IN THE SUPREME COURT OF THE STATE OF NEVADA

SPANISH HEIGHTS ACQUISITION COMPANY, LLC; SJC VENTURES HOLDING COMPANY, LLC, d/b/a SJC VENTURES, LLC, Petitioners, v. THE EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA, IN AND FOR THE COUNTY OF CLARK, AND THE HONORABLE ELIZABETH GONAZLEZ, DISTRICT JUDGE Respondents,	**PETITIONER'S APPENDIX TO PETITION FOR WRIT OF MANDAMUS OR PROHIBITION DIRECTING THE EIGHTH JUDICIAL DISTRICT COURT CLARK COUNTY, NEVADA, HONORABLE ELIZABETH GONZALEZ, DISTRICT JUDGE, TO VACATE AN (1) INJUNCTIVE RELIEF ORDER WITH RESPECT TO PROPERTY FORECLOSURE; AND (2) AN ORDER APPOINTING A RECEIVER OVER SJC VENTURES HOLDING COMPANY, LLC**
CBC PARTNERS I, LLC; CBC PARTNERS, LLC; 5148 SPANISH HEIGHTS, LLC; KENNETH ANTOS AND SHEILA NEUMANN-ANTOS,; DACIA, LLC, Real Parties In Interest.	Dist. Ct. Case No.: A-20-813439-B

ORIGINAL PETITION

From the Eighth Judicial District Court, Clark County
The Honorable Elizabeth Gonzalez, District Judge

PETITIONERS' APPENDIX VOLUME III

JOSEPH A. GUTIERREZ, ESQ.
Nevada Bar No. 9046
DANIELLE J. BARRAZA, ESQ.
Nevada Bar No. 13822
MAIER GUTIERREZ & ASSOCIATES
8816 Spanish Ridge Avenue
Las Vegas, Nevada 89148
Telephone: (702) 629-7900
Facsimile: (702) 629-7925
jag@mgalaw.com
djb@mgalaw.com
Attorneys for Petitioners

Docket 83526 Document 2021-27151

DATE	DESCRIPTION	VOLUME	PAGES
9/3/2013	Amended Order from April 4, 2013 Hearing, in *Vion Operations LLC v. Jay L. Bloom, et al* (Case No. A-11-646131-C)	I	PA0009-0016
12/24/2020	Declaration of Alan Hallberg in Support of Defendants/Counterclaimants' Opposition to Plaintiffs' Renewed Application for Temporary Restraining Order and Motion for Preliminary Injunction on Order Shortening Time	I	PA0170-0172
8/12/2021	Declaration of Jay Bloom	III	PA0702-0703
12/24/2020	Declaration of Kenneth M. Antos in Support of Defendants/Counterclaimants' Opposition to Plaintiffs' Renewed Application for Temporary Restraining Order and Motion for Preliminary Injunction on an Order Shortening Time	I	PA0173-0178
10/11/2017	Deed of Sale of Property to SHAC	I	PA0049
4/27/2020	Defendant CBC Partners I, LLC's Answer to Complaint; and Counterclaim	I	PA0055-0078
12/24/2020	Defendants/Counterclaimaints' Opposition to Plaintiffs' Renewed Application for Temporary Restraining Order and Motion for Preliminary Injunction on an Order Shortening Time	I	PA0146-0169
8/6/2021	Defendants' Status Report on Compliance with the Court's Orders in *TGC/Farkas Funding, LLC v. First 100, LLC et al* (Case No. A-20-822273-C)	III	PA0657-0688
5/6/2020	Demand for Jury Trial	I	PA0079-0080
8/13/2021	Email from Candace Carlyon Dated August 13, 2021	III	PA0705-0707
8/12/2021	Email from Larry Bertsch Dated August 12, 2021	III	PA0704

4/6/2021	Findings of Fact and Conclusions of Law	II	PA0327-0347
4/7/2021	Findings of Fact, Conclusions of Law, & Order Regarding Evidentiary Hearing in *TGC/Farkas Funding, LLC v. First 100, LLC et al* (Case No. A-20-822273-C)	II	PA0348-0385
5/15/2020	First Amended Complaint	I	PA0081-0100
10/7/2010	Grant, Bargain Sale Deed to Antos Trust	I	PA0005-0008
4/5/2007	Grant, Bargain, Sale Deed	I	PA0001-0004
8/15/2017	Lease Between SHAC and SJC Ventures	I	PA0017-0048
6/24/2021	Motion for Appointment of Receiver	II/III	PA0414-0605
1/5/2021	Notice of Entry of Order	I	PA0208-0215
8/11/2021	Notice of Entry of Order (Appointing Receiver)	III	PA0694-0701
4/20/2021	Notice of Entry of Order (FFCL)	II	PA0386-0409
7/8/2021	Opposition to Defendants' Renewed Motion for Appointment of Non-Neutral Receiver	III	PA0606-0649
08/10/2021	Order Appointing Receiver	III	PA0689-0693
5/26/2021	Order Granting in Part and Denying in Part Motion for Sanctions for Violation of Automatic Stay of Bankruptcy Code Section 362(a) and Related Relief	II	PA410-0413
12/14/2020	Plaintiff's Renewed Application for Temporary Restraining Order and Motion for Preliminary Injunction on an Order Shortening Time	I	PA0117-0145
1/1/2021	Plaintiff's Reply in Support of Renewed Application for Temporary Restraining Order and Motion for Preliminary Injunction on an Order Shortening Time	I	PA0179-0207

4/1/2020	Rent Payments to SHAC	I	PA0050-0054
7/28/2021	Status Report Regarding Lifting of Bankruptcy Stay	III	PA0650-0656
1/12/2021	Stipulation Regarding Legal Issues to be Decided by the Court at Bifurcated Trial Commencing February 1, 2021	I	PA0221-0222
5/26/2020	Summons to 5148 Spanish Heights, LLC	I	PA0101-0104
5/26/2020	Summons to CBC Partners I, LLC	I	PA0109-0112
5/26/2020	Summons to CBC Partners, LLC	I	PA0105-0108
5/26/2020	Summons to Dacia, LLC	I	PA0113-0116
1/5/2021	Temporary Restraining Order	I	PA0216-0220
3/15/2021	Transcript of Proceedings – Preliminary Injunction Hearing and Trial – Day 4, Volume II	II	PA0229-0326
2/3/2021	Voluntary Petition for Non-Individuals Filing for Bankruptcy	I	PA0223-0228
12/15/2020	Exhibits in Support of Plaintiffs' Renewed Application for Temporary Restraining Order and Motion for Preliminary Injunction on an Order Shortening Time	IV/V	PA0708-1018

CERTIFICATE OF SERVICE

I certify that on the 20th day of September, 2021, this document was electronically filed with the Nevada Supreme Court. Electronic service of the foregoing: **PETITION FOR WRIT OF MANDAMUS OR PROHIBITION DIRECTING THE EIGHTH JUDICIAL DISTRICT COURT CLARK COUNTY, NEVADA, HONORABLE ELIZABETH GONZALEZ, DISTRICT JUDGE, TO VACATE AN (1) INJUNCTIVE RELIEF ORDER WITH RESPECT TO PROPERTY FORECLOSURE; AND (2) AN ORDER APPOINTING A RECEIVER OVER SJC VENTURES HOLDING COMPANY, LLC** and **VOLUMES I – V** of the **APPENDIX** shall be made in accordance with the Master Service List as follows:

Michael R. Mushkin, Esq.
MUSHKIN & COPPEDGE
6070 South Eastern Avenue, Suite 270
Las Vegas, Nevada 89119
Email: Michael@mccnvlaw.com
Attorney for Real Parties in Interest

DATED this 20th day of September, 2021.

/s/ Natalie Vazquez
An Employee of MAIER GUTIERREZ & ASSOCITES

items or matters that could reasonably fall within the broadest possible scope of such general term, covenant or condition.

20.16 Pronouns. Masculine and feminine pronouns shall be substituted for the neuter and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitutions.

20.17 Partial Invalidity. If any term, covenant or condition of this Lease, or any application thereof, should be held by a court of competent jurisdiction to be invalid, void or unenforceable, all terms, covenants and conditions of this Lease, and all applications thereof, not held invalid, void or unenforceable, shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby. In lieu of such invalid, void or unenforceable term, covenant or condition, there shall be added to this Lease a term, covenant or condition that is valid, not void and enforceable and that most closely approximates the intent of such invalid, void or unenforceable term, covenant or condition as may be possible.

20.18 Entire Agreement. This Lease sets forth the entire understanding and agreement between the Parties, and supersedes all previous communications, negotiations and agreements (including, without limitation, letters of intent), whether written or oral, with respect to the subject matter hereof. No addition to or modification of this Lease shall be binding on any Party unless reduced to writing and duly executed and delivered by the Parties. Without limiting the generality of the foregoing, Tenant acknowledges and agrees that unless otherwise expressly set forth herein, neither Landlord nor any of its agents, representatives or employees has made any agreement with Tenant, or any covenant, promise, representation or warranty to Tenant, with respect to any of the following: (a) exclusive rights to sell goods or services within the Premises, (b) limitations on or restrictions against competing businesses within the Premises, (c) the future opening of other businesses within the Premises, (d) the type or quality of existing or prospective tenants located or to be located within the Premises, (e) work to be performed by Landlord in improving the Premises, (f) contributions by Landlord towards Tenant's leasehold improvement costs, (g) the annual amounts of Tenant's share of Premises Operating Costs or Tenant's share of Real Property Taxes during the Term, or (h) promotion or advertising of Tenant's business or Tenant's products or services.

20.19 Remedies Cumulative. The various rights, options, elections and remedies of Landlord contained in this Lease shall be cumulative and no one of them shall be construed as exclusive of any other, or of any right, priority or remedy allowed or provided for by law and not expressly waived in this Lease.

20.20 Waiver. Landlord and Tenant shall have the right at all times to enforce the terms, covenants and conditions of this Lease in strict accordance with the terms thereof, notwithstanding any conduct or custom on the part of Landlord or Tenant in refraining from so doing at any time or times. No failure by Landlord or Tenant to insist upon the strict performance of any term, covenant or condition of this Lease or to exercise any right or remedy available for a breach thereof, and no acceptance by Landlord of full or partial Rent during the continuance of any such breach by Tenant, shall constitute a waiver of any such breach or any such right or remedy. No term or condition of this Lease required to be performed by Landlord or Tenant, and no breach thereof, shall be waived, altered or modified except by a written instrument executed by the other party. A waiver by Landlord in respect to any tenant of the Premises shall not constitute a waiver in favor of any other tenant. No waiver by Landlord or Tenant of the breach of any condition, covenant or provision of this Lease shall excuse a future breach of the same condition, covenant or provision or of any other condition, covenant or provision of this Lease. After the service of any notice or commencement of any suit, or final judgment therein, Landlord may receive and collect any Rent due, and such collection or receipt shall not operate as a waiver of nor affect such notice, suit or judgment unless the collection by Landlord of such Rent fully settles the subject matter of such notice, suit or judgment.

20.21 Insolvency and Death. It is understood and agreed that neither this Lease, nor any interest herein or hereunder, nor any estate hereby created in favor of Tenant, shall pass by operation of law under any insolvency, bankruptcy, inheritance or other similar Law to any trustee, receiver, assignee for the benefit of creditors, heir, legatee, devisee or other Person.

20.22 Successors and Assigns. The conditions, covenants and agreements contained in this Lease shall be binding upon and inure to the benefit of the Parties and their respective heirs, executors, administrators, successors and permitted assigns.

20.23 Joint Liability. If Tenant now or hereafter shall consist of more than one Person, then all such Persons shall be jointly and severally liable as Tenant hereunder.

20.24 Transfer of Landlord's Interest. Landlord shall be liable under this Lease only while owner of the Premises. If Landlord should sell or otherwise transfer Landlord's interest in the Premises, then such purchaser or transferee shall be responsible for all of the covenants and undertakings thereafter accruing of Landlord. Tenant agrees that Landlord shall, after such sale or transfer of Landlord's interest, have no liability to Tenant under this Lease or any modification or amendment thereof, or extensions or renewals thereof, except for such liabilities which (a) might have accrued prior to the date of such sale or transfer of Landlord's interest to such purchaser or transferee, and (b) are not assumed by such purchaser or transferee.

20.25 Waiver of Jury Trial. The Parties shall and hereby do waive all rights to trial by jury in any action, proceeding or counterclaim brought by either of the Parties against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, or any claim of injury or damage.

20.26 Consents. No Party shall be deemed to have given any consent, approval or agreement required under this Lease unless and until such Party gives such consent, approval or agreement in writing.

20.27 Governing Law. The laws of the State of Nevada shall govern the validity, construction, performance and effect of this Lease. Any legal suit, action or proceeding against Landlord or Tenant arising out of or relating to this Lease shall be instituted in any federal or state court in Clark County, Nevada, and each Party waives any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding, and each Party hereby irrevocably submits to the jurisdiction of any such court in any suit, action or proceeding.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Lease as of the day and year first written above.

LANDLORD:

Spanish Heights Acquisition Company, LLC, a Nevada limited liability company

By: Member - ANTOS, KENNETH & SHEILA LIV TR, KENNETH M ANTOS SHEILA M. NEUMANN-ANTOS TRUST, Kenneth Antos and Sheila Neumann-Antos as Trustees

By:____________________
Name: Kenneth Antos
Title: Trustee
Date:____________________

By: Sheila Neumann-Antos
Name: Sheila Neumann-Antos
Title: Trustee
Date:____________________

TENANT:

SJC Ventures, LLC
a Nevada limited liability company

By:____________________
Name: Jay Bloom
Title: Manager
Date:____________________

EXHIBIT "1"
DEFINITIONS

The following terms used in this Lease shall have the following meanings (unless otherwise expressly provided herein):

"Additional Charges" has the meaning given in Section 7.1.

"Affiliate" means a Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, a specified Person. For purposes of this definition, the term "control" shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting interests, by contract or otherwise.

"Base Rent" has the meaning given in Section 1.2(d).

"Building" means the building now existing or to be constructed within the Premises at which the Premises is located.

"Business Day" means any day other than a Saturday, a Sunday or another day upon which banks in the State of Nevada are authorized or required to be closed.

"Service Providers" has the meaning given in Section 7.5.

"CPI-U" means the U.S. Department of Labor, Bureau of Labor Statistics, Consumers Price Index for all Urban Consumers, All Cities Average, Subgroup "all items" (base reference period 1982-84=100). If during the Term the U.S. Department of Labor, Bureau of Labor Statistics, ceases to publish a CPI-U, such other index or standard as will most nearly accomplish the aim and purpose of said CPI-U and the use thereof in this Lease shall be selected by Landlord in its reasonable discretion.

"Encumbrance" has the meaning given in Section 16.1.

"Event of Default" has the meaning given in Section 18.1.

"HVAC" means heating, ventilation and air conditioning.

"Landlord" has the meaning given in the preamble.

"Landlord Mortgagee" has the meaning given in Section 19.2.

"Landlord's Fiscal Year" shall mean the calendar year or such other twelve (12) month period as Landlord may from time to time elect in its sole and absolute discretion.

"Laws" means all laws, statutes, rules, orders, ordinances, directions, regulations and requirements of federal, state, county and municipal authorities as are in force from time to time.

"Lease" means this Lease, including all exhibits hereto, as the same may be amended from time to time.

"Lease Year" means each twelve (12) month period during the Term commencing on the day and month of the Rent Commencement Date; provided, however, that if the Rent Commencement Date is not the first day of a calendar month, then the first Lease Year shall commence on the Rent Commencement Date and end on the last day of the twelfth full calendar month thereafter and each subsequent Lease Year shall commence on the first day of the calendar month after the month of the Rent Commencement Date.

"Real Property Taxes" has the meaning given in Section 5.3(c).

"Original Lease" has the meaning given in Section 3.5.

"Parties" or "Party" has the meaning given in the preamble.

"Person" means any individual or any government entity, general partnership, limited partnership, joint venture, limited liability company, corporation, trust, cooperative, association or other similar organization.

"Premises" means that Real Property known as known as 5148 Spanish Heights Dr., Las Vegas, NV 89148, as the same may be reconfigured, expanded, reduced or otherwise modified from time to time in accordance herewith.

"Premises Real Property Taxes" has the meaning given in Section 5.3(c).

"Prevailing Party" has the meaning given in Section 18.5.

"Rent" means Base Rent and Additional Charges.

"Rent Commencement Date" has the meaning given in Section 6.2(a).

"Tenant" has the meaning given in the preamble.

"Tenant Personal Property" has the meaning given in Section 11.2.

"Term" has the meaning given in Section 1.2(a).

"Term Expiration Date" has the meaning given in Section 3.1.

"Premises" has the meaning given in Section 4.1.

"Premises Operating Costs" has the meaning given in Section 5.2(a).

EXHIBIT "2"

CONSENT TO LEASE

THIS CONSENT TO LEASE (the "Consent") is made and entered into this ____ day of _________________ 20_____, (the "Effective Date") by and between Spanish Heights Acquisition Company, LLC ("Owner") of 5184 Spanish Heights Drive, Las Vegas, NV, (the "Property") and SJC Ventures, LLC (the "Tenant"), and CBC Partners I, LLC (the "CBCI").

RECITALS:

WHEREAS, the Tenant and Owner have entered into the Lease attached hereto (the "Lease"), for the Property.

WHEREAS, the parties recognize that the execution this Lease is a condition to the Forbearance Agreement between CBC Partners I, LLC, and the Landlord, Tenant, and other parties. Further, this Lease is subject to the written consent of CBCI

WHEREAS, the CBCI hereby consents to such Assignment upon the terms and conditions contained hereunder:

NOW, THEREFORE, for and in consideration of the covenants and obligations contained herein, CBCI, Tenant and Owner Agree represent and agree as follows:

CBCI hereby consents to the Lease attached hereto, subject to the following conditions:

1. The Lease shall be subject and subordinate to the lien and effect of the Forbearance Agreement insofar as it affects the real and personal property or which the Property form a part, and to all renewals, modifications, consolidations, replacements and extensions thereof, and to all advances made or to be made thereunder, to the full extent of amounts secured thereby and interest thereon.

2. In the event CBCI or any trustee for CBCI takes possession of the Property, as mortgagee-in-possession or otherwise, forecloses on the Property, sells the Property, or otherwise exercises its rights under the Forbearance Agreement, CBCI may terminate the Lease.

3. Although the foregoing provisions of this Agreement shall be self-operative, Tenant agrees to execute and deliver to CBCI such other instrument or instruments as CBCI or such other person shall from time to time request in order to confirm such provision.

5. Tenant hereby warrants and represents, covenants, and agrees to and with CBCI:

(a) not to alter or modify the Lease in any respect without prior written consent of CBCI;

(b) to deliver to CBCI at the address indicated above a duplicate of each notice of default delivered to Landlord at the same time as such notice is given to Landlord;

(d) not to seek to terminate the Lease by reason of any default of Landlord without prior written notice thereof to CBCI;

(e) not to pay any rent or other sums due or to become due under the Lease more than 30 days in advance of the date on which the same are due or to become due under the Lease;

(f) to certify promptly in writing to CBCI in connection with any proposed assignment of the Forbearance Agreement, whether or not any default on the part of Landlord then exists under the Lease; and

7. Any notices required to be sent to CBCI shall be sent to:

777 108th Ave NE Suite 1895
Bellevue, WA 98004

With a copy to:

The Law Office of Vernon Nelson
9480 S. Eastern Ave., Suite 252
Las Vegas, NV 89123

8. This Agreement shall be governed by and construed in accordance with the laws of the jurisdiction in which the Property is located.

IN WITNESS WHEREOF, CBCI, Tenant and Assignee have executed this Consent on the day and year first above written.

Spanish Heights Acquisition Company, LLC

BY: ____________________

Its: Manager

Print Name: Jay Blum

CBC Partners I, LLC

BY: ____________________

Its: President

Print Name: John Otter

EXHIBIT "C"

PLEDGE AGREEMENT

THIS PLEDGE AGREEMENT dated 27th (this "Agreement") is made by Kenneth & Sheila Antos Living Trust (the "Anton Trust), SJC Ventures, LLC ("SJCV") (collectively the "Pledgors" to CBC Partners I, LLC, a Washington limited-liability company ("Secured Party" or "CBCI").

WITNESSETH:

WHEREAS, Pledgors and Secured Party are parties to a certain Forbearance Agreement (the "Forbearance Agreement") dated as of the 27th day of September 2017 by and among CBC Partners I, LLC ("CBCI"), Kenneth & Sheila Antos Living Trust (the "Living Trust"), Kenneth M. Antos & Sheila M. Neumann-Antos Trust (the "K & S Trust"), Kenneth Antos and Sheila Neumann-Antos, as Trustees of the Living Trust and the K & S Trust, and as Personal Guarantors of the Secured Promissory Note described below, Spanish Heights Acquisition Company, LLC ("SHAC"), and SJC Ventures, LLC ("SJCV").

WHEREAS, Pledgors are the owners of 100%, of the membership interests (the "Membership Interests") of Spanish Heights Acquisition Company, LLC, a Nevada limited liability company ("SHAC"), which has been organized pursuant to the terms of the Limited Liability Company Agreement of Spanish Heights Acquisition Company, LLC.

WHEREAS, the Forbearance Agreement provides that several conditions must be satisfied before CBCI agrees to forbear from exercising its rights and remedies under the Forbearance Agreement. In particular, one of the conditions requires the Anton Trust and SJCV have agreed to pledge all right, title and interest in and to 100% of its membership interests in Spanish Heights Acquisition Company to Secured Party pursuant to this Agreement.

NOW, THEREFORE, in consideration of the premises and intending to be legally bound hereby, Pledgors hereby agrees as follows:

1. Pledge. Pledgors hereby pledges to Secured Party, and grants to Secured Party security interests in and to the following (collectively, the "Pledged Collateral"):

(a) the Membership Interests and the certificates representing the Membership Interests, if any, and all dividends, profits, income, cash, receipts, instruments, distributions (whether in cash or in-kind property) and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Membership Interests;

(b) any and all additional membership interests in SHAC acquired by Pledgors in any manner, and all securities convertible into and warrants, options, and other rights to purchase or otherwise acquire interest in SHAC and the certificates representing such additional shares, and all dividends, profits, income, cash, receipts, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such shares, additional securities, warrants, options or other rights;

(c) to the extent not covered by clauses (a) and (b) above, all proceeds of any or all of the foregoing Pledged Collateral.

For purposes of this Agreement, the term "proceeds" shall include whatever is receivable or received when Pledged Collateral or proceeds thereof are sold, exchanged, collected or otherwise disposed of, whether such disposition is voluntary or involuntary, and shall include, without limitation, proceeds of any indemnity or guaranty payable to Pledgors from time to time with respect to any of the Pledged Collateral.

2. Security for Obligations. This Agreement partially secures all the obligations of Pledgors under the Forbearance Agreement and this Pledge (all such obligations being collectively referred to herein as the "Obligations").

3. Delivery of Pledged Collateral. All certificates or instruments representing or evidencing the Pledged Collateral shall be delivered to and held by or on behalf of Secured Party pursuant hereto and shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to Secured Party. Secured Party shall have the right, at any time in Secured Party's discretion after a Non-Monetary Event of Default (as defined below) after notice and a 30 day cure period having been provided to Pledgors, to transfer to or to register in the name of Secured Party or any of Secured Party's nominees any or all of the Pledged Collateral, subject only to the revocable rights specified in Section 6(a). In addition, Secured Party shall have the right at any time to exchange certificates or instruments representing or evidencing Pledged Collateral for certificates or instruments of smaller or larger denominations.

4. Representations and Warranties. Pledgors, covenant, represent, warrant and agree as follows:

(a) The Membership Interests have been duly authorized and are validly issued.

(b) Pledgors are the legal and beneficial owner of the Pledged Collateral free and clear of any liens, security interests, options or other charges or encumbrances, except for the security interest created by this Agreement.

(c) Upon the filing of the Uniform Commercial Code Financing Statement with respect to the Pledged Collateral, the pledge of the Membership Interests pursuant to this Agreement creates a valid and perfected first priority security interest in the Pledged Collateral, securing the payment of the Obligations.

(d) Subject to such other consents or approvals which have been obtained, no consent of any other person or entity and no authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required (i) for the pledge by Pledgors of the Pledged Collateral pursuant to this Agreement or for the execution, delivery or performance of this Agreement by Pledgors, (ii) for the perfection or maintenance of the security interests created hereby (including the first priority nature of such security interest), or (iii) for the exercise by Secured Party of the voting or other rights provided for in this Agreement or the remedies in respect of the Pledged Collateral pursuant to this Agreement (except as may be required in connection with any disposition of any portion of the Pledged Collateral by laws affecting the offering and sale of securities generally).

(e) The Membership Interests constitute 100% of the membership interests of the Pledgors.

(f) There are no conditions precedent to the effectiveness of this Agreement that have not been either satisfied or waived.

(g) Pledgors have, independently and without reliance upon Secured Party, and based upon such documents and information as Pledgors have deemed appropriate, made their own credit analysis and decision to enter into this Agreement.

5. Inconsistent Provision of the Operating Agreement. If the Operating Agreement contains any provision that is contrary to the terms of this Agreement, this Agreement shall control. Such provisions include Sections 2.6 and 6.01 of the Operating Agreement. Regarding Section 2.6, the Members shall be liable to CBCI under this Agreement and the Forbearance Agreement. Regarding Section 6.01, SJCV agrees that it may not resign as Manager of SHAC and that SJCV will appoint Jay Bloom to perform the duties of the Manager throughout the term of this Agreement and the Forbearance Agreement.

6. Further Assurances. Pledgors agree that at any time and from time to time, at the sole cost and expense of Pledgors, Pledgors will promptly execute and deliver all further reasonable instruments and documents, and take all further reasonable action, that may be necessary or desirable, or that Secured Party may reasonably request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable Secured Party to exercise and enforce Secured Party's rights and remedies hereunder with respect to any Pledged Collateral.

7. Voting Rights. Pledgors shall refrain from exercising any and all voting and other consensual rights pertaining to the Pledged Collateral or any part thereof. Pledgors shall, as members, not undertake any action that would have a material adverse effect on the value of the Pledged Collateral or any part thereof.

8. Transfers and Other Liens; Additional Shares. Pledgors agrees that he will not (i) sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, any of the Pledged Collateral, or (ii) create or permit to exist any lien, security interest, option or other charge or encumbrance upon or with respect to any of the Pledged Collateral, except for the security interest under this Agreement.

Pledgors agree that Pledgors will (i) not consent or otherwise facilitate SHAC to issue any stock, membership interests, or other securities in addition to or in substitution for the Membership Interests, except to Pledgors, and (ii) pledge hereunder, immediately upon Pledgors' acquisition (directly or indirectly) thereof, any and all additional shares of stock, membership interests, or other securities of SHAC.

9. Secured Party Appointed Attorney-in-Fact. Upon an Event of Default, and after the requisite cure period expires, should such Event of Default continue to exist, Pledgors hereby appoint Secured Party as Pledgors' attorney-in-fact, with full authority in the place and stead of Pledgors and in the name of Pledgors or otherwise, from time to time in Secured Party's sole discretion, to take any action and to execute any instrument which Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, to receive, indorse and collect all instruments made payable to Pledgors representing any dividend or other distribution in respect of the Pledged Collateral or any part thereof and to give full discharge for the same.

10. Secured Party May Perform. If Pledgors fail to perform any agreement contained herein following the expiration of any applicable grace period, Secured Party may perform, or cause performance of, any such agreement, and the reasonable expenses of Secured Party incurred in connection therewith (including attorneys' fees and expenses) shall be payable by Pledgors to Secured Party, or alternatively, Secured Party shall have the right to add such reasonable expenses incurred to the secured balance due, pursuant to the provisions of Section 13 hereof.

11. Secured Party's Duties. The powers conferred on Secured Party hereunder are solely to protect Secured Party's interest in the Pledged Collateral and shall not impose any duty upon Secured Party to exercise any such powers. Except for the safe custody of any Pledged Collateral in Secured Party's possession and the accounting for moneys actually received by Secured Party hereunder, Secured Party shall have no duty as to any Pledged Collateral, as to ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Pledged Collateral, whether or not Secured Party has or is deemed to have knowledge of such matters, or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Pledged Collateral.

12. Remedies upon Default. If any Event of Default shall have occurred and be continuing:

(a) Secured Party may exercise, in respect of the Pledged Collateral, in addition to other rights and remedies provided for herein or otherwise available to Secured Party at law or in equity, all of the rights and remedies of a secured party on default under the Uniform Commercial Code in effect in the State of Nevada at that time (the "Code") (whether or not the Code applies to the affected Pledged Collateral), and may also, without notice except as specified below, sell the Pledged Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or at any of Secured Party's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as Secured Party may deem commercially reasonable. Pledgors agree that, to the extent notice of sale shall be required by law, at least ten (10) days' notice to Pledgors of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. Secured Party shall not be obligated to make any sale of Pledged Collateral regardless of notice of sale having been given. Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) Any cash held by Secured Party as Pledged Collateral and all cash proceeds received by Secured Party in respect of any sale of, collection from, or other realization upon all or any part of the Pledged Collateral may, in the sole discretion of Secured Party, be held by Secured Party as collateral for, and/or then or at any time thereafter be applied (after payment of any amounts payable to Secured Party pursuant to Section 13) in whole or in part by Secured Party against, all or any part of the Obligations in such order as Secured Party shall elect. Any surplus of such cash or cash proceeds held by Secured Party and remaining after payment in full of all the Obligations shall be paid over to Pledgors or to whomsoever may be lawfully entitled to receive such surplus.

13. Event of Default. The occurrence of any of the following events shall constitute an "Event of Default" hereunder:

(a) Monetary Default. If there shall occur any breach, failure or violation by Pledgors in the payment or performance of any of Pledgors' obligations, covenants or warranties under this Agreement, the Note, the Other Pledges and such breach, failure or violation continues uncorrected for a period of fifteen (15) days after written notice thereof from Secured Party to Pledgors;

(b) Non-Monetary Default. A non-monetary Event of Default shall occur:

1. If there shall occur any Event of Default by Pledgors of the Obligations, that is not a Monetary Default.

2. If either of the Pledgors resigns or is removed from the position of manager of SHAC.

14. Expenses. Pledgors will, upon demand, pay to Secured Party, or in the alternative, the Secured Party may add to the amount due and receivable, the amount of any and all reasonable expenses, including the reasonable fees and expenses of Secured Party's counsel and of any experts and agents, which Secured Party may incur in connection with (i) the administration of this Agreement, (ii) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Pledged Collateral, (iii) the exercise or enforcement of any of the rights of Secured Party hereunder, or (iv) the failure by Pledgors to perform or observe any of the provisions hereof.

15. Security Interest Absolute. All rights of Secured Party and security interests hereunder, and all obligations of Pledgors hereunder, shall be absolute and unconditional irrespective of:

(a) any lack of validity or enforceability of the Other Pledges;

(b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from the Other Pledges, including, without limitation, any increase in the Obligations resulting from the extension of additional credit to Pledgors or otherwise;

(c) any taking, exchange, release or non-perfection of any other collateral, or any taking, release or amendment or waiver of or consent to departure from any guaranty, for all or any of the Obligations;

(d) any manner of application of collateral, or proceeds thereof, to all or any of the Obligations, or any manner of sale or other disposition of any collateral for all or any of the Obligations or any other assets of Pledgors; or

(e) any other circumstance which might otherwise constitute a defense available to, or a discharge of, Pledgors or a third party pledgor.

16. Amendments, Etc. No amendment or waiver of any provision of this Agreement, and no consent to any departure by Pledgors therefrom, shall in any event be effective unless the same shall be in writing and signed by Secured Party, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

17. Notices. Any notice, election, demand, request or other document or communication required or permitted under this Agreement shall be in writing and shall be deemed sufficiently given only if delivered in person or sent by certified or registered mail, postage prepaid, return receipt requested, addressed to Secured Party or Pledgors, as the case may be, as follows:

If to Pledgors:

c/o Maier Gutierrez & Associates8816 Spanish Ridge Avenue
Las Vegas, Nevada 89148

If to Secured Party:

777 108th Ave NE Suite 1895
Bellevue, WA 98004

With a copy to:

The Law Office of Vernon Nelson
9480 S. Eastern Ave., Suite 252
Las Vegas, NV 89052

18. Continuing Security Interest; Assignments under Credit Agreement. This Agreement shall create a continuing security interest in the Pledged Collateral and shall (i) remain in full force and effect until the Pledgors' payment in full of, or their express written release by Secured Party from, the Obligations and all other amounts payable under this Agreement, (ii) be binding upon and inure to the benefit of Pledgors, and Pledgors' respective heirs, legal representatives, successors and assigns, and (iii) inure to the benefit of, and be enforceable by, and be binding upon Secured Party and Secured Party's heirs, legal representatives, successors, transferees and assigns. Without limiting the generality of the foregoing clause (iii), Secured Party may assign or otherwise transfer all or any portion of Secured Party's rights under the Loan Documents to any other person or entity, and such other person or entity shall thereupon become vested with all the benefits in respect thereof granted to Secured Party herein or otherwise and charged with the obligations and responsibilities of Pledgors thereunder. Upon the payment in full of all amounts due and payable under this Agreement and the release of Pledgors from the Obligations, the security interest granted hereby shall terminate and all rights to the Pledged Collateral shall revert to Pledgors. Upon any such termination, Secured Party will, at Pledgors' expense, promptly return to Pledgors such of the Pledged Collateral as shall not have been sold or otherwise applied pursuant to the terms hereof and execute and deliver to Pledgors such documents as Pledgors shall reasonably request to evidence such termination.

19. Governing Law; Terms. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Nevada. Pledgors, on behalf of themselves and their respective heirs, legal representatives, successors and assigns, irrevocably consents that any legal action or proceeding against them under, arising out of, or in any manner relating to, this Agreement, may be brought in any court presiding in the State of Nevada, County of Clark. Pledgors, by execution and delivery of this Agreement and on behalf of themselves and their respective heirs, legal representatives, successors and assigns, expressly and irrevocably consents and submits to the personal jurisdiction of any of such courts in any such action or proceeding. Pledgors, on behalf of themselves and their respective heirs, legal representatives, successors and assigns, further irrevocably consents to the service of any complaint, summons, notice or other process relating to any such action or proceeding by delivery thereof to any of them by hand or by certified mail, delivered or addressed to Pledgors' address set forth herein.

Pledgors, on behalf of themselves and their respective heirs, legal representatives, successors and assigns, hereby expressly and irrevocably waives any claim or defense in any such action or proceeding based on any alleged lack of personal jurisdiction, improper venue or forum non conveniens or any similar basis. Nothing in this paragraph shall affect or impair in any manner or to any extent the right of Secured Party or Secured Party's heirs, legal representatives, successors or assigns, to commence legal proceedings or otherwise proceed against Pledgors in any jurisdiction or to serve process in any manner permitted by law.

Pledgors hereby waive all right to require a marshalling of assets by Secured Party.

Pledgors shall not, without Secured Party's prior written consent, create, incur or assume any Indebtedness in connection with the Pledged Collateral. "Indebtedness" means any and all liabilities and obligations owing by Pledgors to any person, including principal, interest, charges, fees, reimbursements and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, original, renewed or extended, (i) in respect of any borrowed money (whether by loans, the issuance and sale of debt securities or the sale of any property to another person subject to an understanding, agreement, contract or otherwise to repurchase such property) or for the deferred purchase price of any property or services, (ii) under direct or indirect guarantees and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise assure any creditor against loss in respect of the obligations of others, (iii) in respect of letters of credit or similar instruments issued or accepted by banks and other financial institutions for the account of such indebted person, (v) in respect of unfunded vested benefits under plans covered by ERISA or any similar liabilities to, for the benefit of, or on behalf of, any employees of such indebted person, (vi) all obligations secured by any Lien on property owned by such person, whether or not the obligations have been assumed, (vii) all obligations under any agreement providing for a swap, ceiling rates, ceiling and floor rates, contingent participation or other hedging mechanisms with respect to interest payable on any of the items described above in this definition, or (viii) actual obligations imposed under the operating agreement for the LLC.

[THE NEXT PAGE IS THE SIGNATURE PAGE]

IN WITNESS WHEREOF, Pledgors has caused this Agreement to be duly executed and delivered as of the date first above written.

PLEDGORS:

Kenneth & Sheila Antos Living Trust

By: ____________________
Kenneth Antos, Trustee

By: ____________________
Sheila Antos, Trustee

ACKNOWLEDGMENTS:

STATE OF NEVADA :
: ss.:
COUNTY OF CLARK :

On the 27 day of September, 2012 before me, the undersigned, personally appeared Kenneth Antos, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted executed the instrument.

Donna Zamora
Notary Public

Donna Zamora
Notary Public
State of Nevada
My Comm. Expires: 05/08/2019
Certificate No: 03-80797-1

STATE OF NEVADA :
: ss.:
COUNTY OF CLARK :

On the 27 day of September, 2012 before me, the undersigned, personally appeared Sheila Antos, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted executed the instrument.

Donna Zamora
Notary Public

Donna Zamora
Notary Public
State of Nevada
My Comm. Expires: 05/08/2019
Certificate No: 03-80797-1

SPANISH HEIGHTS ACQUISTION COMPANY, LLC

BY: ______________________

Jay Bloom, Manager

STATE OF NEVADA :

: ss.:

COUNTY OF CLARK :

On the 27 day of September, 2012 before me, the undersigned, personally appeared Jay Bloom, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted executed the instrument.

Donna Zamora

Notary Public

Donna Zamora
Notary Public
State of Nevada
My Comm. Expires: 05/06/2019
Certificate No: 03-80797-1

EXHIBIT "D"

LIMITED LIABILTY COMPANY AGREEMENT

OF

SPANISH HEIGHTS ACQUISITION COMPANY, LLC

LIMITED LIABILITY COMPANY AGREEMENT

OF

Spanish Heights Acquisition Company, LLC

This Limited Liability Company Agreement (this "Agreement") of Spanish Heights Acquisition Company, LLC (the "Company"), a limited liability company organized pursuant to the Nevada Liability Company Act (the "Act"), is hereby entered into by and among SJC Ventures Holdings, LLC, LLC (hereinafter referred to as, the "**Investor**" or the "**Investor Member**"), and ANTOS, KENNETH & SHEILA LIV TR, KENNETH M ANTOS SHEILA M. NEUMANN-ANTOS TRUST, Kenneth Antos and Sheila Neumann-Antos as Trustees (hereinafter referred to as, the "**Seller**" or the "**Seller Member**").

INTRODUCTION

WHEREAS, the Company has been formed to, among other things, purchase that real property otherwise known as 5148 Spanish Heights Drive, Las Vegas, NV 89148 (the "Property"); and

WHEREAS, the Investor Member, Lender Member and Seller Member desire to enter into this Agreement to set forth their respective rights and obligations with respect to the Company and one another,

NOW, THEREFORE, in consideration of the mutual covenants herein expressed, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

Certain defined terms used in this Agreement are set forth in Exhibit A.

ARTICLE II

ORGANIZATION

2.01. Formation.

The Company has been organized as a Nevada (the "State of Formation") limited liability company by the filing of its Certificate of Formation with the Nevada Secretary of State on August 4, 2017.

2.02. Name.

The name of the Company is "Spanish Heights Acquisition Company, LLC" and all Company business shall be conducted under that name or such other names as comply with applicable law that the Manager (as defined in Section 6.01(a)) may select from time to time.

2.03. Registered Agent; Registered Office.

The registered agent of the Company shall be Maier Gutierrez and Associates PLLC, and the registered office of the Company in the State of Formation shall be 8816 Spanish Ridge Ave, Las Vegas, NV 89148 or such other office (which need not be a place of business of the Company) as the Manager may designate from time to time in the manner provided by law.

2.04. Principal Office; Other Offices.

The principal office of the Company shall be at such place as the Manager may designate from time to time, which need not be in the State of Formation. The initial principal office of the Company shall be at 2485 Village View Dr., Suite 190, Henderson, NV 89074. The Company may change its principal office or have such other offices as the Manager may designate from time to time.

2.05. Purposes.

The purposes of the Company (the "Purposes") are to hold ownership of that certain real property otherwise known as 5148 Spanish Heights Drive, Las Vegas, NV 89148, (ii) perfect the Company's interest in such property, (iii) hold, monitor and maintain the Company's Property, and (iv) engage in any activity in furtherance of, related to or necessary to support the Company's investment in, or subsequent disposition of its investment in, the Property, in each case, as determined by the Manager.

2.06. Term.

The Company and this agreement shall continue in perpetuity, unless sooner terminated in accordance with the provisions of this Agreement.

2.07. Powers.

The Company shall possess and may exercise any and all the powers and privileges granted by the Act or by any other applicable law to limited liability companies or by this Agreement, together with any powers incidental thereto, so far as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the purposes of the Company, in each case as determined by the Manager.

2.08. No State Law Partnership.

The Members intend that the Company shall not be a partnership or joint venture, and that no Member shall be a partner or joint venturer of any other Member, for any purpose other than federal, state, and local tax purposes, and the provisions of this Agreement shall not be construed otherwise.

2.09. Liability to Third Parties.

No Member shall be liable for the debts, obligations, or liabilities of the Company, except to the extent required under the Act with respect to amounts distributed to the Member at a time when the Company was insolvent or was rendered insolvent by virtue of the distribution.

ARTICLE III

MEMBERS; CAPITAL CONTRIBUTIONS AND COMMITMENTS; CAPITAL ACCOUNTS; REVALUATIONS; PRE-EMPTIVE RIGHTS

3.01. Classes of Units; Members.

(a) The authorized Units shall consist of Class A Units, which shall have the terms set forth in this Agreement. The Class A Units shall have voting rights, and shall be held by the Investor Member and the Selling Member.

(b) The name and address of the Investor Member is set forth on Exhibit B attached hereto, and the Investor Member (i) has made a Commitment (as defined in Section 3.02(b)) to make Capital Contributions in the amounts set forth opposite the name of the Investor Member on Exhibit B and (ii) holds the number of Class A Units set forth opposite the name of the Investor Member on Exhibit B. The Investor Member has been issued the number of Class A Units set forth opposite its name on Exhibit B in exchange for the Commitment set forth opposite the Investor Member's name on Exhibit B.

(c) The Seller Member holds the number of Class A Units set forth opposite the Seller Member's name on Exhibit B. The address of the Seller Member is set forth on Exhibit B.

