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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  
23 INVESTMENTS, INC.,

24 Relief Defendant.  
25  
26  
27  
28

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

**RECEIVER'S TWENTY-THIRD  
INTERIM REPORT AND  
RECOMMENDATIONS**

Ctrm: 14A  
Judge: Hon. Todd W. Robinson

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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 Twenty-Third Interim Report and Recommendations (“Twenty-  
5 Third Report”).

6 **A. BACKGROUND**

7 This equity receivership involved 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 first quarter of 2025 and reflects the status of certain activities  
11 as of the date of this report, if material action has occurred between March 31,  
12 2025, and the date of this report.

13 **B. EXECUTIVE SUMMARY**

14 As reported, the receivership estate assets were primarily comprised of cash,  
15 33 commercial and residential properties, 27 restaurant and retail operations, not  
16 including commissary kitchen operations (both owned and leased properties),  
17 voluminous personal property (including restaurant equipment, product inventory,  
18 retail merchandise, liquor licenses and intellectual property associated with the  
19 operations of the enterprise), various notes receivable or equity investments made  
20 by the Receivership Entities, and potential causes of action. During the first quarter  
21 of 2025, the Receiver continued to make steady progress in marshalling the  
22 Receivership Entities’ few remaining assets, moving towards resolution of ongoing  
23 litigation 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.  
28 The remaining recovery from these assets remains in flux; however, further

1 recovery is expected to be minimal in relation to the scope of the overall  
2 receivership.

3 Since her appointment, the Receiver closed sales of real properties and  
4 leasehold interests (including associated liquor licenses) with an aggregate gross  
5 sale 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  
8 assets, awaiting resolution of one remaining clawback claim, and completing the  
9 Court-approved distribution process.

10 **C. SUMMARY OF RECEIVER’S ACTIVITIES**

11 First Quarter 2025 Funds Recovered

12 The recovery highlight for the first quarter of 2025 includes:

- 13 • \$45,616 of interest income resulting from the receivership estate’s  
14 participation in an insured cash sweep program, which not only earns  
15 interest, but also fully protects the funds in FDIC-insured accounts.

16 Additional recovery and expense detail through the first quarter of 2025 is  
17 included on the receipts and disbursements schedule attached hereto as Exhibit B.

18 Status of Real and Personal Property Assets

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

24 The Receiver recovered over \$16 million from the assets reflected on  
25 Exhibit A. In addition, the Bandini Street Property, which was owned by  
26 Defendant Champion-Cain and her husband Steven Cain, was refinanced with  
27 Court approval, resulting in a \$1.3 million recovery for the receivership estate. The  
28

1 Receiver continues to work on recovery for the assets listed as “Other  
2 Investments/Loans” on Exhibit A.

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

9 Loans and Other Investments

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

19 In previous periods, the investment in BayMedica, a cannabis/pharmaceutical  
20 company, was converted into shares and cash in InMed, a publicly traded Canadian  
21 pharmaceutical company as part of a sale transaction. Pursuant to the sale terms,  
22 the Receiver has recovered over \$10,000 in cash and has shares of InMed that are  
23 available for sale (albeit with a current de minimis value at this time). Those  
24 shares, if deemed cost effective to do so, are expected to be sold to complete the  
25 recovery on that asset.

26 The Court approved the Receiver’s settlement with Illa Designs, LLC (“Illa”)  
27 a company that made the “Dash Wagon”, a startup fitness/maternity product.  
28 Pursuant to that agreement, Illa’s principals recorded a deed of trust in favor of the

1 receivership estate on their property and placed their home for sale. Based upon the  
2 agreement, the receivership estate was expected to recover approximately \$265,000  
3 and modest interim payments were made toward that amount. In late 2023, the  
4 principals of Illa requested permission to cease marketing their property for sale and  
5 instead refinance it to satisfy the debt. Various title matters affecting the property  
6 were discovered, and on July 16, 2024, the Court entered an Order staying the  
7 Receiver's action. Unfortunately, the refinance efforts failed and the Receiver filed  
8 several status reports with the Court in the interim. On December 18, 2024, the  
9 Receiver entered into an amended settlement agreement with Illa and its principals  
10 that required the property to be re-listed by March 15, 2025. The property was  
11 listed for sale during the period; however, no offers have been received yet. This  
12 amended settlement allows the Receiver some additional control over the terms of  
13 the property listing and sale process, but, depending on the ultimate sale price,  
14 could result in a reduced recovery.

