's restaurant/bar. Foreclosure was completed in December 2020.		0
4	301-317 D Street, Sacramento, CA 95605	Partially constructed 40 unit apartment building.	Partially developed apartment building. Construction ceased just prior to Receiver's appointment. Project secured, insured (insurance transitioning to lender force placed) and weatherized. Project encumbered by a construction loan, mechanic's liens and a stop notice, all of which must be addressed. After significant effort to effectuate a deal, Receiver has agreed to limited relief to allow the lienholders to exercise their limited rights/remedies.		0

Other Investments/Loans - Recovery to Date:

1	Tourmaline Equity, LLC		\$300K Investment in real estate development in Bentonville, Arkansas.		347,040
2	Dan Champion		\$275K Loan on single family residence with estimated value of \$686,020 based on online market data only. Additional \$79,338 payment made with no value received in return. To prevent legal costs associated with fraudulent transfer claim, Receiver negotiated settlement of \$330K (93% recovery on payments); the Court approved this transaction and it funded on May 12, 2020.		330,000
3	Pullman Lofts I		Investment in membership interest which was intended to develop a 72 unit apartment complex in Santa Rosa. Invested \$758,273 per company records. Negotiated buyout of nearly \$471K. Transaction closed in third quarter.		470,888
4	JB Resources		Funds advanced pre-Receiver with no value received. Buyout of Pullman Lofts I includes assignment of the rights to collect on this transfer. Transaction closed in third quarter.		25,000
5	Endeavor Bank (CBB Venture Group)		CD, MM Recovered December 2020		234,669
6	Endeavor Bank		Gina Champion Cain's shares sold		271,963
Total Other Investments/Loans - Recovery To Date					1,679,560

Other Investments/Loans - General Information and Status:

	Address/Name	Asset Type or Name	Asset Status & Commentary	Total Invested or Loaned	Current Estimated Recovery
1	3241 Borrego Road Borrego Springs, CA 92004	La Casa Del Zorro	An interest in a hotel. Recently ownership has installed solar panels to reduce costs significantly and has hired a third-party professional manager in a multi-year plan to improve the asset's marketability.	1,063,750	unknown
2	Pullman Lofts II	Membership Interest	Investment not expected to proceed.	31,200	0
3	2 Budz Holding	Membership Interest	Purported investment through private placement offering - membership interest owned (6.3025%). The Court has accepted the Receiver's recommendation to resolve this investment as part of the claims process.	0	0
4	Wedge Water	Loan Receivable		25,000	unknown
5	M. Ferguson	Loan Receivable		48,013	unknown
6	H. Misirligou	Loan Receivable		102,324	unknown
7	Dash Wagon	Convertible Note	Fitness accessory for car seat with minimal sales. Have UCC filing on product and personal guarantee from borrower. The Court approved a settlement that is expected to recover at least \$250,000 once the borrower's home sells.	200,000	250,000
8	Boermeester	Loan Receivable	Borrower deceased, estate closed.	60,000	unknown
9	Employee Loan	Loan Receivable		123,000	unknown
10	nGAP	Loan Receivable		5,000	unknown