(e) The number of Units held by the Members may be updated by the Company in good faith from time to time to reflect, among other things, additional Capital Contributions, the admission of new Members and redemptions of Membership Interests. The number of Units of a class may be split, combined or otherwise re-classified by the Manager, provided that a proportionate adjustment is made to all then outstanding Units of such class.

3.02. Additional Members; Capital Contributions in respect of the Commitments; Additional Capital Contributions.

(a) No Person shall be admitted to the Company as an additional Member without the approval of the Manager, which approval may be granted or withheld in the sole and absolute discretion of the Manager. The approval of the Manager shall be required to accept Capital Contributions to the Company from any non-member, in any amount.

(b) The Investor Member has made a commitment (each, a "Commitment") to fund the amount of Capital Contributions in the amount set forth opposite its name on Exhibit B attached hereto. The Investor Member shall make Capital Contributions to the Company in an amount equal to its Commitment (the "Initial Capital Contributions") at the execution of this Agreement, provided that the Required Funding Condition (as defined in Section 8.02(c)) has been satisfied.

Capital Contributions in respect of the Commitments from the Investor Member shall be used solely to fund (x) the payment by the Company of Lender Member's debt held against the property, (y) the payment of utilities used at the Property and (z) expenses associated with Property; provided, however, in no event shall the Company be responsible for funding, or shall any Capital Contributions in respect of the Commitments be used to fund, the overhead of, or any costs and expenses incurred by, any of the Members in providing services pursuant to the this Agreement, in excess of those commitments contemplated by this transaction. The Investor Member shall not be required to make Capital Contributions in excess of its Commitment.

(c) No Member shall be obligated to make any Capital Contributions to the Company, except for the obligation of the Investor Member to make the Initial Capital Contributions as provided in Section 3.02(b) above. However, if a new or existing Member shall make additional Capital Contributions to the Company hereafter, which may be done only as permitted by the Manager and subject to compliance with this Agreement (including Section 3.02(a)), then (y) the number and class of Units of Membership Interest credited in recognition of such Capital Contribution shall be based upon, as determined by the Manager, in its sole discretion, the fair market value of the new Capital Contribution relative to the fair market value of the Company in its entirety (including the new Capital Contribution), determined after giving effect to a revaluation of Company assets to reflect Gross Asset Value pursuant to Section 3.05 and (z) an appropriate adjustment shall be made to the percentages set forth in Sections 5.01(b)(II) and (III) of this Agreement so that the percentages to be issued in respect of such new Capital Contributions shall dilute, pro rata, the percentages attributable to the outstanding Class A Units immediately prior to such additional Capital Contributions. The Company will update its records to reflect the issuance of any additional Units and the admission of any new Member in accordance with the terms of this Agreement.

3.03. Return of Capital Contributions; Special Rules.

Except as otherwise expressly provided herein, (i) no Member shall be entitled to the return of any part of its Capital Contribution or to be paid interest in respect of its Capital Account balance or its Capital Contribution, (ii) neither the Manager nor any Member, its agents, affiliates, officers, directors, assigns, successors or heirs shall have any personal liability for the return of the Capital Contribution of any other Member and (iii) no Member shall have any priority over any other Member with respect to the return of any Capital Contribution.

3.04. Capital Accounts.

A Capital Account shall be established and maintained for each Member in accordance with the following provisions:

(a) To each Member's Capital Account, there shall be credited such Member's Capital Contributions, such Member's distributive share of Net Profits, any items in the nature of income or gain that are specially allocated pursuant to this Agreement, and the amount of any liabilities of the Company that are assumed by such Member, or that are secured by any assets of the Company distributed to such Member.

(b) From each Member's Capital Account, there shall be debited the amount of cash and the Gross Asset Value of any Company assets distributed to such Member pursuant to any provision of this Agreement, such Member's distributive share of Net Losses, any items in the nature of expenses or losses that are specially allocated pursuant to this Agreement, and the amount of any liabilities of such Member assumed by the Company or that are secured by any property contributed by such Member to the Company.

(c) If ownership of any Membership Interest in the Company is assigned in accordance with the terms of this Agreement, the assignee shall succeed to the Capital Account of the assignor to the extent it relates to the assigned Membership Interest.

(d) In determining the amount of any liability for purposes of Sections 3.04(a) and (b) above, there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

(e) To each Member's Capital Account, there shall be debited or credited, as the case may be, adjustments which are necessary to reflect a revaluation of Company assets to reflect the Gross Asset Value of all Company assets, as required by Regulations Section 1.704-1(b)(2)(iv)(f) and Section 3.05.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Code Section 704 and Regulations Section 1.704-1(b) and shall be interpreted and applied in a manner consistent with such Regulations. The Company shall make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Members and the amount of Company capital reflected on the Company's balance sheet as computed for book purposes in accordance with Regulations Section 1.704-1(b)(2)(iv)(q).

3.05. Gross Asset Value.

The Gross Asset Value of any asset of the Company shall be equal to the asset's adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the contributing Member and the Company.

(b) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values in connection with (and to be effective immediately prior to) the following events: (i) the acquisition of an additional Membership Interest in the Company by any new or existing Member in exchange for more than a *de minimis* Capital Contribution; (ii) the distribution by the Company to a Member of more than a *de minimis* amount of property (including cash) as consideration for an interest in the Company; or (iii) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); *provided, however*, that an adjustment pursuant to clauses (i) or (ii) above shall be made only if the Manager reasonably determines that such adjustment is necessary or appropriate to reflect the relative economic interests of the Members in the Company.

(c) The Gross Asset Value of any Company asset distributed to any Member shall be the gross fair market value of such asset on the date of distribution.

(d) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted bases of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m) and ARTICLE IV; provided, however, that Gross Asset Values shall not be adjusted pursuant to this Section 3.05(d) to the extent they were adjusted pursuant to Section 3.05(b) above in connection with a transaction that otherwise would result in an adjustment pursuant to this section.

(e) If the Gross Asset Value of an asset has been determined or adjusted pursuant to this Section 3.05, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Net Profits and Net Losses.

3.06. <u>Pre-Emptive Rights</u>.

(a) The Company hereby grants to each Member the right to purchase, in accordance with the procedures set forth in this Section 3.06, the Member's Percentage Interest of any New Units which the Company (acting through its Manager) may, from time to time, propose to sell and issue (hereinafter referred to as the "<u>Preemptive Right</u>").

(b) In the event that the Company proposes to issue and sell New Units, the Company shall notify each Member in writing (the "<u>New Units Notice</u>"). Each New Units Notice shall set forth: (i) the number and class of New Units proposed to be issued by the Company and the per Unit purchase price; (ii) such Member's Percentage Interest of the New Units; and (iii) any other material terms including, if known, the expected date of consummation of the purchase and sale of the New Units.

(c) Each Member shall be entitled to exercise its right to purchase such New Units by delivering an irrevocable written notice to the Company within fifteen (15) days from the date of receipt of any such New Units Notice specifying the number of New Units to be subscribed at the price and on the terms and conditions specified in the New Units Notice.

(d) The Company and each Member shall work together, in good faith, to consummate the closing of the purchase and sale of any New Units that a Member has elected to subscribe for and purchase within fifteen (15) days following the expiration of the notice period set forth in Section 3.06(c) above.

(e) The Company may amend this Agreement in connection with the issuance of New Units in accordance with this Section 3.06 to the extent necessary to set forth the rights, preferences and privileges of the New Units, but only to the extent such amendment has been approved by the Investor Member.

ARTICLE IV

ALLOCATION OF PROFITS AND LOSSES

4.01. Allocation of Profits and Losses.

(a) Allocations of Net Profits and Net losses. Except as otherwise provided in Section 4.01(b) or Section 4.01(c), Net Profits and Net Losses for any Fiscal Year or other period shall be allocated among the Members in such a manner that, as of the end of such Fiscal Year or other period, the Capital Account of each Member shall equal (a) the amount that would be distributed to such Member determined *as if* the Company were to (i) liquidate the assets of the Company for an amount equal to their respective book values and (ii) distribute the proceeds of such liquidation pursuant to Section 10.02, minus (b) the amount of such Member's share of Company Minimum Gain (as determined according to Regulations Section 1.704-2(g)) and such Member's share of Member Nonrecourse Debt Minimum Gain (as determined according to Regulations Section 1.704-2(i)(5)).

(b) Regulatory Allocations. Notwithstanding any other provision of this Agreement, the following allocations shall be made prior to any other allocations under this Agreement:

(i) Minimum Gain Chargeback. Except as otherwise provided in Regulations Section 1.704-2(f), notwithstanding any other provision of this Section 4.01, if there is a net decrease in Company Minimum Gain during any Fiscal Year or other period, each Member shall be specially allocated items of Company income and gain for such Fiscal Year or period (and, if necessary, subsequent Fiscal Years or periods) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Sections 1.704-2(f)(6) and 1.704-2(j)(2). This Section 4.01(b)(i) is intended to comply with the minimum gain chargeback requirement in Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.

(ii) Member Minimum Gain Chargeback. Except as otherwise provided in Regulations Section 1.704-2(i)(4), notwithstanding any other provision of this Section 4.01, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Fiscal Year or other period, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such Fiscal Year or other period (and, if necessary, subsequent Fiscal Years or other periods) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Sections 1.704-2(i)(4) and 1.704-2(j)(2). This Section 4.01(b)(ii) is intended to comply with the minimum gain chargeback requirement in Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(iii) Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) or 1.704-1(b)(2)(ii)(d)(6), items of Company income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account Deficit of the Member as quickly as possible, provided that an allocation pursuant to this Section 4.01(b)(iii) shall be made only if and to the extent that the Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Section 4.01 have been tentatively made as if this Section 4.01(b)(iii) were not in this Agreement. This Section 4.01(b)(iii) is intended to comply with the qualified income offset requirement of Regulations Section 1.704-1(b)(2)(ii)(d).

(iv) Nonrecourse Deductions. Nonrecourse Deductions for any Fiscal Year or other period shall be specially allocated to the Members in any manner permitted under applicable Regulations, as reasonably determined by the Manager.

(v) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any Fiscal Year or other period shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i)(l).

(vi) Net Losses. Notwithstanding Section 4.01(b), no Net Losses (or items of Net Loss or deduction) shall be allocated to a Member to the extent such allocation would increase or cause such Member to have an Adjusted Capital Account Deficit. Any such Net Losses (or items of Net Loss or deduction) shall be specially allocated to the other Members to the extent that such allocation will not cause such other Members to have an Adjusted Capital Account Deficit.

(c) Curative Allocations.

(i) To the extent necessary to avoid any economic distortions that may result from application of Section 4.01(b) (the "Regulatory Allocations"), future items of income, gain, loss, and deduction shall be allocated as appropriate in the reasonable discretion of the Manager in order to remedy any economic distortions that the Regulatory Allocations might otherwise cause. In exercising its discretion under this Section 4.01(c)(i), the Manager shall take into account future Regulatory Allocations that, although not yet made, are likely to offset other Regulatory Allocations previously made under Section 4.01(b).

(ii) Modifications to Preserve Underlying Economic Objectives. If there is a change in the U.S. federal income tax laws, or the allocations provided for in this Agreement do not comply with the substantial economic effect and capital account rules set forth under Code Section 704 and the Regulations thereunder, or otherwise do not properly reflect the economic interests of the Member, then the Manager acting in its reasonable discretion after consultation with tax advisors to the Company, shall make such modifications to the allocation provisions of this Agreement as are necessary to preserve the underlying economic objectives of the Members and to comply with such provisions of the Code and the Regulations. In this regard, it is intended that prior to a distribution of the proceeds from a liquidation of the Company, the positive Capital Account balance of each Member shall be equal to the amount that such Member is entitled to receive pursuant to Section 10.02 hereof. Accordingly, notwithstanding anything to the contrary herein, to the extent permissible under Code Section 704(b) and the Regulations promulgated thereunder, Net Profits and Net Losses and, if necessary, items of gross income and gross deductions, of the Company for the year of liquidation of the Company shall be allocated among the Members so as to bring the positive Capital Account balance of each Member as close as possible to the amount that such Member would receive if the Company were liquidated and all the proceeds were distributed in accordance with the provisions of Section 10.02 hereof.

(d) Tax Allocations. For U.S. federal, state and local income tax purposes, items of income, gain, loss, deduction and credit shall be allocated to the Members in accordance with the allocations of the corresponding items for Capital Account purposes under this Section 4.01, except that items with respect to which there is a difference between tax and book basis will be allocated in accordance with Code Section 704(c) and the Regulations thereunder (using the traditional method with curative allocations, but curative allocations will be limited to the allocation of gains or losses to overcome a ceiling limitation in a prior taxable year, consistent with Regulations Section 1.704-3(c)(3)(ii)).

(e) All elections, decisions and other matters concerning the allocation of income, gains, expenses and losses among the Members, and accounting procedures not specifically and expressly provided for by the terms of this Agreement, shall be determined by the Manager in its sole discretion and shall be final and conclusive as to all Members.

ARTICLE V

DISTRIBUTIONS

5.01. Distributions.

(a) Distributions, if any, shall be made from the Company to the Members at such times as the Manager may determine.

(b) All distributions shall be made to the Members in the following manner and order of priority:

(I) One hundred percent (100%) to the Investor Member.

5.02. Distributions of Proceeds Upon Sale of Membership Interests.

Notwithstanding anything in this Agreement to the contrary, any sale of Units permitted under this Agreement, or a merger, in each case, in connection with a Sale Transaction, as a result of which the Members, rather than the Company, receive the proceeds of such sale or merger: (a) subject to any holdback or reserve described in clause (b) of this Section 5.02, the Members, as a group, hereby agree to apportion and, upon the closing of such sale or merger, pay over the proceeds among those Members participating in such Sale Transaction so that, as nearly as possible, the payments to each Member shall correspond to and be in accordance with the distribution provisions set forth in Section 5.01; and (b) the Company shall have the right to withhold, and each of the Members agrees to contribute and pay over from the proceeds received or receivable by such Member, a portion of the proceeds payable in any such transaction equal to an amount necessary, as reasonably determined by the Manager, to satisfy any post-transaction indemnification, purchase price adjustment or other similar escrow or holdback obligation; provided, however, that in no event shall a Member be obligated to make a contribution to the Company pursuant to the foregoing in excess of its pro rata portion of such proceeds. Any amount withheld pursuant to clause (b) of this Section 5.02 shall be held in a separate account for the ratable benefit of the Members participating in the transaction giving rise to such proceeds, and may be used, as determined by the Manager, to satisfy any such post-transaction obligation described in clause (b); provided, however, that none of the Company, the Managers nor any of their respective officers, directors, employees, partners, members, shareholders, agents or Affiliates, shall have any liability with respect to amounts so withheld or paid, except for fraud, gross negligence or willful misconduct.

ARTICLE VI

MANAGEMENT

6.01. Management.

(a) Management and control of the Company shall be vested exclusively and irrevocably with the Investor Member. Authority to sell the property rests exclusively in a Manager (the "Manager"), and while the business and affairs of the Company shall be managed by the Investor Member, any sale is solely under the direction of the Manager. The Investor Member shall retain always the authority to make management decisions notwithstanding any delegation of duties by the Manager to (y) employees, officers or agents or (z) the Investor Member (if any duties are expressly delegated to the Investor Member). Notwithstanding the foregoing or anything contained herein to the contrary, the approval of the Manager shall be required to take any of the actions set forth in Section 6.01(h) of this Agreement. The officers of the Company serve at the sole discretion of the Manager, and such officers (or other agents) who are appointed by the Manager may be removed, at any time or from time to time, by the Manager, with or without cause upon unanimous consent of the Manager. No Member of the Company shall have any rights, powers or duties in respect of the management of the Company, except as otherwise expressly set forth in this Agreement.

The bank account of the Company shall be controlled by the Investor Member, and the Investor Member shall have sole authority to make withdrawals from the bank account and to write checks on behalf of the Company, except as otherwise provided in the last sentence of Section 6.01(i) of this Agreement. Notwithstanding, at the sole discretion of the Investor Member, a third party Lender, holding a receivable due from the Selling Member, who is secured by the property, may be a signer on the account as well, and is authorized to make payments to itself under the modified terms of its debt held against the property that may be due and payable, which have not been made from this account by the Investor Member.

(b) A Manager may resign at any time by giving written notice to the other Managers (the "Resignation Notice"). The resignation of such Manager shall take effect upon delivery of the Resignation Notice or at such later time as shall be specified in the Resignation Notice and, unless otherwise specified therein, the acceptance of such resignation by the Company or the other Managers shall not be necessary to make it effective. The resignation of a Manager shall not affect the resigning Manager's rights, if any, as a Member and shall not constitute such resigning Manager's resignation as a Member, if applicable. The Person or Persons having the right to appoint a Manager shall have the sole right to fill any vacancy as a result of such removal or resignation, except as otherwise provided in Section 6.01(c).

(c) Unless waived by the Managers, each Member shall be given at least forty-eight (48) hours notice of any meeting (which notice shall state the date, hour and location of the meeting and all actions to be considered at the meeting), and each Member shall be permitted to participate in any meeting by telephone or similar communications equipment. Any Manager may call a meeting of the Manager. Any action may be taken by the Manager without a meeting if authorized by the written consent of the Members necessary to authorize the action as specified in Section 6.01(f) below. Notice of a meeting need not be given to any Manager who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Manager. No action may be taken at any meeting of the Manager unless such action was specified in the notice of such meeting that was delivered to the Managers in accordance with this Section 6.01(e).

(d) A Person shall cease to serve as a Manager upon (i) his or her death, (ii) his or her resignation in accordance with Section 6.01(d) above or (iii) the removal of such Manager in accordance with Section 6.01(c) or Section 6.01(d).

(e) Managers shall not receive any fee or other compensation for services rendered on behalf of the Company as a Member of the Manager.

(f) The Manager may not take any of the following actions without the prior approval of the Seller Member's lender, CBC Partners:

(1) Create, incur, assume or make any payment in respect of any borrowed money indebtedness or guarantee the borrowed money indebtedness of any other person or entity, unless such action results in the satisfaction of the Lender CBC Partners receivable secured by the property;

(2) Directly permit to exist any lien or security interest on any of the asset of the Company, unless such action results in the satisfaction of the Lender CBC Partners receivable secured by the property;

(3) Dispose of its properties or assets, unless such action results in the satisfaction of the Lender CBC Partners receivable secured by the property;

(4) Declare or pay any dividend or distribution on any membership interest of the Company, unless such action results in the satisfaction of the Lender CBC Partners receivable secured by the property;

(5) Purchase or redeem any membership interests of, or rights, options or warrants to acquire membership interests of, the Company, unless such action results in the satisfaction of the Lender CBC Partners receivable secured by the property;

(6) Issue any additional membership interests of, or rights, options or warrants to acquire, membership interests of the Company, unless such action results in the satisfaction of the Lender CBC Partners receivable secured by the property;

(7) Consummate, or enter into an agreement that results in, a sale of the Company (whether by merger, sale of assets, sale of Units or otherwise), unless such action results in the satisfaction of the Lender CBC Partners receivable secured by the property;

(8) Enter into, or cause, suffer or permit to exist any transaction, arrangement or contract with any of its Managers, Members or any of their respective affiliates or family members, except for Capital Contributions from the Investor Member in respect of its Commitment as expressly provided in Section 3.02(b)

of this Agreement, unless such action results in the satisfaction of the Lender CBC Partners receivable secured by the property;

(9) Cause a material change in the strategic direction or the nature of the business of the Company, unless such action results in the satisfaction of the Lender CBC Partners receivable secured by the property; or

(10) Enter into any agreement to do any of the foregoing, unless such agreement results in the satisfaction of the Lender CBC Partners receivable secured by the property.

6.02. Liability of Parties.

No Member, Manager nor any Representative of a Member or a Manager shall be liable to the Company or to any other Member or Manager for (a) the performance of, or the omission to perform, any act or duty on behalf of the Company if, in good faith, such Person determined that such conduct was in the best interests of the Company, and such conduct did not constitute fraud, gross negligence, reckless or intentional misconduct or a breach of this Agreement or a breach by the Lender Member; (b) the termination of the Company and this Agreement pursuant to the terms hereof; or (c) the performance of, or the omission to perform, any act on behalf of the Company in good-faith reliance on the advice of legal counsel, accountants, or other professional advisors to the Company.

6.03. Indemnification of Manager and Officers.

The Company, its receiver, or its trustee, as the case may be, shall indemnify, defend, and hold each Manager, Director or Officer (collectively, the "Indemnified Parties") harmless from and against any expense, loss, damage, or liability incurred or connected with any claim, suit, demand, loss, judgment, liability, cost, or expense (including reasonable attorneys' fees) arising from or related to the Company or any act or omission of the Indemnified Parties on behalf of the Company and amounts paid in settlement of any of the foregoing; provided that the same were not the result of (i) fraud, gross negligence, or reckless or intentional misconduct on the part of the Indemnified Party against whom a claim is asserted, (ii) a breach of this Agreement by the Indemnified Party or (iii) a breach of the Agreement by the Investing Member. The Company shall advance to any Indemnified Party the costs of defending any claim, suit, or action against such Indemnified Party (other than any claim, suit or action consisting of allegations covered by clauses (i), (ii) or (iii) of the immediately preceding sentence) if the Indemnified Party undertakes to repay the funds advanced, with interest, should it later be determined that the Indemnified Party is not entitled to indemnification under this Section 6.03.

6.04. Conflicts of Interest.

Subject to compliance by each Member's Related Parties with Section 8.02, each Member of the Company and any Manager at any time and from time to time may engage in and possess interests in other business ventures of any and every type and description, independently or with others, including ones in competition with the Company, with no obligation to offer to the Company or to any other Member the right to participate therein.

6.05. Waiver of Duties.

The Members waive, to the maximum extent permitted by applicable law, any fiduciary duties or obligations that the Managers may owe to the Members.

ARTICLE VII

RESTRICTIONS ON TRANSFERS

7.01. Restrictions on Transfers.

Except as otherwise expressly permitted in this ARTICLE VII, no Member may Transfer all or any portion of its Membership Interest in the Company without the prior consent of the Manager, which consent may be granted or withheld in the sole and absolute discretion of the Manager. Members may not Transfer all or any portion of its Class A Units, except pursuant to a Transfer permitted by Sections 7.02, 7.09 or 7.10. Any Transfer (whether voluntary or involuntary) or attempted Transfer by a Member in violation of the immediately preceding sentence shall result in the automatic voiding of any such unauthorized transfer.

7.02. Permitted Transfers.

A Member shall be free at any time to Transfer all or any portion of its Membership Interest to: (a) in the case of a Member that is a natural person, any one or more of an existing Member's Family Members or a trust or estate for the benefit of such Family Members; (b) to any Affiliate of the Member or any Family Member of such Affiliate or to any limited partner or investor or Affiliate thereof in any investment vehicle managed by the Member or its Affiliates; or (c) to a wholly-owned subsidiary of the Member. Notwithstanding the foregoing sentence, without the prior written consent of the non transferring Member, a Member may not Transfer its Units pursuant to clause (b) of the immediately preceding sentence to a non-Affiliated Person that, at the time of the proposed Transfer, is actively engaged in litigation with, or has previously been engaged in litigation with, the Investor Members. A Member that is a natural person also may Transfer all or any portion of his or her Membership Interest upon his or her death or involuntarily by operation of law. For purposes of this ARTICLE, a Member's "Family Members" shall mean the Member's spouse, ancestors, issue (including adopted children and their issue) and trusts or custodianships for the primary benefit of the Member himself or such spouse, ancestors, or issue (including adopted children and their issue). Notwithstanding the foregoing, in the case of any Transfer permitted under this Section 7.02, it shall be a condition to such Transfer that such transferee agrees (y) to be bound by this Agreement by executing a joinder agreement in a form acceptable to the Manager and (z) that the Units acquired by such transferee may not be subsequently Transferred except in strict accordance with the terms of this Agreement.

7.03. Conditions to Transfer.

Notwithstanding any other provision of Section 7.01 or 7.02, no Transfer shall be permitted, except in the case of a Transfer on death or involuntarily by operation of law, unless the following additional conditions precedent are satisfied (or waived by the Manager in its sole and absolute discretion):

(a) The transferor and transferee shall execute and deliver to the Company such documents and instruments of conveyance as may be necessary or appropriate in the opinion of counsel to the Company to effect such Transfer and to confirm the agreement of the transferee to be bound by the provisions of this Agreement (including this ARTICLE VII); and

(b) At the request of the Manager, the transferor shall provide an opinion of counsel satisfactory to the Company to the effect that such Transfer will not violate any applicable securities laws regulating the transfer of securities or any of the provisions of any agreement to which the Company is a party.

7.04. Admission of Transferee as Member.

Subject to the other provisions of this ARTICLE VII, a transferee of a Membership Interest may be admitted to the Company as a Member only upon satisfaction of all of the following conditions:

(a) The Membership Interest with respect to which the transferee is admitted was acquired by means of a Transfer permitted under Sections 7.01 and 7.02;

(b) The transferee becomes a party to this Agreement as a Member and executes such documents and instruments as the Manager reasonably may request as necessary or appropriate to confirm such transferee as a Member in the Company and such transferee's agreement to be bound by the terms and conditions hereof; and

(c) The transferee furnishes copies of all instruments effecting the Transfer, opinions of counsel and such other certificates, instruments, and documents as the Manager may reasonably require.

7.05. Effect of Disposition.

Following any Transfer of a Member's entire Membership Interest, the Member shall have no further rights as a Member of the Company. In addition, following any permitted Transfer of a portion of a Member's Membership Interest, the Member shall have no further rights as a Member of the Company with respect to that portion Transferred.

7.06. Rights of Unadmitted Transferee.

A transferee of a Membership Interest who is not admitted as a Member pursuant to Sections 7.03 and 7.04 shall be entitled to allocations and distributions attributable to the

Membership Interest Transferred to the same extent as if the transferee were a Member, but shall have no right to vote or give a consent on any matter, if any, calling for the approval or consent of the Members (and notwithstanding anything in this Agreement to the contrary any requisite percentage or majority shall be computed as if the Transferred Membership Interest did not exist), shall have no right to any information or accounting of the affairs of the Company, shall not be entitled to inspect the books or records of the Company, and shall not have any of the other rights of a Member under the Act or this Agreement. For the avoidance of doubt, if a Member Transfers or attempts to Transfer any Class A Units in violation of Section 7.01 of this Agreement, then such transfer shall automatically be voided.

7.07. Prohibited Transfers.

Any purported Transfer that is not permitted under this ARTICLE VII shall be null and void and of no effect whatsoever. In the case of a Transfer or attempted Transfer that is not such a permitted Transfer, the parties engaging or attempting to engage in such Transfer shall be liable to indemnify and hold harmless the Company and the other Members from all cost, liability, and damage that any of such indemnified persons may incur (including incremental tax liability and attorneys' fees and expenses) as a result of such Transfer or attempted Transfer and efforts to enforce the indemnity granted hereby.

7.08. [reserved]

7.09. Tag-Along Rights.

(a) In the event that the Investor Member desires to Transfer (other than a Transfer pursuant to Section 7.02 or a Transfer in accordance with Section 7.10) all or any portion of its Class A Units (the Units to be Transferred are hereinafter referred to as the "Third Party Purchaser Units") to a bona fide, non-Affiliated third party (a "Third Party Purchaser"), then the Investor Member shall promptly notify the other Members (the "Other Members"), in writing (the "Tag-Along Sale Notice"), specifying the price per Unit to be Transferred and the other material terms and conditions of the proposed Transfer to the Third Party Purchaser (the "Third Party Terms"). The Other Members shall have the right (to be exercised as described in this Section 7.09), but not the obligation, to participate in the proposed Transfer to the Third Party Purchaser (hereinafter referred to as the "Tag-Along Right") on the Third Party Terms, as modified by the terms set forth in this Section 7.09 (including Section 7.09(g)).

(b) Each Other Member that desires to exercise its Tag-Along Right shall deliver to the Investor Member a written notice (the "Tag-Along Acceptance Notice") within fifteen (15) days of such Other Member's receipt of the Tag-Along Sale Notice (the "Tag-Along Acceptance Period"). The Tag-Along Acceptance Notice shall state the number of Units being sold by the Investor Member that such Other Member proposes to include in such Transfer to the proposed Third Party Purchaser. The Tag-Along Acceptance Notice given by the Other Member shall constitute the Other Member's binding agreement to sell the number of Units specified in the Tag-Along Acceptance Notice on the Third Party Terms, as modified by the terms set forth in this Section 7.09 (including Section 7.09(g)).

(c) If a Tag-Along Acceptance Notice from an Other Member is not received by the Investor Member within fifteen (15) days of delivery by the Investor Member of the Tag-Along Sale Notice, the Investor Member shall have the right to consummate the sale without the participation of such Other Member, but only if the per Unit purchase price is no more favorable to the Investor Member than as stated in the Tag-Along Sale Notice and only if such sale occurs on a date within the one hundred twenty (120) day period (the "Sale Period") following the expiration of the Tag-Along Acceptance Period. If such sale does not occur within the Sale Period, the Units that were to be subject to such sale thereafter shall continue to be subject to all of the restrictions contained in this Section 7.09.

(d) In connection with any Transfer of Units to the Third Party Purchaser pursuant to this Section 7.09, each of the Investor Member and the Other Members shall have the right to sell to the Third Party Purchaser a number of Units equal to its pro rata portion (based on the number of Units held by the Members, which shall only include the Class A Units to the extent provided in Section 7.09(h) below) of the Third Party Purchaser Units.

(e) At the closing of the Transfer to any Third Party Purchaser of any Third Party Purchaser Units pursuant to this Section 7.09, the Third Party Purchaser shall remit to the Investor Member and the Other Members participating in such sale the aggregate consideration payable to the Investor Member and the Other Members for the Units sold pursuant to Section 7.09 hereof (less any such Member's pro rata share of the consideration to be escrowed or held back, if any, as described below), against delivery by such Member of the Units being sold by it, free and clear of all liens, claims and encumbrances (other than encumbrances imposed by this Agreement), as evidenced by such documentation as the Third Party Purchaser reasonably requests, and the compliance by the Investor Member and the Other Members with any other conditions to closing requested by the Third Party Purchaser.

(f) The consummation of the proposed Transfer triggering the Tag-Along Right shall be subject to the sole discretion of the Investor Member, who shall have no liability or obligation whatsoever to the Other Members for not consummating such proposed Transfer other than its obligations as set forth in this Section 7.09. The Other Members shall receive the same form of consideration received by the Investor Member from the Third Party Purchaser, subject to Section 7.09(g) below. To the extent that the parties are to provide any indemnification or otherwise assume any other post-closing liabilities in favor of the Third Party Purchaser, the Investor Member shall seek to have such indemnification or post-closing liabilities be on a several but not joint basis (and on a pro rata basis in accordance with the proceeds received by such Member) to the extent permitted by the Third Party Purchaser; provided, however, in no event shall any Member's respective potential liability thereunder exceed the proceeds received by such Member. To the extent any such indemnification or post-closing liabilities are made on a joint and several basis and a Member bears more than its pro rata share (based on the proceeds to be received by such Member) of such indemnification or post-closing liabilities, then the other Member(s) shall contribute such Member such amount as is necessary to cause each Member to bear its pro rata share of such indemnification or post-closing liabilities.

(g) The aggregate net proceeds of any Transfer of Units pursuant to this Section 7.09 shall be allocated among the Members participating in such Transfer in accordance with the distribution provisions of Section 5.01(b) of this Agreement.

(h) The Seller Member shall only be entitled to include Class A Units in any Transfer pursuant to this Section 7.09 if, prior to such Transfer, the Investor Member has received the full distribution preference it is entitled to receive under Section 5.01(b)(I) of this Agreement.

7.10. Drag-Along.

If the Manager and the Investor Member approve a Sale Transaction to a non-Affiliated third party (a "Third Party Transferee"), then the Investor Member shall have the right, but not the obligation, to require the Seller Member to consent to and approve the Sale Transaction and, if the Sale Transaction is structured as a sale of Units by the Members, to require the Seller Member to Transfer to the same Third Party Transferee all of the Units held by the Seller Member on the same terms and conditions as the Investor Member, subject to the last sentence of this Section 7.10. In connection therewith, upon request of the Investor Member, the Seller Member shall (i) consent to and raise no objections against such Sale Transaction and (ii) execute and deliver a definitive purchase and sale agreement, in substantially the same form and substance as the definitive agreement executed and delivered by the Investor Member; provided, that, to the extent that the parties are to provide any indemnification or otherwise assume any other post-closing liabilities, the Investor Member shall seek to have such indemnification or post-closing liabilities be on a several but not joint basis (and on a pro rata basis in accordance with the proceeds received by such Members) to the extent permitted by the Third Party Transferee; provided, however, in no event shall any Member's respective potential liability thereunder exceed the proceeds received by such Member in connection with such Sale Transaction. Subject to compliance with the proviso set forth in the immediately preceding sentence, if the Seller Member shall fail to execute and deliver such definitive agreement, the Company and the Investor Member shall have a power of attorney (which may be relied upon by the purchaser(s) in any such sale) and for that purpose the Seller Member, without any further action or deed, shall be deemed to have appointed the Company and the Investor Member as the Seller Member' agent and attorney-in-fact, with full power of substitution, for the purpose of executing and delivering the definitive agreement in the name and on behalf of the Seller Member and performing all such action as may be necessary or appropriate to consummate the sale of the Seller Member' interest pursuant to that agreement. Each Member shall bear its pro rata share of the costs of any transaction pursuant to this Section 7.10 (based on the net proceeds to be received by each Member in connection with the Sale Transaction) to the extent such costs are incurred for the benefit of all Members and are not otherwise paid by the Company or the acquiring party. The aggregate net proceeds of any Sale Transaction pursuant to this Section 7.10 shall be allocated among the Members in accordance with Section 5.01(b) of this Agreement.

ARTICLE VIII

MEMBER COVENANTS

8.01. Confidentiality.

Each Member agrees that Confidential Information will be furnished to it or its Representatives in connection with (i) such Member's ownership of Units in the Company and/or (ii) such Member's designee(s) serving as a Manager or, in the case of the Investor Member, the provision of services by the Investor Member to the Company. Each Member agrees that it shall use, and that it shall cause its Representative to use, the Confidential Information only in connection with its investment in the Company and not for any other purpose. Each Member further acknowledges and agrees that it shall not disclose any Confidential Information to any Person, except that Confidential Information may be disclosed:

(a) to such Member's Representatives in the normal course of the performance of their duties or to any financial institution providing credit to such Member;

(b) to the extent required by applicable law, rule or regulation (including complying with any oral or written questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process to which a Member is subject, provided that such Member agrees to give the Company prompt notice of such request(s), to the extent practicable, so that the Company may seek an appropriate protective order or similar relief (and such Person shall cooperate with such efforts by the Company, and shall in any event make only the minimum disclosure required by such law, rule or regulation));

(c) to any Person to whom such Member is contemplating a transfer of its Units, provided that such Transfer would not be in violation of the provisions of this Agreement and such potential transferee is advised of the confidential nature of such information and agrees to be bound by a confidentiality agreement consistent with the provisions of this Section 8.01;

(d) to any regulatory authority or rating agency to which the Member or any of its Affiliates is subject or with which it has regular dealings, as long as such authority or agency is advised of the confidential nature of such information;

(e) to any Representative to the extent related to the tax treatment of the Units held by such Member, or

(f) if the prior written consent of the Manager shall have been obtained.

Nothing contained herein shall prevent the use of Confidential Information in connection with the assertion or defense of any claim by or against any Member.

8.02. Investor Member Covenants.

The Investor Member hereby covenants, acknowledges and agrees with the Company and the Seller Member and Lender Member as follows:

(a) Investor Member shall:

(i) Provide for the funding of a annual expense reserve account in the amount of $150,000.00 within ninety days of the execution of this Agreement, from which non member CBC Partners is authorized to issue payment against its obligations due from Seller Member should Investor Member fail to effect such payments in a timely fashion.

(ii) Provide for a second funding of an annual expense reserve account one year later in the additional amount of $150,000.00 within ninety days of the first anniversary of the execution of this Agreement, from which non Member CBC Partners is authorized to issue payment against its Note should Investor Member fail to effect such payments in a timely fashion.

(iii) Cause the Company to service the non Member CBC Partners receivable against the subject property commencing 90 days after the closing of this Agreement, under the modified terms and conditions thereto, as agreed upon by the Investor Member.

(iv) Cause the Company to effect repairs to the premises to bring it back to top quality standard and working repair

(v) Cause the Company to maintain and provide for all costs related to the ongoing maintenance of the property

(vi) Cause the Company to pay all utilities

(vii) Cause the Company to pay for all real property insurance

(viii) Cause the Company to pay all HOA assessments and fines

(ix) Cause the Company to pay for all landscaping

(x) Provide for its benefit from that portion of its judgment proceeds distributions from its interest in 1st One Hundred Holdings to serve as additional collateral to further securitize Lending Member's Note against any deficiency in the existing real property serving as collateral prior to this Agreement

(xi) At the earlier of 2 years or upon collection of the judgment proceeds, pay off in full the CBC reveicable as relates to the property

(xii) At the earlier of 2 years or upon collection of the judgment proceeds, either assume service of or retire either or both of the 1st and 2nd position lenders

(xiii) At the earlier of 2 years or upon collection of the judgment proceeds, pay off past due and accrued property tax assessments, if not already addressed by 1st or 2nd lender

(xiv) Utilize its lawyers to effectuate a Quiet Title action for the purposes of extinguishing any and all judgment creditor liens against the property.

(b) the Company shall comply, at all times, with the terms and conditions of the Agreement.

(c) the execution, delivery and performance of this Agreement by the Investor Member does not conflict with or constitute a breach of or a default under the Articles of Organization of the Investor Member, the Operating Agreement of the Investor Member or any contract, agreement, instrument or debenture to which the Investor Member is a party or to which any of its assets are subject.

8.03 Seller Member Covenants.

The Seller Member hereby covenants, acknowledges and agrees with the Company and the Seller Member and Investor Member as follows:

(a) Seller Member shall:

(i) Convey all rights of Possession to the Investor Member

(ii) Upon payment in full of the CBC Partners receivable secured against the premises, transfer its Membership Interest in the Company to Investor Member.

(iii) At execution of this Operating Agreement Execute a Deed of Sale conveying ownership of the premises to the Company

(iv) To execute those amendments to the Lender Member Note as necessary

(b) the Seller Member shall comply, at all times, with the terms and conditions of the Agreement.

(c) the execution, delivery and performance of this Agreement by the Seller Member does not conflict with or constitute a breach of or a default under any contract, agreement, instrument or debenture to which the Investor Member is a party or to which any of his assets are subject.

ARTICLE IX
WITHDRAWAL

9.01. Restrictions on Withdrawal.

A Member does not have the right to withdraw from the Company as a Member or to terminate its Membership Interest, except to the extent expressly provided herein.

ARTICLE X

DISSOLUTION, LIQUIDATION, AND TERMINATION

10.01. Dissolution.

(a) The Company shall be dissolved automatically and its affairs shall be wound up upon the first to occur of the following:

(i) at any time upon the written consent of the Investor Member, so long as the Manager shall have also consented in writing thereto, or upon the written consent of the sole remaining Member; or

(ii) ninety (90) days after the date on which the Company no longer has at least one (1) Member, unless a new Member is admitted to the Company during such ninety (90) day period.

10.02. Liquidation.

(a) Upon a dissolution of the Company requiring the winding-up of its affairs, the Manager shall wind up its affairs. The assets of the Company shall be sold within a reasonable period of time to the extent necessary to pay or to provide for the payment of all debts and liabilities of the Company, and may be sold to the extent deemed practicable and prudent by the Manager.

(b) The net assets of the Company remaining after satisfaction of all such debts and liabilities and the creation of any reserves under Section 10.02(d), shall be distributed to the Members in accordance with Section 5.01(b) of this Agreement, after giving effect to all contributions, distributions and allocations for all periods, including the period during which such liquidation occurs. Any property distributed in kind in the liquidation shall be valued at fair market value.

(c) Distributions to Members pursuant to this ARTICLE X shall be made by the end of the taxable year of the liquidation, or, if later, ninety (90) days after the date of such liquidation in accordance with Regulations Section 1.704-1(b)(2)(ii)(g).

(d) The Manager may withhold from distribution under this Section 10.02 such reserves as are required by applicable law and such other reserves for subsequent computation adjustments and for contingencies, including contingent liabilities relating to pending or anticipated litigation or to Internal Revenue Service examinations. Any amount withheld as a reserve shall reduce the amount payable under this Section 10.02 and shall be held in a segregated interest-bearing account (which may be commingled with similar accounts). The unused portion of any reserve shall be distributed with interest thereon pursuant to this Section 10.02 after the Manager shall have determined that the need therefor shall have ceased.

(e) Deficit Capital Accounts. If a Member has a deficit balance in its Capital Account after giving effect to all contributions, distributions, and allocations for all taxable years, including the year in which the liquidation occurs, the Member shall have no obligation to make any contribution to the capital of the Company with respect to such deficit, and such deficit shall not be considered a debt owed by such Member to the Company or to any other Person, for any purpose whatsoever. Notwithstanding, Lender Member's secured note against the Property shall not be compromised under this provision.

ARTICLE XI

BOOKS AND RECORDS, ACCOUNTING, AND TAX ELECTIONS

11.01. Maintenance of Records.

The Company shall maintain true and correct books and records, in which shall be entered all transactions of the Company, and shall maintain all other records necessary, convenient, or incidental to recording the Company's business and affairs, which shall be sufficient to record the allocation of Net Profits and Net Losses and distributions as provided for herein. All decisions as to accounting principles, accounting methods, and other accounting matters shall be made by the Manager. The Company shall keep a current list of all Members and their Capital Contributions, adjusted for any withdrawals, which shall be available for inspection by all Members. Each Member or its authorized representative may examine any of the books and records of the Company during normal business hours upon reasonable notice for a proper purpose reasonably related to the Member's interest in the Company.

11.02. Reports to Members.

As soon as practicable after the end of each Fiscal Year, the Company shall cause to be prepared and sent to each Member a report setting forth in sufficient detail all such information and data with respect to the Company for such Fiscal Year as shall enable each Member to prepare its income tax returns. Any financial statements, reports and tax returns required pursuant to this Section 11.02 shall be prepared at the expense of the Company.