15       The Receiver continues to monitor the investment in Casa del Zorro, a  
16 boutique hotel located in Borrego Springs, California. Early interest in purchasing  
17 the receivership estate's interest was limited, and a 2022 capital improvement  
18 project along with a change in onsite management modestly improved the  
19 property's economics and appeal. Despite this, the asset continues to face various  
20 significant challenges. The hotel has been unable to fund all its operations and  
21 planned capital improvement projects. A 2024 capital call, which the receivership  
22 estate did not participate in, diluted its interests. Further capital calls were planned  
23 for 2025. Instead, a co-owner is working to refinance the existing debt, obtain  
24 working capital and purchase the interests of the receivership estate and another  
25 large stakeholder. That owner will become the majority owner upon closing of the  
26 refinance. The transaction is expected to close by the end of the second quarter in  
27 2025.

28

1 Other loans/investments appear unlikely to lead to a recovery. The  
2 underlying investments are the subject of complex litigation (Trek Partners), a  
3 music festival that needed so much additional capital after the initial capital raise  
4 that the initial investment value has been diluted to a negligible amount that would  
5 not be cost effective to recover (Wonderlust Events, LLC), a liquor distribution  
6 investment that never materialized beyond the startup phase (BSV Group, LLC),  
7 and an investment in a startup fish-based agricultural feed company (Menon  
8 Renewable Energy) that has no near-term exit strategy. As appropriate, the  
9 Receiver’s staff continues to follow-up on these investments, and the others, to  
10 determine the prospects for and best approach to securing a recovery, if possible.

11 As previously discussed, the 2Budz Holdings, LLC investment was resolved  
12 via an offset to 2Budz Holdings’ claim against the receivership estate.

13 Third-Party Claims

14 The receivership estate made significant claims against third parties for the  
15 substantial losses suffered by the Receivership Entities and the amounts owed to  
16 investors and creditors of the Receivership Entities. The Receiver identified certain  
17 third parties who directly or indirectly aided and abetted the principals of the  
18 receivership entities in wrongful conduct resulting in tens of millions of dollars of  
19 losses.

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

23 In December 2021, the Court conditionally approved the Receiver’s request  
24 for authority to pursue claims against Chicago Title Company (“CTC”). Dkt. 737.  
25 Following a settlement between the Receiver, CTC, and related parties, the Court  
26 entered an order on November 22, 2022, (Dkt. 927) 1) approving the global  
27 settlement and 2) issuing a bar order in favor of CTC. Three parties – Ovation  
28 Management, Kim Peterson and his funding entities, and CalPrivate Bank

1 (“CalPrivate”) – appealed the CTC bar order and a related bar order concerning  
2 Nossaman, LLP. The Receiver later reached a settlement with CalPrivate to resolve  
3 both its appeal and its disputed claim in the receivership. A joint motion for  
4 approval was filed (Dkt. 956), and the Court approved the settlement on April 24,  
5 2023 (Dkt. 995). Under the approved settlement, CalPrivate assigned its claims  
6 against Kim Peterson and his entities to the receivership estate. In return,  
7 CalPrivate received its share of the CTC settlement, an additional \$500,000 and a  
8 portion of any future recovery from Peterson and his affiliates. CalPrivate  
9 dismissed its appeal. Although Peterson and his entities initially appealed the  
10 CalPrivate settlement approval, they later withdrew their appeal.

11 With respect to the appeals of the settlement approval and bar orders filed by  
12 the Peterson Parties and Ovation Management, the Ninth Circuit Court of Appeals  
13 has issued its decision affirming the Court’s orders. Dkt. 1064. Ovation  
14 Management recently filed a petition for certiorari to the U.S. Supreme Court and  
15 Peterson has stated he intends to do the same (and has obtained a stay of the Ninth  
16 Circuit mandate pending the outcome of his anticipated petition).