11	BSV Group, LLC	Membership Interest	Membership interest in member LLC. Underlying product is a New Zealand based vodka distillery. Discussions with managing member indicate that the investment was dissolved with funds going towards startup.	60,000	0
12	Wonderlust Events, LLC	Membership Interest	Membership interest in member LLC - Music and Arts festival. Festival required significant investment from others after entities initial formation. After dilution of the interest, due to additional capital raises, the cash value is negligible.	50,000	0
13	Trek Partners	Investment	Oil/gas related investment, operating a minimal capacity. Recovery unlikely due to various legal challenges.	90,632	0
14	Baymedica	Convertible Note	Note converted to equity after sale to a public company. Stock is unrestricted and will likely be sold in Q2 2022. Cash is restricted, but will help recovery.	50,000	12,600+
15	Menon Renewable Energy	Investment	Investment in renewable agricultural feed source. There doesn't appear to be any near term exit strategy for this investment. Recovery is unlikely.	105,000	0
Total Estimated Recovery Remaining for Other Investments/Loans				262,600	
Liquor License Closed Transactions:					
	Address	Asset Type or Name	Asset Status (for sale, for lease, operating, closed, etc.)		Net Sales Proceeds
1	4020 Goldfinch St.	On-Sale General Eating Place	Sale to landlord approved by the Court on January 24, 2020. Sale closed August 2020.		142,990
2	3768 Mission Blvd.	On-Sale General Eating Place	Included with sale of real property. Sale closed August 2020.		79,398
3	345 S. Coast Highway 101	On-Sale General Eating Place	Sale to landlord approved by the Court on January 24, 2020. Sale closed June 2020; funds received in Q320.		117,145
4	Petaluma	On-Sale General Eating Place.	Included with sale of real property. Sale closed August 2020.		150,000
5	8381 La Mesa Blvd.	On-Sale General Eating Place	Included in the sale of the real property. Sale closed November 2020.		49,193
6	2163 Abbott St.	On-Sale Beer & Wine - Eating Place	Included in the sale of the leasehold interest. Sale closed February 2021		0
7	2163 Abbott St.	Caterer	Included in the sale of the leasehold interest. Sale closed February 2021		0
8	3770 Mission Blvd.	On-Sale General Eating Place	Included in the sale of the leasehold interest. Sale closed May 2021		0
9	369 10th Ave.	On-Sale General Eating Place	Sold in July 2021		52,343
10	2855 Perry Rd.	On-Sale General Eating Place	Sold in August 2021		52,500
11	4445 Lamont St.	On-Sale General Eating Place	Sold in December 2021		156,114
Total Liquor License Closed Transactions Net Sales Proceeds				799,683	

Other Liquor License Status:

	Address	Asset Type or Name	Asset Status (for sale, for lease, operating, closed, etc.)		Estimated Market Value
9	4535 Towne Centre Ct.	On-Sale Beer & Wine - Eating Place	To be transferred to new operator or building owner, who previously paid for same.		0
10	8910 University Center Ln.	On-Sale Beer & Wine - Eating Place	To be transferred to new operator or building owner, who previously paid for same.		0
11	400 Spectrum Center Dr.	On-Sale Beer & Wine - Eating Place	Transferred to new operator or building owner, who previously paid for same.		0
12	17877 Von Karman Ave.	On-Sale General Eating Place	Transferred to new operator or building owner, who previously paid for same.		0
11	928 Fort Stockton Dr.	Off-Sale Beer & Wine	Deemed no value.		0
Total Estimated Market Value					0

Leased Locations Closed/Transitioned:

	Address	Asset Type or Name	Asset Status (for sale, for lease, operating, closed, etc.)		
1	2855 Perry Road Building 8, San Diego, CA 92106	Full Service Restaurant -- Firesire by the Patio	Closed - Valued FF&E with appraiser and turned over to lender.		
2	345 S Coast Hwy 101 Encinitas, CA 92024	Full Service Restaurant -- Patio 101	Closed prior to Receiver's appointment but remained in possession. Valued FF&E with appraisal. Transaction for liquor license and FF&E received Court approval on January 24, 2020.		
3	4020 Goldfinch Street, San Diego, CA 92103	Full Service Restaurant -- Patio on Goldfinch	Closed. Valued FF&E with appraisal. Transaction for liquor license and FF&E Court approval received on January 24, 2020.		
4	2670 Via De La Valle, Del Mar, CA 92014	Coffee Shop -- Swell Coffee	Closed. Turned over to Landlord. Removed FF&E.		
5	928 Fort Stockton Dr., San Diego, CA 92103	Coffee Shop and Retail -- Patio Express Mission Hills	Closed. Turned over to Landlord. Removed FF&E.		
6	3232 Mission Blvd., San Diego, CA 92109	Retail Store -- Surf Life Mission Beach	Closed. Turned over to Landlord. Removed FF&E.		
7	3731 Mission Blvd., San Diego, CA 92109	Retail Store -- Mission Beach Surf Co.	Closed. Turned over to Landlord. Removed FF&E.		
8	4535 Towne Centre St., San Diego	Patio Marketplace Restaurant	Closed. Turned over to building owner.		
9	8910 University Center Ln., San Diego	Patio Marketplace Restaurant	Closed. Turned over to building owner.		
10	400 Spectrum Center Dr., Irvine CA	Patio Marketplace Restaurant	Transitioned to replacement restaurant operator effective February 1, 2020.		
11	17877 Von Karman Ave.	Patio Marketplace Restaurant	Transitioned to building owner effective February 1, 2020.		
12	3779 Mission Blvd. San Diego, CA 92109	San Jose Parking Lot Across from Saska's Steakhouse	No offers materialized and property transitioned to landlord at the end of the lease term on 12/31/2020		