11.03. Tax Elections; Determinations Not Provided for in Agreement.

The Manager shall be empowered to make or revoke any elections now or hereafter required or permitted to be made by the Code or any state or local tax law, and to decide in a fair and equitable manner any accounting procedures and other matters arising with respect to the Company or under this Agreement that are not expressly provided for in this Agreement. In this regard, the Members agree that the Company shall make a valid election under Code Section 754. Notwithstanding the foregoing, absent the unanimous consent of the Manager to the contrary, the Company and all Members shall take any steps that may be necessary to elect partnership status for purposes of the Code and any applicable state or local tax law.

11.04. Tax Matters Partner.

The Investor is hereby designated the "Tax Matters Partner" of the Company for purposes of the Code.

ARTICLE XII

GENERAL PROVISIONS

12.01. Notices.

Except as expressly provided in this Agreement, all notices, consents, waivers, requests, or other instruments or communications given pursuant to this Agreement shall be in writing, shall be signed by the party giving the same, and shall be delivered by hand; sent by registered or certified United States mail, return receipt requested, postage prepaid; or sent by a recognized overnight delivery service. Such notices, instruments, or communications shall be addressed, in the case of the Company, to the Company at its principal place of business and, in the case of any of the Members, to the address set forth in the Company's books and records; except that any Member may, by notice to the Company and each other Member, specify any other address for the receipt of such notices, instruments, or communications. Except as expressly provided in this Agreement, any notice, instrument, or other communication shall be deemed properly given when sent in the manner prescribed in this Section 12.01. In computing the period of time for the giving of any notice, the day on which the notice is given shall be excluded and the day on which the matter noticed is to occur shall be included. If notice is given by personal delivery, then it shall be deemed given on the date personally delivered to such Person. If notice is given by mail in the manner permitted above, it shall be deemed given three (3) days after being deposited in the mail addressed to the Person to whom it is directed at the last address of the Person as it appears on the records of the Company, with prepaid postage thereon. If notice is given by nationally recognized overnight courier delivery service, then it shall be deemed given on the date actually delivered to the address of the recipient by such nationally recognized overnight courier delivery service. If notice is given in any other manner authorized herein or by law, it shall be deemed given when actually delivered, unless otherwise specified herein or by law.

12.02. Interpretation.

(a) ARTICLE, Section, and Subsection headings are not to be considered part of this Agreement, are included solely for convenience of reference and are not intended to be full or accurate descriptions of the contents thereof.

(b) Use of the terms "herein," "hereunder," "hereof," and like terms shall be deemed to refer to this entire Agreement and not merely to the particular provision in which the term is contained, unless the context clearly indicates otherwise.

(c) Use of the word "including" or a like term shall be construed to mean "including, but not limited to."

(d) Exhibits and schedules to this Agreement are an integral part of this Agreement.

(e) Words importing a particular gender shall include every other gender, and words importing the singular shall include the plural and vice-versa, unless the context clearly indicates otherwise.

(f) Any reference to a provision of the Code, Regulations, or the Act shall be construed to be a reference to any successor provision thereof.

12.03. Governing Law; Jurisdiction; Venue.

This Agreement and all matters arising herefrom or with respect hereto, including, without limitation, tort claims (the "Covered Matters") shall be governed by, and construed in accordance with, the internal laws of State of Nevada, without reference to the choice of law principles thereof. The Members agree that any dispute between them or between any of them and the Company arising out of, or in connection with, the execution, interpretation, performance or non-performance of this Agreement (including the validity, scope and enforceability of these arbitration provisions) shall be settled by arbitration conducted in Clark County Nevada, in the English language, in accordance with the commercial arbitration rules of the American Arbitration Association ("AAA"), by a single arbitrator, designated by the AAA in accordance with the rules of the AAA. The decision of the AAA shall be final and binding on the Members and the Company, and not subject to further review, and judgment on the awards of the AAA may be entered in and enforced by any court having jurisdiction over the parties or their assets subject to the procedural requirements in such jurisdiction. The arbitration hearing shall be held solely in the State of Formation. Notwithstanding the foregoing agreement to arbitrate, the parties expressly reserve the right to seek (i) provisional relief from any court of competent jurisdiction to preserve their respective rights pending arbitration and (ii) equitable relief in any court of competent jurisdiction in the State of Formation. All costs of the arbitrator shall be split equally by the claimant, on the one hand, and the respondents, on the other hand; provided, however, the arbitrator shall have the right to apportion such costs in accordance with what the arbitrator deems just and equitable under the circumstances. The arbitrator shall have the authority to award reimbursement of attorneys' fees to the prevailing party in the arbitration.

12.04. Binding Agreement.

This Agreement shall be binding upon and inure to the benefit of the Members and the Managers and their respective heirs, executors, administrators, personal representatives, and successors.

12.05. Dispute Resolution.

In the event of a failure to reasonably resolve any issues among any of the Parties (or their owners, assigns, or successors), the disputes of those parties will be referred to binding arbitration for resolution thereof, and each party waives any right to litigation in favor of such resolution through binding arbitration. Arbitration shall be conducted under Nevada's Arbitration Rules). Judgment on the arbitrator's award may be entered in any court having jurisdiction thereof. The arbitration shall be held in the City of Las Vegas and State of Nevada, and shall be conducted before a single arbitrator agreeable to the parties. The arbitrator shall make findings of fact and law in writing in support of his decision, and shall award reimbursement of attorney's fees and other costs of arbitration to the prevailing party as the arbitrator deems appropriate. The provisions hereof shall not preclude any party from seeking preliminary injunctive relief to protect or enforce its rights hereunder, or prohibit any court from making preliminary findings of fact in connection with granting or denying such preliminary injunctive relief after and in accordance with the decision of the arbitrator. No decision of the arbitrator shall be subject to judicial review or appeal; the parties waive any and all rights of judicial appeal or review of any decision of the arbitrator. Should any party initiate a civil proceeding against any other, notwithstanding the binding arbitration provision above, such party initiating civil litigation shall recognize that it has caused material damage and harm to the other by way of their breach of this agreement, and hereby agrees to an award, to each named defendant party, liquidated damages in the amount of any costs of defense incurred by the aggrieved party plus ten thousand dollars ($10,000.00).

12.06. Severability.

Each item and provision of this Agreement is intended to be severable. If any term or provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason whatsoever, that term or provision shall be modified only to the extent necessary to be enforced, such term or provision shall be enforced to the maximum extent permitted by law, and the validity of the remainder of this Agreement shall not be adversely affected thereby.

12.07. Entire Agreement.

This Agreement (including the exhibits hereto and the Services Agreement) supersedes any and all other understandings and agreements, either oral or in writing, between the Members with respect to the Membership Interests and constitutes the sole agreement between the Members with respect to the Membership Interests.

12.08. Further Action.

Each Member shall, upon the request of the Manager, execute and deliver all papers, documents, and instruments and perform all acts that are necessary or appropriate to implement the terms of this Agreement and the intent of the Members.

12.09. Amendment or Modification.

This Agreement (including the exhibits hereto) may be amended or modified from time to time only upon the written approval of the Company (acting through the Manager) and the Investor Member; provided, however, for so long as the Seller Member owns any Class A Units, the approval of the Seller Member shall be required to amend Section 5.01 of this Agreement (other than in connection with the issuance of New Units) or Section 6.01(b)(ii) of this Agreement. Notwithstanding the foregoing, no amendment shall create any personal liability or personal obligation of any Member for the debts, obligations, or liabilities of the Company not otherwise provided under the Act without such Member's written consent.

12.10. Counterparts.

This Agreement may be executed in original or by facsimile in several counterparts and, as so executed, shall constitute one agreement, binding on all of the parties hereto, notwithstanding that all of the parties are not signatory to the original or to the same counterpart.

[*Signature Pages Follow.*]

IN WITNESS WHEREOF, the Members have executed and adopted this Limited Liability Company Agreement effective as of September 30, 2017.

MEMBERS:

Kenneth Antos (Seller Member)
Sheila Antos Trust

By:________________________________
Name: Ken Antos
Title: Member

SJC Ventures Holdings, LLC (Investor Member)

By:________________________________
Name: Jay Bloom
Title: Manager

MANAGER:

____
Jay Bloom, as Manager SJC Ventures Holdings, LLC

FTL 109925499v8

EXHIBIT A

DEFINITIONS

For purposes of this Agreement, the following terms shall have the following meanings:

"Adjusted Capital Account Deficit" means, with respect to any Person, the deficit balance, if any, in such Person's Capital Account as of the end of the relevant Fiscal Year or other period, after giving effect to the following adjustments:

(a) credit to such Capital Account any amounts which such Person is obligated to restore pursuant to any provision of this Agreement or is deemed to be obligated to restore pursuant to the next to the last sentence of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5) after taking into account any changes during such year in Company Minimum Gain and Member Minimum Gain; and

(a) debit to such Capital Account the items described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"Affiliate" means, with respect to any Person, a Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with the first mentioned Person. A Person shall be deemed to control another Person if such first Person possesses directly or indirectly the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, by contract or otherwise.

"Business Day" means a day, other than a Saturday or Sunday, on which commercial banks in New York, NY are open for the general transaction of business.

"Capital Account" means, with respect to any Member, the Member's Capital Contributions, increased or decreased as provided in this Agreement.

"Capital Contribution" means, with respect to the Investor Member, the amount of money contributed to the Company by the Investor Member.

"Class A Units" means a class of Units that are denominated as "Class A Units".

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Company Minimum Gain" has the meaning ascribed to the term "partnership minimum gain" in the Regulations Section 1.704-2(d).

"Confidential Information" means any information concerning the Company or the financial condition, business, operations, prospects or assets of the Company (including the terms of this Agreement), provided that the term "Confidential Information" does not include information that (i) is or becomes generally available to the public other than as a result of a disclosure by a Member or any of a Member's Representatives in violation of this Agreement, (ii) is or was available to such Member on a non-confidential basis prior to its disclosure by the Company to such Member or the Representatives of such Member or (iii) was or becomes available to such Member on a non-confidential basis from a source other than the Company, which source is or was (at the time of receipt of the relevant information) not, to such Member's knowledge, bound by a confidentiality agreement with (or other confidentiality obligation to) the Company or another Person.

"Depreciation" means an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for the Fiscal Year or other period, except that if the Gross Asset Value of an asset differs from its adjusted tax basis at the beginning of the Fiscal Year or other period, Depreciation will be an amount which bears the same ratio to the beginning Gross Asset Value as the Federal income tax depreciation, amortization or other cost recovery deduction for the Fiscal Year or other period bears to the beginning adjusted tax basis; provided, however, that if the Federal income tax depreciation, amortization or other cost recovery deduction for the Fiscal Year or other period is zero, Depreciation will be determined by reference to the beginning Gross Asset Value using any reasonable method selected by the Manager.

"Fiscal Year" means the calendar year; but, upon the organization of the Company, "Fiscal Year" means the period from the first day of the term of the Company to the next following December 31, and upon dissolution of the Company, shall mean the period from the end of the last preceding Fiscal Year to the date of such dissolution.

"Gross Asset Value" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, adjusted as provided in this Agreement.

"Liquidation" has the meaning as set forth in Regulations Section 1.704-1(b)(2)(ii)(g).

"Manager" means each Person comprising the Manager in accordance with Section 6.01(b) of this Agreement. A Manager may be a natural person or an entity; a Member or a non-member.

"Member" means each Person executing this Agreement as a Member or hereafter admitted to the Company as a Member as provided in this Agreement, but does not include any Person who has ceased to be a Member of the Company. For purposes of interpreting this Agreement, references to the term "Member" in ARTICLE IV and ARTICLE V shall be deemed to refer to a transferee of an interest in the Company who is not admitted as a Member under Section 7.04 unless such interpretation is inconsistent with the provisions of Section 7.06.

"Member Nonrecourse Debt Minimum Gain" has the meaning ascribed to the term "partner nonrecourse debt minimum gain" in Regulations Section 1.704-2(i)(2).

"Member Nonrecourse Debt" has the meaning ascribed to the term "partner nonrecourse debt" in Regulations Section 1.704-2(b)(4).

"Member Nonrecourse Deduction" has the meaning ascribed to the term "partner nonrecourse deduction" in Regulations Section 1.704-2(i)(2).

"Membership Interest" means the entire interest of a Member in the Company, including, without limitation, rights to distributions (liquidating or otherwise), allocations, information, and the right to participate in the management of the business and affairs of the Company, including the right to vote on, consent to, or otherwise participate in any decision or action of or by the Members granted by this Agreement or the Act.

"Net Proceeds", with respect to a Sale Transaction, means the gross proceeds from the Sale Transaction less (i) the payment of any indebtedness for borrowed money of the Company, together with all interest, premiums and fees due and owing thereon, (ii) the payment of any transaction fees and expenses incurred by the Company that are directly related to the Sale Transaction and (iii) any holdback, reserve or escrow established by the Manager in connection with the Sale Transaction to satisfy any post-transaction indemnification, purchase price adjustment or similar obligation (and, once the Manager determines that the need for such holdback, reserve or escrow shall have ceased, any remaining proceeds shall be distributed to the Members in accordance with Section 5.01).

"Net Profits" and "Net Losses" means, for any Fiscal Year or other period, an amount equal to the Company's taxable income or loss for such year or period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(a) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Net Profits or Net Losses shall be added to such taxable income or loss;

(b) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i) and not otherwise taken into account in computing Net Profits or Net Losses shall be subtracted from Net Profits or Net Losses;

(c) Gains or losses resulting from any disposition of Company asset with respect to which gains or losses are recognized for federal income tax purposes shall be computed with reference to the Gross Asset Value of the Company asset disposed of, notwithstanding the fact that the adjusted tax basis of such Company asset differs from its Gross Asset Value;

(d) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing the taxable income or loss, there will be taken into account Depreciation; and

(e) If the Gross Asset Value of any Company asset is adjusted pursuant to the definition of "Gross Asset Value," the amount of the adjustment will be taken into account as gain or loss from the disposition of the asset for purposes of computing Net Profits or Net Losses.

Notwithstanding any other provision of this subsection, any items of income, gain, loss or deduction that are specially allocated under Section 4.01(b) or any other Section of this Agreement shall not be taken into account in computing Net Profits or Net Losses.

"New Units" mean any Units issued by the Company after the date hereof or any Units issuable by the Company upon exercise, exchange or conversion of any exercisable, exchangeable or convertible securities issued after the date hereof.

"Nonrecourse Deductions" has the meaning set forth in Regulations Sections 1.704-2(b) and (c).

"Other SPV" means a special purpose entity formed by the Company and an Investor to pursue the Purposes and which special purpose entity is funded solely by such Investor.

"Percentage Interest" means, as of any date of determination, with respect to the Investor Member, the percentage interest determined by dividing (x) the number of Class A Units owned by the Investor Member by (y) the aggregate number of Class A Units owned by all of the Members. The sum of the outstanding Percentage Interests of the Members shall at all times equal one hundred percent (100%).

"Permitted States" means States with an HOA "Super Priority" or "Safe Harbor" provision codified in its statutes, and any other such other states as may be approved by the Manager.

"Person" means an individual, corporation, association, partnership, joint venture, limited liability company, estate, trust, or any other legal entity.

"Regulations" means the Treasury Regulations promulgated under the Code, as such Regulations may be amended from time to time.

"Regulatory Allocations" has the meaning set forth in Section 4.01(c)(i).

"Representative" of a Person means that Person's directors, officers, general partners, members, managers, employees, and agents.

"Sale Transaction" (i) a sale of all or substantially all of the issued and outstanding Units of the Company or (ii) the sale of all or substantially all of the assets of the Company (including by means of merger, consolidation, other business combination, exclusive license, equity exchange or other reorganization) to a third party.

"Services Agreement" means that certain Services Agreement, dated as of January 20, 2015, between the Company and the Seller Member.

"Transfer" means, as a noun, any voluntary or involuntary transfer, sale, pledge, hypothecation, gift, or other disposition and, as a verb, voluntarily or involuntarily to transfer, sell, pledge, hypothecate, give, or otherwise dispose of.

"Unit" means a denomination of a Membership Interest.

"Members Related Party" means each of the Members, their respective Representatives (including Jay Bloom) and any of its or their respective Affiliates.

EXHIBIT B

Name and Address of Member	Commitment	% Membership Interest	
Seller Member Kenneth Antos Fax: Attn: with a copy to: Fax: Attention:	$100	49%	

Name and Address of Member	Commitment	% Membership Interest	
Investor Member SJC Ventures Holdings, LLC Fax: 702-974-0284 Attn: Jay Bloom with a copy to: Fax: 702-629-7925 Attention: Joseph Gutierrez, Esq.	$150,000.00	51%	

EXHIBIT “E”

SECURITY AGREEMENT

This Security Agreement is made by and between SJC Ventures, LLC ("SJCV") (the "Debtor") to CBC Partners I, LLC, a Washington limited-liability company ("Secured Party" or "CBCI").

WITN ESSETH:

WHEREAS, Debtor, other creditors, and Secured Party are parties to a certain Forbearance Agreement (the "Forbearance Agreement") dated as of the 17th day of September 2017 by and among CBC Partners I, LLC ("CBCI"), Kenneth & Sheila Antos Living Trust (the "Living Trust"), Kenneth M. Antos & Sheila M. Neumann-Antos Trust (the "K & S Trust"), Kenneth Antos and Sheila Neumann-Antos, as Trustees of the Living Trust and the K & S Trust, and as Personal Guarantors of the Secured Promissory Note described below., Spanish Heights Acquisition Company, LLC ("SHAC"), and SJC Ventures, LLC ("SJCV").

WHEREAS, the Forbearance Agreement provides that several conditions must be satisfied before CBCI agrees to forbear from exercising its rights and remedies under the Forbearance Agreement.

WHEREAS, one of the conditions of the Forbearance Agreement requires SJCV to execute a Security Agreement with respect to the "Creditors Judgment Interest" described below (the "Collateral") in favor of CBCI.

WHEREAS, subject to the terms of this Security Agreement, the SJCV agree to grant CBCI a Security Interest in the Collateral described below to secure the obligations of all parties to the Forbearance Agreement.

NOW, THEREFORE, in consideration of the premises and intending to be legally bound hereby, SJCV ("Debtor") and CBCI ("Secured Party") hereby agrees as follows:

1. *Grant of security interest.* In consideration of the Forbearance Agreement, the Debtor and Secured Party hereby grants to the Secured Party a security interest in the Collateral defined below as security for the prompt payment, performance, and observance by the Debtor, and all other parties to the Forbearance Agreement (the "Obligations").

2. *Collateral.*

(a) The term "Collateral" shall include that portion of Debtors current, or after-acquired, beneficial interest in the "Judgment" described below necessary to secure the Secured Party's Interest (the "Creditor's Judgment Interest"), regardless of whether the Creditor's Judgment Interest is the Judgment is considered "rights to cash or non-cash proceeds", accounts, contract rights, accounts receivable instruments, documents, chattel paper, securities, deposits, credits, "claims and demands," general intangibles, payment intangibles; and all ledger sheets, files, records, documents, and instruments (including, but not limited to, computer programs, tapes, and related electronic data processing software) evidencing any interest in or relating to the above described Collateral. The locations of the office where the records concerning rights are kept is set forth at the bottom of this Agreement. Debtor's address above stated against the Secured Party, and all proceeds, products, returns, additions, accessions and substitutions of and to any of the foregoing.

(b) All terms used herein which are defined in the Uniform Commercial Code of the State of Nevada shall have the meanings therein stated.

(c) The Creditor's Judgment Interest is described as follows:

SJCV represents that First 100, LLC and 1st One Hundred Holdings, LLC, obtained a Judgment in the amount of $2,221,039,718.46 against Raymond Ngan and other Defendants in the matter styled *First 100, LLC, Plaintiff(s) vs. Raymond Ngan, Defendant(s)*, Case No. A-17-753459-C in the 8th Judicial District Court for Clark County, Nevada (the "Judgment"). SJCV represents it holds a 24.912% Membership Interest in 1st One Hundred Holdings, LLC. SJCV represents and warrant that no party, other than the Collection Professionals engaged to collect the Judgment, have a priority to receive net judgment proceeds attributable to SJCV before SJCV; and that SJCV shall receive its interest at a minimum in pari passu with other parties who hold interests in the Judgment. 1st One Hundred Holdings, LLC represents and warrant that no party, other than the Collection Professionals engaged to collect the Judgment and certain other creditors of 1st One Hundred Holdings, have a priority to receive net judgment proceeds prior to distributions to 1st One Hundred Holdings Members; and that SJCV shall receive its interest at a minimum in pari passu with other parties who hold interests in the Judgment.

3. *Warranties and agreements.* The Debtor warrants and agrees that:

(a) *Collateral location and use.* The Debtor's chief places of business, its financial books and records relating to the Collateral, and the Collateral, are located at the address set forth at the bottom of this agreement. The Debtor will not move any of the Collateral from said location without the prior written consent of the Secured Party.

(b) *Existing liens, security interests, and encumbrances.* Except for the security interest granted herein, and except for the liens of certain "Collection Professionals," as set forth on the schedule annexed hereto as Schedule C and initialed by the Secured Party and the Debtor, the Debtor owns and will keep the Collateral free and clear of liens, security interests, or encumbrances, and will not assign, sell, mortgage, lease, transfer, pledge, grant a security interest in, encumber or otherwise dispose of or abandon any part or all of the Collateral without the prior written consent of the Secured Party. Accordingly, Debtor Any default by any party to the Forbearance Agreement, or any of the agreements related thereto shall constitute an event of default under this Security Agreement.

(c) *Inspection.* The Secured Party shall at all times have free access to and the right of inspection of any part or all of the Collateral and any records of the Debtor (and the right to make extracts from such records), and the Debtor shall deliver to the Secured Party the originals or true copies of such papers and instruments relating to any or all of the Collateral as the Secured Party may request at any time.

(d) *Collateral to remain personal property.* The Collateral is now and shall be and remain personal property, notwithstanding the manner in which the Collateral or any part thereof shall be now or hereafter affixed, attached or annexed to real estate. Debtor authorizes the Secured Party to enter upon any premises of the Debtor at any time to remove the Collateral.

(e) *Maintain security interests, reports.* In addition to all other provisions hereof, the Debtor will from time to time at its expense, perform any and all steps requested by the Secured Party at any time to perfect and maintain the Secured Party's security interest in the Collateral, including (but not limited to) transferring any part or all of the Collateral to the Secured Party or any nominee of the Secured Party, including placing and maintaining signs, executing and filing financing statements and notices of lien, delivering to the Secured Party documents of title representing the Collateral or evidencing the Secured Party's security interest in any other manner acceptable to and requested by the Secured Party.

If at any time any part or all of the Collateral is in the possession or control of any of the Debtor's bailees, agents, or processors, the Debtor will notify such persons of the Secured Party's security interest therein. Upon the Secured Party's request, the Debtor will instruct such persons to hold all such Collateral for the Secured Party's account and subject to the Secured Party's instructions and the Debtor will obtain and deliver to the Secured Party such instrument(s) requested by the Secured Party pursuant to which such persons consent to the security interest granted herein, disclaim any interest in the Collateral, waive in favor of the Secured Party all liens upon and claims to the Collateral or any part thereof, and authorize the Secured Party at any time to enter upon and remove the Collateral from any premises upon which the same may be located.

(f) *Further documentation.* The Debtor shall, at its expense, upon the Secured Party's request, at any time and from time to time, execute and deliver to the Secured Party one or more financing statements pursuant to the Uniform Commercial Code, and all other papers, documents or instruments required by the Secured Party in connection herewith; including an Assignment of Judgment Interest in a form acceptable to Secured Party. The Debtor hereby authorizes the Secured Party to execute and file, at any time and from time to time, on behalf of the Debtor, one or more financing statements with respect to all or any part of the Collateral, the filing of which is advisable, in the sole judgment of the Secured Party, pursuant to the law of the State of Nevada, although the same may have been executed only by the Secured Party as secured party. The Debtor also irrevocably appoints the Secured Party, its agents, representatives and designees, as the Debtor's agent and attorney-in-fact, to execute and file, from time to time, on behalf of the Debtor, one or more financing statements with respect to all or any part of the Collateral.

(g) *Collection of accounts.* The Debtor is authorized, at its expense, to collect the proceeds of the Collateral for the Secured Party. In the event of default, the Debtor shall promptly turn over to the Secured Party the proceeds of accounts, up to the amount secured, and in no event in any amount greater than such amount secured, whether consisting of cash, commercial paper, or any other instrument, in precisely the form received, except for the Debtor's endorsement when required. Until so turned over, the proceeds up to the amount secured, shall be deemed to be held in trust by the Debtor for and as the property of the Secured Party. All remittances are received subject to collection. The Secured Party may endorse the name of the Debtor on all notes, checks, drafts, bills of exchange, money orders, commercial paper of any kind whatsoever, and any other document received in payment of or in connection with the Collateral or otherwise.

(h) *Settlement of Accounts.* The Debtor is not authorized or empowered to compromise or extend the time for payment of any of the Collateral, without the prior written consent of the Secured Party.

(i) *Payment of debtor's obligations, reimbursement.* The Secured Party may in its discretion, for the account and expense of the Debtor: (i) pay any amount or do any act which is required by the Debtor under this Security Agreement and which the Debtor fails to do or pay as herein required, and (ii) pay or discharge any lien, security interest or encumbrance in favor of anyone other than the Secured Party which covers or affects the Collateral or any part thereof. The Debtor will promptly reimburse and pay the Secured Party for any and all sums, costs and expenses which the Secured Party may pay or incur by reason of defending, protecting or enforcing the security interest herein granted or the priority thereof or in enforcing payment of the Obligations or in discharging any lien or claim against the Collateral or any part thereof or in the exchange, collection, compromise or settlement of any of the Collateral or receipt of the proceeds thereof or for the care of the Collateral, by litigation or otherwise, and with respect to either the Debtor, account debtors, guarantors of the Debtor and other persons, including but not limited to all court costs, collection charges, travel, and reasonable attorneys' fees, and all reasonable expenses (including reasonable counsel fees) incident to the enforcement of payment of any obligations of the Debtor by any action or participation in, or in connection with, a case or proceeding under the Bankruptcy Code, or any successor statute thereto. All sums paid and all costs, expenses and liabilities incurred by the Secured Party pursuant to the foregoing provisions, together with interest thereon at the rate of 12 percent per annum, shall be added to and become part of the Obligations secured hereby.

4. *Transfer of collateral.* The right is expressly granted to the Secured Party, at its discretion, to exchange any or all of the Collateral in the possession of the Secured Party for other property upon the reorganization, recapitalization or other readjustment of the Debtor and in connection therewith to deposit any or all of such Collateral with any committee or depositary upon such terms as the Secured Party may determine; At its discretion the Secured Party may, whether or not any of the Obligations are due, in its name or in the name of the Debtor or otherwise, notify any

account debtor or the obligor on any instrument, agreement, or consent order to make payment to the Secured Party, demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in exchange for, or make any compromise or settlement deemed desirable by the Secured Party with respect to, any of the Collateral, but shall be under no obligation to do so, and/or the Secured Party may extend the time of payment, arrange for payment in installments, or otherwise modify the terms of, or release any of the Collateral, without thereby incurring responsibility to, or discharging or otherwise affecting any liability of, the Debtor. At any time, the Secured Party may assign, transfer and/or deliver to any transferee of any of the Obligations any or all of the Collateral, and thereafter the Secured Party shall be fully discharged from all responsibility with respect to the Collateral so assigned, transferred and/or delivered. Such transferee shall be vested with all the powers and rights of the Secured Party hereunder, with respect to such Collateral, but the Secured Party shall retain all rights and powers hereby given with respect to any of the Collateral not so assigned, transferred or delivered.

5. *Defaults.* The occurrence of any one or more of the following events shall constitute an event of default by the Debtor under this Security Agreement: if at any time the Secured Party, in its discretion, reasonably considers the Collateral or any part thereof unsatisfactory or insufficient, and the Debtor does not on demand furnish other Collateral or make payment on account, satisfactory to the Secured Party; if the Debtor or any obligor, maker, endorser, acceptor, surety or guarantor of, or any other party to any of the Obligations or the Collateral (the same, including the Debtor, being collectively referred to herein as "Obligors") defaults in the punctual payment of any sum payable with respect to, or in the performance of any of the terms and conditions of, any of the Obligations (or of any instruments evidencing the same) or of any terms or conditions of this Security Agreement or the Collateral; if any warranty, representation or statement of fact made herein or furnished to the Secured Party at any time by or on behalf of the Debtor proves to have been false in any material respect when made or furnished; in the event of loss, theft, substantial damage or destruction of any of the Collateral, or the making of any levy on, seizure or attachment of any of the Collateral; if the Debtor executes or files a certificate or other instrument evidencing the legal change of name of the Debtor without furnishing the Secured Party at least 10 days' prior written notice thereof; if any of the Obligors are dissolved; if any of the Obligors are party to a merger or consolidation without the prior written consent of the Secured Party; if any of the Obligors fail to maintain its corporate existence in good standing; if any of the Obligors default in the observance or performance of any term, covenant or agreement contained herein or in any instrument or document delivered pursuant hereto; if any of the Obligors become insolvent (however such insolvency may be defined or evidenced), or make or send notice of an intended bulk transfer, or fail, after demand, to furnish any financial information or to permit the inspection of books or records of account; if there is filed by or against any of the Obligors any petition for any relief under the bankruptcy laws of the United States as now or hereafter in effect or under any insolvency, readjustment of debt, dissolution or liquidation law or statute now or hereafter in effect (and whether any such action or proceeding is at law, in equity or under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, receivership, liquidation or dissolution law or statute); if any of the Obligors suspend the transaction of its usual business, if any petition or application to any court or tribunal, at law or in equity, is filed by or against any of the Obligors for the appointment of any receiver or any trustee for any of the Obligors; if any governmental authority or any court or other tribunal takes possession or jurisdiction of any substantial part of the property of, or assumes control over the affairs or operations of, or a receiver is appointed of, any substantial part of the property of any of the Obligors; or if a meeting of the creditors or principal creditors of any of the Obligors is convened.

6. *Remedies on default.* If any one or more of the above events of default shall occur, the Secured Party may, at any time thereafter, declare any or all of the Debtor's Obligations immediately due and payable, after notice to or demand upon the Debtor and the provision of a 30-day cure period. In such event, the Secured Party shall have the following rights and remedies, all of which shall be cumulative and not exclusive, and shall be in addition to all other rights and remedies of a secured party under the Uniform Commercial Code or other applicable statute or rule in any jurisdiction in which enforcement is sought:

(a) *Collateral.* The Secured Party may, at any time and from time to time, Upon no less than 24 hours' notice, enter upon any premises in which all or any part of the Collateral is located and to the extent practicable, take possession of the Collateral, without the Debtor's resistance or interference; dispose of all or any part of the Collateral on any premises of the Debtor; require the Debtor to assemble and make available to the Secured Party all or any part of the Collateral at any place and time designated by the Secured Party which is reasonably convenient to the Secured Party and the Debtor; remove all or any part of the Collateral from any premises on which any part thereof is located for the purpose of effecting sale or other disposition thereof; sell, resell, lease, assign and deliver, or otherwise dispose of, the Collateral or any part thereof in its existing condition or following any commercially reasonable preparation or processing, at public or private proceedings, in one or more parcels at the same or different times with or without having the Collateral at the place of sale or other disposition, for cash, upon credit or for future delivery, and in connection therewith the Secured Party may grant options, at such place or places and time or times and to such persons, firms or corporations as the Secured Party deems best, and without demand for performance or any notice or advertisement whatsoever, except that where an applicable statute requires reasonable notice of sale or other disposition the Debtor hereby agrees that five days' notice by ordinary mail, postage prepaid, to any address of the Debtor set forth at the foot of this Security Agreement, of the place and time of any public sale or of the place and time after which any private sale or other disposition may be made, shall be deemed reasonable notice of such sale or other disposition; and liquidate or dispose of the Collateral or any part thereof in any other commercially reasonable manner.

If the Secured Party sells any of the Collateral upon credit or for future delivery, it shall not be liable for the failure of the purchaser to purchase or pay for the same and, in the event of any such failure, the Secured Party may resell such Collateral. The Debtor hereby waives all equity and right of redemption. The Secured Party may buy any part or all of the Collateral at any public sale and if any part of all of the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations the Secured Party may buy at private sale, all free from any equity or right of redemption which is hereby waived and released by the Debtor, and the Secured Party may make payment therefor (by endorsement without recourse) in notes of the Debtor to the order of the Secured Party in lieu of cash to the amount then due thereon which the Debtor hereby agrees to accept.

The Secured Party may apply the cash proceeds actually received from any sale or other disposition to the reasonable expenses of retaking, holding, preparing for sale, selling, leasing and the like, to reasonable attorney's fees if this Security Agreement or any of the Obligations is referred to an attorney for enforcement, to all legal expenses, court costs, collection charges, travel and other expenses which may be incurred by the Secured Party in attempting to collect the Obligations or to enforce this Security Agreement and realize upon the Collateral, or in the prosecution or defense of any action or proceeding related to the subject matter of this Security Agreement; and then to the Obligations in such order and as to principal or interest as the Secured Party may desire; and the Debtor shall at all times be and remain liable and, after crediting the net proceeds of sale or other disposition as aforesaid, will pay the Secured Party on demand any deficiency remaining, including interest thereon and the balance of any expenses at any time unpaid, with any surplus to be paid to the Debtor, subject to any duty of the Secured Party imposed by law to the holder of any subordinate security interest in the Collateral known to the Secured Party.

The Debtor recognizes that the Secured Party may be unable to effect a public sale of all or a part of the Collateral, but may be compelled to resort to one or more private sales. The Debtor agrees that private sales so made may be at prices and other terms less favorable to the seller than sales were made at public sales, and that the Secured Party has no obligation to delay sale of all or any part of the Collateral. The Debtor agrees that private sales made under the foregoing circumstances shall be deemed to have been made in a commercially reasonable manner.

(b) *Secured Party deposits, balances, etc.* The Secured Party may appropriate, set off and apply for the payment of any or all of the Obligations, any and all balances, sums, property, claims, credits, deposits, accounts, reserves, collections, drafts, notes, or other items or proceeds of the Collateral in or coming into the possession of the Secured

Party or its agents and belonging or owing to the Debtor, without notice to the Debtor, and in such manner as the Secured Party may in its discretion determine.

(c) *Proceeds.* Any of the proceeds of the Collateral received by the Debtor shall not be commingled with other property of the Debtor, but shall be segregated, held by the Debtor in trust for the Secured Party as the exclusive property of the Secured Party, and the Debtor will immediately deliver to the Secured Party the identical checks, moneys or other proceeds of Collateral received, and the Secured Party shall have the right to endorse the name of the Debtor on any and all checks, or other forms of remittance received, where such endorsement is required to effect collection. The Debtor hereby designates, constitutes and appoints the Secured Party and any designee or agent of the Secured Party as attorney-in-fact of the Debtor, irrevocably and with power of substitution, with authority to receive, open and dispose of all mail addressed to the under signed, to notify the Post Office authorities to change the address for delivery of mail addressed to the Debtor, to such address as the Secured Party may designate; to endorse the name of the Debtor on any notes, acceptances, checks, drafts, money orders or other evidences of payment or proceeds of the Collateral that may come into the Secured Party's possession; to sign the name of the Debtor on any invoices, documents, drafts against account debtors of the Debtor, assignments, requests for verification of accounts and notices to debtors of the Debtor; to execute any endorsements, assignments, or other instruments of conveyance or transfer; and to do all other acts and things necessary and advisable in the sole discretion of the Secured Party to carry out and enforce this Security Agreement. All acts of said attorney or designee are hereby ratified and approved and said attorney or designee shall not be liable for any acts of commission or omission nor for any error of judgment or mistake of fact or law. This power of attorney being coupled with an interest is irrevocable while any of the Obligations shall remain unpaid.

7. *Liability disclaimer.* Under no circumstances whatsoever shall the Secured Party be deemed to assume any responsibility for or obligation or duty with respect to any part or all of the Collateral, of any nature or kind whatsoever, or any matter or proceedings arising out of or relating thereto. The Secured Party shall not be required to take any action of any kind to collect or protect any interest in the Collateral, including but not limited to any action necessary to preserve its or the Debtor's rights against prior parties to any of the Collateral. The Secured Party shall not be liable or responsible in any way for the safekeeping, care or custody of any of the Collateral, or for any loss or damage thereto, or for any diminution in the value thereof, or for any act or default of any agent or bailee of the Secured Party or the Debtor, or of any carrier, forwarding agency or other person whomsoever, or for the collection of any proceeds, but the same shall be at the Debtor's sole risk at all times. The Debtor hereby releases the Secured Party from any claims, causes of action and demands at any time arising out of or with respect to this Security Agreement or the Obligations, and any actions taken or omitted to be taken by the Secured Party with respect thereto, and the Debtor hereby agrees to hold the Secured Party harmless from and with respect to any and all such claims, causes of action and demands. The Secured Party's prior recourse to any part of all of the Collateral shall not constitute a condition of any demand for payment of the Obligations or of any suit or other proceeding for the collection of the Obligations.

8. *Nonwaiver.* No failure or delay on the part of the Secured Party in exercising any of its rights and remedies hereunder or otherwise shall constitute a waiver thereof, and no single or partial waiver by the Secured Party of any default or other right or remedy which it may have shall operate as a waiver of any other default, right or remedy or of the same default, right or remedy on a future occasion.

9. *Waivers by debtor.* The Debtor hereby waives presentment, notice of dishonor and protest of all instruments included in or evidencing any of the Obligations or the Collateral and any and all other notices and demands whatsoever (except as expressly provided herein) whether or not relating to such instruments. In the event of any litigation at any time arising with respect to any matter connected with this Security Agreement or the Obligations, the Debtor hereby waives the right to a trial by jury and the Debtor hereby waives any and all defenses, rights of setoff and rights to interpose counterclaims of any nature.

10. *Modification.* No provision hereof shall be modified, altered or limited except by an instrument expressly referring to this Security Agreement and to the provision so modified or limited, and executed by the party to be charged.

11. *Authorization.* The execution and delivery of this Security Agreement has been authorized by the Members and/or Manager(s) Boards of Directors of the Debtor and by any necessary vote or consent of Member(s) of the Debtor. The Debtor shall provide the Secured Party with certified copy of a proper resolution of the Member(s) and/or Managers of the Debtor, in a form reasonably acceptable to Secured Party.

12. *Binding effect.* This Security Agreement and all Obligations of the Debtor hereunder shall be binding upon the Debtor's successors and assigns and shall, together with the rights and remedies of the Secured Party hereunder, inure to the benefit of the Secured Party and its successors, endorsees and assigns.

13. *Headings.* Headings in this Agreement are only for convenience and shall not be used to interpret or construe its provisions.

14. *Governing law.* Any and all matters of dispute between the parties to this Agreement, whether arising from the agreement itself or arising from alleged extracontractual matters occurring prior to, during, or subsequent to the formation of the Agreement, including, without limitation, fraud, misrepresentation, negligence, or any other alleged tort or violation of the contract, shall be governed by, construed, and enforced in accordance with the laws of the state of Nevada, regardless of the legal theory upon which such matter is asserted.

15. *Counterparts.* This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

16. *Severability.* If any term of this Security Agreement is held to be invalid, illegal or unenforceable, such determination shall not affect the validity of the remaining terms.

17. *Merger.* The parties intend this statement of their agreement to constitute the complete, exclusive, and fully integrated statement of their agreement with respect to this Security Agreement. The parties also intend that this complete, exclusive, and fully integrated statement of their agreement with respect to this Security Agreement. This Security Agreement may not be supplemented or explained (interpreted) by any evidence of trade usage or course of dealing.

In witness whereof the Parties have executed or caused this Security Agreement to be executed this 22nd day of September, 2017.

SJC Ventures, LLC.

By: ______________________
Jay Bloom, Manager

CBC Partners I, LLC

BY: ______________________

EXHIBIT “F”

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DISTRICT COURT

CLARK COUNTY, NEVADA

TGC/FARKAS FUNDING, LLC,

Plaintiff/Judgment Creditor,

vs.

FIRST 100, LLC, a Nevada Limited Liability Company; FIRST ONE HUNDRED HOLDINGS, LLC, a Nevada limited liability company aka 1st ONE HUNDRED HOLDINGS LLC, a Nevada Limited Liability Company,

Defendants/ Judgment Debtors.

CASE NO. A-20-822273-C
DEPT. 13

FINDINGS OF FACT, CONCLUSIONS OF LAW, & ORDER RE EVIDENTIARY HEARING

Hearing Date: March 3 and 10, 2021

FINDINGS OF FACT, CONCLUSIONS OF LAW & ORDER

INTRODUCTION

The above-captioned matter has involved motion practice regarding several items: 1) the December 18, 2020 order to show cause why Defendants/Judgment Debtors, First 100, LLC ("First 100") and First One Hundred Holdings aka 1st One Hundred Holdings LLC ("1st 100," and together with First 100, "Defendants") and Jay Bloom ("Bloom") should not be found in contempt of court (the "OSC") for their failures to comply with the Order Confirming Arbitration Award, Denying Countermotion to Modify, and Judgment entered November 17, 2020 (the "Order"), 2) the January 19, 2021 motion to enforce settlement and vacate post-judgment discovery proceedings filed by Defendants (the "Motion to Enforce"), which was denied without prejudice pending the resolution of outstanding questions of fact following the evidentiary hearing, 3) the January 26, 2021 countermotion for sanctions ("Countermotion for Sanctions") filed by Plaintiff/Judgment Creditor TGC/Farkas Funding, LLC ("Plaintiff") in conjunction with its opposition to the Motion to Enforce, which was denied without prejudice pending the evidentiary hearing, and 4) the February 19, 2021 motion for sanctions filed by Plaintiff in conjunction with Plaintiff's motion to compel that was reserved for resolution following the evidentiary hearing (the "Motion for Sanctions"). The Court held the evidentiary hearing on March 3, 2021 and March 10, 2021 (the "hearing") to resolve the Claims. Erika Pike Turner, Esq. of the law firm of Garman Turner Gordon LLP ("GTG") appeared on behalf of Plaintiff, Joseph Gutierrez, Esq. ("Gutierrez") of the law firm of Maier Gutierrez & Associates ("MGA") appeared on behalf of Defendants and Bloom, and evidence was presented by the parties through exhibits and testimony. Based thereon, the Court finds and concludes, as follows:

FINDINGS OF FACT

1. In 2013, Plaintiff was formed for the purpose of facilitating an investment in Defendants consisting of $1 million from 50% member TGC 100 Investor, LLC, managed by Adam Flatto ("Flatto"), and services (aka sweat equity) from 50% member Matthew Farkas ("Farkas").[1] In exchange for Plaintiff's contributions, Plaintiff received a 3% membership interest in Defendants.[2]

2. Defendants are affiliated Nevada limited liability companies governed by nearly identical operating agreements.[3] At the hearing, Bloom identified himself as a "director" of Defendants who "participated in the management."[4] The Secretary of State documents filed by Bloom on behalf of Defendants do not identify any "directors."[5] Defendants' operating agreements and the Secretary of State records show that since formation, both Defendants have been single manager-managed with SJ Ventures Holding Company, LLC ("SJV") appointed the sole manager with Bloom as the sole manager of SJV.[6]

3. The business of Defendants was to acquire HOA liens and then acquire the underlying properties at foreclosure.[7] Defendants' active business concluded in 2016, except for attempts to monetize a judgment obtained in favor of Defendants against Raymond Ngan and his

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[1] Exhibit 20, PLTF_154, 170.

