

1 DAVID R. ZARO (BAR NO. 124334)  
MICHAEL R. FARRELL (BAR NO. 173831)  
2 ALLEN MATKINS LECK GAMBLE  
MALLORY & NATSIS LLP  
3 865 South Figueroa Street, Suite 2800  
Los Angeles, California 90017-2543  
4 Phone: (213) 622-5555  
Fax: (213) 620-8816  
5 E-Mail: dzaro@allenmatkins.com  
mfarrell@allenmatkins.com

6 EDWARD G. FATES (BAR NO. 227809)  
7 ALLEN MATKINS LECK GAMBLE  
MALLORY & NATSIS LLP  
8 One America Plaza  
600 West Broadway, 27th Floor  
9 San Diego, California 92101-0903  
Phone: (619) 233-1155  
10 Fax: (619) 233-1158  
E-Mail: tfates@allenmatkins.com

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.  
24  
25  
26  
27  
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Case No. 3:19-cv-01628-LAB-AHG

**RECEIVER'S SEVENTEENTH  
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 Seventeenth Interim Report and Recommendations ("Seventeenth  
5 Report").

## 6 I. BACKGROUND

7 This equity receivership involves a large, complex, and wide-ranging group of  
8 enterprises and assets which are the subject of the Complaint filed by the Securities  
9 and Exchange Commission. This quarterly report covers the Receiver's activities  
10 during the third quarter of 2023 and reflects the status of certain assets as of the date  
11 of this report, if material activity has occurred between September 30, 2023 and the  
12 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 third  
21 quarter of 2023, the Receiver continued to make steady progress in marshalling the  
22 Receivership Entities' assets, moving towards resolution of on-going litigation  
23 matters and otherwise discharging her duties.

24 As of the date of this report, all owned real property and nearly all personal  
25 property assets have been monetized or otherwise resolved. The remaining assets  
26 consist of a few items of personal property/office equipment and some investments  
27 summarized as "Other Investments/Loans" in the attached Exhibit A asset chart. The  
28

1 remaining recovery from these assets remains in flux; however, further recovery is  
2 not expected to materially increase the total receivership estate funds.

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

### 11 **III. SUMMARY OF RECEIVER'S ACTIVITIES**

#### 12 **A. Third Quarter 2023 Funds Recovered**

13 As discussed below, the Receiver's tangible asset sales are nearly complete,  
14 however, recovery efforts are ongoing. A few recovery highlights during the third  
15 quarter of 2023 include:

- 16 • \$19,000 in installment payments from existing settlements.<sup>1</sup>
- 17 • \$64,364 of interest income resulting from the receivership estate's  
18 participation in an insured cash sweep program, which not only earns  
19 interest, but also fully protects the funds in FDIC-insured accounts.

20 Additional recovery and expense detail through the third quarter of 2023 is  
21 included on the receipts and disbursements schedule attached hereto as Exhibit B.

#### 22 **B. Status of Real and Personal Property Assets**

23 Throughout this case, the Receiver took significant steps to implement the  
24 Appointment Order, including previously managing all assets controlled, operated,  
25 leased, or owned by the Receivership Entities. Exhibit A is a schedule of all known  
26  
27

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

1 real property, businesses/operations, third-party investments/loans, and liquor license  
2 assets of the Receivership Entities and their disposition.

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

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

15 **C. Property Taxes**

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

18 **D. Insurance**

19 As the final real property was sold, no property and general liability policies  
20 remain. The Receiver received a final refund from the prior insurance broker in  
21 April 2023 for unused premium on a previous policy. Since there are no remaining  
22 employees, the insurance policies linked to them, such as health insurance and  
23 worker's compensation, have been cancelled. A one-year tail on the EPLI claims  
24 made policy was purchased and expired without any additional claims. The worker's  
25 compensation insurance final audit was completed, resulting in a refund in late 2021.

26 Previously, the Receiver received a demand from an attorney representing an  
27 individual who was alleged to be involved in an incident which occurred pre-  
28 receivership in a Patio Marketplace restaurant in Irvine, CA. The Receiver's special

1 conflicts counsel responded to the demand and the details of the claim were  
2 forwarded to the appropriate insurance carrier in place at the time of the alleged  
3 incident (early 2019).

4 **E. Debt Service**

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

7 **F. Loans and Other Investments**

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

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

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

1 Recently, the principals of Illa requested permission to cease marketing their  
2 property for sale. Instead, they intended to pursue a refinance of the home to pay off  
3 the amount due to the Receiver. To accomplish the refinance, the property was  
4 removed from the market to comply with lender requirements. The Receiver  
5 anticipates a resolution in the Spring of 2024.

6 The Receiver maintains a watchful eye on the investment in Casa del Zorro, a  
7 boutique hotel located in Borrego Springs, California. Previous interest by the  
8 partnership to purchase the receivership estates interest was muted. A 2022 capital  
9 improvement project along with a change in management companies appears to have  
10 improved the property's economics and appeal. However, the asset continues to face  
11 various challenges. In late 2022, an improved offer was made to purchase the  
12 receivership estate's interest by the partnership group. The offer was significantly  
13 greater than the previous offers received in 2021, but also materially less than the  
14 initial investment. The partnership group remains interested in buying the  
15 receivership estate's interest at a discount. As the economics of the asset continue to  
16 improve, the Receiver hopes to be able to negotiate a sale of the interests.