SUMMARY OF EXHIBIT A

Real Property	Total Net Proceeds from Sale of Real Property	13,601,701
Other Investments/Loans	Total Recovery To Date	1,679,560
Liquor Licenses	Total Liquor License Transactions Closings Net Sales Proceeds To Date	799,683
	Total Recovery To Date	16,080,944
Real Property	Total Est Net Sales Proceeds for Properties Pending Sale Closings	0
	Total Estimated Net Sales Proceeds for Transactions Pending Completion	0
Real Property	Total Estimated Market Value/Contract Sale Price of Unsold Real Property	0
Other Investments/Loans	Total Other Investments/Loans Unresolved (@ least 3 expected to produce recovery)	262,600
Other Liquor Licenses	Total Estimated Market Value	0
	Total Recovery Pending Resolution or Sale	262,600
	Grand Total (SEE NOTE BELOW)	16,343,544

NOTE: The numbers reflected are as noted and are being provided as a courtesy for the reader's reference purposes only. All, except one, of the real properties were encumbered with a mortgage. After taking into consideration brokerage fees, costs of sale, mortgage payoffs and fees, property taxes, potential recovery of other investments/loans, etc., the net sales proceeds from the portfolio reflected on this schedule are (at this time) approximately \$16 million. Notably, other Investments/Loans were highly speculative and recovery is expected to be nominal relative to the overall recovery numbers; at least three (3) are expected to produce a recovery nonetheless.

EXHIBIT B

EXHIBIT B

Beginning Balance at 09/03/2019 (accounts listed in Appointment Order)	\$368,614
Additional Bank Account Recoveries post-takeover	\$1,447,947
Line of Credit Withdrawal – 9/3 pre-Receiver	\$80,000
Chicago Title Settlement Recovery Receiver December 2022	\$23,805,295
Chicago Title Funds Received November 19, 2019	\$11,311,344
Rancho Mirage Property Recovery	\$1,271,093
Thomas Avenue Property Recovery	\$224,740
Carmel Property Recovery	\$534,153
Zanzibar Property Recovery	\$258,776
Former Swell Property Recovery [1]	\$129,306
Saska's and Parking Lot Recoveries	\$1,099,272
Bao Recovery	\$19,592
Ingraham Property Recovery	\$400,618
3415 Mission Property Recovery	\$273,811
Tennyson Property Recovery	\$271,948
7569-7571 University Property Recovery	\$261,418
Bella Pacific Property Recovery	\$41,161
809 San Rafael Property Recovery	\$252,962
Former Patio 101 Liquor License, Personal Property Recovery	\$117,145
Former Chicken Pharm Liquor License Recovery	\$150,000
Former Goldfinch Liquor License, Personal Property Recovery	\$142,990
Windemere Property Recovery	\$1,349,216
8381 La Mesa Blvd (SRLM) Property Recovery	\$75,558
University Condo #9 Property Recovery	\$25,450
Randolph Property Recovery	\$467,303
W. Washington Property Recovery	\$367,551
812 San Rafael Property Recovery	\$1,552,795
Valle Vista Property Recovery	\$106,736
Camino Degrazia Property Recovery	\$41,323
Yarmouth Property Recovery	\$1,292,325
3792 Mission Blvd Property Recovery	\$364,014
3816 Mission Blvd Property Recovery	\$931,925
Bandini Property Recovery	\$1,300,000
140 Keller Street Property Recovery	\$1,274,945
Former Mission Beach Surf Rider Recovery	\$381,618
Former Ocean Beach Surf Rider Recovery	\$50,504
Diamond Street Property Recovery (Forfeited Earnest Money plus Net Sale Proceeds)	\$410,178
Former Himmelberg's Liquor License Recovery	\$52,343
Former Fireside Liquor License Recovery	\$52,500
Former Patio on Lamont Liquor License Recovery	\$156,114
Endeavor CD Recovery	\$234,669
Endeavor Bank Share Sale Recovery	\$271,963
Legal Retainer Recovery	\$183,204
Tourmaline Investment Recovery	\$347,040
City National Bank CD Recovery	\$76,296