[2] Exhibit 2, PLTF_006.

[3] Exhibits 7 and 8; Hearing Transcript of Testimony, March 3, 2021 ("3/3 Trans."), 8:10-16.

[4] 3/3 Trans., 160:3-7.

[5] Exhibits 25-26.

[6] Exhibit 7, §§ 1.19 (designating SJV as Manager); 6.1 (Management by Manager) and PTF_055; Exhibit 8, §§ 1.19 (designating SJV as Manager); 6.1 (Management by Manager) and PTF_082; see also 3/3 Trans., 221:18-23.

[7] 3/3 Trans., 159:23-160:2.

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affiliated entities in 2017 (the "Ngan Judgment"). As Plaintiff did not receive any accounting to show what happened to Defendants' business or its assets and had questions, on May 2, 2017, Plaintiff made a written demand for the books and records of Defendants pursuant to the terms of Defendants' operating agreements and NRS 86.241.[8] Defendants did not provide any documents in response to Plaintiff's demand, resulting in Plaintiff filing an arbitration demand under a provision of Defendants' operating agreements requiring that such matters be determined through arbitration with the party bringing the matter required to pay all the upfront costs of the arbitration, subject to reimbursement in the event said party prevailed.[9]

4. On September 15, 2020, a 3-arbitrator panel entered a "Decision and AWARD of Arbitration Panel (1) Compelling Production of Company Records; and Ordering Reimbursement of [Plaintiff's] Attorneys' Fees and Costs" (the "Arb. Award").[10] The Arb. Award cited the May 2, 2017 demand as the "initial request for company records that is the subject of the arbitration demand filed by Plaintiff," and found that Defendants' response to that May 2, 2017 demand was the "first in a long and bad faith effort by [Defendants] to avoid their statutory and contractual duties to a member to produce requested records."[11]

5. After moving to Las Vegas in 2013, Farkas (Bloom's brother-in-law) [12] started working with Bloom on behalf of Defendants and was provided a title of Vice President of Finance and the primary role of raising capital for Defendants consistent with his background experience on Wall Street (investment banker, operating a hedge fund, buying and selling securities).[13] Farkas left his employment with Defendants in the summer of 2016, and thereafter had very little involvement with Defendants' operations.[14] During the course of Plaintiff's efforts

[8] Exhibit 1.

[9] Exhibit 2, PLTG_006; Exhibits 7 and 8, § 13.9 (any dispute arising out of or relating to the Operating Agreements "shall solely be settled by arbitration").

[10] Exhibits 2 and 11.

[11] Exhibit 2, PLTF_006.

[12] 3/3 Trans., 123:2-13.

[13] *Id.*, 84:15- 85:5, 15-21, 89:3-5, 123:14-23.

[14] *Id.*, 124:1-125:21, 141:10-15, 152:6-24.

to obtain books and records Bloom has requested and Farkas has signed a series of documents purporting to bind Plaintiff to its detriment and then argued for enforcement of those documents based on the fact a signature of Farkas is affixed. This was done despite Plaintiff's affirmative notice that Farkas did not have authority to bind Plaintiff without Flatto's consent delivered on July 13, 2017, to Defendants and MGA, as counsel for Defendants, as well as the registered agent for Defendants,[15] which notice attached a prior notice to Defendants emailed on April 18, 2017, and explained to Defendants that Farkas is not the Plaintiff's manager and Farkas does not have the authority to bind Plaintiff.[16]

6. The Arb. Award conclusively resolved Defendants' multiple arguments that they were not required to produce the records, including Defendants' argument that Farkas had signed a form of redemption agreement that released Defendants from any responsibility to make company records available to Plaintiff.[17] The redemption agreement was deemed irrelevant by the arbitrators, as Farkas did not have the authority to bind Plaintiff without the consent of Flatto, as well as there being a lack of performance by Defendants.[18]

7. The Arb. Award granted relief in favor of Plaintiff and against Defendants "in all respects" on the claim for books and records of Defendants arising from Defendants' operating agreements and NRS 86.241[19] and ordered Defendants to "forthwith, but no later than ten (10) calendar days from the date of this AWARD, make all the requested documents and information available from both companies to [Plaintiff] for inspection and copying."[20] Fees and costs were awarded Plaintiff.[21] The Arb. Award further provided that the "Award is in full settlement of all claims submitted to this arbitration. All claims not expressly granted herein are hereby

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[15] Exhibit 26, PLTF_218, and Exhibit 27, PLTF_235.

[16] Exhibit 22.

[17] Exhibit 2, PLTF_007.

[18] *Id.*

[19] *See* Exhibit 1, PLTF_002.

[20] Exhibit 2, PLTF_009.

[21] *Id.*

denied."[22]

8. Plaintiff commenced this case for the purpose of confirming the Arb. Award. In response to Plaintiff's motion to confirm Arb. Award, Defendants filed a countermotion to modify the Arb. Award and provide for the imposition of expenses to be paid by Plaintiff as a condition of Defendants furnishing the books and records. Attached to Defendants' countermotion was Bloom's declaration contending that Defendants had no funds or employees, and the only way for Defendants to obtain and furnish the records in compliance with the Arb. Award would be to have the Court order Plaintiff to first pay expenses.[23] Defendants had an obligation to arbitrate its request for Plaintiff to pay expenses associated with the production of the books and records under the arbitration provision of their operating agreements.[24] The Court analyzed Defendants' attempt to alter the merits of the Arb. Award to award Defendants' relief that was absent from the Arb. Award, and denied the countermotion to modify the Arb. Award as part of the Order.[25]

9. The Order was entered November 17, 2020, constituting a final, appealable judgment. No appeal was filed by Defendants. On December 18, 2020, the OSC was filed upon Plaintiff's application citing no compliance or communicated intention to comply with the Order. The OSC scheduled a hearing for January 21, 2021.[26] The OSC was served on MGA on December 18, 2020; in addition, Bloom was personally served with the OSC on December 22, 2020.[27] On December 21, 2020, notices of judgment debtor examinations for each of Defendants and post-judgment discovery were served on MGA.[28] Bloom was also personally

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[22] *Id.*

[23] Exhibit 3.

[24] Exhibits 7 and 8, § 13.9.

[25] Exhibit 4, PLTF_019, ll. 15-27.

[26] Exhibit 5.

[27] *See* OSC Certificate of Service (MGA served through Odyssey e-service); Declaration of Service of the OSC on Bloom, filed December 30, 2020.

[28] *See* the December 21, 2020 Notice of Entry of Order for Judgment Debtor Examinations.

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served with post-judgment discovery under NRCP 69(2) on December 29, 2020.[29]

10. On January 19, 2021, Defendants filed the Motion to Enforce on an order shortening time, arguing that a written settlement agreement dated January 6, 2021 (the "Settlement Agreement") executed by Farkas, purportedly on behalf of Plaintiff, and by Bloom, on behalf of Defendants, mooted the OSC hearing and post-judgment discovery because it provides for immediate dismissal of the Order, the underlying Arb. Award and other motions pending in this case, with prejudice. In opposition to the Motion to Enforce, Plaintiff argued that the Settlement Agreement is not valid and enforceable for multiple reasons, including that it was executed by Farkas without Flatto's knowledge or consent and therefore could not bind Plaintiff, and that the circumstances surrounding the Settlement Agreement, including those underlying the Motion to Compel, are further evidence of Defendants' and Bloom's contempt of this Court's Order, warranting sanctions against Defendants and Bloom.

11. Defendants' and Bloom's response to the OSC filed January 20, 2021 incorporated the Motion to Enforce and reiterated the previously denied argument that no production of books and records should be required until Plaintiff first pays demanded expenses associated with the production. Bloom also argued immunity from penalties for contempt as a non-party to the Order.

12. The purported Settlement Agreement expressly provides that upon execution of the Settlement Agreement, Plaintiff "will file a dismissal with prejudice of the current actions related to this matter, including the arbitration award and all relation [sic] motions and actions pending in the District Court."[30] In exchange, Defendants agreed to pay Plaintiff $1 million, plus 6% per annum since the date of investment, but contingent on its collection of proceeds from a sale of the Ngan Judgment.[31] Defendants' Motion to Enforce seeks specific performance of Plaintiff's obligation under the Settlement Agreement to effectuate dismissal of this case, with prejudice.

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[29] *See* the Declarations of Service of Subpoena on Bloom, filed January 5 and January 7, 2021.

[30] Exhibit 13, PLTF_106.

[31] *Id.*

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13. On the evening of January 14, 2021, Raffi Nahabedian, Esq. ("Nahabedian") made the first mention of a settlement to Plaintiff in connection with his demand for substitution of counsel for Plaintiff in the case,[32] and by the next day, January 15, 2021, even before the Settlement Agreement was disclosed to Plaintiff, Plaintiff immediately sent notice of repudiation to Defendants through its counsel of record, GTG.[33] On January 19, 2021, the Motion to Enforce was filed, attaching the Settlement Agreement- the first time that the Settlement Agreement was provided Plaintiff after its execution.[34] On January 26, 2021, Plaintiff filed an Opposition to the Motion to Enforce, reiterating its repudiation upon the declarations of both Flatto and Farkas.[35]

14. From the January 7, 2021 execution of the Settlement Agreement through the time of Plaintiff's repudiation (and continuing to the date of the hearing), Defendants did not ever pay, or make any attempt to tender payment to Plaintiff in performance of its obligations under the Settlement Agreement.[36] To the contrary, the only evidence of Defendants' performance pursuant to the Settlement Agreement was Bloom's efforts in conjunction with his counsel to secure dismissal of the Order and underlying Arb. Award to Plaintiff's detriment.[37]

15. Farkas, as the purported agent, testified clearly that he did not believe he had authority to enter into the Settlement Agreement (or that he was signing a Settlement Agreement on behalf of Plaintiff), and that Bloom understood that.[38]

16. Under the operating agreement for Plaintiff dated October 21, 2013, Farkas was designated the "Administrative Member" with authority to bind Plaintiff, but only "after consultation with, and upon the consent of, all Members [to wit: Flatto for TGC Investor]."[39] Farkas testified that once Farkas left his employment with Defendants, he effectively stepped out

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[32] Exhibit 11, PLTF_097.

[33] Exhibit 25.

[34] *See* Exhibit 38, PLTF_405 (Nahabedian's email).

[35] Exhibits FF and J.

[36] 3/3 Trans., 71:14-72:3, 138:19-21, 140:7-141:15, 215:15-18, 216:2-4, 18-21, 217:3-13.

[37] *See, e.g.*, Exhibit 28.

[38] Exhibit FF, ¶ 17, 3/3 Trans., 118:19-119:2, 128:18-131:4, 154:13-15.

[39] Exhibit 20, §§ 3.4(a), 4.1(c).

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of a management role with Plaintiff and left everything to Flatto and counsel, whether or not that was reflected in a formal amendment to Plaintiff's operating agreement.[40] Further, whether Defendants could rely on the signature of Farkas alone to bind Plaintiff was specifically addressed in multiple communications to Defendants. First, there was the April 18, 2017 email,[41] then the July 13, 2017 letter[42] (attaching the April 18, 2017 email and further stating "Farkas is not the manager." "Farkas does not have the authority to bind [Plaintiff]"), and then there was the Arb. Award's conclusion that a document executed by Farkas was irrelevant without the consent of Flatto as Farkas' signature alone did not bind Plaintiff.[43]

17. Following the entry of the Arb. Award, on September 17, 2020, Farkas delivered his written consent to an amended operating agreement governing Plaintiff, which amendment provides that TGC 100 managed by Flatto had "full, exclusive, and complete discretion, power and authority" . . . "to manage, control, administer and operate the business and affairs of the [Plaintiff]."[44] Pursuant to the amendment, Farkas was expressly prevented from taking *any* action on behalf of Plaintiff, and Flatto had exclusive authority to bind Plaintiff. The purpose of the amendment was to alleviate pressure on Farkas as a result of his feeling uncomfortable being adverse to his brother-in-law, Bloom.[45]

18. The circumstances surrounding how the Settlement Agreement was prepared and executed are also relevant. The Settlement Agreement was drafted by Bloom[46] and executed by Bloom, as manager of Defendants.[47] It is dated January 6, 2021 but was executed by Farkas on January 7, 2021 at the same time that Farkas executed other documents sent by Bloom to a UPS

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[40] 3/3 Trans., 108:5-17.

[41] Exhibit 21.

[42] Exhibit 22, PLTF_, 179, 190.

[43] Exhibit 2, PLTF_007

[44] Exhibit 23.

[45] 3/3 Trans., 67:16-68:23; 131:7-13.

[46] Id., 193:25-194:2.

[47] Exhibit 13, PLTF_108.

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store for Farkas' signing and return.[48] Farkas did not know he was signing a Settlement Agreement when he signed it,[49] and there is no evidence he intended to bind Plaintiff to anything when he executed the documents. Notwithstanding the express terms of the Settlement Agreement providing that the signatories were duly authorized,[50] Farkas did not read that provision (or any provision)[51] and testified he never otherwise represented to Bloom or anyone else that he had authority to enter into the Settlement Agreement on behalf of Plaintiff.[52] Farkas testified he did not negotiate the terms of the Settlement Agreement with Bloom, which is corroborated by the lack of evidence of any back and forth on terms prior to the agreement being finalized by Bloom.[53] There is no evidence Bloom provided Farkas a copy of the Settlement Agreement for Farkas, Flatto or counsel's review prior to sending it to the UPS store with other documents to be signed.[54] Farkas testified he believed that the documents he signed at the UPS store related to resolution of a threatened claim against him by Defendants in connection with his prior employment and included the retention of personal counsel for him.[55] This testimony was corroborated by Nahabedian's January14, 2021 correspondence referencing a threat of adverse action against Farkas from Defendants[56] and the fact that a form of Release between Farkas and Defendants was executed at the same time as the Settlement Agreement.[57]

19. Flatto was clear in his testimony at the hearing that he understood his consent was required for all decisions made by Plaintiff and he did not hold Farkas out as having authority to bind Plaintiff without his consent,[58] particularly after Plaintiff made its May 2, 2017 demand for

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[48] See, e.g., 3/3 Trans., 137:16-24.

[49] Exhibit FF, ¶ 16. *See* 3/3 Trans., 100:15-101-4, 102:14-20, 104:2-5, 115:11-21, 119:9-15, 137:16-24, 156:13-18.

[50] Exhibit 13, PLTF_107, § 14.

[51] 3/3 Trans., 103:22, 118:3-9, 119:4-7.

[52] *Id.*, 136:16-19.

[53] 3/3 Trans., 137:1-8, 13-15.

[54] *Id.*, 211:17-25; 213:15-23.

[55] *See* 3/3 Trans., 100:15-101-4, 102:14-20, 104:2-5, 115:11-21, 119:9-15, 137: 16-24, 143:21-25, 156:13-18.

[56] Exhibit 11, PLTF_097.

[57] Exhibit 28, PLTF_247-253; *see also* Exhibit 16 (text from Bloom threatening adverse action).

[58] 3/3 Trans., 35:23-36:20, 69:1-70:5.

books and records. This is corroborated by the 2017 communications to Defendants, his declaration in the arbitration, the Arb. Award, and the September 2020 amendment to Plaintiff's operating agreement.[59] Given the communications from Plaintiff in 2017, the Arb. Award, and no communications to the contrary subsequent to the Arb. Award from Flatto to Defendants, the Court concludes it was unreasonable for Defendants to believe any agreement entered into with Plaintiff without Flatto's consent would be valid and enforceable.

20. The circumstances surrounding the execution and attempts to enforce the Settlement Agreement, known to Defendants, further demonstrate that Farkas did not have apparent authority to bind Plaintiff to the terms of the agreement, which circumstances were actively concealed from Plaintiff and its counsel of record until the Motion to Compel was granted and records were produced by Nahabedian. Bloom did not act in good faith in his dealings with Plaintiff, nor did he give heed to any of the opposing restrictions brought to his notice.

It was revealed from Nahabedian's records:

- On January 4, 2021, Bloom contacted Nahabedian, Bloom's personal counsel on another matter, [60] via phone to discuss Nahabedian representing Plaintiff.[61] Within minutes of hanging up the phone, Nahabedian emailed Bloom an attorney retainer agreement for Farkas to execute ***on behalf of Plaintiff*** for Nahabedian to represent Plaintiff in this case.[62] Farkas was never advised Nahabedian was being hired to be Plaintiff's lawyer and he thought Nahabedian was going to be his personal counsel.[63] Farkas did not understand that Nahabedian was Bloom's

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[59] Exhibits 2, 21-23, E, ¶ 5; 3/3 Trans. 59:23-60:20.

[60] *See Nevada Speedway v. Bloom, et al.*, Case No. A-20-809882-B of the Eighth Jud. Dist. Court (showing Nahabedian represented Bloom in the relevant January 2021 time period), 3/3 Trans., 13-15; 3/10 Trans., 45:11-19. Nahabedian was also former counsel for Defendants. 3/10 Trans., 20-22. Further, MGA is Nahabedian's personal counsel. 3/10 Trans., 45:23-46:1.

[61] Exhibit 30; 3/10 Trans., 48:6-21.

[62] Exhibit 28, PLTF_240-244.

[63] 3/3 Trans., 149:25-150:7.

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personal counsel.[64] Bloom was even planning to advance the retainer to Nahabedian (although Nahabedian did not charge one notwithstanding his attorney retainer agreement provides its payment is a condition of his employment).[65]

- On January 7, 2021, at 1:58 pm, Bloom emailed the following documents (collectively, the "Bloom Documents") to a UPS store near Farkas' home: 1) the Settlement Agreement, 2) the Nahabedian attorney retainer agreement, 3) a letter, dated January 6, 2021, directed to Plaintiff's counsel, GTG, with Farkas purporting to terminate them,[66] and 4) a Release, Hold Harmless and Indemnification Agreement ("Release"). Together with the attached Bloom Documents, Bloom emailed directions to the UPS store that Farkas would be in, they should print one copy of each of the four documents, and once Farkas signs them, they should scan the signed documents, email than back to Bloom, and mail the hard copies to Bloom.[67] The Bloom Documents were ***not*** emailed or otherwise delivered to Farkas (let alone Flatto or GTG) at any time, before or after the UPS store was emailed the Bloom Documents, despite that Bloom knew Farkas' email address.[68]
- On January 7, 2021, at 2:40 pm (less than 45 minutes after they were first sent by Bloom), the UPS Store emailed Bloom a copy of the scanned, signed Bloom Documents.[69] On January 7, 2021, at 2:48 pm, Bloom forwarded the executed Bloom Documents to MGA attorneys Gutierrez and Jason Maier, Esq. ("Maier"), and Nahabedian via email with an exclamation "Here you go!" and follow-up

[64] 3/3 Trans., 150:25-151:1; 3/10 Trans., 48:6-49:2.

[65] 3/10 Trans., 35:5-16

[66] The letter was not written by Farkas, and he did not review or approve of its contents. 3/3 Trans., 148:25-149:24.

[67] Exhibit 28, PLTF_245.

[68] *See* Exhibit 17, PLTF_123.

[69] Exhibit 28, PLTF_245-261.

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instructions to "get the Substitution of Attorney and Stip to Dismiss filed ***for [Plaintiff]*** and put this to bed in the next day or two…"[70] Bloom was directing action on behalf of both Defendants and Plaintiff to effectuate dismissal of the case, despite that he and Defendants were adverse to Plaintiff.

- On January 8, 2021, Nahabedian informed Bloom and Gutierrez that he needed a substitution of counsel to be executed by Farkas and GTG so that he could effectuate the dismissal, and Bloom explained that getting Farkas to "sign stuff is a pain in the ass."[71] The next day, Bloom explained to Nahabedian and Gutierrez (together with other MGA attorneys Maier and Danielle Barraza) that his intention was to "put in front of [Farkas]" further documents "for a second set of signatures." Bloom followed, "I'll have [Farkas] sign everything tomorrow."[72]
- Nahabedian started to question Farkas' authority to bind Plaintiff, but only to Bloom and MGA.[73] Notwithstanding that Nahabedian had still not had any email, text or one-on-one communication with Farkas in order to confirm his authority,[74] on January 14, 2021, Nahabedian sent correspondence to GTG as counsel for Plaintiff,[75] representing that he was hired to replace GTG. This correspondence was the first time it was disclosed to Plaintiff that there was an executed settlement agreement,[76] although the agreement was not attached to Nahabedian's correspondence. Farkas did not participate in the drafting of Nahabedian's January 14, 2021 correspondence, and he did not approve it before it was sent.[77] The correspondence was drafted by Maier (Defendants and Bloom's counsel in

[70] *Id.* at PLTF_245 (emphasis added).

[71] *Id.* at PLTF_266.

[72] *Id.* at PLTF_278.

[73] *Id.* at PLTF_281, 284, 288.

[74] Exhibits 28-30; 3/10 Trans., 85:1-9.

[75] Exhibit 11.

[76] *Id.* at PLTF-097.

[77] 3/3 Trans.,144:22-148:24.

this case), revised by Nahabedian (Bloom's counsel in another matter purporting to be acting on behalf of Plaintiff), and then approved by Bloom and Gutierrez (also Defendants and Bloom's counsel) before it was sent.[78]

21. Farkas and Flatto were conspicuously absent from any communications with Nahabedian for the purpose of effectuating dismissal of the case pursuant to the Settlement Agreement's terms or confirming authority to bind Plaintiff. Confronted at the hearing with the fact that Nahabedian did not communicate with Plaintiff's representative, but communicated with Plaintiff's adversaries, MGA and Bloom, relating to his purported representation of Plaintiff, Nahabedian testified that he took direction from Bloom because Bloom was Farkas' brother-in-law and his "conduit."[79] This exemplifies the lack of apparent authority from Plaintiff. At all relevant times, Bloom and his companies, Defendants, were adverse to Plaintiff with pending contempt proceedings against them, and under no circumstances should he have been directing Plaintiff's counsel without any member of Plaintiff's participation.

22. Although there is dispute between Farkas and Bloom regarding when Bloom was specifically informed that Farkas was removed from having *any* management interest in Plaintiff in September 2020,[80] Bloom and Nahabedian both knew that Farkas had officially resigned his management position in September 2020 by at least the time the Motion to Enforce was filed.[81] Despite learning of the restriction on Farkas' authority, Bloom and his counsel[82] were unfazed and moved forward on their enforcement efforts.

23. Bloom's refusal to recognize inconvenient limitations on Farkas' authority was shown to be pervasive and reckless. Given the arbitrators' expressly stated determination that

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[78] PLTF_311, 316-317, 318, 323, 328-332.

[79] 3/10 Trans., 51:17-20.

[80] Exhibit FF, ¶¶ 8, 17, 3/3 Trans.,136:12-21,198:2-21, 212:21-22; Exhibit 15, ¶¶ 19-21. At the Hearing, Bloom testified that the January 9-11 time subject of his sworn declaration submitted to the Court in support of the Reply in support of the Motion to Enforce was qualified by "on or about" because the dates were not certain; however, the timing of January 9-11 are actually consistent with the timing that Nahabedian started inquiring about Farkas' authority. Exhibit 28, PLTF_281.

[81] Exhibit 15, ¶¶ 19-21; Exhibit 28, PLTF_366.

[82] Maier is the only declarant in the Motion to Enforce.

Flatto's consent was required to bind Plaintiff (before the September 2020 amendment was entered), the Court finds that no reasonably intelligent person with knowledge of that Arb. Award would once again attempt to enforce an agreement without Flatto's consent. In the hearing, Bloom testified he did not heed the Arb. Award because the evidence relied upon by the arbitrators in the arbitration hearing, to wit: a declaration provided by Farkas, was false.[83] Farkas testified unequivocally in rebuttal at the hearing that the contents of the declaration submitted to the arbitrators was reviewed by him, approved, and the contents were truthful.[84] Farkas' testimony, as well as the arbitrator's decision, is corroborated by the other documents in evidence, and the Court finds there is no support for Bloom's allegation of perjury.[85]

24. Not only did Bloom disregard the Arb. Award, but also the basis for the Arb. Award, including the April 18, 2017 email to Defendants providing notice that Farkas cannot bind Plaintiff without Flatto's consent in addition to the declarations of Flatto and Farkas.[86] Further, on July 13, 2017, Plaintiff also sent written correspondence to MGA[87] representing Farkas is "not the manager" of Plaintiff and that "Farkas does not have the authority to bind [Plaintiff]."[88] Bloom did not heed any of the notices of Farkas' restricted authority to bind Plaintiff.

25. In the Motion to Enforce, Maier testified[89] that Farkas had authority based on Plaintiff's engagement letter with GTG, which Farkas executed as a member of Plaintiff "and

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[83] 3/3 Trans., 201:1-6; *see also* 200:10-20 (disregarding notices of restricted authority of Farkas), 203:2-11 (limiting the holding to the authority to execute the redemption agreement without limitation of a settlement agreement).

[84] 3/10 Trans., 87:25-88:14.

[85] *See, e.g.*, Exhibit 21-22 (the 2017 communications to Defendants) and Exhibit A, FIRST0031-32 (the redemption agreement including Farkas' signature as "VP Finance"- the title he had with Defendants, and no reference to Plaintiff).

[86] Exhibit 2, PLTF_007.

[87] At the Hearing, Defendants argued that no notice was effective without being sent certified mail pursuant to the Subscription Agreement. However, MGA has been counsel for Defendants even since before the subject disputes arose in May 2017, and MGA was the registered agent for Defendants in July 2017 when the letter was sent. Exhibit 26, PLTF_218.; Exhibit 27, PLTF_235.

[88] Exhibit 22.

[89] Motion to Enforce, 3:1-6.

also interlineated a restriction of no litigation against First 100." Flatto executed the engagement letter along with Farkas as a "member,"[90] and the interlineation on the engagement letter was made by Flatto's lawyer and not Farkas, and the interlineation did not restrict litigation, only served to place a cap on fees except to the extent the scope expanded to include litigation.[91]

26. In addition, Maier testified in support of the Motion to Enforce[92] that Plaintiff's operating agreement provided the apparent authority for Farkas to bind Plaintiff to the terms of the Settlement Agreement. Section 3.4 of the operating agreement, which was in effect prior to September 2020, provides that the Administrative Member (Farkas) could not act without first obtaining the consent of the other members (Flatto).[93] At Section 4.4, it provides that persons dealing with Plaintiff are entitled to rely conclusively upon the power and authority of the Administrative Member (Farkas until September 2020).[94] However, by the time of the Motion to Enforce, Defendants and Bloom had received notice of the amendment executed in September 2020 that changed the Administrative Member to Flatto and Flatto was the only person with authority to bind Plaintiff subsequent to that date.[95] In addition, the entry of the Arb. Award and 2017 communications providing notice of a restriction on Farkas' authority post-dated the operating agreement, negating Defendants' ability to conclusively rely upon Farkas' signature as binding authority under Section 4.4.

27. Finally, there was a lack of good faith in Bloom's dealings with his brother-in-law in order to obtain the signed Bloom Documents with haste and in intentional disregard of the restrictions set forth in the Arb. Award, the April 13, 2017 email and July 13, 2017 letter. At a minimum, Bloom was placed on notice that Plaintiff would dispute any document signed by Farkas without Flatto's knowledge and consent. Further, given that the Bloom Documents were

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[90] Exhibit 28, PLTF_299-300.

[91] 3/3 Trans., 33:1-19; Exhibit 28, PLTF_298.

[92] Motion to Enforce, 3:6-11.

[93] Exhibit 20, PLTF_159.

[94] *Id.* at Exhibit 20, PLTF_162.

[95] *See* fn. 81 above.

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sent by Bloom to the UPS store for execution and they were returned by the UPS Store in less than an hour signed by Farkas, it was not reasonable for Bloom to believe that that was sufficient time for Farkas to review them, understand what he was signing, somehow communicate the matters to Flatto, receive the benefit of counsel regarding the terms, and receive Flatto's consent.

28. Under all the circumstances, the Court finds it was unreasonable for Bloom to ignore the notices of the restrictions that Farkas did not have authority to bind Plaintiff without Flatto's consent, and the Court thus concludes that there was a lack of apparent authority for Farkas to bind Plaintiff to the Settlement Agreement.

29. The Settlement Agreement expressly provides that, in exchange for dismissal, if Defendants sell the Ngan Judgment, Defendants will pay Plaintiff $1,000,000.00, plus 6% interest.[96] There is no evidence of any actual sale, or even ability to sell[97] the Ngan Judgment for a sufficient sum to pay Plaintiff $1,000,000.00 plus interest. Further, Defendants' promise for payment in the future upon a sale of the Ngan Judgment is particularly speculative upon the concession that the Ngan Judgment has not resulted in any collections since its entry in 2017, despite diligent collection efforts from MGA and other collection counsel.[98]

30. Further, per Defendants' operating agreements, Plaintiff is already entitled to *pro rata* distributions with the other members of the net proceeds from any sale.[99] Given the "if" qualifier of payment, and no sale amount that could be used to calculate whether Plaintiff would ostensibly receive more or less with the Settlement Agreement than with a distribution as a member, the Settlement Agreement does not support a finding of consideration beyond what Plaintiff could ostensibly already be entitled to recover from Defendants following a sale of the Ngan Judgment if it were to ever occur.

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[96] Exhibit 13, PLTF_106.

[97] Under Defendants' operating agreements, the sale of the only remaining asset of Defendants would require approval of Defendants' members. Exhibits 7 and 8, §6.1(B)(1).

[98] 3/3 Trans., 217:18-24. 218:9-15.

[99] Exhibits 7 and 8, Article V.

31. Additionally, the Release was not disclosed until after the hearing on the Motion to Compel. After its discovery, Defendants and Bloom were conspicuously silent on the Release's application, which under the plain terms would eliminate any consideration provided Plaintiff under the Settlement Agreement, by virtue of the express, broad release of the parties to the Release (Farkas and Defendants) as well as their representatives ***and affiliates*** from any and all claims, promises, damages or liabilities of every kind and nature whatsoever from the beginning of time until the January 6, 2021 effective date of the Release, covering any future liability under the Settlement Agreement also dated January 6, 2021.

32. "A meeting of the minds exists when the parties have agreed upon the contract's essential terms." *Certified Fire Prot. Inc. v. Precision Constr.*, 128 Nev. 371, 378, 283 P.3d 250, 255 (2012).

Neither Plaintiff, Flatto, nor Plaintiff's known counsel, GTG, saw or reviewed the Settlement Agreement before it was executed by Farkas.[100] Farkas had not even reviewed it. The only time that Farkas had to review the Settlement Agreement's terms was during those minutes he was at the UPS store and the Settlement Agreement was provided with the other documents for his signature. Even after the Settlement Agreement was executed, Bloom, MGA and Nahabedian did not forward the Settlement Agreement to Farkas, Flatto or GTG. The first time Plaintiff received a copy of the Settlement Agreement was when it was attached to the Motion to Enforce.

33. Conceding that Bloom never negotiated the Settlement Agreement with Plaintiff, Bloom's testimony relating to a meeting of the minds on the terms was that Bloom had discussions with Flatto in 2017 and was in receipt of a communication from Flatto to Farkas dated January 23, 2017 (before the May 2, 2017 initial demand for Defendants' books and records), which Farkas forwarded to Bloom on April 27, 2017 asking for a return of his investment.[101] The Court finds this email and any related 2017 discussions with Flatto cannot be

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[100] 3/3 Trans., 72:15- 73:5.

[101] 3/3 Trans., 203:16-25; Exhibit C, FIRST0188.

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reasonably construed as Flatto's agreement to the terms of the Settlement Agreement, as there had been the passage of over three years' time, and in that time, Plaintiff was forced to file the arbitration and obtain the Order for the production of Defendants' books and records, and the Settlement Agreement provided for immediate dismissal of the fruits of that litigation, with prejudice, a term not subject of Flatto's April 2017 email. Further, the Settlement Agreement does not provide for the payment of funds in exchange for the dismissal of the Order, Arb. Award and other pending matters. Rather, it provides for the payment of funds if they are ever received from a sale of the Ngan Judgment, a sale that is speculative as there is no evidence of any actual sale agreement or proof of funds. The Court finds there was insufficient evidence to establish a meeting of the minds on the Settlement Agreement's essential terms.

34. The Motion to Enforce was filed for the express purpose of avoiding the consequence of Defendants and Bloom's contempt of the Order. Given the timing, the Court gives special care to determine if the equities support an order for specific performance. In addition to those inequities discussed above (lack of consideration, claim and issue preclusion, concealment of material facts and bad faith), the Court also finds that there are indicia of duress and fraud here that would prevent specific performance.

35. In addition to being the manager of Defendants, Farkas' prior employer, Bloom is within Farkas' family. Even though the parties stood in an adversarial relationship *vis a vis* this case, Bloom and Farkas continued to have their familial connection. Under the circumstances, at a minimum, Bloom had a duty to act with the utmost good faith when dealing with Farkas. Even though the parties stood in an adversarial relationship here, the circumstances surrounding Farkas' execution of the Settlement Agreement demonstrate that the documents sent to the UPS Store for Farkas' execution would not have occurred but-for Bloom's familial relationship with Farkas. As Farkas testified, "[Bloom] is my brother-in-law. He's family. I didn't think he would-he would try to do this…"[102] "I trust him as-a brother in law, and as somebody who was representing to me that he was just trying to help in this part of what was going on….I believe

[102] 3/3 Trans., 116:1-21, 119:9-16.

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that he took advantage of a nuance in the law….I think the way Jay treated me was wrong and manipulative. And I think he knew exactly what he was doing."[103]

36. Farkas was self-effacing throughout his testimony at the Hearing, explaining that it was his fault for trusting Bloom and not reading the documents before signing them.[104] If this was a typical arms' length transaction with no special duties owed between the persons signing the subject agreement, Farkas' admitted failure to even review the documents before signing them could be a real issue (assuming he had authority in the first place). However, here, the Court finds that there was a special confidence as a result of a familial relationship that resulted in Farkas' blind trust in Bloom and Bloom's representations to him about the Bloom Documents' contents.[105]

37. Farkas was threatened by Bloom with civil action by Defendants and/or their members if he did not sign the Settlement Agreement and other documents provided to him by Bloom, his family member.[106] Farkas felt that he had no choice but to sign any document that Bloom put in front of him. Farkas involuntarily accepted the Bloom Documents and executed them without diligence because he believed otherwise he would suffer adverse action he could not afford to address— a belief that is completely subjective. Where Defendants were only able to procure Farkas' signature through the abuse of special confidences, the threat of adverse action and concealment of the true nature and substance of the Bloom Documents being signed, enforcement of the Settlement Agreement against the innocent Plaintiff would be inequitable.

38. By its OSC, Plaintiff seeks an order compelling Defendants and their principal, Bloom, to comply with the Order, and to require them to pay the fees and costs incurred in the enforcement of the Order as necessary to redress the non-compliance. This requested relief is authorized pursuant to NRS Chapter 22 (Contempts). *See* NRS 22.010(3) (disobedience or resistance to any lawful writ, order, rule or process issued by the court constitutes contempt) and

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[103] *Id.*, 154:16-155:23, 156:13-18.

[104] *See, e.g.*, 3/3 Trans., 101:7-9, 141:20-25.

[105] *Id.* at 102:17-20.

[106] 3/3 Trans., 100:19-101:6, 116:15-21, 117:7-8, 119:17-18, 132:3-22, 134:18-21.

NRS 22.100-110 (penalties for contempt). The Court is addressing and treating the contempt proceedings as civil contempt proceedings.

39. The Order required Defendants to produce "all the requested documents and information available from both companies to Plaintiff for inspection and copying, as set forth in the [Arb. Award] and Exhibit 13 to Claimant's Appendix to Claimant's Arbitration Brief."[107] "Exhibit 13 to Claimant's Appendix to Claimant's Arbitration Brief"[108] provides the following list of documents to be produced by each of the Defendants:

> 1) The Company's company books, inclusive of any and all agreements relating to the Company's governance (Company operating agreements, amendments, consents and resolutions)
> 2) Financial Statements, inclusive of balance sheets and profit & loss statements
> 3) General ledger and back up, inclusive of invoices
> 4) Documents sufficient to show the Company's assets and their location
> 5) Documents relating to value of the Company and/or the Company's assets
> 6) Documents sufficient to show the Company's members and their status, inclusive of any redeemed members
> 7) Tax returns for the Company
> 8) Documents sufficient to show the accounts payable incurred by the Company, paid by the Company, and remaining due from the Company
> 9) Documents sufficient to show payments made to the Company managers, members and/or affiliates of any managers or members
> 10) Company insurance policies
> 11) Documents sufficient to show the status of any Company lawsuits
> 12) Documents sufficient to show the use of the Investors' funds (and any other members' investment) with the Company

40. It is undisputed that Defendants have not produced to Plaintiff one record or document within this list since entry of the Order.[109]

41. The evidence shows that MGA has custody of certain books and records for Defendants, and no excuse was provided for the failure of counsel to deliver what is in their custody to Plaintiff in compliance with the Order.[110] Bloom denied having any documents, and

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[107] Exhibit 4, p. 3.

[108] Exhibit 6.

[109] 3/3 Trans., 219:4-9.

[110] *See* Exhibit 32; 3/10 Trans., 17:2-18:20.

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said they are all in the custody of Farkas and/or Defendants' former controller, Henricksen (the "Controller").[111]

42. Farkas denies taking any books and records of Defendants with him when he left his employment with Defendants (indeed, if he had taken books and records with him, that would have eliminated the need for Plaintiff to request the production of Defendants' books and records in May 2017).[112] There is no record of any request from Defendants to produce documents subsequent to May 2, 2017 or any evidence that Farkas was properly designated a custodian of Defendants' records. To the contrary, Bloom is the only person listed in the Operating Agreement or the records of the Secretary of State as having the managerial responsibilities as well as the duties of the registered agent.[113]

43. Moreover, the failure to produce even one record demonstrates that the cost of production is not a credible excuse for Defendants' disobedience of the Order. Relatedly, lack of funds is no defense to Defendants' performance where there is no evidence of Defendants' compliance with their own governing documents for the purpose of raising funds to meet the Order obligations. As set forth at Section 4.2 of the Defendants' respective Operating Agreements:[114]

> If necessary and appropriate to enable the Company to meet its costs, expenses, obligations, and liabilities, and if no lending source is available, then the Manager shall notify each Class A Member ("Capital Call") of the need for any additional capital contributions, and such capital demand shall be made on each Class A Member in proportion to its Class A Membership Interest....

Defendants are not incapable of abiding by the Order; Bloom merely determined to do nothing to comply with the Order.[115] Bloom's affiliated SJC is the 45.625% Class A Member of First 100. [11

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[111] 3/10 Trans., 14:9-18.

[112] 3/3 Trans., 125:9-21, 126:11-25; 3/10 Trans., 87:10-24.

[113] Exhibits 26 and 27.

[114] Exhibits 7 and Exhibit 8, p. 8.

[115] 3/3 Trans., 74:15-20; 3/10 Trans., 7:13-19.

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The 23.709% Class A Member of 1st 100, and Bloom's other affiliates, SJC 1, LLC and SJC 2, LLC, have further Class A Member interests of 6.708% and 12.208% in 1st 100, respectively.[117] Therefore, Bloom's affiliates have the lion's share of any capital call obligation for either entity to meet their performance obligation.

44. There is no question here that Bloom had notice of the Order, and he even filed a response to the OSC in conjunction with Defendants. Bloom is the only person appointed under Defendants' operating agreements and with the Nevada Secretary of State to act as the Manager of the companies.[118] Throughout Bloom's testimony, he attempted to distance himself from this manager role and its responsibilities to Defendants. However, Defendants are manager-managed, and Bloom is expressly the only person with authority or power under the Defendants' operating agreements to do any act that would be binding on Defendants, or incur any expenditures on behalf Defendants.[119] Bloom is not only the only Manager listed in the operating agreements and with the Nevada Secretary of State; he is also the "Registered Agent" with the Nevada Secretary of State.

45. In his Response to the OSC, Bloom argues he is absolutely immune from contempt proceedings under NRS 86.371, which provides that no member or manager of a Nevada LLC is individually liable for the debts or liabilities of the company. The subject contempt is not to address the non-payment of the monetary award that is included in the Order; it is solely for disobedience and/or resistance of a Court order requiring certain action solely within Bloom's responsibilities under the Defendants' Operating Agreements and as designated with the Nevada Secretary of State for each of the Defendants.

If any of the foregoing Findings of Fact would be more appropriately deemed to be Conclusions of Law, they shall be so deemed.

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[116] Exhibit 7, p. 28.

[117] Exhibit 8, p. 29.

[118] Exhibits 7-8, 26-27.

[119] Exhibits 7 and 8, Sects. 3.17, 6.1(A).

FROM the foregoing Findings of Fact, the Court makes the following:

CONCLUSIONS OF LAW

1. "A settlement agreement, which is a contract, is governed by principles of contract law." *Mack v. Estate of Mack*, 125 Nev. 80, 95, 206 P.3d 98, 108 (2009) (internal citations omitted). "As such, a settlement agreement will not be an enforceable contract unless there is 'an offer and acceptance, meeting of the minds, and consideration.'" *Id.*

Because requests to enforce settlement agreements seek "specific performance," the actions are equitable in nature. *Park W. Companies, Inc. v. Amazon Constr. Corp.*, 473 P.3d 459 (Nev. 2020) (unpublished disposition) (citing *Calabi v. Gov't Emps. Ins. Co.*, 728 A.2d 2016, 208 (Md. 1999), 81A C.J.S. *Specific Performance* § 2 (2015) ("The remedy of specific performance is equitable in nature" and therefore "governed by equitable principles")). In addition to the elements of an enforceable contract being required, specific performance as a remedy under the subject contract is available only when: (1) the terms of the contract are definite and certain; (2) the remedy at law is inadequate; (3) the movant has tendered performance; and (4) the court is willing to order specific performance. *Mayfield v. Koroghli*, 124 Nev. 343, 351, 184 P.3d 362, 367 (2008) (citing *Serpa v. Darling*, 107 Nev. 299, 305, 810 P.2d 778, 782 (1991)).