17 Clawback Claims

18 The Court authorized the Receiver to proceed with claims to recover profits,  
19 referral fees, commissions and other amounts paid to profiting investors and other  
20 third parties (“Clawback Claims”). Dkt. 551. The Receiver has signed settlement  
21 agreements for 88 Clawback Claims.<sup>1</sup> The Clawback Claims that have resulted in  
22 lawsuits have been assigned to this Court as related actions. In each of these cases,  
23 an ENE with Magistrate Judge Goddard was held (in some cases, multiple ENE  
24 sessions were held), or a default has been entered against the Clawback Defendants.  
25 All but one of the Clawback cases have now been resolved through settlement,  
26 default judgment, or in one instance, a bankruptcy filed by the clawback defendant.

27  
28 <sup>1</sup> As of the date of this report, approximately \$9.4 million of payments representing approximately 88 clawback settlements have been received.

1 Only one active Clawback case remains. The Receiver was granted summary  
2 judgment as to one of the last two Clawback cases, resulting in a \$300,000 settlement  
3 recovery, which funds were received in May 2025.

4       Regarding the one remaining Clawback Claim, which is against Kim Peterson  
5 and his entities, the Receiver sought and was granted authority by the Court to  
6 expand the claims in her complaint to include additional tort claims for additional  
7 damages. The Receiver's First Amended Complaint was filed on May 18, 2022 and  
8 the Defendants' answer was filed on June 27, 2022. In connection with the Court-  
9 approved settlement with CalPrivate, CalPrivate assigned its claims against Peterson  
10 and his entities and trusts to the receivership and the Receiver filed her Second  
11 Amended Complaint against Peterson and his entities and trusts on May 5, 2023,  
12 adding contract-based claims against one of Peterson's entities (ANI License Fund)  
13 and his irrevocable trust. The Receiver filed a motion for summary judgment, which  
14 was argued at the November 7, 2024 hearing. On January 9, 2024, the Court issued  
15 an order granting in part and denying in part the Receiver's motion for summary  
16 judgment. The order allowed for further briefing on certain discrete issues. The  
17 Receiver filed her supplemental brief on January 30, 2025, and Peterson filed his on  
18 February 20, 2025.

19       The Receiver also substituted in as the plaintiff in a state court action filed by  
20 CalPrivate against Peterson personally that includes contract-based and tort claims.  
21 Peterson filed a cross-complaint in the state court case against the Receiver (on  
22 behalf of the receivership estate) and Gina Champion-Cain. The Receiver moved to  
23 dismiss the cross-complaint as to all claims against the receivership estate and also  
24 filed a motion for sanctions due to the frivolous filing. On August 2, 2024, the state  
25 court granted the Receiver's motion to dismiss based on Peterson's violation of the  
26 Barton Doctrine. The state court gave Peterson until August 28, 2024 to seek leave  
27 from this Court to bring claims against the Receiver (*i.e.* the receivership estate) in  
28 state court. Peterson filed that motion on August 28, 2024, (Dkt 1034) which was

1 argued at the hearing held on November 7, 2024. On November 14, 2024, the Court  
2 denied Peterson’s motion for leave. Dkt. No. 1051. On February 7, 2025, the state  
3 court granted the Receiver’s motion for sanctions due to the filing of the frivolous  
4 cross-complaint, awarding sanctions in favor of the receivership in the amount of  
5 \$31,042.99 against Peterson and his counsel jointly; the sanctions payment was made  
6 in the second quarter of 2025. The Receiver has filed a motion for summary  
7 adjudication in the state court case, which is currently set to be heard on July 11,  
8 2025.

9 A summary of third-party settlement collections through March 31, 2025 is  
10 below:

11 Chicago Title Settlement	\$23,805,295
12 William Adams Settlement	\$703,200
13 Randolph Houts Settlement	\$290,000
14 Approximately 88 Clawback settlements	\$9,423,915
15 <b>Total collected through 03/31/2025</b>	<b>\$34,222,410</b>

16  
17 Receivership Estate Operations

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

24 Claims Process & Taxes

25 The Receiver filed a Motion to approve claims administration procedures, set a  
26 Claims Bar Date, and approve related notices and forms (Dkt. 681), which the Court  
27 granted on October 14, 2021 (Dkt. 716). Investors and creditors had until  
28 December 31, 2021, to submit claims. After completing the process, the Receiver

1 filed a Motion on May 31, 2022, to approve claim treatments, distribution  
2 methodology, and a proposed distribution plan (Dkt. 807). In compliance with the  
3 Court’s directive, the Receiver submitted a proposed notice plan and briefing  
4 schedule on May 26, 2022 (Dkt. 797), which the Court approved after holding a  
5 hearing on August 31, 2022 (Dkt. 812). The Court issued its final Order approving  
6 the claims treatment, distribution methodology, and plan on February 24, 2023 (Dkt.  
7 958).