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 been collected as approved by this  
10 Court. Dkt. 682 and 925.

11 In December 2021, the Court conditionally approved the Receiver's request for  
12 authority to pursue the receivership estate's claims against CTC. Dkt. 737. After the  
13 Receiver reached a settlement with CTC and various related parties and sought  
14 approval thereof, on November 22, 2022, the Court entered its Order 1) Approving  
15 Global Settlement and 2) Entering Chicago Title Bar order. Dkt. 927. Three (3)  
16 separate parties filed appeals of the CTC bar order and a related bar order in favor of  
17 Nossaman, LLP - Ovation Management, Kim Peterson and his funding entities, and  
18 CalPrivate Bank ("CalPrivate"). Subsequently, the Receiver entered into a settlement  
19 agreement with CalPrivate to resolve its appeal of the order approving the CTC  
20 settlement and resolve its disputed claim in the receivership. A joint motion seeking  
21 Court 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 its  
25 allocated share of the CTC Global Settlement, along with an additional payment of  
26 \$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 initially appealed the order approving the settlement with  
2 CalPrivate, but subsequently withdrew 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 have been assigned to this Court as related actions. In each of these cases, an ENE  
8 with Magistrate Judge Goddard has been held (in some cases, multiple ENE sessions  
9 have been held), or a default has been entered against the Clawback Defendants.  
10 Most of the Clawback cases have now been resolved through settlement, default  
11 judgment (collection of which is underway), or in one instance, a bankruptcy filed by  
12 the clawback defendant. Only three (3) active Clawback cases remain (motions for  
13 summary judgment have been filed and are pending in two of those cases).

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

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

Chicago Title Settlement	\$23,805,295
William Adams Settlement	\$703,200
Randolph Houts Settlement	\$290,000
Approximately 87 Clawback settlements	\$8,787,809
<b>Total collected through 09/30/2023</b>	<b>\$33,586,304</b>

#### **H. Receivership Estate Operations**

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

#### **I. Claims Process & Taxes**

The Receiver filed her Motion for Order (1) Approving Procedures for the Administration of Claims against the Receiver Estate; (2) Setting Claims Bar Date; and (3) Approving Claims Bar Date Notice and Proof of Claim Forms (Dkt. No. 681). That motion was granted by the Court (Dkt. No. 716) on October 14, 2021. Investors and creditors had until December 31, 2021, to submit their claims to the Receiver (the "Claims Bar Date"). The Receiver concluded the process as set forth therein, and on May 31, 2022, filed her Motion for Order: (1) Approving Receiver's Recommended Treatment of Claims (Allowed, Disallowed, Disputed); (2) Approving Distribution Methodology; and (3) Approving Proposed Distribution Plan ("Claims Allowance and Plan Motion"). Dkt. 807. At the Court's direction, on May 26, 2022, the Receiver filed a proposed plan for providing notice of the Claims Allowance and Plan Motion, as well as the Settlement Approval Motion, including a

1 proposed briefing schedule for the motions. Dkt. 797. The Court approved the plan  
2 for providing notice and held a hearing on the Claims Allowance and Plan Motion on  
3 August 31, 2022. Dkt. 812. On February 24, 2023, the Court issued an Order (1)  
4 Approving Receiver's Recommended Treatment of Claims (Allowed, Disallowed  
5 Disputed; (2) Approving Distribution Methodology; (3) Approving Proposed  
6 Distribution Plan; (4) Granting Leave to File Excess Pages. Dkt. 958.

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

16 Notwithstanding the Peterson Parties' appeal and stay motions, and pursuant to  
17 the approved Distribution Plan, on April 6, 2023, the Receiver filed her Notice of  
18 Allowed Claim Adjustments. Dkt 986. Likewise, on April 11, 2023, the Receiver  
19 filed her Notice of Interim Distribution. Dkt 988. Both the Notice of Allowed Claim  
20 Adjustments and the Notice of Interim Distribution were posted to her website and  
21 emailed (or mailed if no email was available) to the applicable investors. The  
22 \$21 million in payments representing the first interim distribution, as approved by  
23 the Court, were then sent out on May 6, 2023. As of September 30, 2023, all but  
24 approximately \$270 of first interim distribution checks have been received and  
25 cashed.

26 Regarding the Receivership Entities' tax returns, the Receiver continues to  
27 make progress on the tax returns for 70 separate entities. A significant number of  
28 prior year returns (2016, 2017 & 2018) had not been completed at the time of the

Receiver's appointment. The Receiver will continue to file Receivership Entity tax returns, as necessary, in the most cost-effective and efficient manner possible.