2. Repudiation of a contract prior to performance by either party excuses any performance under the contract by either party. *See Kahle v. Kostiner*, 85 Nev. 355, 358, 455 P.2d 42, 44 (1969) (repudiation requires "a definite unequivocal and absolute intent not to perform" under the contract). Under the circumstances, the Court concludes that Plaintiff's repudiation prior to any performance excused any further performance obligation under the Settlement Agreement by either party.

3. To bind Plaintiff in an enforceable settlement agreement, Farkas must have had Plaintiff's actual or apparent authority. *Simmons Self-Storage v. Rib Roof, Inc.*, 130 Nev. 540, 549, 331 P.3d 850, 856 (2014) (citing *Dixon v. Thatcher,* 103 Nev., 414, 417, 742 P.2d 1029, 1031 (1987)).

4. "An agent acts with actual authority when, at the time of taking action that has

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legal consequences for the principal, the agent reasonably believes, in accordance with the principal's manifestations to the agent, that the principal wishes the agent so to act." *Simmons Self-Storage*, at 549, 331 P.3d at 856 (citing Restatement (Third) of Agency § 2.01 (2006)). When examining whether actual authority exists, the courts are to focus on an agent's reasonable belief. *Id.* (citing § 2.02 & cmt. e ("Whether an agent's belief is reasonable is determined from the viewpoint of a reasonable person in the agent's situation under all of the circumstances of which the agent has notice.")).

5. Without any appreciation for all that he was signing at the UPS store, Farkas did not consult with Flatto or counsel for Plaintiff regarding the Settlement Agreement.[120] Farkas' belief he lacked consent to bind Plaintiff to the terms of the Settlement Agreement was reasonable under the circumstances. In particular, at all times, actions taken on behalf of Plaintiff required Flatto's consent and the failure to obtain the consent of Flatto is conclusive evidence that Farkas' belief that he lacked authority to bind Plaintiff when he executed the Settlement Agreement was reasonable. Accordingly, the Court concludes Farkas did not have actual authority to bind Plaintiff under the Settlement Agreement.

6. An agent has apparent authority where the "principal holds his agent out as possessing or permits him to exercise or to represent himself as possessing" and "there must also be evidence of the principal's knowledge and acquiescence." *Simmons Self-Storage v. Rib Roof, Inc.*, 130 Nev. 540, 550, 331 P.3d 850, 857 (2014)(quoting *Ellis v. Nelson*, 68 Nev. 410, 418–19, 233 P.2d 1072, 1076 (1951)). Thus, "[a]pparent authority (when in excess of actual authority) proceeds on the theory of equitable estoppel; it is in effect an estoppel against the [principal] to deny agency when by his conduct he has clothed the agent with apparent authority to act." *Ellis v. Nelson*, 68 Nev. 410, 418–19, 233 P.2d 1072, 1076 (1951). Moreover, to be clothed with apparent authority, there "must also be evidence of the principal's knowledge and acquiescence in them." *Id.* There is no authority "simply because the party claiming has acted upon his conclusions." *Id.* There can only be apparent authority, "where a person of ordinary prudence, conversant with business usages and the nature of the particular business, ***acting in good faith,***

[120] 3/3 Trans., 72:19-23.

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and giving heed not only to opposing inferences but also to all restrictions which are brought to his notice, would reasonably rely." *Id.* (emphasis added) (noting that where inferences against the existence of apparent authority are as equally reasonable as those supporting it, a party may not rely on apparent authority).

7. "[A] party claiming apparent authority of an agent as a basis for contract formation must prove (1) that he subjectively believed that the agent had authority to act for the principal and (2) that his subjective belief in the agent's authority was objectively reasonable." *Great Am. Ins. Co. v. Gen. Builders, Inc.*, 113 Nev. 346, 352, 934 P.2d 257, 261 (1997). Reasonable reliance on the agent's authority "is a necessary element." *Id.; Forrest Tr. v. Fid. Title Agency of Nevada, Inc.*, 281 P.3d 1173 (Nev. 2009). In determining reasonableness, "***the party who claims reliance must not have closed his eyes to warnings or inconsistent circumstances***." *Great Am. Ins. Co.*, 113 Nev. at 352, 934 P.2d at 261, (*citing Tsouras v. Southwest Plumbing and Heating,* 94 Nev. 748, 751, 587 P.2d 1321, 1322 (1978)) (emphasis added). As the Nevada Supreme Court has explained, "***the reasonable reliance requirement [includes] the performance of due diligence" to learn the voracity of representations of authority***. *In re Cay Clubs*, 130 Nev. 920, 932–33, 340 P.3d 563, 571–72 (2014) (emphasis added).

8. The Settlement Agreement is not the first time that Bloom has directed Farkas to sign a document and then taken the position that Farkas' signature bound Plaintiff to its detriment. The question of Farkas' authority to bind Plaintiff without Flatto's consent was raised in the arbitration, and it was resolved ***against Defendants*** as part of the Arb. Award. Thus, even before Plaintiff amended its operating agreement in September 2020 to remove Farkas, it was clearly established by the arbitrators that Farkas had no authority to bind Plaintiff without the consent of Flatto.

9. *Res judicata* precludes Defendants' reiterated argument that Farkas' signature on a document is sufficient to bind Plaintiff to its detriment. *Univ. of Nev. v. Tarkanian,* 110 Nev. 581, 598, 879 P.2d 1180, 1191 (1994) (defining *res judicata* as encompassing both issue and claim preclusion doctrines). The issue of Farkas' authority to bind Plaintiff without Flatto's

consent- the same issue at bar--was previously raised and decided in the Arb. Award, confirmed by the Order. As the Order is a final judgment that was appealable, the finality of the determination is concrete and immutable here. *See Kirsch v. Traver*, 134 Nev. 163, 166, 414 P.3d 818, 821 (2018) (defining "final judgment" for the purpose of analyzing *res judicata* as being procedurally definite without any reservation for future determination following the parties having an opportunity to be heard, a reasoned opinion supporting the determination, and that the determination having been subject to appeal) (citing *Univ. of Nev. v. Tarkanian,* 110 Nev. at 598, 879 P.2d at 1191, *holding modified on other grounds by Exec. Mgmt., Ltd. v. Ticor Title Ins. Co.,* 114 Nev. 823, 963 P.2d 465 (1998)).

10. As a matter of law, as established by the Order confirming the Arb. Award, Farkas did not have apparent authority to bind Plaintiff absent Flatto's consent, and here, the failure to obtain Flatto's consent to the Settlement Agreement is undisputed. On this basis alone, Farkas did not have actual or apparent authority to bind Plaintiff under the Settlement Agreement.

11. The Court therefore concludes there was no good faith basis for Bloom's intentional disregard of the Arb. Award and Order thereon and reliance by Bloom on Farkas' signature on the Settlement Agreement was not reasonable.

12. "Consideration is the exchange of a promise or performance, bargained for by the parties." *Jones v. SunTrust Mortg., Inc.,* 128 Nev. 188, 191, 274 P.3d 762, 764 (2012). In addition to consideration being an essential element of any contract, gross inadequacy of consideration may be relevant to issues of capacity, fraud, mistake, misrepresentation, duress, or undue influence in addition to being relevant to whether there is an essential element of a contract. *Oh v. Wilson*, 112 Nev. 38, 41–42, 910 P.2d 276, 278–79 (1996) (*citing* Restatement (Second) of Contracts § 79 cmt. c (1979)). Inadequacy of consideration is often said to be a "badge of fraud," justifying a denial of specific performance. *Id.*

13. The Court concludes that there is such inadequacy of consideration to Plaintiff in exchange for dismissal of its hard-fought rights under the Order that it justifies denial of the requested specific performance.

14. A special relationship arises in any situation where "kinship or professional, business, or social relationships between the parties" results in one party gaining the confidence of another and purporting to advise or act consistently with the other party's interest. *Perry v. Jordan*, 111 Nev. 943, 947, 900 P.2d 335, 337–338 (1995) (citations omitted). An equitable duty is owed as a result of such a confidential relationship, which is akin to a fiduciary duty. *See Executive Mgmt., ltd. v. Ticor Title Ins. Co.*, 114 Nev. 823, 841, 963 P.2d 465, 477 (1998) (citing *Long v. Towne*, 98 Nev. 11, 13, 639 P.2d 528, 529–30 (1982)). Constructive fraud is the breach of that equitable duty, which the law declares fraudulent because of its tendency to deceive others to violate confidence. *Id.*

15. In equity and good conscience, Bloom was bound to act in good faith and with due regard to the interests of Farkas who was reposing his confidence in Bloom. *Perry*, 111 Nev. at 946–47, 900 P.3d 337 (citing *Long*, 98 Nev. at 13, 639 P.2d at 529–30). Particularly in light of the Arb. Award, Bloom had a duty to at least disclose to Farkas (as well as Flatto) his plan to settle this case under the Settlement Agreement and have the Order, underlying Arb. Award and pending OSC dismissed, with prejudice. Bloom should have emailed or otherwise provided a copy of the documents to Farkas so Farkas could consult with Flatto and counsel. Not only did Bloom conceal the true facts from Farkas, but he took active steps so that the true facts would never have to be revealed until after the case was dismissed, inclusive of hiring Farkas separate counsel to orchestrate dismissal in the shadows rather than send GTG the Settlement Agreement.

16. Duress is a valid basis to set aside a contract or avoid specific performance. *Kaur v. Singh*, 136 Nev. Adv. Op. 77, 477 P.3d 358, 362 (2020); *Levy v. Levy*, 96 Nev. 902, 903–04, 620 P.2d 860, 861 (1980) (recognizing duress as a basis to set aside a settlement). "The coercion or duress exception applies when "(1) . . . one side involuntarily accepted the terms of another; (2) . . . circumstances permitted no other alternative; and (3) . . . circumstances were the result of coercive acts of the opposite party." *Nevada Ass'n Servs., Inc. v. Eighth Jud. Dist. Ct.*, 130 Nev. 949, 956, 338 P.3d 1250, 1255 (2014).

17. An improper threat can exist when a party is threatened with civil action, especially when there are circumstances of emotional consequences. Restatement (Second) of

Contracts § 175, cmt. b (1981). "[A] party's manifestation of assent is induced by duress if the duress substantially contributes to his decision to manifest his assent. *Id.*, cmt. c. "The test is subjective and the question is, did the threat actually induce assent on the part of the person claiming to be the victim of duress." *Id.* In making the determination, courts consider, "the age, background and relationship of the parties" and the rule is designed to protect "persons of a weak or cowardly nature." *Id.*; *see also Schmidt v. Merriweather,* 82 Nev. 372, 376, 418 P.2d 991, 993 (1966).

18. A threat is improper if "what is threatened is the use of civil process and the threat is made in bad faith." Restatement (Second) of Contracts § 176 (1)(c). Accordingly, when evaluating duress, bad faith of one party is relevant as to another party's capacity to contract. *Barbara Ann Hollier Tr. v. Shack*, 131 Nev. 582, 587, 356 P.3d 1085, 1088 (2015); Restatement (Second) of Contracts § 205 cmt. c (1981) ("Bad faith in negotiation, although not within the scope of [the implied covenant of good faith and fair dealing], may be subject to sanctions. Particular forms of bad faith in bargaining are the subjects of rules as to capacity to contract, mutual assent and consideration and of rules as to invalidating causes such as fraud and duress.").

19. Defendants' contempt of the Order through resistance and/or disobedience of the Order is clearly established.

20. Bloom, as the sole natural person legally associated with Defendants, did not testify to any efforts to marshal Defendants' books and records for production to Plaintiff, except to obtain a letter dated February 12, 2021 (nearly two months after the OSC was entered), providing that the Controller was seeking payment to compile and produce Defendants' records.[121] Defendants' requested condition of Plaintiff's payment of expenses incurred by Defendants to comply with its Order obligation is barred by *res judicata*. Again, the Order confirming the Arb. Award, a final judgment, precludes a second action on the underlying claim or any part of it. *Univ. of Nev.,* at 599, 879 P.2d at 1191. Issue preclusion applies to any issue

[121] Exhibit V.

actually raised and decided in the judgment. *Id.* Claim preclusion "embraces all grounds of recovery that were asserted in a suit, as well as those that could have been asserted, and thus, [it] has a broader reach" than the issue preclusion doctrine. *Id.* at 600, 879 P.2d at 1192.

21. The very purpose of the issue preclusion doctrine is "to prevent multiple litigation causing vexation and expense to the parties and wasted judicial resources by precluding parties from relitigating issues." *Kirsch v. Traver*, 134 Nev. 163, 166, 414 P.3d 818, 821 (2018); *see also Alcantara ex rel. Alcantara v. Wal-Mart Stores, Inc.*, 130 Nev. 252, 258, 321 P.3d 912, 916 (2014) (issue preclusion is appropriately applied to conserve judicial resources, maintain consistency, and avoid harassment or oppression of the adverse party (citing *Berkson v. LePome*, 245 P.3d 560, 566 (Nev. 2010)).

22. Plaintiff's demand for Defendants' books and records under the terms of Defendants' operating agreements and NRS 86.241 resulting in the Order was arbitrated, and the arbitrators ruled in favor of Plaintiff and against Defendants on the entirety of the claim, and even awarded Plaintiff fees and costs.[122] Defendants' claimed expenses associated with the demand for production was required to be arbitrated,[123] and there was clearly no award of expenses in favor of Defendants following the arbitration. Ignoring their obligation to arbitrate any request for expenses associated with the production of documents in the arbitration, Defendants waited until Plaintiff's Motion to Confirm Arb. Award to seek to modify the Arb. Award to include a condition for production of the ordered books and records on Plaintiff's prior payment for Defendants' expenses associated with production.[124] The Court made reasoned conclusions regarding the procedural infirmity of bringing the request for relief to the Court when the relief was not awarded by the arbitrators, and DENIED it as part of the Order.[125] The Order is a final judgment not subject to any appeal, and as it specifically addressed and resolved Defendants' argument for a condition of Plaintiff's payment of expenses of production, the Order

[122] Exhibit 4.

[123] Exhibits 7 and 8, Sect. 13.9 (Dispute Resolution provision).

[124] Exhibit 3 (the Declaration of Bloom in support of the Countermotion to Modify Arbitration Award).

[125] Exhibit 4, p. 2:11-25; 3:15-16.

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itself defeats any argument from Defendants that production of the documents pursuant to the Order is in any way conditioned on payment of any purported expenses demanded by Defendants.

23. Under the circumstances, the Court concludes that Plaintiff's non-payment of expenses demanded on February 12, 2021 is not a valid excuse for Defendants' disobedience and/or resistance of the subject Order. The books and records must be produced forthwith and without the imposition of any conditions.

24. Bloom argues that since he is not a party to the Order in his individual capacity, he should not be a party to these contempt proceedings. The relevant authority provides otherwise. The Nevada contempt statutes (NRS Chapter 22) as well as relevant Nevada Rules of Civil Procedure ("NRCP") are directed ***to conduct*** of persons resisting or disobeying enforceable Court orders and does not limit its reach to the defendants alone. Limited liability companies such as Defendants engage in conduct through responsible persons- here, there is only Bloom and his counsel working at his direction. *See, e.g.*, NRCP 69 (describing procedures for execution on judgment to include obtaining discovery from any person); NRCP 71 ("When an order grants relief . . . [that] may be enforced against a nonparty, the procedure for enforcing the order is the same as for a party."); NRCP 37(b) (providing for orders compelling compliance and sanctions for failure of a "party or its officers, directors or managing agents" to comply with court discovery orders).

25. The "responsible party" rule is longstanding, providing that the contempt powers of the Courts reach through the corporate veil to command not only the entity, but those who are officially responsible for the conduct of its affairs. If a person is apprised of the Order directed to the entity, prevents compliance or fails to take appropriate action within their power for the performance of the corporate duty, they are guilty of disobedience and may be punished for contempt. *Wilson v. United States*, 221 U.S. 361, 377 (1911) ("When a copy of the writ which has been ordered is served upon the clerk of the board, it will be served on the corporation, and be equivalent to a command that the persons who may be members of the board shall do what is required. If the members fail to obey, those guilty of disobedience may, if necessary, be

punished for the contempt . . . . While the board is proceeded against in its corporate capacity, the individual members are punished in their natural capacities for failure to do what the law requires of them as representatives of the corporation."); *Electrical Workers Pension Trust Fund of Local Union #58, IBEW v. Gary's Elec. Service Co.*, 340 F.3d 373, 380 (6th Cir. 2003) (holding that sole officer of the defendant, who was not himself a party, could be held in contempt for the defendant's failure to obey the court's judgment and order). In order to hold an officer, director or other managing agent in contempt, the movant must show that he had notice of the order and its contents. *Id.*

26. A non-party who fails to produce documents in compliance with a Court order will be jointly and severally liable for disobedience when he is found to have abetted the disobedience or is legally identified with the responsible party. *See Luv n Care Ltd. v. Laurain,* 2019 WL 4279028, at * 4 (D. Nev. Sept. 10, 2019) (finding the managing member jointly and severally liable for contempt and payment of fees and costs), (*citing United States v. Wilson; Electrical Workers Pension Trust Fund of Local Union #58; United States v. Laurins*, 857 F.2d 529, 535 (9th Cir. 1988) ("A nonparty may be liable for contempt if he or she either abets or is legally identified with the named defendant...***An order to a corporation binds those who are legally responsible for the conduct of its affairs***.") (emphasis added)); *Peterson v. Highland Music, Inc.*, 140 F.3d 1313, 1323–24 (9th Cir. 1988); *NLRB v. Sequoia Dist. Council of Carpenters*, 568 F.2d 628, 633 (9th Cir. 1977); *1st Tech, LLC v. Rational Enter., Ltd.*, 2008 WL 4571057, at *8 (D. Nev. July 29, 2008). Put another way, an order to an entity binds those who are legally responsible for the conduct of its affairs. *Luv n Care Ltd.,* at *4 (citing *Laurins*).

27. As such, once Bloom had notice of the Order, he could not delegate the responsibility for performance on a third party, but he himself had to take reasonable steps to provide the records in compliance with the Order in his capacity as the sole person legally associated with Defendants and responsible for the books and records of Defendants, as manager of Defendants' manager.

28. As set forth above, the "responsible party" rule applies to contempt proceedings; otherwise there would never be a consequence for an entity's non-compliance, particularly here

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when there are no formalities being followed and, at least at this juncture, Bloom is the *alter ego* of Defendants. Bloom ignores the holding of the Nevada Supreme Court in *Gardner on Behalf of L.G. v. Eighth Judicial Dist. Court in & for Cty. of Clark*, 133 Nev. 730, 735, 405 P.3d 651, 655–56 (2017), which explained that those bases for corporate veil piercing, such as *alter ego*, illegality or other unlawfulness, will equally apply to a Nevada LLC. "As recognized by courts across the country, LLCs provide the same sort of possibilities for abuse as corporations, and creditors of LLCs need the same ability to pierce the LLCs' veil when such abuse exists." *Id.*, 133 Nev. at 736, 405 P.3d 656.

Related to *alter ego*, NRS 86.376 then specifically provides, as follows:

> 1. Except as otherwise specifically provided by statute or agreement, no person other than the limited-liability company is individually liable for a debt or liability of the limited-liability company unless the person acts as the alter ego of the limited-liability company.
> 2. A person acts as the alter ego of a limited-liability company only if:
> (a) The limited-liability company is influenced and governed by the person;
> (b) There is such unity of interest and ownership that the limited-liability company and the person are inseparable from each other; and
> (c) Adherence to the notion of the limited-liability company being an entity separate from the person would sanction fraud or promote manifest injustice.
> 3. The question of whether a person acts as the alter ego of a limited-liability company must be determined by the court as a matter of law.

29. Both Defendants are in "default" status with the Nevada Secretary of State. The testimony of Bloom demonstrated that Defendants have no continued operations, there are no employees, there are no bank accounts, there are no records being maintained as required under the operating agreements or NRS 86.241, and there is no active governance of any kind.[126] While Bloom self-servingly represents that there are "directors" and "officers" of Defendants, he concedes, as he must, that there were no writings to reflect that any director or officer has any authority to bind Defendants instead of Bloom. In addition, equity must be applied such that Bloom will not be immune from consequences for his intentional conduct for the purpose of

[126] *See, e.g.*, 3/3 Trans., 220:9-11, 226:2-4, 3/10 Trans., 12:10-19, 14:9-17, 15:16-25; Exhibits 7-8, § 2.3 (providing the company shall maintain records, including at the principal office or registered office, both c/o Bloom); Exhibits 26-27.

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disobeying and/or resisting the Order. Therefore, in addition to the "responsible party" rule that applies to contempt, there should be no immunity for liability when, as here, Bloom is Defendants' *alter ego*.

30. Furthermore, the Nevada Supreme Court has explained the broad, independent authority of the Court to enforce its decrees independent of the rules or statutes, including sanctions for non-compliance by non-parties with its orders and legal processes. *See Halverson v. Hardcastle*, 123 Nev. 245, 261–62, 163 P.3d 428, 440–441 (2007) ("the court has inherent power to protect the dignity and decency of its proceedings and to enforce its decrees, and thus it may issue contempt orders and sanction . . . for litigation abuses. Further, courts have inherent power to prevent injustice and to preserve the integrity of the judicial process . . .").

31. Under the Court's inherent authority to enforce its decrees against those appearing and demonstrating disregard for its Order, the "responsible party" rule recognized in the common law, Nevada's contempt statutes, Nevada's Rules of Civil Procedure, as well as NRS 86.376, Bloom is a proper party to the subject contempt proceedings.

32. The Settlement Agreement was a sham, never designed to result in any fair benefit to Plaintiff, and, if effectuated with the dismissal of the Order, underlying Arb. Award and pending contempt motions, with prejudice, the ramifications to Plaintiff would have been unacceptable under law or equity. The Eighth Judicial District Court has enacted its own rule, EDCR 7.60(b) to provide the Court further express authority to impose sanctions upon a party, including attorneys' fees, when a party, without just cause, presents a motion to the Court that is "obviously frivolous, unnecessary or unwarranted," or "so multiplies the proceedings in a case as to increase costs unreasonably and vexatiously."

33. The Court determines that sanctions are properly awarded against Defendants inclusive of the reasonable fees and costs expended by Plaintiff relating to the Motion to Enforce and Response to OSC.

34. The expenses associated with addressing the re-litigated defenses asserted by Defendants and Bloom were then unnecessarily increased by Bloom's wrongful direction to not

permit the disclosure of any communications between or among Nahabedian and Bloom and/or MGA, regardless of whether they related to Plaintiff and this action.[127]

35. Sanctions are awardable under NRCP 37 for failure to provide discovery.

Any of the foregoing Conclusions of Law that would more appropriately be deemed to be Findings of Fact shall be so deemed.

ORDER

NOW, THEREFORE, based upon the Foregoing Findings of Fact and Conclusions of Law, the Court makes the following rulings:

1) The Court declines to reverse its prior denial of the Motion to Enforce.

2) Based on its determination that Defendants and Bloom disobeyed and resisted the Order in contempt of Court (civil), the Court orders immediate compliance. In order to purge their contempt, Defendants, and any manager, representative or other agent of Defendants receiving notice of this order shall take all reasonable steps to comply with the Order, and within 10 days of notice of entry of this order, shall produce the following books and records for Defendants to Plaintiff[128] at their expense:[129]

> 1) Each of Defendants' company books, inclusive of any and all agreements relating to governance (operating agreements, amendments, consents and resolutions);
> 2) Financial Statements, inclusive of balance sheets and profit & loss statements;
> 3) General ledger and back up, inclusive of invoices;
> 4) Documents sufficient to show each of Defendants' assets and their location;
> 5) Documents relating to value of each of each of Defendants and/or their assets;
> 6) Documents sufficient to show Defendants' members and their status, inclusive of any redeemed members;
> 7) Tax returns for each of Defendants;
> 8) Documents sufficient to show the accounts payable incurred, paid and remaining due for each of Defendants;

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[127] Exhibit 28, PLTF_480, and the Motion to Compel.

[128] The list of documents ordered to be produced in the Arbitration Award is set forth at Exhibits 6 and QQ, and was expressly incorporated into the Order.

[129] There are indemnification provisions in Defendants' operating agreements that Bloom and anyone "serving at his direction" to comply with the Order could ostensibly enforce. Exhibits 7-8, Article VII.

9) Documents sufficient to show payments made to each of Defendants' managers, members and/or affiliates of any managers or members;
10) Each of Defendants' insurance policies
11) Documents sufficient to show the status of any lawsuits involving either of Defendants; and
12) Documents sufficient to show the use of investors' funds (and any other members' investment) for each of Defendants.

For any documents not produced within 10 days of entry of this order, there shall be certification from Bloom establishing all steps taken to marshal and produce the documents, where the documents are located, why they were not provided by the deadline and when they will be provided.

3) Also, the Court orders reimbursement of Plaintiff's reasonable fees and costs incurred in connection with the finding of contempt pursuant to the OSC, the Countermotion for Sanctions, and the Motion for Sanctions, as follows:

Based on the determination that Defendants and Bloom disobeyed and resisted the Order in contempt of Court (civil), and the Motion to Enforce was a tool of that contempt as orchestrated by Bloom in disregard of the Arb. Award confirmed by the Order, the Court orders Defendants and Bloom are jointly and severally responsible for the payment of all the reasonable fees and costs incurred by Plaintiff since entry of the Order for the purpose of coercing compliance with the Order in order to make them whole, inclusive of responding to the Motion to Enforce and bringing the Motion to Compel.

Within 10 days of entry of this order, counsel for Plaintiff shall provide a declaration and supporting documentation as necessary to meet the factors outlined in *Brunzell v. Golden Gate National Bank*, 85 Nev. 345, 55 P.2d 31 (1969), and delineating the fees and costs expended in relating to the Motion to Compel, Motion to Enforce and OSC, following which, there will be an opportunity to respond to Plaintiff's submission within 10 days of service of Plaintiff's supplement, and Plaintiff can file a reply within 7 days thereof. The Court will then consider the submissions and enter its further order on the amount of fees and costs to be awarded, and payment will be due within thirty (30) days thereafter.

4) Any failure to comply with the Order compelling compliance and requiring payment of the expenses incurred shall be subject to appropriate consequences. A status check is

scheduled for May 24, 2021 at 9:00 a.m.

Dated this 7th day of April, 2021

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Mark R. Denton
District Court Judge

MARK R. DENTON
DISTRICT JUDGE
DEPARTMENT THIRTEEN
LAS VEGAS, NV 89155

CSERV

DISTRICT COURT
CLARK COUNTY, NEVADA

TGC/Farkas Funding, LLC, Plaintiff(s) vs. First 100, LLC, Defendant(s)	CASE NO: A-20-822273-C DEPT. NO. Department 13

AUTOMATED CERTIFICATE OF SERVICE

This automated certificate of service was generated by the Eighth Judicial District Court. The foregoing Findings of Fact, Conclusions of Law and Judgment was served via the court's electronic eFile system to all recipients registered for e-Service on the above entitled case as listed below:

Service Date: 4/7/2021

Dylan Ciciliano	dciciliano@gtg.legal
Erika Turner	eturner@gtg.legal
MGA Docketing	docket@mgalaw.com
Tonya Binns	tbinns@gtg.legal
Bart Larsen	blarsen@shea.law
Max Erwin	merwin@gtg.legal

If indicated below, a copy of the above mentioned filings were also served by mail via United States Postal Service, postage prepaid, to the parties listed below at their last known addresses on 4/8/2021

Joseph Gutierrez

Maier Gutierrez & Associates
Attn: Joseph A. Gutierrez
8816 Spanish Ridge Avenue
Las Vegas, NV, 89148

EXHIBIT "G"

APN: 163-29-615-007

Recording requested by and return to:
Michael R. Mushkin, Esq.
6070 S. Eastern Avenue, Suite 270
Las Vegas, Nevada 89119

Mail tax statements to:
5148 Spanish Heights, LLC
6070 S. Eastern Avenue, Suite 270
Las Vegas, NV 89119

Inst #: 20200528-0002508
Fees: $42.00
05/28/2020 02:10:18 PM
Receipt #: 4086476
Requestor:
FIRST AMERICAN TITLE INSURA
Recorded By: BGN Pgs: 2
DEBBIE CONWAY
CLARK COUNTY RECORDER
Src: ERECORD
Ofc: ERECORD

ASSIGNMENT OF INTEREST IN DEED OF TRUST

FOR VALUE RECEIVED, the undersigned hereby grants, assigns and transfers to **5148 Spanish Heights, LLC, a Nevada limited liability company,** all beneficial interest under that certain Deed of Trust dated December 17, 2014, executed by Kenneth M. Antos and Sheila M. Neumann-Antos, Trustees of the Kenneth and Sheila Antos Living Trust dated April 26, 2007, and any amendments thereto, Trustor, to First American Title Insurance Company, a Nebraska corporation, as Trustee and recorded December 29, 2014, Instrument No. 20141229-0002856; modified by Instrument No. 20150722-0001146; modified by Instrument No. 20161219-0002739 in Clark County Official Records, Clark County, Nevada together with the Note secured by said Deed of Trust and also all rights accrued or to accrue under said Deed of Trust. The property encumbered by said Deed of Trust is described as:

SEE EXHIBIT A

IN WITNESS WHEREOF, the undersigned Assignor has executed this Assignment of Deed of Trust on this 8 day of April, 2020.

JOHN OTTER, President of
CBC Partners I, LLC, a
Washington limited liability company

STATE OF WASHINGTON)
) SS
COUNTY OF KING)

On this 8th day of April, 2020, before me, the undersigned, a Notary Public in and for said State, personally appeared JOHN OTTER, President of CBC Partners I, LLC, proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein mentioned.

Witness my hand and official seal.

Notary Public, in and for
said County and State

Grace Louise-White Galvan
Commission Number: 20191962
Notary Public
State of Idaho
My Commission Expires: 09/23/2025

(the above area for official notarial seal)

EXHIBIT A

Lot Seven (7) in Block Five (5) of SPANISH HILLS ESTATES UNIT 5A, as shown by map thereof on file in Book 107 of Plats, Page 58 in the Office of the County recorder of Clark County, Nevada

(Assessor's Parcel Number 163-29-615-007)

EXHIBIT “H”

LARRY L. BERTSCH, CPA, CFF, CGMA
CPA – Certified Public Accountant
CFF – Certified in Financial Forensics
CGMA - Chartered Global Management Accountant
265 E. Warm Springs Road Suite #104
Las Vegas, Nevada 89119
Telephone: (702) 471-7223
Facsimile: (702) 471-7225
Email: larry@llbcpa.com

EMPLOYMENT:

1/2003 to Present	Larry L. Bertsch, CPA, & Associates, LLP Position: Managing Partner (See attached Professional Assignments)
1/91 to 1/2003	Federal Bankruptcy Trustee and self-employed consultant. (See attached Professional Assignments)
9/89 to 6/91	Aladdin Hotel & Casino, Las Vegas, Nevada Position: Chief Financial Officer (Member of Consulting Group appointed by Bankruptcy Court)
4/87 to 6/89	Marina Hotel & Casino, Las Vegas, Nevada Position: Chief Financial Officer (Member of Consulting Group appointed by the Bankruptcy Court)
10/85 to 4/87	Independent Financial Consultant
6/83 to 9/85	Claridge Casino Hotel, Atlantic City, N.J. Position: Senior Vice President Executive Vice President Member--Board of Directors
8/78 to 6/83	Caesars Atlantic City, Atlantic City, N.J. Position: Vice President/Treasurer
1/76 to 8/78	Caesars World, Las Vegas, Nevada Position: Director of Audits
5/69 to 9/75	Alexander Grant & Company Position: Manager
6/66 to 4/69	The National Cash Register Company (NCR) Position: Manager--Marketing Information Systems
8/64 to 6/66	American Institute of Certified Public Accountants Position: Project Manager
6/60 to 8/64	Arthur Andersen & Co. Position: Senior Auditor

Other Experience: Taught courses in accounting, auditing, CPA problems, financial analysis, casino accounting and management, and strategic planning at Rutgers University, the University of Nevada Reno (UNR), Atlantic Community College, Stockton State College and University of Nevada Las Vegas (UNLV).

Larry L. Bertsch, CPA, CFF, GCMA
Curriculum Vitae

Chapter 7 Bankruptcies
Since 1991 have administered and closed over 8,000 cases

Chapter 11 Trustee
Mountain Diagnostics (Radiology)
Force One (Multi-level Marketing)
ATM Services (Cash Advance)
Ingersoll (Dentist)
Western Linen (Laundry)
John Tobin (Hearing Aids)
Dryifs, Inc. (Construction)
Tom & Maria Lioubas (Double Eagle Casino & Apartment Complex)
Citywide Funding, Inc. (Check Cashing)
Stewart Matthews Wilson (Beauty Shop)
ADAMA (Real Estate Development with 66 LLC's)
Sixth & Gass, LLC (Office Building) (Operate and Protect Company Assets until completion of bankruptcy)
21st Century Technologies (Listed Venture Capital Company) (Liquidation Trustee)
Marlyns, Inc dba Rock- a- Billys (Night Club)
Draft Bars (Dispensary equipment)

Chapter 7 Operating Bankruptcy
Bowman & Sons Printing (Printing)
City Oil Company – City Cutbank (Oil Production)
Citywide Funding, Inc. (Check Cashing)
James Hogan M.D. (Medical Doctor)
Las Vegas Sportspark (Recreation Center)

Special Master (Bankruptcy Court)
Selma Andrews (Determine amount due Citywide Home Loans, Inc.)

Liquidating Trustee (Bankruptcy Court)
21st Century (Investment Company)

Special Assignments (Bankruptcy Court)
Adama Plaza, LLC (Strip Mall), Manager
Rodeo Paradise (Strip Mall), Manager

Receiver (State Court)
Baby Grand dba Maxim Hotel/Casino
Main Street Station (Hotel/Casino)
Wright Company (Oil Distribution)
CBS, Inc (Computer Business Solutions)
Gem Wildrose Partnership (Construction)
Boulder-Sahara Shopping Center
John Hampton (Housing for American Bank of Commerce, Pioneer Citizens, and Sun State Bank)
Magic Cleaners (Partnership Dispute)
Boulevard Hotel (Motel)

Elena Tanasescu (Apartments)
Tigger Experience (Partnership Dispute)
Federal Electric, Inc. (Construction – Ownership Dispute)
Grand Court II (Senior Citizens Residences)
Thomas v. Thomas (Divorce)
Uptown Motel (Motel (30 units)) (Operate and Protect Company Assets until Foreclosure)
Southwest Exchange (1031 Qualified Intermediary) (Embezzlement)
- Qualified Exchange, Inc
- Blackstone Limited, LLC
- International Integrated Industries, LLC
- Sirius Capital, LLC
- Ventana Coast, LLC
- Capital Reef Management, LLC
- Global Aviation Delaware, LLC
- Nexgen Management, LLC
- Trinity Star, LLC
- Nevada Safe Harbor, Inc
- Americade, LLC
- Bianathar, LLC

McAnlis v. Kerr ("Vencenza") (Dispute in LLC) (Development Property)
Landbridge, LLC (Land Development) (Owner Dispute)
TNA Wireless, LLC (Owner Dispute)
DFA, LLC v. Leo Davenport (Mortgage Broker) (Marshal Company Assets)
- GFD Investments, LLC
- Southwest Financial,
- Tonyoyl, LLC
- D&G Development Group, LLC
- OPM Group, LLC
- Glenn's Construction Control Services

Landesbank Baden-Württemberg, Bank ("LBBW") v. FX Luxury Las Vegas I, LLC (Operate 18 acres of Real Property located on Las Vegas Strip involving over 90 leases)
Lightning Group Inc v. Charles Weibe (Marshal Asset for Court)
MS Concrete, Inc (Concrete Company) (Collect, Marshal, Liquidate Company Assets)
National Money Service Corp (Pay Day Loan Company) (Owner Dispute)
Providence Village, LLC (Shopping Center) (Operate and Protect Company Assets until Foreclosure)
Seibt Desert Retreat (RV Resort) (Operate and Protect Company Assets until Foreclosure)
Richard Kall et al v. Razorstream, LLC et al (Preparation of Income Tax Returns)
Clark County Credit Union v. TX, LLC (Apartment Complex) (Protect Company Assets until Foreclosure)
Branch Banking & Trust v. Ford Family Eastern, LLC (Shopping Center) (Operate and Protect Company Assets until Foreclosure)
Branch Banking & Trust v Ford Family LLC @ Stephanie (Shopping Center) (Operate and Protect Company Assets until Foreclosure)
Barth v. Stuart (Monitor Assets to collect on confession of Judgment)
Olympic Gardens (Maintain Sexually Oriented Business License)
Albrecht v. Kalinko (Partnership Dispute)
Boulder Dam Credit Union (Foreclosure on Building)
Donut Mania (Partnership Dispute)
Miramar (Ownership Dispute)

National Money (Pay Day Loan Business)
Olympic Gardens (Operate to keep License)
Lucky Dragon (Casino foreclosure and Sale)
Global Pacific Construction (Construction)

Receiver (Family Court)
Carr v. Carr (Monitor Business Assets)
Que v. Que (Finding and administration of Assets)
Kinkead v. Kinkead (Monitor Income and Distribute per Court Order) (Verification of Income)
Peterson v. Peterson (Monitor Income and Distribute per Court Order) (Verification of Income)
Allied Flooring (sales and Installation of Carpet, Tile, and Marble)

Receiver Consultation
Guru Enterprises (Convenience Store)
Motel - North Las Vegas (Sunrise Inn)
Motel - Valley View (Quality Inn)

Special Master (Federal District Court)
Appointed by the Honorable Philip M. Pro, District Judge, United States District of Nevada at the request of the Federal Deposit Insurance Corporation (John Anderson properties including the Maxim Hotel/Casino) (Federal Deposit Insurance Corporation vs. John Anderson and Edith Anderson---CV-S-95-00679-PMP(LRL)).

Appointed by the Honorable Judge Abramson, United States District of Texas, to operate the Maxim Hotel until the foreclosure took place by Mortgage Holder. (800 Rooms)

Special Master (State Court)
Trade Show Specialties (Ownership Dispute)
Blue Moon v LVMB (Dispute between Advertising Agency and Client)
Vion Operations, LLC et al v. (Mob Experience) Jay Bloom, Carolyn Farkis and Companies
- Eagle Group Holdings, LLC
- Murder, Inc.
- The Mafia Collection, LLC
- A.D.D. Productions, LLC
- Order 66 Entertainment
- Eagle Group Productions, LLC
- Con X

Special Master (Family Court)
Keeter v. Keeter (Divorce) (Collect, Marshal, Liquidate Personal Assets)
Nelson v. Nelson (Divorce) (Define assets and summarize receipts and disbursements)
Sorenson v. Sorenson (Liquidate two properties and Airplane)
Clark v. Clark (Monitor liquidation of certain assets)

Trustee (Federal District Court)
Appointed by the Honorable Lloyd D. George, District judge, United States District of Nevada, at the request of the Internal Revenue Service (Appointed to oversee the investigation, collection, and

liquidation of assets of Defendant and related entities---United States of America vs. Christensen CR-S-95-074-LDG(LRL)).