8         On March 13, 2023, Kim Peterson, Kim Funding, LLC and ABC Funding  
9 Strategies, LLC (“Peterson Parties”) filed a notice of appeal of the denial of their  
10 claims in the receivership and a motion seeking to stay distributions to investors and  
11 creditors from the receivership estate while they pursue their appeal. Dkt. 972, 973.  
12 On April 10, 2023, the stay motion was denied, however a temporary stay was  
13 granted until April 24, 2023, so the Peterson Parties could seek a further stay from  
14 the Ninth Circuit Court of Appeals. Dkt. 987. The Peterson Parties filed an  
15 emergency motion with the Ninth Circuit on April 17, 2023. The Receiver opposed  
16 the emergency motion, and it was denied by the Ninth Circuit on April 24, 2023.  
17 Despite the Peterson Parties’ appeal and stay motions, the Receiver proceeded with  
18 the approved Distribution Plan, filing a Notice of Allowed Claim Adjustments on  
19 April 6, 2023 (Dkt. 986) and a Notice of Interim Distribution on April 11, 2023 (Dkt.  
20 988). Both notices were posted online and sent to investors. In May 2023, the  
21 Court-approved first interim distribution of \$21 million was issued, bringing total  
22 investor recovery to 90.92% of MIMO net losses, with some receiving full recovery  
23 through Chicago Title settlements. Trade and tax creditors with allowed claims also  
24 recovered 90.92%.

25         On April 28, 2025, the Ninth Circuit affirmed this Court’s order denying the  
26 Peterson Parties’ claims against the receivership estate. The Receiver anticipates  
27 seeking authority to make a final distribution of receivership estate funds once the  
28

1 outstanding Clawback claim and related litigation matters against the Peterson  
 2 Parties are fully resolved.

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

8 Receipts and Disbursements

9 The following is a summary of the cash activity in the receivership estate from  
 10 the inception of the receivership on September 3, 2019 through March 31, 2025.

11 Bank Balance at 09/03/2019 <sup>2</sup> (accounts listed in Appointment Order)	\$368,614
12 Additional Bank Account Recoveries post-takeover	\$1,447,947
13 Chicago Title Funds Received	\$11,311,344
14 Total Receipts	\$60,567,291
15 Total Disbursements	(\$21,881,005)
16 Total Distributions	(\$43,253,603) <sup>3</sup>
17 <b>Ending Bank Balance at 03/31/2025</b>	<b>\$8,560,588</b>

18 A more detailed summary of the receipts and disbursements is attached hereto  
 19 as Exhibit B. As noted above, approximately \$43 million has been distributed to  
 20 investors and creditors with allowed claims, as approved by the Court, bringing total  
 21 investor recovery up to 90.92% of MIMO net losses (with some investors having  
 22 received 100% or more of their MIMO net losses pursuant to Chicago Title  
 23 settlements).

24  
 25  
 26 <sup>2</sup> While September 3, 2019 is the date of the Appointment Order, the order was  
 27 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.

28 <sup>3</sup> See the Chicago Title Settlement Distributions and Receivership Estate First  
 Interim Distribution line items in Exhibit B.

1 Investor/Creditor Communications

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

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

19 **D. CONCLUSION**

20 The Receiver’s efforts to marshal and recover assets and complete remaining  
21 litigation matters are ongoing. The Receiver and her professionals recommend that  
22 the receivership continue pursuant to the Appointment Order and supplemental  
23 orders issued by the Court until such time as remaining litigation matters have been  
24 resolved and a final distribution of receivership estate funds has been made.