D. Champion Settlement Recovery	\$330,000
Pullman Lofts Earnest Money Deposit Recovery	\$495,888
Personal Property Recovery	\$377,362
Adams Settlement Recovery	\$703,201
Houts Settlement Recovery	\$290,000
Clawback Recovery	\$8,768,809
Restaurant Receipts (includes Patio Marketplace pre-opening expense receivables collection)	\$5,305,037
Real Estate Rental Receipts	\$805,739
Keller Street Co-Work Receipts	\$404,118
Retail Receipts (includes post-closing product sales (pre-auction))	\$111,487
ANI Miscellaneous Contract Refunds/Recoveries/Receipts	\$246,693
Settlements	\$216,667
Interest Income	\$712,604
D Street Escrow Recovery	\$19,746
Pre-Receiver Expenses (detail in Initial Verified Report)	(\$87,930)
Tax Settlement - Pre-Receiver (paid post)	(\$13,054)
Restaurant Expenses:	
Payroll and Payroll Related Expense	(\$2,217,260)
Operating Expenses	(\$1,243,840)
Cost of Goods Sold	(\$1,255,981)
Management Fees	(\$336,666)
BOE – Sales Tax	(\$341,169)
Rent Expense	(\$191,016)
Merchant and Bank Fees	(\$37,185)
Real Property Related Expenses:	
Debt Service	(\$1,678,780)
Property Tax Expense	(\$419,956)
Operating Expenses	(\$316,044)
Keller Street Co-Work Expenses:	
Payroll and Payroll Related Expense	(\$127,597)
Operating Expense	(\$162,549)
Retail Expenses:	
Payroll and Payroll Related Expense	(\$18,087)
Operating Expense	(\$20,837)
Cost of Goods Sold	(\$1,463)
General & Administrative Expense	(\$2,175)
Corporate Expenses:	
Payroll and Payroll Related Expense (includes real property related operations)	(\$1,983,808)
Payroll - PTO	(\$217,426)
Insurance (includes real property and operations coverages)	(\$378,741)
General & Administrative Expenses	(\$901,006)
IT Expense	(\$383,432)
Rent Expense	(\$104,567)
Operating Expenses	(\$90,443)
Franchise Tax Board Expenses (approximately 40 entities)	(\$124,827)

Holders of Allowed Claim Distributions:	
Chicago Title Settlement Distributions	(\$22,253,874)
Receivership Estate First Interim Distribution	(\$21,000,000)
Suntrust Expense	(\$57,405)
Grant Deed Court-Approved Settlement Payment	(\$100,000)
Vacation Rental Court-Approved Settlement Payment	(\$150,000)
Receiver Fees & Expenses [2]	(\$2,860,230)
Receiver Legal Fees & Expenses [3]	(\$4,524,824)
Ending Book Balance at 06/30/2023	\$9,012,931

[1] In July 2020, a UCC payment was made in the amount of \$60,000, which ultimately offsets this recovery.

[2] Includes credit for Rancho Mirage Property buyer's request for supplemental Court approval - \$4,990. Total reflects interim fee applications approved through 3/31/2021.

[3] Includes credit for Rancho Mirage Property buyer's request for supplemental Court approval - \$4,990. Total reflects interim fee applications approved through 3/31/2021.