Bankruptcy Examinations

Primvest
Valley & ABCO Concrete
Indian Springs Casino (Casino)
Gibraltar Insurance (Insurance)
GMF, Inc. (Auto Dealer)
PPB, Inc. (Pure Pleasure Book)
AR Gaming dba Mahoney's Silver Nugget (Casino)
NES (Nevada Electrical Supply)
Angelo Grouziles
NEC (Electrical Contractor)
Ronald/Corrine Byrd dba Cherokee Construction
ROJAC dba Club Paradise
Odyssey Transportation (Air Transport)
G&A Medical Personnel (Pharmacy Evaluations)
Principle Centered, Inc. (Construction Companies)
Anderson Maintenance (Valuation of Company)
Saxton, Inc. (Real Estate Company)
National Audit Defense Network (NADN) (Tax & Computer program sales)

Bankruptcy Disbursing Agent

Riviera Hotel/Casino
Four Queens
Stratosphere (Executive Compensation) Expert (Bankruptcy Court)
Continental Hotel/Casino (Close the Hotel/Casino)

Consulting

Debbie Reynolds Hotel (Casino/Hotel)
GMF, Inc. (Automobile Dealership)
Bicycle Club (Card Club/Casino)
Maxim Hotel (Management Agreement)
Bourbon Street (Casino/Hotel)
Artisan Hotel & Spa (Hotel) (Consultant for Court Appointed Receiver)
Blue Moon LLC (Hotel) (Consultant for FDIC Receiver)
Community Bancorp (Bank Holding Company) (Consultant for Bankruptcy Trustee)
Silver State Bancorp (Bank Holding Company) (Consultant for Bankruptcy Trustee)
Silver State Helicopters (Helicopter Flight School involving government grants) (Consultant for Bankruptcy Trustee)
Progressive Gaming (Gaming Company) (Tax Issues) (Consultant for Bankruptcy Trustee)
One Cap (Mortgage Broker) (Consultant for Bankruptcy Trustee)
Davis Bowling (Company Transition) (Consultant for Bankruptcy Trustee)
Dave's Detailing (Airplane Detailing) (Analysis of Covenants on Settlement)
Hooters (Bankruptcy Transition)
Dunkin Donuts (Retail – Donuts) (Sale of Las Vegas Properties)

Ely City Council (Steam Train from Kennecott Copper)

Expert Witness

Lindquest v. Stefan (Vegas Cabinets) (92-A-305398-C, State Court)
Southwest Securities dba Marina Hotel/Casino (87-A-255637-C, State Court)
Sutton v. Sutton (Divorce) (Valuation of herd of cattle in a divorce case, Family Court)
Landmark Hotel/Casino BK-85-21113 – (Southern Nevada Federal Court)
Crosslands Mortgage v. Calabrese (95-A-352222-C, State Court)
Marlene Michaels (Partnership Dispute) (BK-93-22242-RCJ, Bankruptcy Court)
Glendonen vs. GMF (Employee Termination Dispute) (Gave deposition but settled)
Metron, Inc. (Shareholder Dispute) (CV-S-03-0756-LDG (RJJ), Federal Court)
Joe v. Joe (Divorce) (Had deposition taken)
Romona Lee's v. Shef Products, Inc. (A-458218-CC-2005, State Court)
Aviation Insurance Services v Leslie C. Dewald (2:06-cv-01461-JCM-LRL), Federal Court
Besdow, LLC (Arbitration) (Valuation of Company)
National Auto, LLC (Arbitration) (Valuation of Company)
AMG v. LIG (Real Estate) (Management Contract)
Sandy Hackett v. Richard Feeney, et al (entertainment) (Partner Dispute)
Creative Light Source, Inc. v Brackin, et al (Lighting Company - Examination of books and records)
Landbridge, LLC (Partnership Dispute)
  Oldman Power, LLC
  Highland Land Development, LLC
Mark Perez v. Greg McCoy et al. (A-13-690077-B, Clark County District Court) (Partner Dispute)
Larry Callahan Trust (Investor Dispute) (Forensic Examination of books and records)
Nevada State Bar (Trust Funds Investigation)
Vegas One Realty (Forensic Examination for Embezzlement)
Lionel Sawyer Collins (Classification and Collection of Accounts Receivable)
Rose – 1031 (Section 1031 Exchange)

Trustee Consultation

Community Bank
Silver State Bank
Silver State Bancorp

Forensic Examinations (Other)

Movado Group, Inc. v. The Jewelers (Forensic Examination for Arbitration)
Daood Sada, v. Sabah Boles (Owner dispute) (Forensic Examination of business books and records)
Michael J. Amador (Asset Location for Law Suit)
Kaercher Campbell Insurance (Insurance Company) (Owner dispute)
FDIC v OHDB, LLC (Motel Property - Examination of books and records)
Trimmer (Personal Assets - Fiduciary Transactions)

EXHIBIT “I”

Michael R. Mushkin, Esq.
Nevada Bar No. 2421
L. Joe Coppedge, Esq.
Nevada Bar No. 4954
MUSHKIN & COPPEDGE
6070 South Eastern Ave Ste 270
Las Vegas, NV 89119
Telephone: 702-454-3333
Facsimile: 702-386-4979
Michael@mccnvlaw.com
jcoppedge@mccnvlaw.com

Attorneys for Defendant and Counterclaimants
5148 Spanish Heights, LLC and
CBC Partners I, LLC

DISTRICT COURT

CLARK COUNTY, NEVADA

SPANISH HEIGHTS ACQUISITION COMPANY, LLC, a Nevada Limited Liability Company; SJC VENTURES HOLDING COMPANY, LLC, d/b/a SJC VENTURES, LLC, a Delaware Limited Liability Company, Plaintiffs, v. CBC PARTNERS I, LLC, a foreign Limited Liability Company; CBC PARTNERS, LLC, a foreign Limited Liability Company; 5148 SPANISH HEIGHTS, LLC, a Nevada Limited Liability Company; KENNETH ANTOS AND SHEILA NEUMANN-ANTOS, as Trustees of the Kenneth & Sheila Antos Living Trust and the Kenneth M. Antos & Sheila M. Neumann-Antos Trust; DACIA, LLC, a foreign Limited Liability Company; DOES I through X; and ROE CORPORATIONS I through X, inclusive, Defendants.	Case No. A-20-813439-B Dept. No.: 11 **ORDER APPOINTING RECEIVER**
AND RELATED MATTERS	

ORDER APPOINTING RECEIVER

The Motion for Appointment of Receiver of SJC Ventures Holding Company, LLC d/b/a SJC Ventures, LLC a Delaware limited liability company (the "Motion"), having come before the Honorable Elizabeth Gonzalez on _________, 2021, with ___________ appearing by and through their counsel of record, Michael R. Mushkin of the law firm of Mushkin & Coppedge and SJC Ventures appearing by and through its counsel of record _______________ of the law firm of Maier Gutierrez & Associates. The Court, having reviewed and considered the record, the points and authorities on file, and the argument of counsel, and good cause appearing, this Court GRANTS the Motion as follows:

IT IS HEREBY ORDERED THAT:

Larry L. Bertsch, CPA & Associates, LLP ("Receiver") is appointed as the Receiver over SJC Ventures Holding Company, LLC d/b/a SJC Ventures, LLC a Delaware limited liability company ("SJCV") and all of its assets including, without limitation, all assets and rights related to any subsidiary and affiliated entities in which SJCV has an ownership interest, with the powers granted by this Order as follows:

1. The Receiver shall be the agent of the Court and shall be accountable directly to this Court. This Court hereby asserts exclusive jurisdiction and takes exclusive possession of all assets and property owned by, controlled by, or in the name of SJCV, including all including all cash; Accounts; General Intangibles including, but not limited to causes of action, whether known or unknown; all Chattel Paper, Documents, and Instruments and rights to payment evidenced thereby; all Inventory; all Equipment and Fixtures and Accessions; all Investment Property; all Deposit Accounts; all Letters of Credit and Letter of Credit Rights; all parts, replacements, substitutions, profits, products and cash and non-cash Proceeds of any of the foregoing (including insurance proceeds payable by reason of loss or damage thereto) in any form and wherever located (all assets are, collectively, the "Receivership Estate"). For all purposes, the Receiver shall, together with one or more Management Agents if necessary and as set forth herein, have the power and authority to take possession of, manage and operate the Receivership Estate. The Receiver shall conduct the duties set forth herein and in doing so shall, together with one or more

Management Agent[s] (if necessary), care for, manage, preserve, protect, sell, operate, and collect the revenues generated by SJCV's business operations and the Receivership Estate in its reasonable business judgment as is most beneficial to SJCV's creditors and as instructed by the Court, consistent with the laws of Nevada,

2. The Receiver is authorized to perform a review and accounting of all of SJCV's assets, holdings, and interests, and may, but shall not be required to, apply to the Court on an order shortening time with notice to all parties to amend this Order as necessary to provide the Receiver with the authority to act on behalf of the Receivership Estate and/or to identify and include any asset or entity that belongs to the Receivership Estate. The Receiver is empowered to use any and all lawful means to identify and secure the assets, rights, holdings, and interests of the Receivership Estate.

3. The Receiver may contact any party it reasonably believes to be an account debtor of SJCV and arrange for direct payment of the obligations due from account debtors to the Receiver. The Receiver is further empowered to commence a lawsuit against an account debtor or defend any lawsuit brought by an account debtor.

4. The Receiver shall serve without bond.

5. Immediately upon the filing of the Receiver's oath, the Receiver in its business judgment may direct and, if so directed, SJCV and/or any of its officers, directors, managers, and members shall:

a. Turnover and surrender to the Receiver all assets of and income from the Receivership Estate currently held by SJCV or any of its officers, directors, managers, affiliates, employees, members, principals, agents, representatives, or others;

b. Turnover and surrender to the Receiver all property of the Receivership Estate, including (without limitation): (i) all monies accountable to the proceeds, revenues, issues and profits of the Receivership Estate, now in the possession, custody or control of SJCV and its affiliates, agents, members, principals, representatives or others; (ii) all records, statements, copies of checks, bills, invoices and other data from all bank accounts maintained by SJCV in connection with the Receivership Estate, including but not limited to all accounts maintained at any bank, credit union, brokerage firm, or any financial institution, any other accounts where the funds relating to the Receivership Estate were transferred or deposited, and all other records, books of account, ledgers, business records, expense accounts and all documents and records (including records maintained in electronic form) pertaining to the operation, maintenance and control of the Receivership Estate (collectively, the "Books and Records"), whether in the possession and control of SJCV or in the possession and control of affiliates, agents, members, managers, representatives, principals, servants, or employees of SJCV or others, provided, however, that said Books and Records shall be made available for the use of SJCV upon reasonable notice in the normal course of the performance of its duties, as necessary; (iii) all keys relating to the Receivership Estate, (iv) all computer systems, servers, and/or software, including any cloud storage or cloud/remote based programs, intellectual property rights, and websites (with all associated system access information, passwords, alarm codes, keycards, software, or similar items) that may be used in connection with the Receivership Estate, wherever located in and whatever mode maintained; (v) all documents and rights that constitute or pertain to insurance policies, whether currently in effect or lapsed which relate to the Receivership Estate; (vi) all contracts, leases and subleases, royalty agreements, licenses, assignments or other agreements of any kind whatsoever, whether currently in effect or lapsed, which relate to any interest in the Receivership Estate; (vii) all income and monies derived from the Receivership Estate wherever, whenever, and however deposited, stored, secured, and/or maintained; (viii) all mail relating to the Receivership Estate; (ix) all keys, passwords, and combinations for all safes and locks relating to or located on any property or premises associated with the Receivership Estate; and (x) all credit card terminals and merchant accounts. c. Provide access and control to the Receiver to all real property, personal property, intangible property, and any other physical facilities relating to the Receivership Estate.

c. The Receiver is the holder of all privileges held by SJCV including without limitation, the attorney-client privilege and the attorney work product privilege.

6. Immediately upon the filing of the Receiver's oath, the Receiver shall immediately have the following powers and legal responsibilities, which it may exercise in its business judgment, working with the Management Agent[s] as appropriate:

a. The Receiver is authorized to exclude SJCV and any affiliates, members, managers, principals, agents, attorneys, employees, or representatives thereof, or anyone claiming under any of them, from operating or managing the Receivership Estate, or being present at any location within the Receivership Estate;

b. The Receiver is authorized to take physical custody and possession of, and SJCV shall assist the Receiver in taking physical custody and possession of, all the real property and personal property, whether tangible or intangible, and other facilities, furniture, fixtures, and equipment constituting the Receivership Estate;

c. The Receiver is authorized to continue to operate, care for, preserve, maintain and collect revenue generated by, and sell the Receivership Estate in the normal course of business in a manner necessary to preserve its overall value and shall incur the expenses necessary in such operation, care, preservation, maintenance, collection and sale of the Receivership Estate, all without further order of this Court; that monies coming into the possession of the Receiver pursuant hereto and not expended for any of the purposes herein authorized shall be held by the Receiver, subject to such orders as this Court may hereinafter issue as to its disposition;

d. The Receiver is authorized to determine, in its discretion, how best to use, operate, manage, control, market and sell the Receivership Estate, so long as any sale of the Receivership Estate outside of SJCV's normal course of business must be approved by the Court;

e. The Receiver is authorized to purchase materials, supplies, and services and to pay therefor at ordinary and usual rates and prices out of funds that shall come into its possession as Receiver, and to compromise debts of the Receivership Estate, and as Receiver to do all things and to incur the risks and obligations ordinarily incurred by owners, managers, and operators of similar businesses and that no such risk or obligation so incurred shall be the personal risk or obligation of the Receiver but shall be a risk or obligation of the Receivership Estate. No funds of the Receivership Estate may be expended without the authorization of the Receiver and the Receiver may impose whatever safeguards it deems necessary to ensure every expenditure is properly authorized;

f. By virtue of its appointment, the Receiver shall have the authority to, in its sole and absolute discretion, terminate or reject any contracts or agreements relating to the Receivership Estate. The Receiver may employ other or additional agents and employees, as necessary to preserve, protect, maintain, manage, and sell the Receivership Estate and to pay each of the foregoing, at ordinary and usual rates and prices, pursuant to appropriate contracts, or otherwise, out of funds that come into its possession as Receiver without seeking the Court's consent for such employment;

g. The Receiver is authorized to review, analyze, account for, and approve the Receivership Estate's expenses, payments, transfers, withdrawals, and distributions (collectively "Payments") to ensure that all such Payments are proper and made in the ordinary course of business. In addition, the Receiver shall have the authority to write checks for the purpose of making any payments required or permitted to be made hereunder, including, without limitation, expenses on account of bank service charges, commissions, marketing and sale costs, dues and publications, insurance, maintenance, accounting and other professional services, postage costs and courier or other delivery costs, interest, inventory, office expenses, rent or other payment arising under a lease or rental agreement, repairs and maintenance, supplies, taxes, utilities and telephone expenses, wages and premiums. The Receiver may open any/all operating or security accounts deemed necessary for the estate and transfer any/all funds from estate accounts to these receivership accounts and operate out of these receivership accounts, if deemed necessary and appropriate, in order to preserve and protect the estate and in order to be able to supply reviewed and reconciled financials;

h. The Receiver is authorized to take all proper actions related to the (i) marketing and sale of all or any portion of the Receivership Estate in the normal course of business, (ii) collection of accounts receivable and other amounts owed in respect of the Receivership Estate, (iii) removal from the Receivership Estate of persons not entitled to entry thereon, (iv) securement and protection of the Receivership Estate, (v) damage caused to the Receivership Estate, (vi) recovery of possession of the Receivership Estate, and (vii) initiation or prosecution of any claims or litigation for the benefit of the Receivership Estate;

i. The Receiver may hire, employ, retain, terminate, and otherwise obtain the advice and assistance of legal counsel, accounting, and other professionals, as may be reasonably necessary to the proper discharge of the Receiver's duties (and to pay such professionals' reasonable fees), without further order of the Court;

j. The Receiver is authorized to receive proceeds and profits from any sale, use, transfer, or disposition of the Receivership Estate; and to deposit and hold such funds in one or more interest-bearing accounts as deemed appropriate;

k. The Receiver may hire, employ, retain, and terminate consultants, operating companies and/or other professionals, management, brokers, auctioneers and any other personnel or employees which the Receiver deems necessary to assist it in the discharge of his duties, to whom the Receiver may delegate operational responsibilities for the Receivership Estate, subject to applicable regulations and laws, as set forth in this Order and, at the Receiver's election, pay any federal, state, and local payroll and other taxes due in connection with employees and operations of the Receiver and Receivership Estate, provided, however, that no contract shall extend beyond the termination of the receivership unless authorized by the Court;

l. The Receiver shall immediately disclose to all parties any financial relationship between the Receiver and any person or entity hired to assist in the management or sale of all or any portion of the Receivership Estate;

m. The Receiver is authorized to immediately acquire from SJCV and all of its affiliates, members, managers, principals, employees, agents or officers, all keys, passwords, system access and/or alarm codes, locks, keycards, and similar items relating to the Receivership Estate, and may change any and all of the foregoing;

n. The Receiver may, in its sole and absolute discretion, continue in effect and/or assume any contracts, agreements, leases, letters of credit and all other instruments presently existing and not in default relating to the Receivership Estate;

o. The Receiver may enter into and modify contracts related to the normal course of business for the sale of all or any portion of the Receivership Estate with any other liquidation or sale of the Receivership Estate assets, including licenses, being completed only subject to prior notice and Court approval (as necessary);

p. The Receiver may communicate, directly or indirectly, with any person, firm, or entity, including without limitation, any representative of SJCV;

q. The Receiver may take any and all steps necessary to retrieve, collect and review all mail and/or e-mail addressed to SJCV or related entities or individuals at the Receivership Estate and the Receiver is authorized to instruct the United States Postmaster to reroute, hold and/or release said mail to the Receiver. The Receiver shall redirect mail determined (whether before or after opening) to be of a personal nature, not involving the business activities of SJCV conducted at the Receivership Estate, to the person to whom the mail was intended to be delivered (if the Receiver knows the forwarding address of said person) or shall return such mail to the sender;

r. The Receiver shall have all the powers, duties and authority that the Receiver believes may be necessary or appropriate to secure, operate, manage, control and sell the Receivership Estate and/or to protect, preserve and maximize the value of the Receivership Estate and/or to do any other acts and incur any of the risks and obligations ordinarily taken or incurred by an owner of property similar to the property at issue in the normal course of business; provided, however, that no such risk or obligation shall be the personal risk or obligation of the Receiver, but shall be solely the risk and obligation of the Receivership Estate; and

s. The Receiver may, after expending the necessary funds to operate the business of the Receivership Estate and paying all reasonable and necessary costs and expenses associated with such operation, maintain any remaining funds for distribution to creditors and such other party or non-party as may be legally entitled to receive such funds in accordance with Nevada law; and may distribute such funds from time to time upon further order of this Court.

7. The Receiver shall, within thirty days of its qualification hereunder, file in this action an inventory of all property of which it shall have taken possession pursuant hereto, including, without limitation, the identity of all written or non-written contracts (whether for sale or otherwise), options, insurance policies, fixtures, or personal property. The Receiver may thereafter, to the extent necessary, conduct periodic inventories of all property of the Receivership Estate of which he shall have taken possession pursuant to this Order, and to provide counsel herein with regular and material updates.

8. Upon entering into an agreement for sale or transfer of any material asset or property in the Receivership Estate outside the sale of SJCV's products and inventory in the normal course of business, the Receiver shall file a Motion with the Court, giving at least thirty days' notice to all parties, setting forth the details of the proposed sale and seeking the Court's approval for said sale. This shall be done for each proposed sale of any asset of SJCV in the possession or control of the Receiver outside of the ordinary course of business.

9. The Receiver shall prepare monthly operating reports which shall include a statement reflecting the Receiver's fees and expenses incurred for said period in the operation and administration of the Receivership Estate, as well as the fees and expenses of any attorneys, accountants, Management Agent[s] or other professionals employed by the Receiver ("Interim Receiver Report").

10. Upon completion of an Interim Receiver Report and ten days after mailing the report to the parties' respective attorneys of record (or via e-mail, at counsel's request) or any other designated person or agent, the Receiver shall be paid from Receivership Estate funds, if any, the amount of the invoice as per the Interim Receiver Report as set forth herein. Payment of the Receiver's fees and administrative expenses shall be submitted to the Court for final approval

and confirmation, in the form of either a noticed interim request for fees, stipulation among the parties, or in monthly interim reports or the Receiver's Final Account and Report.

11. The Receiver shall have the power to execute any and all documents (including documents for the sale of any portion of the Receivership Estate in the normal course of business) without a specific court order, to close existing bank accounts, money market accounts, CDs or other financial instruments associated with the Receivership Estate, and shall maintain or establish accounts at such bank as the Receiver may determine are necessary for the Receivership Estate for the purpose of securing and depositing the funds of the Receivership Estate collected by the Receiver, and the Receiver shall have the authority to write checks on such accounts for the purpose of making any payments required or permitted to be made hereunder by the Receivership Estate, and the Receiver shall receive the federal tax identification number from SJCV or its agents to provide to the bank so as to establish such an account. The Receiver may also employ a third-party certified accountant to reconcile and review monthly financials.

12. The Receiver is authorized and empowered to take possession of all bank accounts of SJCV and all cash or other liquid funds, accounts and chattel paper wherever located, and shall receive possession of any money on deposit in said bank accounts immediately upon appointment. The receipt by the Receiver for said funds shall discharge said bank from further responsibility for accounting to said account holder for funds as to which the Receiver shall give his receipt.

13. The Receiver may use any federal taxpayer identification numbers of SJCV relating to the Receivership Estate for any lawful purpose.

14. The Receiver shall, as necessary and appropriate, notify all vendors and suppliers, known creditors, and any and all others who provide goods or services to the Receivership Estate of its appointment as Receiver.

15. All pending or potential court actions and litigation or other adversarial action brought by or against SJCV shall be stayed from entry of this Order, unless the Court, upon a motion brought by the Receiver or other interested party (providing notice and an opportunity for interested parties to be heard) orders the stay lifted, extended, or otherwise modified upon a showing of good cause (the "Litigation Stay"). Pursuant to the Litigation Stay: (i) no individual

or entity may sue the Receiver or bring an action with respect to the Receivership Estate without first obtaining the permission of this Court; and (ii) all civil legal proceedings of any nature, including, but not limited to, bankruptcy proceedings, arbitration proceedings, mediation proceedings, foreclosure actions, default proceedings, or other actions of any nature involving the Receivership Estate are stayed unless the stay is lifted pursuant to this paragraph;

16. The Receiver is acting solely in its capacity as a court-appointed Receiver and the debts of the Receiver are solely the debts of the Receivership Estate. In no event shall the Receiver or its personnel have any personal liability or obligation for the proper debts of the Receiver and/or the Receivership Estate.

17. If the Receiver receives notice that a bankruptcy has been filed and part of the bankruptcy estate includes property that is the subject of this Order, the Receiver may file appropriate motions with the bankruptcy court to remain in possession of such property during the pendency of the bankruptcy. Upon receiving notice of bankruptcy as set forth above, the Receiver's authority to preserve the property at issue shall be limited as follows until further instruction from the bankruptcy court:

a. The Receiver may continue to collect income;

b. The Receiver may make only those disbursements necessary to preserve and protect the Receivership Estate, to pay taxes on the Receivership Estate;

c. The Receiver shall not execute any contracts, except those which the Receiver deems necessary to assist it in the discharge of its duties under this Paragraph 18; and

d. The Receiver shall do nothing that would effect a material change in the circumstances of the Receivership Estate. The Receiver may petition the court to retain legal, counsel to assist the Receiver with issues arising out of the bankruptcy proceedings that affect the receivership.

18. In addition to the powers hereinabove set forth, the Receiver is hereby vested during its appointment with all powers, authorities, and rights under applicable law possessed by SJCV and its officers, directors, members, managers, and general and limited partners of SJCV

under applicable law. In this, the powers of any officers, directors, members, managers, and general and limited partners of SJCV are hereby suspended and such persons shall have no authority with respect to SJCV or the Receivership Estate, except which may be granted hereafter by future order of the Court.

19. The Receiver shall be authorized to borrow money, if necessary, in total amounts and upon such terms as authorized by the Court, to perform its duties during appointment and to issue Receiver's Certificates of Indebtedness ("Certificates") to evidence such borrowings. With respect to such borrowings:

a. To the extent permitted by applicable law, the principal and interest evidenced by the Certificates shall be a first and prior lien and security interest upon the Receivership Estate. The lien of each Certificate shall be prior and superior to the rights, titles, and interests in the Receivership Estate of all parties to this action and creditors of SJCV. The lien of each Certificate shall be prior and superior to the interest or lien of all judgment holders, mechanics' lien claimants, partners, members, managers, officers, directors, shareholders, and creditors of SJCV; and

b. Nothing herein shall obligate any party to advance all or any part of the borrowings authorized herein;

20. SJCV and its agents, servants, members, managers, principals, officers, affiliates, employees, representatives, and all other persons and entities who are successors in interest to or who are acting in concert or participating with them, or any of them are hereby restrained and enjoined from engaging in or performing, directly or indirectly, any of the following acts:

a. Retaining possession of the Receivership Estate or any other portion of the Receivership Estate, including any assets of the Receivership Estate as to which the Receiver has requested be turned over;

b. Expending, disbursing, transferring, assigning, selling, conveying, devising, pledging, mortgaging, creating a security interest in, encumbering, concealing or in any manner whatsoever dealing in or disposing of the whole or any part of the assets of the Receivership Estate, including, but not limited to, any contract or other agreement concerning the Receivership Estate, without the written consent of the Court first obtained;

c. Demanding, collecting, receiving, expending, disposing, assigning, secreting or in any other way diverting, using or making unavailable to the Receiver any asset of the Receivership Estate or any of the rents, issues, proceeds, or profits thereof;

d. Doing any act which will, or which will tend to, impair, defeat, divert, prevent, or prejudice the preservation of the Receivership Estate or creditor's interest therein, in whatever form the interest is held or used as of this date, pending further proceedings in this action;

e. Destroying, altering, concealing, transferring or failing to preserve any document and other record (including records maintained in electronic form) which evidences, reflects, relates, or pertains to SJCV, including (without limitation) the factual basis of any actual or anticipated lawsuit involving SJCV, or SJCV's disposition of the Receivership Estate, or any part thereof; and

f. Interfering in any manner with the operation of the Receivership Estate or the Receiver's possession thereof, including, without limitation, interfering with the Receiver's efforts to secure the Receivership Estate or otherwise interfering with the management, preservation, protection, maintenance, operation, or control of the Receivership Estate (including but not limited to) removing funds from estate accounts, and/or concealing cash or other funds belonging to the Receivership Estate.

21. The Receiver and the interested parties to the Receivership Estate may petition this Court for instructions in connection with this Order and any further orders which this Court may make.

22. The Receiver shall continue in possession of the Receivership Estate until discharged by this Court. The Receiver shall also apply to the Court for a formal discharge and approval of its final accounting no later than sixty days after it relinquishes control of the Receivership Estate or otherwise ordered by the Court. Until such time as the Receiver's final report and accounting has been approved by the Court, or by earlier order of this Court, the

Receiver shall not tum over any receivership funds to any party or entity without prior Court order.

23. All persons or entities now in possession of any part of the Receivership Estate must vacate and surrender possession thereof upon the request of the Receiver.

24. Unless otherwise ordered by the Court, the Receiver shall file tax returns on behalf of SJCV or the Receivership Estate as required by law.

25. Unless otherwise ordered by the Court, the Receiver shall not be responsible for paying any expense of SJCV, or other payables owed to third parties, which payables were due and owing prior to the appointment of the Receiver. However, the Receiver may, in his sole discretion, pay costs and expenses incurred prior to the Receiver's appointment if the Receiver determines in its business judgment that payment of such items is necessary for the preservation, care and maintenance of the Receivership Estate, or otherwise in the best interests of the Receivership Estate.

26. Unless expressly limited herein, the Receiver shall be further granted all powers given to an equity receiver, provided by N.R.S. Chapter 32 and/or common law.

27. Larry Bertsch is acting solely in his capacity as Receiver and no risk, obligation or expense incurred shall be the personal risk, obligation, or expense of Larry Bertsch, but shall be the risk, obligation, or expense of the Receivership Estate.

28. No individual or entity may sue the Receiver without first obtaining the permission of this Court.

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29. Individuals or entities interested in the Receivership Estate may contact the Receiver directly by and through the following individual:

Larry Bertsch
265 E. Warm Springs Road Suite 104
Las Vegas, Nevada 89119
(702) 471-7223

IT IS SO ORDERED

____

Respectfully Submitted by:
MUSHKIN & COPPEDGE

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MICHAEL R. MUSHKIN, ESQ.,
Nevada Bar No. 2421
L. JOE COPPEDGE, ESQ.,
Nevada Bar. No. 4954
6070 S. Eastern Ave., Suite 270
Las Vegas, Nevada 89119

Attorneys for Defendants/Counterclaimants

Read and Approved:
MAIER GUTIERREZ &ASSOCIATES

____
JOSEPH A. GUTIERREZ, ESQ.
Nevada Bar No. 9046
DANIELLE J. BARRAZA, ESQ.
Nevada Bar No. 13822
8816 Spanish Ridge Avenue
Las Vegas, Nevada 89148

Attorneys for Plaintiffs/Counterdefendants

OPPS
JOSEPH A. GUTIERREZ, ESQ.
Nevada Bar No. 9046
DANIELLE J. BARRAZA, ESQ.
Nevada Bar No. 13822
MAIER GUTIERREZ & ASSOCIATES
8816 Spanish Ridge Avenue
Las Vegas, Nevada 89148
Telephone: 702.629.7900
Facsimile: 702.629.7925
E-mail: jag@mgalaw.com
djb@mgalaw.com

Attorneys for Plaintiffs

DISTRICT COURT

CLARK COUNTY, NEVADA

SPANISH HEIGHTS ACQUISITION COMPANY, LLC, a Nevada Limited Liability Company; SJC VENTURES HOLDING COMPANY, LLC, d/b/a SJC VENTURES, LLC, a Delaware Limited Liability Company, Plaintiffs, vs. CBC PARTNERS I, LLC, a foreign Limited Liability Company; CBC PARTNERS, LLC, a foreign Limited Liability Company; 5148 SPANISH HEIGHTS, LLC, a Nevada Limited Liability Company; KENNETH ANTOS AND SHEILA NEUMANN-ANTOS, as Trustees of the Kenneth & Sheila Antos Living Trust and the Kenneth M. Antos & Sheila M. Neumann-Antos Trust; DACIA, LLC, a foreign Limited Liability Company; DOES I through X; and ROE CORPORATIONS I through X, inclusive, Defendants. AND RELATED CLAIMS.	Case No.: A-20-813439-B Dept. No.: 11 **OPPOSITION TO DEFENDANTS' RENEWED MOTION FOR APPOINTMENT OF NON-NEUTRAL RECEIVER** Hearing Date: July 30, 2021 Hearing Time: Chambers

Plaintiff SJC Ventures Holding Company, LLC, d/b/a SJC Ventures LLC ("SJC Ventures"), by and through its attorney of record, MAIER GUTIERREZ & ASSOCIATES, hereby files this opposition to defendants/counterclaimants CBC Partners I, LLC and 5148 Spanish Heights, LLC's ("Defendants") renewed for appointment of receiver. This Court has already previously denied this same motion in an order filed on November 3, 2020.

This opposition is made and based upon the memorandum of authorities and the papers and pleadings on file in this matter.

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Defendants' motion for appointment of receiver over SJC Ventures should be denied. As a reminder, this Court already denied this same motion last year. *See* 11/3/2020 Order, *on file*. This time around, Defendants are trying to parse it out (and circumvent the bankruptcy stay that they have already been found to have violated) by asking that only SJC Ventures be appointed a receiver.

Defendants apparently now believe that they have grounds to renew their motion because on April 6, 2021, "this Court entered its Findings of Fact and Conclusions of Law Ordering that the Note is a valid and existing obligation and that the Deed of Trust is a valid and existing obligation against the Property." Mot. at p. 4. There are two glaring problems with that logic.

First, this Court has not found that SJC Ventures is in default of its responsibilities under the Forebearance Agreement and the related agreements. The only matters that the Court "adjudicated" through its April 6, 2021 FFCL (stemming from the trial that the Bankruptcy Court held was conducted in violation of the bankrputcy stay because the FFCL did materially affect SHAC's rights), is the validity of the contractual documents executed by the parties. *See* Mot. at Ex. A.

As Defendants are well aware, that portion of the Court's FFCL is now void, as the Bankruptcy Court determined that Defendants violated the bankruptcy stay with respect to the portion of the trial that focused on interpretation of the contractual documents. *See* **Exhibit 1**, Order on Deefndants' Violation of the Bankruptcy Stay (finding that the Defendants "violated the automatic stay" with respect to issues (a), (b), and (c) of the FFCL). Those issues are:

(a) Contractual interpretation and/or validity of the underlying "Secured Promissory Note between CBC Partners I, LLC, and KCI Investments, LLC, and all modifications;

(b) Interpretation and/or validity of the claimed third-person Deed of Trust and all modifications thereto, and determination as to whether any consideration was provided in exchange for the Deed of Trust; and

(c) Contractual interpretation and/or validity of the Forbearance Agreement, Amended Forbearance Agreement and all associated documents/contracts.

See Mot. at Ex. A at fn. 1. As the Court is aware, "violations of the automatic stay are void, not voidable." *In re Schwartz*, 954 F.2d 569, 571 (9th Cir. 1992). This means that the Court's rulings on contractual interpretation of the documents are all void. It is therefore particularly confusing as to why the Defendants would be citing to and heavily relying on void portions the Court's FFCL in support of their renewed motion.

Second, even disregarding the void nature of the Court's FFCL, no breach of conract or damages finding has been made as it relates to SJC. While Defendants' motion heavy-handedly pulls from findings made in an unrelated case that is on appeal (of which SJC Ventures is <u>not even a party</u>), the motion contains <u>zero</u> analysis as to why Defendants believe a receivership is actually warranted in <u>this</u> case, as there is nothing indicating that the personal property, if even actually subject to the deed of trust, which remains a disputed fact, is in any danger of being lost, removed, materially injured or destroyed, that the real property purported to be subject to the deed of trust is in danger of substantial waste or loss of income, or that the property may become insufficient to discharge the debt which it secures, a required showing to obtain the extraordinary and drastic remedy of a receivership under NRS 107.100.

This is because no such evidence exists, especially when SJC Ventures, the entity renting the Property from SHAC, has already paid the rent in advance through December 31, 2022, and SHAC consistently used those funds to pay the first and second mortgages on the Property (City National Bank and Northern Trust), the HOA fees, property taxes and other expenses related to the Property.

There is no need to appoint a receiver to collect any rents as Defendants contend, as the rents have been paid in advance, during these proceedings, which facilitated SHAC paying its obligations.

Finally, Defendants indicate in their renewed motion that they have hand-picked their own receiver, apparently wanting to take that decision out of the Court's hands in the unlikely event the Court goes along with Defendants' motion. Defendants have selected Larry Bertsch – someone that

Jay Bloom has personally sued along with Mr. Bertsch's CPA firm for gross negligence, fraudulent concealment, willful misconduct, and defamation, among other claims. *See Jay Bloom v. Larry L Bertsch, et al*, Case No. A-15-714007-C.

Mr. Bertsch is nowhere close to a "neutral party" as required under the receivership rules, and Defendants cannot pretend that they were unaware of this fact, as they listed the *Jay Bloom v. Larry Bertsch* litigation in support of their bogus motion to have Jay Bloom deemed a vexatious litigant, which was denied by this Court. This just goes to show it is not about the merits of the case or even the merits of the motion for Defendants, it is about bullying and antagonizing the Plaintiffs every step of the way and trying to misuse the Court system (and its resources) for purposes of their petty gamesmanship.

The motion for appointment of receiver for SJC Ventures should be denied in its entirety.

II. FACTUAL BACKGROUND AND CORRECTION OF DEFENDANTS' MISREPRESENTATIONS

This action involves the residential property located at 5148 Spanish Heights Drive, Las Vegas, Nevada 89148, with Assessor's Parcel Number 163-29-615-007 ("Property"). The Property is owned by Plaintiff Spanish Heights Acquisition Company, LLC pursuant to a recorded deed, and leased by Plaintiff SJC Ventures LLC pursuant to a valid lease agreement. Third-party defendant Jay Bloom resides at the Property with his family. The property is not used for commercial purposes, nor is it allowed to be used for commercial purposes pursuant to the Property's CC&Rs.

The original owners of the Property were Kenneth M. Antos and Sheila M. Neumann-Antos. *See* **Exhibit 2**, Grant Bargain, Sale Deed (PLTFS00591-594).

Defendant CBC Partners I, LLC claims to be the holder of a Promissory Note ("Note") that was executed by original owners which is purportedly secured by a third position Deed of Trust recorded against the Property. However, years prior to the Antos' pledging the property to defendants under their personal guarantees on a commercial loan to their restaurant business, the Antos' individually transferred the property to the Antos Trust, who is not a debtor under the Antos' business commercial loan, which they guaranteed solely in an individual capacity. In any event, defendant CBC Partners I, LLC purports to be a secured lender with a third position interest in the Property.

Defendant CBC Partners I, LLC also purports to have secured certain remedies in the event of a default on the Note through a Forbearance Agreement dated September 27, 2017, and an Amendment to Forbearance Agreement dated December 1, 2019 (collectively the "Forbearance Agreement") which extended Spanish Heights Acquisition Company, LLC's purported obligations under the Note through March 31, 2020, and recognizes by CBC's President, the SJC Lease Agreement and subsequent extensions.

Defendant CBC Partners I, LLC also purports to have secured certain remedies in the event of a default on the Note and related agreements, one of which is an alleged right to exercise a pledged membership interest in Spanish Heights Acquisition Company, LLC, through a separately-executed Pledge Agreement. However, SJC Ventures Holding, LLC (the owner of 51% membership interest in Spanish Heights Acquisition Company, LLC) is <u>not</u> a signatory to the Pledge Agreement. Only the Antos Trust (which held a 49% membership interest in Spanish Heights Acquisition Company, LLC) is a signatory to the Pledge Agreement.

Moreover, various communications from City National (the holder of the first mortgage on 263 the Property) and Northern Trust Bank (the holder of the second mortgage on the Property) indicate that on or around January 2020, CBC Partners I, LLC <u>materially breached</u> the Forbearance Agreement by failing to continue to make payments to the first and second mortgagee. *See, e.g.* **Exhibit 3**, PLTFS00261-Correspondence from Jonathan Ukeiley of Northern Trust Bank stating that there are past due bills from "January, February, March and April 2020." And despite Defendants' counsel's representations to the Court to the contrary, such CBC defaulted obligations continue to remain due and owing to this day.

CBC Partners I, LLC purports to have sold its claimed Note sometime between April 8, 2020 and April 10, 2020 to defendant 5148 Spanish Heights, LLC.

Prior to being placed in bankruptcy proceedings, SHAC diligently paid all monthly HOA dues (despite Defendants' prior misrepresentations otherwise to the Court), kept the Property insured, kept up with all payments to on the first and second mortgage, and did not miss any quarterly tax payments. *See* **Exhibit 4**, Examples of Payments.

Along those lines, SJC Ventures diligently made rent payments to SHAC, and is actually ahead on rent payments all the way through December 2022, which Defendants have acknowledged. *See* **Exhibit 5**, SJC Rent Payments to SHAC.

As set forth above, SHAC initiated bankruptcy proceedings on or around February 3, 2021, and Defendants willingly violated the automatic bankruptcy stay of litigation (over SHAC's counsel's objections) by proceeding with the trial in this matter which resulted in the Court's 4/6/2021 FFCL, most of which is now void. *See* Ex. 1. The Bankruptcy Court has already ruled that SHAC is entitled to an award of sanctions against Defendants as a result of the stay violations. *See id.*

In their motion, Defendants make reference to what they refer to as a "similar case" pending before Judge Denton. In reality, none of the parties in this instant case are parties in the TGC/Farkas Funding, LLC case pending before Judge Denton. The parties to the TGC/Farkas Funding, LLC action are: Plaintiff: TGC/Farkas Funding, LLC, and Defendants: First 100, LLC and 1st One Hundred Holdings, LLC. *See* Case No. A-20-822273-C. That case has nothing to do with this case, and Defendants know it, which is why they failed to list the actual caption of that case in their motion.

There are also references to the testimony of "Jay Bloom's personal counsel" throughout Defendants' motion. Naturally, Defendants neglect to mention that Maier Gutierrez & Associates was not Jay Bloom's personal counsel in the unrelated TGC/Farkas Funding, LLC case. Defendants actually allege that SJC Ventures is a "defendant" in the TGC/Farkas Funding, LLC case, which is not true. *See* Mot. at p. 8, para. 36. In reality, there are no "similarities" between these two cases.

And it would not be a motion filed by Defendants without a blatant misrepresentation to the Court. This one is massive, with Defendants claiming that in the TGC/Farkas Funding, LLC case, Judge Denton "found Bloom to be the alter-ego of SJC Ventures." Mot. at p. 8, para. 35 and 36. Naturally no quotations were provided from the actual Denton order, because no such finding exists. Judge Denton did not make any alter ego rulings as to SJC Ventures, and doing so would be extremely odd when SJC Ventures is not even a party in the TGC/Farkas Funding, LLC case. Defendants have once again been caught in a lie, to the point that it would behoove them to submit an errata acknowledging their error and correcting their misrepresentation.

The references to "Jay Bloom/SJVC" filing briefs in the TGC/Farkas Funding, LLC matter are also false. Mot. at p. 9, para. 42. SJC Ventures did not file any briefs in that matter.

Accordingly, because the majority of Defendants' argument is based on: (1) void portions of this Court's FFCL; and (2) completely irrelevant findings from another case which neither Jay Bloom nor SJC Ventures is a party to, there are no grounds to appoint a receiver to SJC Ventures.

III. LEGAL ARGUMENT

A. LEGAL STANDARD

Customarily, a receiver is a neutral party appointed by the court to take possession of property and preserve its value for the benefit of the person or entity subsequently determined to be entitled to the property. *Anes v. Crown P'ship, Inc.*, 113 Nev. 195, 199, 932 P.2d 1067, 1069 (1997). Pursuant to NRS 32.010:

> **NRS 32.010 Cases in which receiver may be appointed.** A receiver may be appointed by the court in which an action is pending, or by the judge thereof:
>
> 1. In an action by a vendor to vacate a fraudulent purchase of property, or by a creditor to subject any property or fund to the creditor's claim, or between partners or others jointly owning or interested in any property or fund, on application of the plaintiff, or of any party whose right to or interest in the property or fund, or the proceeds thereof, is probable, **and where it is shown that the property or fund is in danger of being lost, removed or materially injured**.
> 2. In an action by a mortgagee for the foreclosure of the mortgage and sale of the mortgaged property, **where it appears that the mortgaged property is in danger of being lost, removed or materially injured, or that the condition of the mortgage has not been performed, and that the property is probably insufficient to discharge the mortgage debt**.
> 3. After judgment, to carry the judgment into effect.
> 4. After judgment, to dispose of the property according to the judgment, or to preserve it during the pendency of an appeal, or in proceedings in aid of execution, when an execution has been returned unsatisfied, or when the judgment debtor refuses to apply the judgment debtor's property in satisfaction of the judgment.
> 5. In the cases when a corporation has been dissolved, or is insolvent, or in imminent danger of insolvency, or has forfeited its corporate rights.
> 6. In all other cases where receivers have heretofore been appointed by the usages of the courts of equity.

See NRS 32.010 (emphasis added). Additionally, NRS 107.100 states:

> **NRS 107.100 Receiver: Appointment after filing notice of breach and election to sell.**
>
> 1. At any time after the filing of a notice of breach and election to sell real property under a power of sale contained in a deed of trust, the trustee or beneficiary of the deed of trust may apply to the district court for the county in which the property or any part of the property is located for the appointment of a receiver of such property.

> 2. A receiver shall be appointed **where it appears that personal property subject to the deed of trust is in danger of being lost, removed, materially injured or destroyed, that real property subject to the deed of trust is in danger of substantial waste or that the income therefrom is in danger of being lost, or that the property is or may become insufficient to discharge the debt which it secures**.

NRS 107.100 (emphasis added). Crucially, a "[r]eceivership is generally regarded as a remedy of last resort" and it is not proper if an adequate remedy at law already exists. *Bowler v. Leonard*, 70 Nev. 370, 384, 269 P.2d 833, 840 (1954). (citing to 75 C.J.S., Receivers, § 9, p. 668; 45 Am.Jur. 28, Receivers, § 26).

B. THERE IS NO BASIS FOR A RECEIVERSHIP OVER SJC VENTURES

A receivership is not appropriate unless there is actual evidence of the subject property being lost, injured, destroyed, or subject to waste. *See* NRS 107.100 and NRS 32.010.

Here, the renter entity SJC Ventures has already made rent payments to SHAC, paying rent in advance all the way through December 2022. *See* Ex. 5.