**J. Receipts and Disbursements**

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

Bank Balance at 09/03/2019 <sup>2</sup> (accounts listed in Appointment Order)	\$368,614
Additional Bank Account Recoveries post-takeover	\$1,447,947
Chicago Title Funds Received	\$11,311,344
Total Receipts	\$59,570,563
Total Disbursements	(\$20,415,652)
Total Distributions	(\$43,253,604) <sup>3</sup>
<b>Ending Bank Balance at 09/30/2023</b>	<b>\$9,029,212</b>

As of September 30, 2023, outstanding checks totaled \$270, resulting in a reconciled book balance of \$9,028,941. A more detailed summary of the receipts and disbursements is attached hereto as Exhibit B. As noted above, approximately \$43 million has been distributed to investors and creditors with allowed claims, as approved by the Court.

**K. Investor/Creditor Communications**

The Receiver continues to maintain a dedicated website which is being used to provide case information, regular updates, and answers to frequently asked questions to investors and creditors. The website is not intended to duplicate the Court's electronic case filing system for this case, but it is intended to provide investors with

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

<sup>3</sup> 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 important information about the receivership. The Internet address for the website is:  
 2 [www.anireceivership.com](http://www.anireceivership.com). In addition, the Receiver maintains a dedicated e-mail  
 3 address ([ani@ethreadvisors.com](mailto:ani@ethreadvisors.com)) and telephone line for investor and creditor  
 4 inquiries. The Receiver has had her staff attempt to respond to investor and creditor  
 5 correspondence to acknowledge receipt of their correspondence (via email and/or  
 6 phone).

7 The Receiver has provided communications directing all investors and  
 8 creditors to the receivership website for further notices, information, and updates,  
 9 and notifies them of the opportunity to subscribe to receive automatic periodic e-mail  
 10 updates with links to reports and other relevant documents filed with the Court.  
 11 Investors and creditors are reminded of the importance of maintaining current contact  
 12 information with the Receiver's office to ensure receipt of important information  
 13 relating to the claims approval process, distributions, and other important updates.

#### 14 **IV. CONCLUSION**

15 The Receiver's efforts to marshal and recover assets and complete remaining  
 16 litigation matters are ongoing. The Receiver and her professionals recommend that  
 17 the receivership continue pursuant to the Appointment Order and supplemental  
 18 orders issued by the Court until such time as remaining litigation matters have been  
 19 resolved and a final distribution of receivership estate funds has been made.

20  
 21 Dated: December 5, 2023

ALLEN MATKINS LECK GAMBLE  
 MALLORY & NATSIS LLP

22  
 23 By: s/Edward G. Fates

24 EDWARD G. FATES  
 Attorneys for Receiver  
 KRISTA FREITAG  
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**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
<b>Total Net Sales Proceeds (Plus reduction of loans payable of \$3.188 million for Items 1-3)</b>					<b>13,601,701</b>

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. Recent site and management improvements have improved asset marketability, but significant headwinds remain. There is an open offer from the partnership to buy our interest.	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 \$265,000 once the borrower refinances their home mortgage.	200,000	250,000
8	Boermeester	Loan Receivable	Borrower deceased, estate closed.	60,000	0
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
<b>Total Estimated Market Value</b>					<b>0</b>

**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
	<b>Total Recovery To Date</b>	<b>16,080,944</b>
Real Property	Total Est Net Sales Proceeds for Properties Pending Sale Closings	0
	<b>Total Estimated Net Sales Proceeds for Transactions Pending Completion</b>	<b>0</b>
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
	<b>Total Recovery Pending Resolution or Sale</b>	<b>262,600</b>
	<b>Grand Total (SEE NOTE BELOW)</b>	<b>16,343,544</b>

**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

<b>Beginning Balance at 09/03/2019 (accounts listed in Appointment Order)</b>	<b>\$368,614</b>
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	\$8,787,809
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	\$776,968
D Street Escrow Recovery	\$19,746
Pre-Receiver Expenses (detail in Initial Verified Report)	(\$87,930)
Tax Settlement - Pre-Receiver (paid post)	(\$13,054)
<b>Restaurant Expenses:</b>	
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)
<b>Real Property Related Expenses:</b>	
Debt Service	(\$1,678,780)
Property Tax Expense	(\$419,956)
Operating Expenses	(\$316,044)
<b>Keller Street Co-Work Expenses:</b>	
Payroll and Payroll Related Expense	(\$127,597)
Operating Expense	(\$162,549)
<b>Retail Expenses:</b>	
Payroll and Payroll Related Expense	(\$18,087)
Operating Expense	(\$20,837)
Cost of Goods Sold	(\$1,463)
General & Administrative Expense	(\$2,175)
<b>Corporate Expenses:</b>	
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	(\$911,381)
IT Expense	(\$406,850)
Rent Expense	(\$104,567)
Operating Expenses	(\$90,443)
Franchise Tax Board Expenses (approximately 40 entities)	(\$158,389)

<b>Holders of Allowed Claim Distributions:</b>	
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)
<b>Ending Book Balance at 09/30/2023</b>	<b>\$9,028,941</b>

[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.