25 Dated: June 4, 2025

ALLEN MATKINS LECK GAMBLE  
MALLORY & NATSIS LLP

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By:                   s/Edward G. Fates  
EDWARD G. FATES  
Attorneys for Receiver  
KRISTA FREITAG

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**EXHIBIT INDEX**

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# **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>

<b>Properties Foreclosed/Relief from Injunction Granted:</b>					
	<b>Address</b>	<b>Asset Type or Name</b>	<b>Asset Status &amp; Commentary</b>		<b>Value to be Realized</b>
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
7	Baymedica	Convertible Note	Note converted to equity after sale to a public company. Stock and cash have been recovered. Previous estimated recovery has been reduced due to continued drop in stock valuation. <b>\$10,600 recovered to date with nominal, if any, additional funds anticipated upon sale of stock.</b>		10,600
<b>Total Other Investments/Loans - Recovery To Date</b>					<b>1,690,160</b>

**Other Investments/Loans - General Information and Status:**

	<b>Address/Name</b>	<b>Asset Type or Name</b>	<b>Asset Status &amp; Commentary</b>	<b>Total Invested or Loaned</b>	<b>Current Estimated Recovery</b>
1	3241 Borrego Road Borrego Springs, CA 92004	La Casa Del Zorro	An interest in a desert-area hotel. The receiver accepted a purchase offer from one of the co-owners of the asset. That sale is expected to be completed in Q2 2025.	1,063,750	225,000
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. Misirliogou	Loan Receivable		102,324	unknown

7	Dash Wagon	Convertible Note	Fitness accessory for car seat with minimal sales. The Court approved a settlement that is expected to recover \$265,000. That settlement has been re-negotiated to allow the Receiver to reduce their recovery in exchange for control over the sale of the asset. Estimated recovery has been reduced from previous estimates to account for potential reduced recovery.	200,000	200,000
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 and worth less than the recovery efforts.	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
###	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
<b>Total Estimated Recovery Remaining for Other Investments/Loans</b>					<b>425,000</b>

**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
<b>Total Liquor License Closed Transactions Net Sales Proceeds</b>				<b>799,683</b>

<b>Other Liquor License Status:</b>				
	<b>Address</b>	<b>Asset Type or Name</b>	<b>Asset Status (for sale, for lease, operating, closed, etc.)</b>	<b>Estimated Market Value</b>
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>

<b>Leased Locations Closed/Transitioned:</b>				
	<b>Address</b>	<b>Asset Type or Name</b>	<b>Asset Status (for sale, for lease, operating, closed, etc.)</b>	
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	1,690,160
Liquor Licenses	Total Liquor License Transactions Closings Net Sales Proceeds To Date	799,683
<b>Total Recovery To Date</b>		<b>16,091,544</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)	425,000
Other Liquor Licenses	Total Estimated Market Value	0
<b>Total Recovery Pending Resolution or Sale</b>		<b>425,000</b>
<b>Grand Total (SEE NOTE BELOW)</b>		<b>16,516,544</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**

<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	\$41,236
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
Dash Wagon Settlement Recovery	\$12,000
Clawback Recovery	\$9,423,915
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	\$250,439
Settlements	\$216,667
Interest Income	\$1,121,769
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)	(\$378,526)
General & Administrative Expenses	(\$988,444)
IT Expense	(\$506,328)

Rent Expense	(\$104,567)
Operating Expenses	(\$90,443)
Franchise Tax Board Expenses (approximately 40 entities)	(\$163,736)
<b>Holders of Allowed Claim Distributions:</b>	
Chicago Title Settlement Distributions [2]	(\$22,253,874)
Receivership Estate First Interim Distribution [3]	(\$20,999,730)
Suntrust Expense	(\$57,405)
Grant Deed Court-Approved Settlement Payment	(\$100,000)
Vacation Rental Court-Approved Settlement Payment	(\$150,000)
Receiver Fees & Expenses [4]	(\$3,087,212)
Receiver Legal Fees & Expenses [5]	(\$5,581,519)
<b>Ending Book Balance at 03/31/2025</b>	<b>\$8,560,588</b>

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

[2] Represents \$21,753,873.64 of funds allocated to pay 100% of certain investors' MIMO net loss claims under the Court approved Global Settlement with CTC, plus \$500,000 of funds allocated for payment under the Court-approved settlement with CalPrivate.

[3] Represents the receivership estate's \$21,000,000 First Interim Distribution less one check in the amount of \$270.39 which was not negotiated by a creditor.

[4] Includes credit for Rancho Mirage Property buyer's request for supplemental Court approval (\$4,990) as well as a credit for forensic computer imaging (\$22,260). Total reflects interim fee applications approved through 06/30/2024.

[5] Includes credit for Rancho Mirage Property buyer's request for supplemental Court approval (\$4,990). Total reflects interim fee applications approved through 06/30/2024