Defendants present no real argument to this Court. They apparently think that Judge Denton's FFCL in another case involving First 100, LLC – not SJC Ventures – somehow constitutes some sort of bombshell that entitles them to seek a receivership over SJC Ventures, but they fail to show how that is the case, and repeating the lie that "Bloom has been found to be the alter ego of SJCV" will not get them anywhere. Mot. at p. 13.

Defendants state that a receiver should be appointed because Defendants believe the Plaintiffs have defaulted on disputed loan obligations as claimed are owed to Defendants. But even if that were the case (it is not), much more than a mere monetary default is needed to justify the Court issuing the extraordinary relief of appointing a receivership. Courts of equity exercise the receivership power "with great caution and only as exigencies of the case appear by proper proof. . . ." *Thoroughgood v. Georgetown Water Co*., 9 Del. Ch. 84, 90, 77 A. 720, 723 (1910). This is particularly the case where the entity continues to function actively.

> A receiver pendente lite for a corporation actively functioning is never to be justified except under circumstances that show an urgent need for immediate protection against injury either in the course of actual infliction or reasonably to be apprehended. As the remedy is a stringent one and fraught often times when asked for with the possibilities of as much if not more harm than that which it seeks to

> avoid, it should be applied with scrupulous care. Only emergent situations can evoke its application.

Salnita Corp. v. Walter Holding Corp., 19 Del. Ch. 426, 434, 168 A. 74, 76 (1933).

Defendants failed to cite any case law whatsoever supporting the notion that a receivership is appropriate in a situation like this where there is no evidence of fraudulent conduct or funds being displaced by SJC Ventures with respect to payments that go toward SHAC for purposes of the Property, and there is no evidence that SJC Ventures is in doubtful fraudulent standing. Most importantly, there is zero evidence that the Property is in danger of being lost, injured, or destroyed – the actual evidence suggests the exact opposite, as Plaintiffs are the only party advancing all funds required to maintain the property. All we have is Defendants' conjecture (not supported by actual evidence even in the form of a self-serving affidavit) that a receiver should be appointed because Defendants believe Plaintiffs breached certain loan agreements. This is nowhere close to satisfying Defendants' burden under NRS 107.100 and NRS 32.010.

Finally, Defendants claim that "there exists a conflict of interest for SJC Ventures." Mot. at p. 16. Plaintiffs have no idea what this means, but apparently Defendants believe SJC cannot be both the irrevocable manager of SHAC and the renter of the Property owned by SHAC. There is no legal authority supporting Defendants' theory of a conflict.

What is a conflict of interest is Defendants' suggestion that Larry Bertsch serve as the receiver, when Defendants are well-aware that Jay Bloom has been involved in litigation against Mr. Bertsch for fraud and gross negligence. It goes without saying that Mr. Bertsch would not be a neutral receiver, and it is concerning that he would even volunteer for the position, although the lack of an affidavit or declaration from Mr. Bertsch in the motion for receiver suggests he knows better than to do so, and that counsel for Defendants brought this outrageously frivolous motion simply for the purpose of harassment.

Indeed, that Defendants have even floated Mr. Bertsch's name as a receiver just goes to show where their mindset is at: exacting any kind of "revenge" against Jay Bloom and his related entities, even if it means filing meritless motions (such as this motion for an appointment of an adverse receiver) without any evidentiary basis whatsoever. The Court should clearly see through Defendants' shenanigans and gamesmanship and (again) deny the motion for appointment of receiver.

IV. CONCLUSION

Based on the foregoing, SJC Ventures respectfully requests that the Court deny Defendants' request for the appointment of a receiver over SJC Ventures.

DATED this 8th day of July, 2021.

MAIER GUTIERREZ & ASSOCIATES

/s/ Danielle J. Barraza

JOSEPH A. GUTIERREZ, ESQ.
Nevada Bar No. 9046
DANIELLE J. BARRAZA, ESQ.
Nevada Bar No. 13822
8816 Spanish Ridge Avenue
Las Vegas, Nevada 89148
Attorneys for Plaintiffs

CERTIFICATE OF SERVICE

Pursuant to Administrative Order 14-2, **OPPOSITION TO DEFENDANTS' RENEWED MOTION FOR APPOINTMENT OF NON-NEUTRAL RECEIVER** was electronically filed on the 8th day of July, 2021, served through the Notice of Electronic Filing automatically generated by the Court's facilities to those parties listed on the Court's Master Service List, as follows:

Michael R. Mushkin, Esq.
MUSHKIN & COPPEDGE
6070 South Eastern Avenue, Suite 270
Las Vegas, Nevada 89119
Attorney for Defendant CBC Partners I, LLC

/s/ Danielle Barraza
An Employee of MAIER GUTIERREZ & ASSOCIATES

EXHIBIT 1

EXHIBIT 1

Honorable Natalie M. Cox
United States Bankruptcy Judge

Entered on Docket
May 26, 2021

James D. Greene, Esq.
Nevada Bar No. 2647
GREENE INFUSO, LLP
3030 South Jones Boulevard
Suite 101
Las Vegas, Nevada 89146
Telephone: (702) 570-6000
Facsimile: (702) 463-8401
E-mail: jgreene@greeneinfusolaw.com

Attorneys for Debtors-in-Possession

GREENE INFUSO, LLP
3030 South Jones Boulevard, Suite 101
Las Vegas, Nevada 89146
(702) 570-6000

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re: SPANISH HEIGHTS ACQUISITION COMPANY, LLC, Debtor.	Bankruptcy No. BK-S-21-10501-NMC Chapter 11 **ORDER GRANTING IN PART AND DENYING IN PART MOTION FOR SANCTIONS FOR VIOLATION OF AUTOMATIC STAY OF BANKRUPTCY CODE SECTION 362(a) AND RELATED RELIEF** **Hearing Date: May 18, 2021** **Hearing Time: 10:00 a.m.**

Debtor's Motion for Sanctions for Violation of the Automatic Stay of Bankruptcy Code §362(a) and Related Relief ("Sanctions Motion") came on for hearing at the above date and time, the Honorable Natalie M. Cox, United State Bankruptcy Judge, presiding. Debtor was represented by James D. Greene, Esq. of Greene Infuso, LLP and Danielle J. Barraza, Esq. of Maier Gutierrez & Associates. Parties 5148 Spanish Heights, LLC, CBC Partners I, LLC and CBC Partners, LLC (collectively "CBC Parties") were represented by Michael R. Mushkin Esq. of Mushkin & Coppedge. No other appearances were entered. For the reasons stated on the record at the hearing and incorporating those findings of fact and conclusions of law herein pursuant to Federal Rule of Bankruptcy Procedure 7052, and with good cause appearing,

IT IS HEREBY ORDERED that the Motion is Granted in part and the Court finds that the CBC Parties violated the automatic stay of 11 U.S.C. §362(a) with respect to the items designated as issues (a), (b), and (c) on ECF No. 79-2, page 3, note 1, lines 17-20;

IT IS FURTHER ORDERED that the Motion is Denied with respect the issues designated as issues (d) and (e) on ECF 79-2, page 3, note 1, lines 21-23;

IT IS FURTHER ORDERED that the Debtor is entitled to an award of sanctions against the CBC Parties for their stay violations under the standards of *Taggart v. Lorenzen*, 139 S. Ct. 1795 (2019);

IT IS FURTHER ORDERED that Debtor's counsel shall submit briefing and evidence supporting its claims for damages as a result of the CBC Parties' stay violations on or before May 28, 2021;

IT IS FURTHER ORDERED that the CBC Parties may file any opposition and related documents or evidence relating to the Debtor's damage claims on or before June 29, 2021;

IT IS FURTHER ORDERED that the Debtor may file a reply in support of its damages claim on or before July 6, 2021;

GREENE INFUSO, LLP
3030 South Jones Boulevard, Suite 101
Las Vegas, Nevada 89146
(702) 570-6000

IT IS FURTHER ORDERED that a hearing regarding Debtor's request for sanctions shall be held on July 13, 2021 at 10:00 a.m.

Submitted by:

GREENE INFUSO, LLP

/s/ James D. Greene
JAMES D. GREENE, ESQ.
3030 South Jones Boulevard, Suite 101
Las Vegas, Nevada 89146

Approved by:

MAIER GUTIERREZ & ASSOCIATES

/s/ Danielle Barraza
Danielle Barraza
8816 Spanish Ridge Ave
Las Vegas, Nevada 89148

Approved by:

MUSHKIN & COPPEDGE

/s/ Michael R. Mushin
Michael R. Mushkin, Esq.
6070 South Eastern Ave Ste 270
Las Vegas, Nevada 89119

GREENE INFUSO, LLP
3030 South Jones Boulevard, Suite 101
Las Vegas, Nevada 89146
(702) 570-6000

LOCAL RULE 9021 CERTIFICATION

In accordance with LR 9021, counsel submitting this document certifies that the order accurately reflects the court's ruling and that (check one):

☐ The court has waived the requirement set forth LR 9021(b)(1).

☐ No party appeared at the hearing or filed an objection to the motion.

☒ I have delivered a copy of this proposed order to all counsel who appeared at the hearing, and any unrepresented parties who appeared at the hearing, and each has approved or disapproved the order, or failed to respond, as indicated below [list each party and whether the party has approved, disapproved, or failed to respond to the document]:

☐ I certify that this is a chapter 7 or 13 case, that I have served a copy of this order with the motion pursuant to LR 9014(g), and that no party has objected to the form or content of the order.

# # #

GREENE INFUSO, LLP
3030 South Jones Boulevard, Suite 101
Las Vegas, Nevada 89146
(702) 570-6000

EXHIBIT 2

EXHIBIT 2

(9)-1

20070416-0002478

Fee: $16.00 RPTT: $9,180.00
N/C Fee: $0.00

04/16/2007 14:06:03
T20070065215
Requestor:
CHICAGO TITLE

Debbie Conway KAH
Clark County Recorder Pgs: 4

APN: 163-29-615-007
Affix R.P.T.T. $9,180.00

WHEN RECORDED MAIL TO and MAIL TAX STATEMENT TO:

KENNETH M. ANTOS AND SHELIA M. NEUMANN-ANTOS
4968 Mountain Foliage Drive
Las Vegas, NV 89148

19

ESCROW NO: 07000087-018-SC

GRANT, BARGAIN, SALE DEED

THIS INDENTURE WITNESSETH: That
Rhodes Design and Development Corporation, a Nevada corporation

in consideration of $10.00 and other valuable consideration, the receipt of which is hereby acknowledged, do hereby Grant, Bargain, Sell and Convey to

KENNETH M. ANTOS AND SHELIA M. NEUMANN-ANTOS, HUSBAND AND WIFE AS JOINT TENANTS

all that real property situated in the County of Clark, State of Nevada, bounded and described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

Subject to:
1. Taxes for the current fiscal year, paid current.
2. Conditions, covenants, restrictions, reservations, rights, rights of way and easements now of record, if any.

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

Witness my/our hand(s) this 5 day of April, 2007

Rhodes Design and Development Corporation, a Nevada corporation

[signature]
Saralyn Rosenlund, Authorized Agent

PA0623

ESCROW NO: 07000087-018-SC

STATE OF NEVADA

COUNTY OF CLARK

On this 5th April 2007 appeared before me, a Notary Public, Saralyn Rosenlund, authorized agent of Rhodes Design and Development Corporation, personally known or proven to me to be the person whose name is subscribed to the above instrument, who acknowledged that she executed the instrument for the purposes therein contained.

Notary Public

My commission expires: 3·16·09

NOTARY PUBLIC
STATE OF NEVADA
County of Clark
SHELBY RAGSDALE
Appt. No. 05-95962-1
My Appt. Expires March 16, 2009

EXHIBIT A

Lot Seven (7)in Block Five (5) of SPANISH HILLS ESTATES UNIT 5A, as shown by map thereof on file in Book 107 of Plats, Page 58 in the Office of the County Recorder of Clark County, Nevada.

State of Nevada
Declaration of Value

1. Assessor's Parcel Number(s)

   a) 163-29-615-007

   b)

2. Type of Property:

a) ☑ Vacant Land	b) ☐ Single Fam. Resi
c) ☐ Condo/Twnhse	d) ☐ 2-4 Plex
e) ☐ Apt. Bldg.	f) ☐ Comm'l/Ind'l
g) ☐ Agricultural	h) ☐ Mobile Home
i) ☐ Other ______	

FOR RECORDER'S OPTIONAL USE ONLY
Documentation/Instrument #:__________
Book:__________ Page:__________
Date of Recording:__________
Notes:

3. Total Value/Sales Price of Property: $ 1,800,000.00

   Deed in Lieu of Foreclosure Only (value of property): (-0-)

   Transfer Tax Value: $ 1,800,000.00

   Real Property Transfer Tax Due: $ 9,180.00

4. **If Exemption Claimed:**

   a. Transfer Tax Exemption, per NRS 375.090, Section: ___

   b. Explain Reason for Exemption: _____

5. Partial Interest: Percentage being transferred: ____%

The undersigned declares and acknowledges, under penalty of perjury, pursuant to NRS 375.060 and NRS 375.110, that the information provided is correct to the best of their information and belief, and can be supported by documentation if called upon to substantiate the information provided herein. Furthermore, the parties agree that disallowance of any claimed exemption, or other determination of additional tax due, may result in a penalty of 10% of the tax due plus interest at 1% per month. **Pursuant to NRS 375.030, the Buyer and Seller shall be jointly and severally liable for any additional amount owed.**

Signature [signature] Capacity Grantor
Signature Sheila M. Neumann-Contos Capacity Grantee

SELLER (GRANTOR) INFORMATION (REQUIRED)	**BUYER (GRANTEE) INFORMATION (REQUIRED)**
Print Name: Rhodes Design and Development Corporation	Print Name: SHEILA M. NEUMANN - ANTOS
Address: 4730 S. Ft. Apache #300	Address: 4968 MTN. FOLIAGE DR.
City: Las Vegas	City: LAS VEGAS.
State: NV Zip: 89147	State: NV Zip: 89148

COMPANY/PERSON REQUESTING RECORDING (required if not seller or buyer)

Print Name: Chicago Title
Address: 9500 W. Flamingo Rd., Ste. 104
City/State/Zip: Las Vegas, NV 89147

Escrow #:07000087-018

2488 70

EXHIBIT 3

EXHIBIT 3

Jay Bloom

From:	Jonathan Ukeiley <ju12@ntrs.com>
Sent:	Monday, April 20, 2020 1:48 PM
To:	Jay Bloom
Cc:	Yeshim Korkmaz
Subject:	Northern Trust
Attachments:	ANTOS-April loan statement.pdf

Jay

It was good to speak with you today. Please find the April 9th bill attached.

As you can see on the bill to cure the January, February, March and April 2020 past due bills please forward a payment for $13,161.29. This figure is in the box on the top right labeled Minimum Payment Due.

Can you please forward the check to the Las Vegas office as this will help expedite the payment process.

The address is:

The Northern Trust Company
1995 Village Center Circle
Las Vegas, Nevada 89134
Attn: Yeshim Korkmaz

Let me know if there are any questions as all my contact information is below in the signature block.

Jonathan

NORTHERN TRUST

Jonathan Ukeiley | Vice President | Wealth Management
2398 E. Camelback Rd., Ste. 1100, Phoenix, AZ, 85016, USA | phone (602) 468-2613
| fax (602) 468-2550 | ju12@ntrs.com Please visit northerntrust.com

EXHIBIT 4

EXHIBIT 4

SPANISH HEIGHTS ACQUISITION COMPANY, LLC

5148 SPANISH HEIGHTS DR,
LAS VEGAS NV 89148

702-330-8836

BANK OF AMERICA
94-72/1224

04/30/2020

Check No 1081

Pay to: CITY NATIONAL BANK

Nineteen Thousand Six Hundred and Sixty Dollars and Sixty Cents

Pay $ 19,660.60

For: Cure CBC default 3/2020 SHAC pmt - Loan 00000732571-85247

MP

Authorized signature

[redacted] 1081

PLTHS00690

WARNING: THIS DOCUMENT HAS SECURITY FEATURES IN THE PAPER

SPANISH HEIGHTS ACQUISITION
COMPANY, LLC

5148 SPANISH HEIGHTS DR,
LAS VEGAS NV 89148

702-330-8836

BANK OF AMERICA
94-72/1224

04/30/2020

Check No 1080

Pay to: CITY NATIONAL BANK
Eighteen Thousand Seven Hundred and One Dollars and Fifty-Five Cents

Pay $ 18,701.55

For: 4/2020 SHAC pmt - Loan 00000732571-85247

Authorized signature

MP

[redacted] 1080

PLTFS00694

REORDER 140-5187 FORM #7200

From: Jonathan Ukeiley <ju12@ntrs.com>
Sent: Thursday, June 18, 2020 12:51 PM
To: Jay Bloom <jbloom@lvem.com>
Cc: Yeshim Korkmaz <yk16@ntrs.com>
Subject: RE: Northern Trust

Jay

Good to speak with you today. As I mentioned I can confirm the Bank received the below two checks. Thanks for the payments.

Speak soon.

Jonathan

NORTHERN TRUST

Jonathan Ukeiley | Vice President | Wealth Management
2398 E. Camelback Rd., Ste. 1100, Phoenix, AZ, 85016, USA | phone (602) 468-2613
| fax (602) 468-2550 | ju12@ntrs.com Please visit northerntrust.com

---

From: Jay Bloom [mailto:jbloom@lvem.com]
Sent: Thursday, June 18, 2020 11:47 AM
To: Jonathan Ukeiley
Cc: Yeshim Korkmaz
Subject: [EXT] RE: Northern Trust

Hi good morning,

Can you please confirm Northern Trusts receipt of the following two payments:

Check Number: 1082
Payable to: Northern Trust
Date: May 11, 2020
Amount: $3,084.86
Memo: 5/2020 SHAC pmt - Loan 03005754428-01

Check Number: 1084
Payable to: Northern Trust
Date: June 10, 2020
Amount: $2,524.60
Memo: 6/2020 SHAC pmt - Loan 03005754428-01

Thank you,
Jay Bloom

5:33

SPANISH HEIGHTS ACQUISITION CO

EDIT

[redacted]

Available Balance

RECENT TRANSACTIONS

Jun 19, 2020 Check	-$3,084.86 [redacted]
Jun 19, 2020 Check	-$2,524.60 [redacted]
Jun 18, 2020 Check 1085	-$19,181.07 [redacted]
Jun 18, 2020 Check 1083	-$18,701.55 [redacted]

LEXINGTON INSURANCE COMPANY
99 High Street
Boston, MA 02110-2103
HO3 Declaration Confirmation

Policy Number: 32055544 | **Effective: 03/08/2020**
Name of Insured and Risk Address: | **Expiration: 03/08/2021**

Spanish Heights Acquisition Company LLC

5148 SPANISH HEIGHTS DR
LAS VEGAS, NV 89148-1422

This insurance contract is issued pursuant to the Nevada insurance laws by an insurer neither licensed by nor under the supervision of the Division of Insurance of the Department of Business and Industry of the State of Nevada. If the insurer is found insolvent, a claim under this contract is not covered by the Nevada Insurance Guaranty Association Act.

Signature of Surplus Lines Broker

Sub-Broker

LEXINGTON INSURANCE COMPANY
Amended HO3 Homeowner Declaration Page

Policy Number: 32055544	**Renewal of Policy Number:** 67144334-01
Reason for change: Named Insured Correction	Change Effective Date: 03/08/2020
Name of Insured and Mailing Address: Spanish Heights Acquisition Company LLC 5148 SPANISH HEIGHTS DR LAS VEGAS, NV 89148-1422	**Broker Name and Address**: CRC - Jackson** P.O. Box 5108, Fondren Station Jackson, MS 39296 601-957-3344

Policy Term: 03/08/2020 **Expiration:** 03/08/2021 12:01 AM Standard Time at the Insured's residence premises.

The residence premises covered by this policy is located at the above address, unless otherwise stated.

Insurance is provided only with respect to those special limits of liability applicable thereto:

Coverage Part 1 - Homeowners		**Coverage Part 2 – Personal Umbrella**	
- Coverage A: Dwelling	$6,008,142	- Umbrella Limit	$0
- Coverage B: Other Structures	$100,000	- Self Insured Retention	$0
- Coverage C: Contents	$425,000	**Coverage Part 3 – Excess Flood**	
- Coverage D: Loss of Use	$85,000	- Building	$0
- Loss Assessment:	$1,000	- Contents	$0
- Ordinance or Law:	10%	**Coverage Part 4 – Scheduled Property**	
- Coverage E: Personal Liability	$300,000	- Total Scheduled Property	$0
- Coverage F: Medical Payments to Others	$1,000		

Annual Premium: $9,763 **Charge:** $ 0

Homeowner Deductibles			
All Other Perils:	$25,000	**Policy Premium:**	$0.00
Wind Hail:	$25,000	**Inspection Fee:**	$0.00
Earthquake:	Excluded	**SL Broker Fee:**	$0.00
		Surplus Lines Taxes:	$0.00
		Stamping Fee:	$0.00
Special: None	$N/A		
Special: None	$N/A		
		Total Due:	$0.00

Minimum Earned Premium: $0	**Sub Broker Information**
Homeowners Rating Information	**Name:** Cordogan Insurance Agency
Territory: 31 Protection Class: 2	**Addr 1:** 293 S Walnut Blvd Ste 101
County: CLARK-NV EQ Zone: NA	**Addr 2:**
Construction:Frame Yr Built: 2009	**City, State, Zip:** Cordova, TN 38018

Forms and Endorsements made part of this policy at time of issuance:

This declaration page with policy provisions and endorsements, if any, issued to form a part, thereof, completes the above numbered homeowner's policy.

Countersignature Date: 04/03/2020 Countersignature:

LexElite 11/00 Authorized Representative:

Policy Number: 32055544
Insured: Spanish Heights Acquisition Company LLC

IN WITNESS WHEREOF, the Insurance Company identified on the Declarations has caused this policy to be signed by its President, Secretary and a duly authorized representative of the Insurance Company.

PRESIDENT	SECRETARY

Mortgage 1	Mortgage 2
Mortgage 3	

SPANISH HEIGHTS ACQUISITION COMPANY,LLC

702-330-8836

BANK OF AMERICA
94-72/1224

Check No 1089

5148 SPANISH HEIGHTS DR,
LAS VEGAS NV 89148

07/06/2020

Pay to: NORTHERN TRUST

Pay $ 1,112.46

One Thousand One Hundred and Twelve Dollars and Forty-Six Cents

For: 7/2020 SHAC pmt - Loan 03005754428-01

Authorized signature

[redacted]

1089

n
ights Dr
da 89148

Attn: Yeshim Korkmaz
The Northern Trust Company
1995 Village Center Circle
Las Vegas, Nevada 89134

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Attn: Yeshim Korkmaz
The Northern Trust Company
1995 Village Center Circle
Las Vegas, Nevada 89134

9590 9402 4628 8323 9538 18

(Transfer from service label)
7018 0360 0002 2277 7428

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X ☐ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☐ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Insured Mail Restricted Delivery (over $500)
☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

CERTIFIED MAIL®

7018 0360 0002 2277 7428

7018 0360 0002 2277 7428

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.us

OFFICIAL U

Certified Mail Fee
$
Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) $
☐ Return Receipt (electronic) $
☐ Certified Mail Restricted Delivery $
☐ Adult Signature Required $
☐ Adult Signature Restricted Delivery $
Postage
$
Total Postage and Fees
$
Sent To
Street and Ap
City, State, Z

Attn: Yeshim Korkmaz
The Northern Trust Company
1995 Village Center Circle
Las Vegas, Nevada 89134

SPANISH HEIGHTS ACQUISITION COMPANY,LLC
702-330-8836
BANK OF AMERICA
94-72/1224
Check No 1088

5148 SPANISH HEIGHTS DR,
LAS VEGAS NV 89148

07/06/2020

Pay to: CITY NATIONAL BANK

Pay $ 19,181.07

Nineteen Thousand One Hundred and Eighty-One Dollars and Seven Cents

For: 7/2020 SHAC pmt - Loan 00000732571-85247

[redacted]

Authorized signature

1088

n
eights Dr
89148

Robert Wartburg
City National Bank
555 S. Flower 16th Floor
LOS ANGELES, CA 90071

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

CERTIFIED MAIL®

7018 0360 0002 2277 7411
7018 0360 0002 2277 7411

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.

OFFICIAL US

Certified Mail Fee
$
Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) $
☐ Return Receipt (electronic) $
☐ Certified Mail Restricted Delivery $
☐ Adult Signature Required $
☐ Adult Signature Restricted Delivery $
Postage
$
Total Postage and Fees
$
Posti
He
Sent To
Robert Wartburg
Street and Apt
City National Bank
555 S. Flower 16th Floor
City, State, Zi
LOS ANGELES, CA 90071
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Revers

REORDER 140-5187 FORM #

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Robert Wartburg
City National Bank
555 S. Flower 16th Floor
LOS ANGELES, CA 90071

9590 9402 4628 8323 9538 32

2. Article Number (Transfer from service label)
7018 0360 0002 2277 7411

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X
☐ Agent
☐ Addressee
B. Received by (Printed Name)
C. Date of Delivery
D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☐ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
Mail Restricted Delivery
00)
☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

PLTHS00589

From: noreply@aafspayments.com <noreply@aafspayments.com>
Sent: Monday, July 6, 2020 12:46 PM
To: Jay Bloom <jbloom@lvem.com>
Subject: Payment Receipt - Ref #59778205

Alliance Association Bank
A division of Western Alliance Bank. Member FDIC

Payment Receipt

FROM:

Payment Type:	**Payment**
Reference #:	**59778205**
Date:	**6 Jul 2020 13:45:41 MDT**
Name:	**Spanish Heights Acquisition**
Account Number:	**48612**
Email:	**jbloom@lvem.com**
Phone:	**(702) 423-0500**
Payment Method:	**VISA DEBIT #3008**
Payment Amount:	**$830.00**
Service Charge:	**$9.95**
Total Amount:	**$839.95**

Go To My Portal

SPANISH HEIGHTS ACQUISITION COMPANY, LLC 702-330-8836

5148 SPANISH HEIGHTS DR,
LAS VEGAS NV 89148

BANK OF AMERICA
94-72/1224

Check No 1091

08/06/2020

Pay to: CITY NATIONAL BANK

Pay 19,181.07

Nineteen Thousand One Hundred and Eighty-One Dollars and Seven Cents

For: 8/20 SHAC pmt - Loan 00000732571-85247

Authorized signature

[redacted]

1091

UNITED STATES POSTAL SERVICE.

WESTRIDGE
7925 W RUSSELL RD
LAS VEGAS, NV 89113-9998
(800)275-8777

08/07/2020 02:12 PM

Product	Qty	Unit Price	Price
PM Exp 1-Day Flat Rate Env	1		$26.35
Los Angeles, CA 90071			
Flat Rate			
Signature Waiver			
Scheduled Delivery Day			
Saturday 08/08/2020 03:00 PM			
Money Back Guarantee			
USPS Tracking #			
EJ408750363US			
PM Exp Insurance			$0.00
Up to $100.00 included			
Total			$26.35

Grand Total: $26.35

Debit Card Remit'd $26.35
Card Name:VISA
Account #:XXXXXXXXXXXX8775
Approval #
Transaction #:715
Receipt #:033945
Debit Card Purchase:$26.35
Cash Back:$0.00
AID:A0000000980840 Chip
AL:US DEBIT
PIN:Verified

****

Due to limited transportation availability as a result of nationwide COVID-19 impacts package delivery times may be extended. Priority Mail Express® service will not change.

****

Includes up to $100 insurance

In a hurry? Self-service kiosks offer quick and easy check-out. Any Retail

SPANISH HEIGHTS ACQUISITION COMPANY, LLC 702-330-8836 BANK OF AMERICA 94-72/1224 Check No 1090

5148 SPANISH HEIGHTS DR,
LAS VEGAS NV 89148

08/06/2020

Pay to: NORTHERN TRUST Pay 2,402.67

Two Thousand Four Hundred and Two Dollars and Sixty-Seven Cents

For: 8/20 SHAC pmt - Loan 03005754428-01

Authorized signature MP

[redacted] 1090

UNITED STATES POSTAL SERVICE.

WESTRIDGE
7925 W RUSSELL RD
LAS VEGAS, NV 89113-9998
(800)275-8777

08/07/2020 02:10 PM

Product	Qty	Unit Price	Price
PM Exp 1-Day Flat Rate Env	1		$26.35
Las Vegas, NV 89134			
Flat Rate			
Signature Waiver			
Scheduled Delivery Day			
Saturday 08/08/2020 12:00 PM			
Money Back Guarantee			
USPS Tracking #			
EJ408750350US			
PM Exp Insurance			
Up to $100.00 included			$0.00
Total			$26.35
Grand Total:			$26.35

Debit Card Remit'd $26.35
Card Name:VISA
Account #:XXXXXXXXXXXX8775
Approval #
Transaction #:714
Receipt #:033944
Debit Card Purchase:$26.35
Cash Back:$0.00
AID:A0000000980840 Chip
AL:US DEBIT
PIN:Verified

****
Due to limited transportation availability as a result of nationwide COVID-19 impacts package delivery times may be extended. Priority Mail Express® service will not change.
****

Includes up to $100 insurance

In a hurry? Self-service kiosks offer quick and easy check-out. Any Retail Associate can show you how

SPANISH HEIGHTS ACQUISITION COMPANY, LLC

5148 SPANISH HEIGHTS DR,
LAS VEGAS NV 89148

702-330-8836

BANK OF AMERICA
94-72/1224

Check No 1092

08/17/2020

Pay to: CLARK COUNTY ASSESSOR

Pay 14,287.30

Fourteen Thousand Two Hundred and Eighty-Seven Dollars and Thirty Cents

For: 8/20 SHAC pmt - Property tax Principal APN
163-29-615-007

[redacted]

Authorized signature

1092

PARCEL NUMBER **163-29-615-007** SPANISH HEIGHTS ACQUISITIONS COMPANY L L

DUE DATE AUGUST 17, 2020

Installment 1

Pay within 10 days after the due date to avoid penalties.

Make checks payable to

CLARK COUNTY TREASURER
500 S Grand Central Pkwy 1ST Floor
PO Box 551220
Las Vegas NV 89155-1220

AMOUNT DUE $80,502.72

TEAR HERE

163296150072110008050272B

UNITED STATES POSTAL SERVICE

WESTRIDGE
7925 W RUSSELL RD
LAS VEGAS, NV 89113-9998
(800)275-8777

08/07/2020 02:07 PM

Product	Qty	Unit Price	Price
PM Exp 1-Day	1		$26.35
Flat Rate Env			
Las Vegas, NV 89155			
Flat Rate			
Signature Waiver			
Scheduled Delivery Day			
Saturday 08/08/2020 12:00 PM			
Money Back Guarantee			
USPS Tracking #			
EJ408750346US			
PM Exp Insurance			$0.00
Up to $100.00 included			
Total			$26.35
Grand Total:			$26.35
Debit Card Remit'd			$26.35

Card Name:VISA
Account #:XXXXXXXXXXXX8775
Approval #
Transaction #:713
Receipt #:033943
Debit Card Purchase:$26.35
Cash Back:$0.00
AID:A0000000980840 Chip
AL:US DEBIT
PIN:Verified

****
Due to limited transportation availability as a result of nationwide COVID-19 impacts package delivery times may be extended. Priority Mail Express® service will not change.
****

Includes up to $100 insurance

In a hurry? Self-service kiosks offer quick and easy check-out

EXHIBIT 5

EXHIBIT 5

Bank of America — Online Banking

Spanish Heights Acquisition Co: Account Activity Transaction Details

My Description: SJC Rent 4/1/20 - 12/31/20

Post date: 05/01/2020

Amount: 40,359.42

Type: Deposit

Description: Counter Credit

Merchant name: Counter Credit

Transaction category: Income: Deposits

WARNING: THIS DOCUMENT HAS SECURITY FEATURES IN THE PAPER

SJC VENTURES, LLC
5148 SPANISH HEIGHTS DR.
LAS VEGAS NV 89148

702-330-8836

BANK OF AMERICA
94-72/1224

04/30/2020

Check No 1051

Pay to: SPANISH HEIGHTS AQUISITION COMPANY, LLC
Forty Thousand Three Hundred and Fifty-Nine Dollars and Forty-Two Cents

Pay $ 40,359.42

For: 5148 Spanish Heights 9 month SJC rent for 4/1/2020 - 12/31/2020

Authorized Signature

[redacted] 1051

Seq: 8
Batch: 347157
Date: 05/01/20

PLEASE ENDORSE HERE

Credited To The Account Of The Within Named Payee Endorsement Guaranteed Bank of America, N.A.

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE

SJC VENTURES, LLC

702-330-8836

04/30/2020

Check No 1051

5148 SPANISH HEIGHTS DR,
LAS VEGAS NV 89148

BANK OF AMERICA
94-72/1224

Pay to: SPANISH HEIGHTS AQUISITION COMPANY, LLC

Forty Thousand Three Hundred and Fifty-Nine Dollars and Forty-Two Cents

Pay $ 40,359.42

MP

Authorized signature

For: 5148 Spanish Heights 9 month SJC rent for 4/1/2020 - 12/31/2020

[redacted] 1051

WARNING: THIS DOCUMENT HAS SECURITY FEATURES IN THE PAPER

SJC VENTURES, LLC

5148 SPANISH HEIGHTS DR,
LAS VEGAS NV 89148

702-330-8836

BANK OF AMERICA
94-72/1224

06/11/2020

Check No 1052

Pay to: SPANISH HEIGHTS AQUISITION COMPANY, LLC
Forty Thousand Three Hundred and Fifty-Nine Dollars and Forty-Two Cents

Pay $ 40,359.42

For: 5148 Spanish Heights 9 month SJC rent for 1/1/2021-9/30/2021

Authorized signature

MP

[redacted] 1052

PLTHS00648

REORDER 140-5187 FORM #7200

SPANISH HEIGHTS ACQUISITION COMPANY,LLC
702-330-8836
5148 SPANISH HEIGHTS DR,
LAS VEGAS NV 89148

BANK OF AMERICA
94-72/1224

Check No 1053

07/01/2020

Pay to: SPANISH HEIGHTS ACQUISITION COMPANY, LLC

Pay $ 22,421.90

Twenty-Two Thousand Four Hundred and Twenty-One Dollars and Ninety Cents

For: 5148 Spanish Heights 5 month SJC rent
10/1/21-2/28/2022

Authorized signature

MP

[redacted]

1053

SJC VENTURES, LLC

5148 SPANISH HEIGHTS DR,
LAS VEGAS NV 89148

702-330-8836

BANK OF AMERICA
94-72/1224

Check No 1054

08/01/2020

Pay to: SPANISH HEIGHTS ACQUISITION COMPANY, LLC

Pay 44,843.80

Forty-Four Thousand Eight Hundred and Forty-Three Dollars and Eighty Cents

For: 5148 Spanish Heights 10 months SJC rent for 3-1-22 - 12-31-22

Authorized signature

[redacted] 1054

PA0649

REORDER 140-5187 FORM #7200

Electronically Filed
7/28/2021 12:12 PM
Steven D. Grierson
CLERK OF THE COURT

Michael R. Mushkin, Esq.
Nevada Bar No. 2421
L. Joe Coppedge, Esq.
Nevada Bar No. 4954
MUSHKIN & COPPEDGE
6070 South Eastern Ave Ste 270
Las Vegas, NV 89119
Telephone: 702-454-3333
Facsimile: 702-386-4979
Michael@mccnvlaw.com
jcoppedge@mccnvlaw.com

Attorneys for Defendant and Counterclaimants
5148 Spanish Heights, LLC and
CBC Partners I, LLC

DISTRICT COURT

CLARK COUNTY, NEVADA

SPANISH HEIGHTS ACQUISITION COMPANY, LLC, a Nevada Limited Liability Company; SJC VENTURES HOLDING COMPANY, LLC, d/b/a SJC VENTURES, LLC, a Delaware Limited Liability Company, Plaintiffs, v. CBC PARTNERS I, LLC, a foreign Limited Liability Company; CBC PARTNERS, LLC, a foreign Limited Liability Company; 5148 SPANISH HEIGHTS, LLC, a Nevada Limited Liability Company; KENNETH ANTOS AND SHEILA NEUMANN-ANTOS, as Trustees of the Kenneth & Sheila Antos Living Trust and the Kenneth M. Antos & Sheila M. Neumann-Antos Trust; DACIA, LLC, a foreign Limited Liability Company; DOES I through X; and ROE CORPORATIONS I through X, inclusive, Defendants.	Case No. A-20-813439-B Dept. No.: 11 **STATUS REPORT REGARDING LIFTING OF BANKRUPTCY STAY**
CAPTION CONTINUES BELOW	

5148 SPANISH HEIGHTS, LLC, a Nevada limited liability company; and CBC PARTNERS I, LLC, a Washington limited liability company,

Counterclaimants,

v.

SPANISH HEIGHTS ACQUISITION COMPANY, LLC, a Nevada Limited Liability Company; SJC VENTURES, LLC, a Delaware limited liability company; SJC VENTURES HOLDING COMPANY, LLC, a Delaware limited liability company; JAY BLOOM, individually and as Manager, DOE DEFENDANTS 1-10; and ROE DEFENDANTS 11-20,

Counterdefendants.

STATUS REPORT REGARDING LIFTING OF BANKRUPTCY STAY

Defendants/Counterclaimants, 5148 Spanish Heights, LLC, and CBC Partners I, LLC, by and through their attorney, Michael R. Mushkin, of the law firm of Mushkin & Coppedge, hereby submit THIS Status Report to advise the Court that the automatic stay pursuant to 11 U.S.C. §362, in Spanish Heights Acquisition Company, LLC's bankruptcy case was lifted by order of the Bankruptcy Court in Case No. BK-21-10501-nmc and entered on July 27, 2021, attached hereto as Exhibit A.

DATED this 28th day of July, 2021

MUSHKIN & COPPEDGE

/s/Michael R. Mushkin
MICHAEL R. MUSHKIN, ESQ.
Nevada Bar No. 2421
L. JOE COPPEDGE, ESQ.
Nevada Bar No. 4954
6070 South Eastern Ave Ste 270
Las Vegas, NV 89119

CERTIFICATE OF SERVICE

I hereby certify that the foregoing **Status Report Regarding Lifting of Bankruptcy Stay** was submitted electronically for filing and/or service with the Eighth Judicial District Court on this 28th day of July, 2021. Electronic service of the foregoing document shall be upon all parties listed on the Odyssey eFileNV service contact list.

/s/Karen L. Foley
An Employee of
MUSHKIN & COPPEDGE

EXHIBIT "A"

Natalie M. Cox
Honorable Natalie M. Cox
United States Bankruptcy Judge

Entered on Docket
July 27, 2021

Michael R. Mushkin, Esq.
Nevada Bar No. 2421
L. Joe Coppedge, Esq.
Nevada Bar No. 4954
MUSHKIN & COPPEDGE
6070 South Eastern Ave Ste 270
Las Vegas, NV 89119
Telephone: 702-454-3333
Facsimile: 702-386-4979
Michael@mccnvlaw.com
jcoppedge@mccnvlaw.com

Attorneys for 5148 Spanish Heights, LLC,
CBC Partners I, LLC &CBC Partners, LLC

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re: SPANISH HEIGHTS ACQUISITION COMPANY, LLC, Debtor	Case No.: 21-10501-NMC CHAPTER 11 **ORDER GRANTING RELIEF FROM THE AUTOMATIC STAY TO PROCEED WITH STATE COURT LITIGATION AGAINST DEBTOR AND NONDEBTOR PARTIES**

Motion for Relief From the Automatic Stay to Proceed With State Court Litigation Against Debtor and Nondebtor Parties [ECF 140] filed by Secured Creditor, 5148 Spanish Heights, LLC, a Nevada limited liability company ("Movant" or "5148"), successor-in-interest to CBC Partners I, LLC, a Washington limited liability company ("Lender") came on for oral ruling before this Court on July 22, 2021, at 9:30 am, the Honorable Natalie M. Cox, United States

Bankruptcy Judge, presiding. Movants were represented by Michael R. Mushkin, of Mushkin & Coppedge, and Debtor Spanish Heights Acquisition Company, LLC was represented by James D. Greene, of Greene Infuso, LLP; Secured Creditor City National Bank was represented by Andrea M. Gandara, of Holley Driggs; and Secured Creditor The Northern Trust Company, successor by merger to Northern Trust Bank, FSB was represented by Blakely E. Griffith, of Snell & Wilmer. The Court having reviewed the Motion, Opposition, Declarations, and related filings and having considered the arguments of the parties, and with good cause appearing,

IT IS HEREBY ORDERED that, for the reasons stated on the record, which the Court adopts as its findings of fact and conclusions of law pursuant to Federal Rule of Bankruptcy Procedure 7052, the Motion is GRANTED.

Respectfully submitted by:

MUSHKIN & COPPEDGE

/s/Michael R. Mushkin
MICHAEL R. MUSHKIN, ESQ.
Nevada Bar No. 2421
6070 South Eastern Avenue, Ste 270
Las Vegas, NV 89119

Approved by:

GREENE INFUSO, LLP

/s/James D. Greene
JAMES D. GREENE, ESQ.
Nevada Bar No. 2647
3030 South Jones Boulevard, Ste 101
Las Vegas, Nevada 89146

Approved by:

HOLLEY DRIGGS

/s/Andrea M. Gandara
RICHARD F. HOLLEY ESQ.
Nevada Bar No. 3077
ANDREA M. GANDARA, ESQ.
Nevada Bar No. 12580
400 South Fourth Street, Third Floor
Las Vegas, Nevada 89101

Approved by:

SNELL & WILMER LLP

/s/Blakeley E. Griffith
BLAKELEY E. GRIFFITH, ESQ.
Nevada Bar No 12386
3883 Howard Hughes Pkwy., Ste 1100
Las Vegas, Nevada 89169

LOCAL RULE 9021 CERTIFICATION

In accordance with LR 9021, counsel submitting this document certifies that the order accurately reflects the court's ruling and that (check one):

☐ The court has waived the requirement set forth LR 9021(b)(1).

☐ No party appeared at the hearing or filed an objection to the motion.

☒ I have delivered a copy of this proposed order to all counsel who appeared at the hearing, and any unrepresented parties who appeared at the hearing, and each has approved or disapproved the order, or failed to respond, as indicated below [list each party and whether the party has approved, disapproved, or failed to respond to the document]:

James D. Greene, Andrea M. Gandara, and Blakeley E. Griffith

☐ I certify that this is a chapter 7 or 13 case, that I have served a copy of this order with the motion pursuant to LR 9014(g), and that no party has objected to the form or content of the order.

SR
JASON R. MAIER, ESQ.
Nevada Bar No. 8557
JOSEPH A. GUTIERREZ, ESQ.
Nevada Bar No. 9046
DANIELLE J. BARRAZA, ESQ.
Nevada Bar No. 13822
MAIER GUTIERREZ & ASSOCIATES
8816 Spanish Ridge Avenue
Las Vegas, Nevada 89148
Telephone: (702) 629-7900
Facsimile: (702) 629-7925
E-mail: jrm@mgalaw.com
jag@mgalaw.com
djb@mgalaw.com

Attorneys for Defendants First 100, LLC and 1st One Hundred Holdings, LLC and non-party Jay Bloom

DISTRICT COURT

CLARK COUNTY, NEVADA

TGC/FARKAS FUNDING, LLC, Plaintiff, vs. FIRST 100, LLC, a Nevada limited liability company; 1st ONE HUNDRED HOLDINGS, LLC, a Nevada limited liability company, Defendants.	Case No: A-20-822273-C Dept. No.: XIII **DEFENDANTS' STATUS REPORT ON COMPLIANCE WITH THE COURT'S ORDERS** Hearing Date: July 9, 2021 Hearing Time: 9:00 a.m.

Defendants First 100, LLC and 1st One Hundred Holdings, LLC (collectively "First 100") and non-party Jay Bloom, by and through their attorneys of record, the law firm MAIER GUTIERREZ & ASSOCIATES, hereby submit this status report on their compliance with the Court's orders.

At the July 8, 2021 status check on this matter, the Court granted First 100's oral motion to post bond in the amount of the sanction award ($151,535.81), and ordered that successful posting of the bond by August 9, 2021 "will stay any collection efforts and resolve the contempt issue surrounding the monetary award." *See* 7/15/2021 Order, *on file*.

/ / /

On August 3, 2021, SJC Ventures Holding Company, LLC, on behalf of First 100, LLC, posted the bond amount with the District Court Clerk. A notice thereof was subsequently filed on August 3, 2021. *See* **Exhibit A**, Bond with Official Receipt.

Also at the July 8, 2021 status check, the Court set an August 9, 2021 status check in order to determine the status of First 100's efforts to obtain additional tax records and Bank of America documents. As set forth in Jay Bloom's supplemental affidavit, efforts to obtain documentation from Bank of America were unsuccessful, and efforts to obtain additional tax returns (which included a request from CPA Mark Dicus) did not yield any response. First 100 has indicated it would not be opposed to TGC/Farkas Funding, LLC issuing a subpoena directly to Bank of America for the additional documentation it is seeking. *See* **Exhibit B**, Supplemental Affidavit of Jay Bloom. First 100 has certified that it has taken any and all actions possible to comply with the document requests. *Id.* at ¶ 48.

Based on the foregoing, First 100 and non-party Jay Bloom respectfully ask that the Court deem the contempt issue resolved in its entirety.

DATED this 6th day of August, 2021.

Respectfully submitted,

MAIER GUTIERREZ & ASSOCIATES

/s/ Joseph A. Gutierrez
JASON R. MAIER, ESQ.
Nevada Bar No. 8557
JOSEPH A. GUTIERREZ, ESQ.
Nevada Bar No. 9046
DANIELLE J. BARRAZA, ESQ.
Nevada Bar No. 13822
8816 Spanish Ridge Avenue
Las Vegas, Nevada 89148
Attorneys for First 100, LLC and 1st One Hundred Holdings, LLC

CERTIFICATE OF SERVICE

Pursuant to Administrative Order 14-2, a copy of the **DEFENDANTS' STATUS REPORT ON COMPLIANCE WITH THE COURT'S ORDERS** was electronically filed on the 6th day of August, 2021, and served through the Notice of Electronic Filing automatically generated by the Court's facilities to those parties listed on the Court's Master Service List as follows:

Erika P. Turner, Esq.
Dylan T. Ciciliano, Esq.
GARMAN TURNER GORDON, LLP
7251 Amigo Street, Suite 210
Las Vegas, Nevada 89119
Attorneys for TGC Farkas Funding LLC

/s/ Brandon Lopipero
An Employee of MAIER GUTIERREZ & ASSOCIATES

EXHIBIT “A”

Electronically Filed
8/3/2021 4:05 PM
Steven D. Grierson
CLERK OF THE COURT

BOND
JASON R. MAIER, ESQ.
Nevada Bar No. 8557
JOSEPH A. GUTIERREZ, ESQ.
Nevada Bar No. 9046
DANIELLE J. BARRAZA, ESQ.
Nevada Bar No. 13822
MAIER GUTIERREZ & ASSOCIATES
8816 Spanish Ridge Avenue
Las Vegas, Nevada 89148
Telephone: (702) 629-7900
Facsimile: (702) 629-7925
E-mail: jrm@mgalaw.com
jag@mgalaw.com
djb@mgalaw.com

Attorneys for Defendants First 100, LLC,
1st One Hundred Holdings, LLC and Jay Bloom

DISTRICT COURT

CLARK COUNTY, NEVADA

TGC/FARKAS FUNDING, LLC, Plaintiff, vs. FIRST 100, LLC, a Nevada limited liability company; 1st ONE HUNDRED HOLDINGS, LLC, a Nevada limited liability company, Defendants.	Case No: A-20-822273-C Dept. No.: XIII **BOND**

Defendants, First 100, LLC and 1st One Hundred Holdings, LLC, by and through their attorneys of record, the law firm MAIER GUTIERREZ & ASSOCIATES, pursuant to the July 15, 2021 order, hereby files this bond in the amount of the sanction award $151,535.81. A copy of the official

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receipt is attached hereto.

DATED this 3rd day of August, 2021.

Respectfully submitted,

MAIER GUTIERREZ & ASSOCIATES

__*/s/ Joseph A. Gutierrez*____________
JASON R. MAIER, ESQ.
Nevada Bar No. 8557
JOSEPH A. GUTIERREZ, ESQ.
Nevada Bar No. 9046
DANIELLE J. BARRAZA, ESQ.
Nevada Bar No. 13822
8816 Spanish Ridge Avenue
Las Vegas, Nevada 89148
Attorneys for First 100, LLC and 1st One Hundred Holdings, LLC

CERTIFICATE OF SERVICE

Pursuant to Administrative Order 14-2, a copy of the foregoing **BOND** electronically filed on the 3rd day of August, 2021, and served through the Notice of Electronic Filing automatically generated by the Court's facilities to those parties listed on the Court's Master Service List:

Erika P. Turner, Esq.
Dylan T. Ciciliano, Esq.
GARMAN TURNER GORDON, LLP
7251 Amigo Street, Suite 210
Las Vegas, Nevada 89119
Attorneys for TGC Farkas Funding LLC

/s/ Natalie Vazquez
An Employee of MAIER GUTIERREZ & ASSOCIATES

OFFICIAL RECEIPT

District Court Clerk of the Court 200 Lewis Ave, 3rd Floor Las Vegas, NV 89101

Payor
SJC Ventures Holding Company, LLC

Receipt No.
2021-48205-CCCLK

Transaction Date
08/3/2021

Description	Amount Paid
On Behalf Of First 100, LLC A-20-822273-C TGC/Farkas Funding, LLC, Plaintiff(s) vs. First 100, LLC, Defendant(s) Stay Bond	
Stay Bond	151,535.81
SUBTOTAL	**151,535.81**
PAYMENT TOTAL	**151,535.81**
Cashier Check (Ref #1292626025) Tendered	151,535.81
Total Tendered	**151,535.81**
Change	0.00

08/03/2021 03:21 PM	Cashier Station AIKO	Audit 37905823

OFFICIAL RECEIPT

EXHIBIT “B”

CLARK COUNTY, NEVADA

AFFIDAVIT OF JAY BLOOM

STATE OF NEVADA)
) ss:
COUNTY OF CLARK)

JAY BLOOM, being duly sworn, deposes and says that:

1. I am over the age of eighteen (18) and I have personal knowledge of all the facts set forth herein. Except otherwise indicated, all facts set forth in this affidavit are based upon my own personal knowledge, my review of the relevant documents, and my opinion of the matters that are the issues of this lawsuit. If called to do so, I would competently and truthfully testify to all matters set forth herein, except for those matters stated to be based upon information and belief.

2. This affidavit is made with respect to Case Number A-20-822273-C.

3. On April 7, 2021, this Court entered an Order declining to reverse its denial of First 100's Motion to Enforce its Settlement Agreement and further ordered the production of certain books and records of the company to be produced.

4. On April 8, 2021, in an effort to timely comply with the April 7, 2021 Order of this Court, I contacted Michael Henrickson, the company's former Financial Controller, and individual in possession of the accounting computer and records for the company, and asked him to schedule a call to produce all documents responsive to the Order of this Court. (See Enclosure A)

5. On or about Friday, April 9, 2021, I spoke to Michael Henrickson, conveyed the Order for production and reviewed the documents needed to be produced pursuant to the Order.

6. During this conversation, Mr. Henrickson indicated that he had plans with his family for the weekend but he would work on compiling the documents to be produced the following week around his responsibilities for his current employer. (see Enclosure B)

7. On April 15, 2021, Mr. Henrickson texted that "The F100 accounting computer no

longer has Microsoft Office so it is extremely difficult for me review any files in that computer." (see Enclosure B)

8. Mr. Henrickson's text continues, "I was able to copy all of filed (except QB) to a thumb drive (***approximately 1,600 files***)". (see Enclosure B)

9. I responded by text, "OK, if I can get the thumb drive from you I'll go through those files. In the mean time can we generate the financials from what's in Quickbooks?" (Enclosure B)

10. Mr. Henrickson's text responded, "I brought them to work hoping to put them on my work computer here to try and separate out which files might answer each request but my financial institution blocks all plug in memory storage devices LOL so I can't view them here either. I would be happy to pass that thumb drive along to you." (see Enclosure B)

11. Mr. Henrickson's text continued, "***There are definitely financial statements included in the files that were on my computer that are now on the thumb drive***". (see Enclosure C)

12. He further texted, "Quickbooks – so I spent a couple of hours last night trying to get some reports out of Quickbooks (a/p reports, General Ledger reports and financial statements) but was having a heck of a time getting any report to save or export. I was going to try it again tonight when I get home. Not sure what else to do on that". (see Enclosure C)

13. I responded by text, "If the files were already created and they're on the flash drive, that's great. That's all we need." (see Enclosure C)

14. Mr. Henrickson's text responded, "Let me know where/when I can meet you then to hand off this thumb drive. Still at work, but wrapping up my day." (see Enclosure C)

15. Additionally, on April 11, 2021, I sent, by Certified mail, Regular mail and e-mail, a document demand to Matthew Farkas, the Company's former CFO and VP of Finance, wherein I demanded the return of any and all books and records in his possession, and further, that if it was his position that he was not in possession of any such documents, that he provide an affidavit stating so. (see Enclosure D)

16. Mr. Farkas did not provide any company books and records in his possession.

17. Mr. Farkas further refused to provide an affidavit that he was not in possession of any such company books and records required for production to TGC/Farkas as plaintiff.

18. Further, on April 11, 2021, the Company issued a capital call, as suggested by the Plaintiff in these proceedings. (See Enclosure E)

19. As all other members subject to the capital call had redeemed their membership, as had Plaintiff prior to reversing their Membership Redemption Agreement executed by Matthew Farkas and found to have been unauthorized by Plaintiff, Plaintiff is the only Member remaining liable for the capital call made.

20. Plaintiff failed to meet its Capital Call obligation under the Operating Agreements.

21. In fact, Plaintiff failed to provide a single dollar in response to the Capital Call.

22. Plaintiff did not even provide what they believed to be an accurate number for their capital call obligations.

23. Plaintiff refused to provide any funds whatsoever under their capital call obligations.

24. I met Mr. Henrickson on April 15, 2021 and obtained the thumb drive containing all of the company's books and records.

25. I then promptly delivered the books and records in their entirety to my Counsel for production to Plaintiffs in compliance with this Courts' Order in order to meet the 10 day production requirement as set by this Court.

26. I did not review the documents for privilege to remove any documents that consisted of communications with counsel for First 100.

27. I did not review the documents for relevance to the production Order.

28. I did not remove a single file and instead overproduced in provided every single file in the company's books and records.

29. All steps were taken to marshal and produce responsive documents from the First 100 accounting computer, and any documents not provided are documents that either do not exist or that First 100 does not have available in its possession or reasonable access to.

30. Plaintiff never e-mailed to Defendant nor its Counsel that there was any deficiency in its production prior to filing its motion seeking a sanction of incarceration of a responsive non party.

31. Plaintiff never called Defendant or its Counsel to indicate that there was any deficiency in its production prior to filing its motion seeking a sanction of incarceration of a responsive non party.

32. Plaintiff never texted Defendant or its Counsel to indicate that there was any deficiency in its production prior to filing its motion seeking a sanction of incarceration of a responsive non party.

33. After Plaintiff filed its "notice" and request for additional sanctions, I had my Counsel produce a PDF version of the documents contained on the flash drive, and 22,933 pages of documents were reproduced in PDF format.

34. Movant responded for the first time seeking supplemental production.

35. In response, First 100 requested any non-privileged documentation as may be in the possession of its attorneys.

36. First 100's counsel was the direct recipient of all of the Member's redemption Agreements, and as such, has supplemented First 100's production with all such Agreements.

37. Additionally, First 100 was a party to a real property transaction conducted by member SJC Ventures, in which First 100 acknowledged SJC's agreement to assign proceeds attributable to SJC to a third party in relation to SJC's pledge of such potential collection receipts to a third party.

38. First 100's counsel has been directed to supplement its production with these documents as well.

39. Bank statements were provided for First 100, LLC by Michael Henrickson.

40. However Movant has requested supplemental production of bank statements from Bank of America for parent company 1st One Hundred Holdings, LLC.

41. Respondent is not in possession of such additional bank records requested by Movant, and Respondent has not been successful in obtaining such documents from Bank of America.

42. Movant also requested supplemental production of tax returns.

43. Respondent requested the production of such records from its certified public accountant, Mark Dicus, who prepared the tax returns.

44. However, as of the time of this affidavit, Respondent has not received a response from Mark Dicus regarding the tax returns requested.

45. There are no further responsive documents in my (Jay Bloom) possession, and I do not have access to any additional responsive documents. I also do not know of anyone else who is in possession of or has access to such documents, except for possibly Mr. Farkas.

46. Therefore, Respondent is unable to supplement its production any further.

47. Respondent would not oppose Movant seeking to subpoena Bank of America for the documentation sought which is not in Respondent's possession.

48. I, non-party, Jay Bloom, both in an individual capacity and on behalf of the Defendant Company have taken any and all actions possible to timely comply with this Court's Order.

49. To the best of my knowledge and belief, no further Books and Records exist beyond the almost 1,600 documents consisting of now in excess of 22,933 pages, as have already been timely produced pursuant to this Court's Order, other than those that may be in Mr. Farkas' possession already which he refuses to provide or attest that he does not possess.

FURTHER YOUR AFFIANT SAYETH NAUGHT.

JAY BLOOM

SUBSCRIBED and SWORN to before me this 6 day of August, 2021.

Donna Zamora

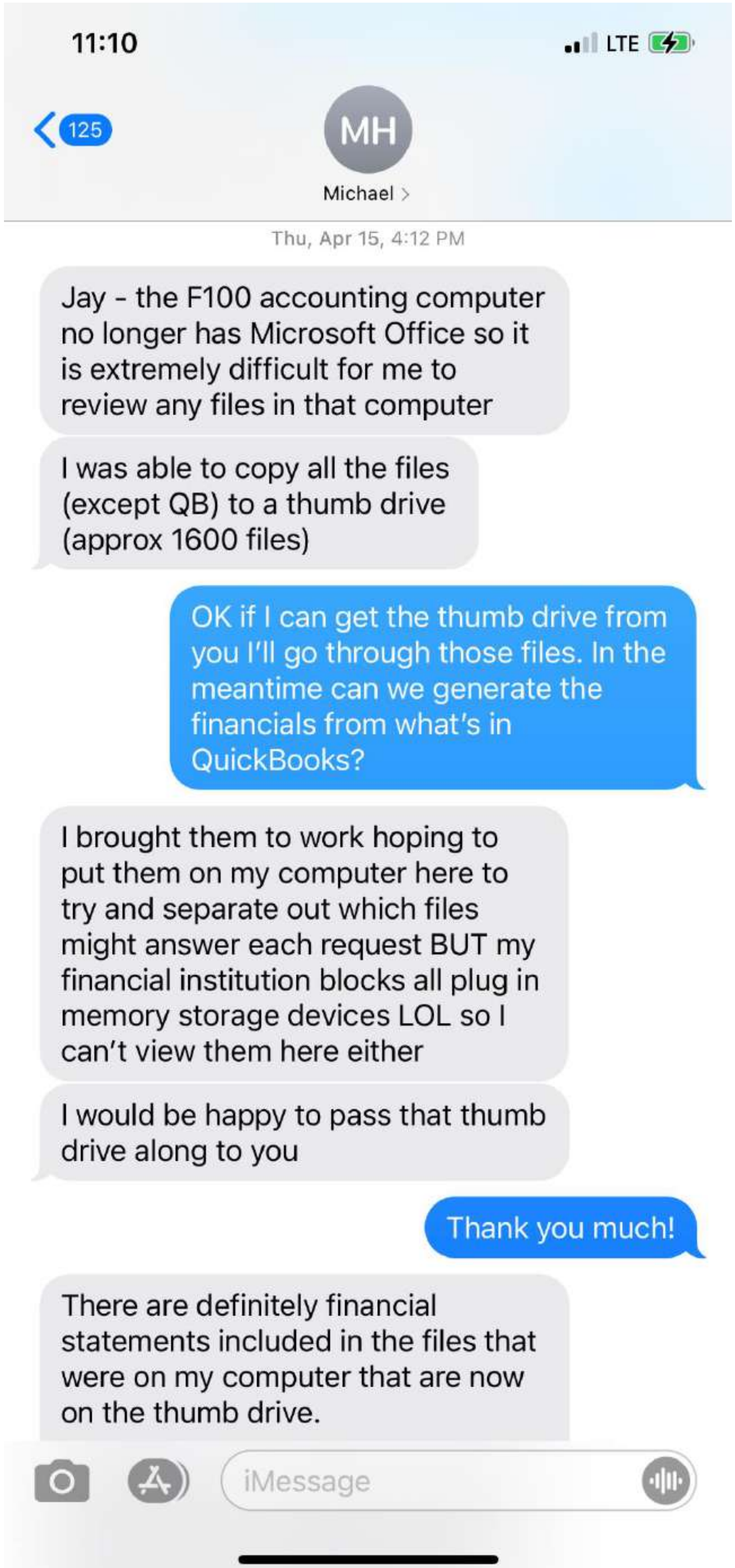
NOTARY PUBLIC

DONNA L. ZAMORA
Notary Public, State of Nevada
Appointment No. 03-80797-1
My Appt. Expires Jul 10, 2023

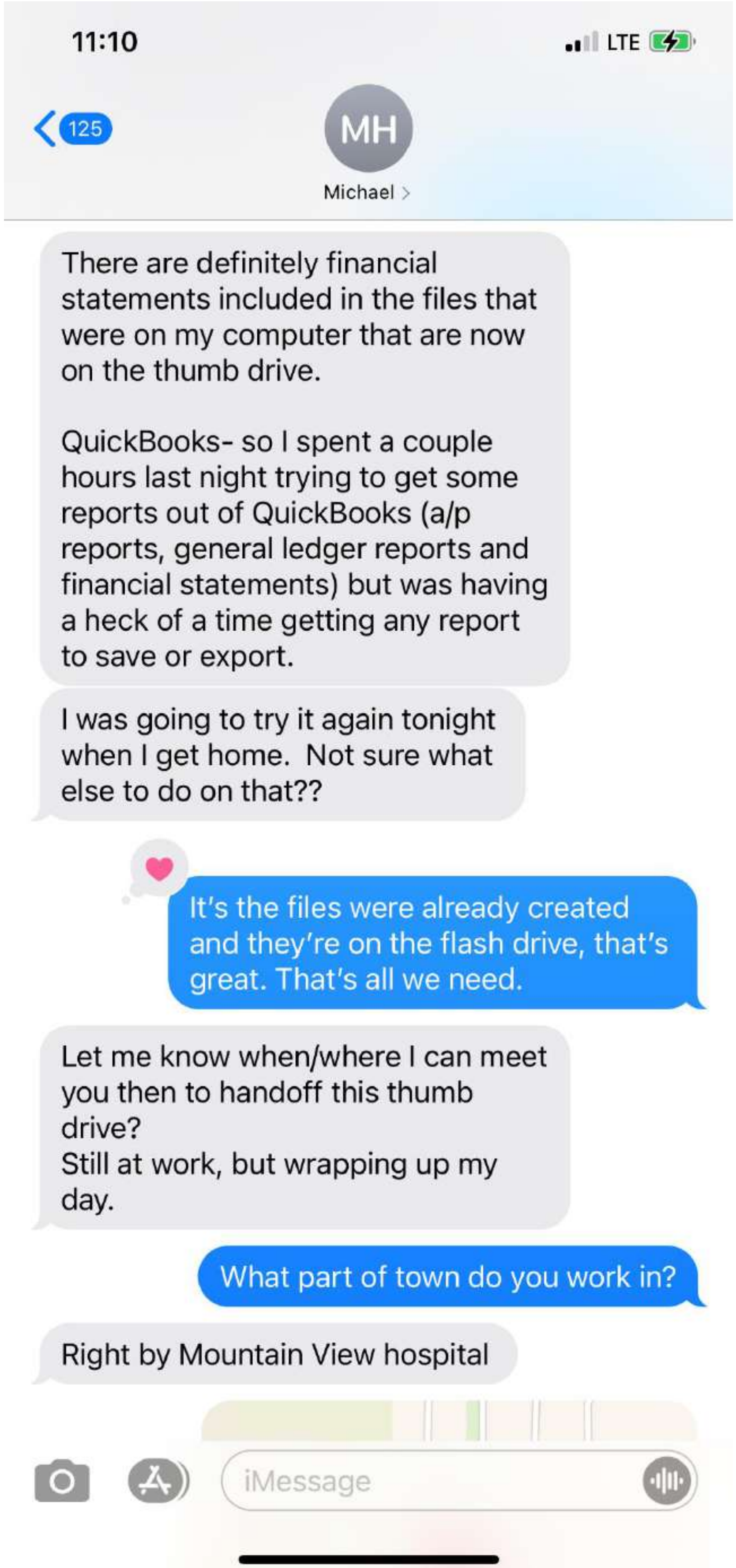
Enclosure A


11:09
LTE
125
MH
Michael
Thu, Apr 8, 8:42 PM
Hi!!
Are you around for a quick call at 2pm tomorrow?
That should work!
Excellent

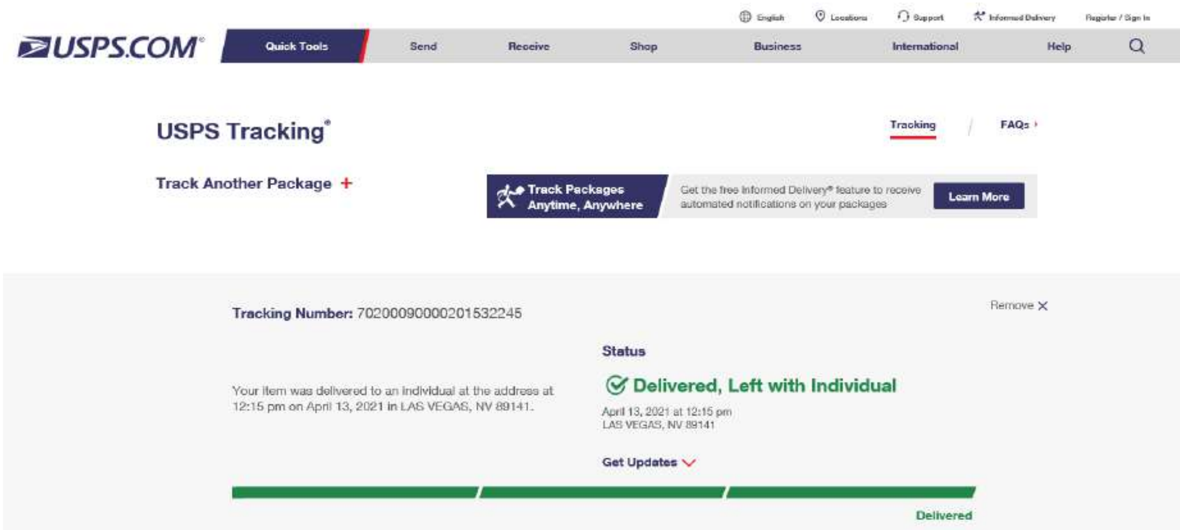
Enclosure B


11:10
LTE
125
MH
Michael
Thu, Apr 15, 4:12 PM
Jay - the F100 accounting computer no longer has Microsoft Office so it is extremely difficult for me to review any files in that computer
I was able to copy all the files (except QB) to a thumb drive (approx 1600 files)
OK if I can get the thumb drive from you I'll go through those files. In the meantime can we generate the financials from what's in QuickBooks?
I brought them to work hoping to put them on my computer here to try and separate out which files might answer each request BUT my financial institution blocks all plug in memory storage devices LOL so I can't view them here either
I would be happy to pass that thumb drive along to you
Thank you much!
There are definitely financial statements included in the files that were on my computer that are now on the thumb drive.
iMessage

Enclosure C


11:10
LTE
125
MH
Michael
There are definitely financial statements included in the files that were on my computer that are now on the thumb drive.
QuickBooks- so I spent a couple hours last night trying to get some reports out of QuickBooks (a/p reports, general ledger reports and financial statements) but was having a heck of a time getting any report to save or export.
I was going to try it again tonight when I get home. Not sure what else to do on that??
It's the files were already created and they're on the flash drive, that's great. That's all we need.
Let me know when/where I can meet you then to handoff this thumb drive?
Still at work, but wrapping up my day.
What part of town do you work in?
Right by Mountain View hospital
iMessage

Enclosure D


English
Locations
Support
Informed Delivery
Register / Sign In
USPS.COM
Quick Tools
Send
Receive
Shop
Business
International
Help
USPS Tracking®
Tracking
FAQs
Track Another Package +
Track Packages Anytime, Anywhere
Get the free Informed Delivery® feature to receive automated notifications on your packages
Learn More
Tracking Number: 70200090000201532245
Remove
Status
Your item was delivered to an individual at the address at 12:15 pm on April 13, 2021 in LAS VEGAS, NV 89141.
Delivered, Left with Individual
April 13, 2021 at 12:15 pm
LAS VEGAS, NV 89141
Get Updates
Delivered

PA0678

1st One Hundred Holdings, LLC
10170 W Tropicana Ave, Ste 156-290
Las Vegas, NV 89147
p. 702.423.0500 f. 702.974.0284

Matthew Farkas
3345 Birchwood Park Circle
Las Vegas, NV 89144
farkm1@aol.com

By: USPS Certified 7020 0090 0002 0153 2245, and
Email to farkm1@aol.com

April 11, 2021

Re: 1st One Hundred Holdings, LLC
Demand for return of all Company Records

Dear Mr. Farkas,

It is the understanding of 1st One Hundred Holdings that you are in possession of company records, both physical and electronic.

Demand is hereby made for your return of any and all such document within 2 business days.

You are to immediately return any and all such documents, books and records relating to 1st One Hundred Holdings, LLC to the Company's attorney's at:

Joseph Gutierrez, Esq.
Maier Gutierrez PLLC
8816 Spanish Ridge Ave
Las Vegas, NV 89148

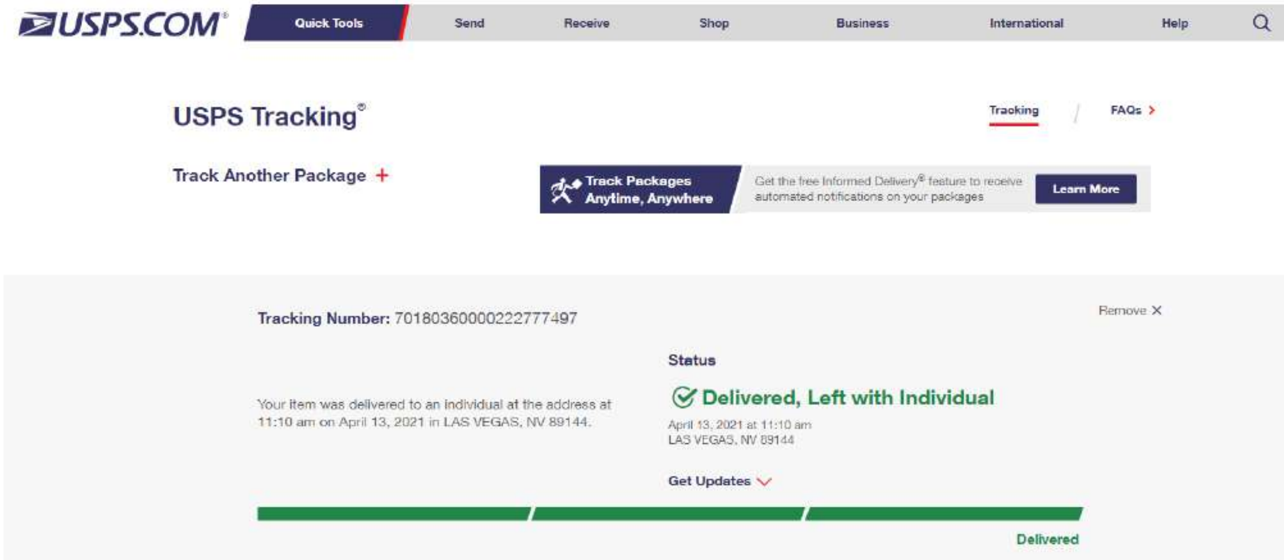
If you are asserting that you are not in possession of any documents, books and records of the Company, you are to provide an Affidavit asserting such under penalty of perjury.

Thank you for your prompt attention to this matter.

Very Truly Yours,

Jay Bloom
As Manager of
SJC Ventures, LLC,
As Manager of
1st One Hundred Holdings,
LLC

Enclosure E


USPS.COM
Quick Tools
Send
Receive
Shop
Business
International
Help
USPS Tracking®
Tracking
FAQs >
Track Another Package +
Track Packages Anytime, Anywhere
Get the free Informed Delivery® feature to receive automated notifications on your packages
Learn More
Tracking Number: 70180360000222777497
Remove X
Status
Your item was delivered to an individual at the address at 11:10 am on April 13, 2021 in LAS VEGAS, NV 89144.
Delivered, Left with Individual
April 13, 2021 at 11:10 am
LAS VEGAS, NV 89144
Get Updates
Delivered

PA0681

1st One Hundred Holdings, LLC
10170 W Tropicana Ave, Ste 156-290
Las Vegas, NV 89147
p. 702.423.0500 f. 702.974.0284

TGC Farkas Funding, LLC
c/o Erika Pike-Turner, Esq.
Garman, Turner Gordon
7251 Amigo Street , Suite 210
Las Vegas, NV 89199
eturner@Gtg.legal

Matthew Farkas, Individually
c/o Kenneth Hogan
1140 N. Town Center Dr.
Suite 300
Las Vegas, NV 89144
ken@h2legal.com

By: USPS Certified 7018 0360 0002 2277 7503,
7018 0360 0002 2277 7497 and
Email to <eturner@Gtg.legal, ken@h2legal.com

April 11, 2021

Re: 1st One Hundred Holdings, LLC
Additional Capital Call

Dear Member,

This correspondence is in relation to TGC/Farkas Funding, LLC ("TGC") Membership Interest in in 1st One Hundred Holdings, LLC (the "Company"), and certain of its obligations thereunder.

As you are aware, on or about April 2017, the Company made an offering of Membership Interest Redemption to its ownership. All non-executive members, including TGC, executed the Membership Redemption Agreement.

On or about September 2020, it was adjudicated in arbitration that Matthew Farkas, the Manager and 50% owner of TGC exceeded his authority in exercising the Redemption Agreement on behalf of his company, and the Redemption Agreement was deemed to be voided, which decision was confirmed by the District Court on or about October 2020.

Pursuant to the Company's Operating Agreement, and voiding of the TGC Redemption Agreement, TGC is the only remaining non-executive owner of Membership Interest, originally a 3% Membership Interest, later increased to 4.553% Membership Interest after all non-executive

Redemptions of Membership Interest (see attached Schedule of Membership Interest) in 1st One Hundred Holdings, LLC.

Further, paragraphs 7.5 and 7.13 of the Operating Agreement provides for indemnification as follows:

> 7.5 EXTENT OF INDEMNIFICATION. A Person shall be indemnified under this Article against judgments, penalties (including excise and similar taxes), fines, settlements, and reasonable expenses actually incurred by the Person in connection with the proceeding; but if the Person is found liable to the Company or is found liable on the basis that Personal benefit was improperly received by the Person, the indemnification shall (a) be limited to reasonable expenses actually incurred, and (b) not be made in respect of any proceeding in which the Person shall have been found liable for willful or intentional misconduct in the performance of such Person's duty to the Company.

> 7.13 INDEMNIFICATION OF OFFICERS. The Company may, at the discretion of the Manager, indemnify and advance or reimburse expenses to a Person who is or was an officer of the Company to the same extent that it shall indemnify and advance or reimburse expenses to Manager under this Article.

Accordingly, the Manager and all Executive Members are indemnified by the Company, leaving TGC as the only remaining non-indemnified Member of the Company subject to a capital call for Indemnified matters, such as the instant matters causing the Subsequent Capital Call.

As you are aware, as a result of a recent action brought by TGC, first in Arbitration and later in the Nevada State Courts, and the resultant decisions, the Company is now in need of capital contributions, and as such, does hereby put forth a capital call to its membership for the following Expenditures anticipated:

MGA bills related to the Arbitration	$ 4,776.60
MGA bills related to the State Court Action	$ 98,788.90
Arbitration award:	$ 23,975.00
Reserve for award for TGC State Court fees and costs	$161,655.81
Total Capital Call:	**$289,196.31**

The Company will require additional capital from its non-indemnified Members to meet these obligations resultant from indemnified matters.

Pursuant to the Company's Operating Agreement, Section 4.2, with respect to Subsequent Capital Contributions, the Operating Agreement sets forth the following:

> 4.2 SUBSEQUENT CONTRIBUTIONS. If necessary and appropriate to enable the Company to meet its costs, expenses, obligations, and liabilities, and if no lending source is available, then the Manager shall notify each Class A Member ("Capital Call") of the need for any additional capital contributions, and such capital demand shall be made on each Class A Member in proportion to its Class A Membership Interest. Any such Capital Call notice must include a statement in reasonable detail of the proposed uses of the required additional capital contributions and a date (which date may be no earlier than the fifth Business Day following each Member's receipt of its notice) before which the additional capital contributions must be made.

Accordingly, the Company is hereby making a $289,196.32 Subsequent Capital Call.

TGC's portion is as follows:

MGA bills related to the Arbitration:	$ 217.48
MGA bills related to the State Court Action:	$ 4,497.86
Arbitration award:	$ 1,091.58
Reserve for award for TGC State Court fees and costs:	$ 4,553.00
Indemnification costs for Indemnified Parties	$278,836.40 *1
Total TGC Farkas Capital Call:	**$289,196.31**

*1 As TCG Farkas Funding is the sole non Manager, Non Officer, Non Director Member, TGC is sole member remaining subject to the capital call bearing responsible for Capital Call for the above indemnified expenses

On or about April 8, 2021, specifically for this purposes, the Company has established an account to receive your Subsequent Capital Contribution in the amount of $289,196.31.

Your Subsequent Capital Contributions shall be made by wire transfer to:

Incoming Wire Instructions:

Account Name: 1st One Hundred Holdings, LLC

Account Number: 5010 2667 7709

ABA Routing Number: 026 009 593

Bank Name: Bank of America

Bank Address: Ft Apache Branch, Las Vegas, NV 89147

Further, the actions of TGC and resultant findings have had a material adverse impact on the negotiations related to the sale of the Company's sole asset, the judgment.

Additionally, it is anticipated that additional Capital Calls will be made in the future to fund the Company's ongoing additional expenses in the event the sale of the Judgement cannot be recovered.

Capital Contributions are to be wired no later than by 5pm EST on Friday, April 16, 2021, with proof of transfer provided to the Manager on or before such deadline.

Pursuant to the Company Operating Agreement, Section 4.3, the consequences for TGC's failure to fund its obligations are as follows:

> 4.3 **FAILURE TO CONTRIBUTE.** If a Member does not contribute all of its share of a Capital Call by the time required, then either:
>
> 1) One or more Class A Members may provide the additional capital, with such added capital to be reflected in that Class A Member's Capital Contribution, however, such additional capital to be entitled to priority return superior to those set forth in Article V.
>
> or
>
> 2) Any other Members, individually or in concert (the "Lending Member," whether one or more), to advance the portion of the Delinquent Member's Capital Call that is in default, with the following results:
>
> (a) the sum advanced constitutes a loan from the Lending Member to the Delinquent Member and a Capital Contribution of that sum to the Company by the Delinquent Member pursuant to the applicable provisions of this Operating Agreement;
>
> (b) the principal balance of the loan and all accrued unpaid interest thereon is due and payable in whole on the tenth day after written demand therefore by the Lending Member to the Delinquent Member;
>
> (c) the amount loaned bears interest at the Default Interest Rate from the day that the advance is deemed made until the date that the loan, together with all interest accrued on it, is repaid to the Lending Member;
>
> (d) all distributions from the Company that otherwise would be made to the Delinquent Member (whether before or after dissolution of the Company) instead shall be paid to the Lending Member until the loan and all interest accrued on it have been paid in full to the Lending Member (with payments being applied first to accrued and unpaid interest and then to principal);
>
> (e) the payment of the loan and interest accrued on it is secured by a security interest in the Delinquent Member's Membership Interest, and the Lending Member may file a financing statement evidencing and perfecting such security interest; and
>
> (f) the Lending Member has the right, in addition to the other rights and remedies granted to it pursuant to this Operating Agreement or available to it at law or in equity, to take any action (including, without limitation, court proceedings) that the Lending Member may deem appropriate to obtain payment by the Delinquent Member of the loan and all accrued and unpaid interest on it, at the cost and expense of the Delinquent Member.

Accordingly, TGC's failure to provide (or the short funding of) such Subsequent Capital Contribution will result in SJC Ventures advancement of the funds (in the capacity of Lending Member pursuant to 4.3(2)(a) of the Operating Agreement), as a loan to TGC (in the capacity of Borrowing Member pursuant to 4.3(2)(a) of the Operating Agreement).

Such funds advanced by SJC on TGC's behalf, and therefore lent by SJC to TGC pursuant to this provision, will be used to bond the judgment amounts pending appeal, during which time, SJC will make demand for the repayment of the loan pursuant to 4.3(2)(b) of the Operating Agreement.

After 10 days of the issuance of the loan from SJC, as Lending Member, to TGC as Borrowing Member, should TGC fail to repay the loan to SJC, then SJC, as Lender Member, will be taking any and all such actions as necessary pursuant to 4.3(2)(f) of the Operating Agreement for its recovery of such amounts loaned by SJC as Lending Member to TGC as Borrowing Member, including actions against TGC itself, as well as any responsible party, each as defendants in their individual capacity, in Clark County's Eighth Judicial District Court.

Should you wish to discuss a more amicable resolution which avoids brand new litigation by the Lending Member against the Borrowing Member, and its principals individually, and further the potential for recovery of the sale of the Judgment which provides for TGC's initial capital contribution, please let counsel for the Company and SJC know expeditiously.

Thank you for your prompt attention to this matter.

Very Truly Yours,

Jay Bloom
As Manager of
SJC Ventures, LLC,
As Manager of
1st One Hundred Holdings, LLC

	Class A			Revised Class A Equity Position	Manager as owner	
Paladin Ventures, LLC	6.928%	Held		10.515%	Chris Morgando Entity	Indemnified
Mamber Ventures, LLC	7.428%	Held		11.274%	Albert Ramirez Entity	Indemnified
CBWE, LLC	7.428%	Redeemed	7.428%		Carlos Cardenas Entity	
SJC 1, LLC	9.780%	Held		14.844%	Albert Ramirez Entity	Indemnified
SJC 2, LLC	13.790%	Held		20.931%	Chris Morgando Entity	Indemnified
SJC, LLC	24.958%	Held		37.881%	Jay Bloom Entity	Indemnified
Bart Rendel	1.000%	Redeemed	1.000%			
Wendell Brown	1.000%	Redeemed	1.000%			
Bob Crow	2.000%	Redeemed	2.000%			
Tammy Henriksen (Michael)	2.000%	Redeemed	2.000%			
Neil Durrant	2.000%	Redeemed	2.000%			
Hannah Harvey	0.125%	Redeemed	0.125%			
Jethro Gordon	0.125%	Redeemed	0.125%			
Greendot Investments, LLC	2.000%	Redeemed	2.000%			
Dennis Wiley	1.500%	Redeemed	1.500%			
Van Holland	0.250%	Redeemed	0.250%			
Marilyn Wiley	0.750%	Redeemed	0.750%			
Glenn Plantone	0.188%	Redeemed	0.188%			
Pat and Sandy O'Lauglin	1.000%	Redeemed	1.000%			
John P. Morgando	1.000%	Redeemed	1.000%			
Erin Quatrale	0.500%	Redeemed	0.500%			
Basis Investments, LLC	5.000%	Redeemed	5.000%			
Marylin Wiley	1.000%	Redeemed	1.000%			
Kent Adamson	1.000%	Redeemed	1.000%			
Alan & Theresa Lahrs	1.000%	Redeemed	1.000%			
Amy and Armond Farr	0.500%	Redeemed	0.500%			
Glenn Plantone	0.250%	Redeemed	0.250%			
Glenn Plantone	0.375%	Redeemed	0.375%			
JWL Management	0.125%	Redeemed	0.125%			
Greg and Laurie Darroch	0.250%	Redeemed	0.250%			
Greg and Laurie Darroch	0.500%	Redeemed	0.500%			
Laurie Darroch	0.250%	Redeemed	0.250%			
Catheryn Cope	0.250%	Redeemed	0.250%			
JWL Management	0.250%	Redeemed	0.250%			
Glenn Plantone	0.250%	Redeemed	0.250%			
Izzy Zalcberg	0.125%	Redeemed	0.125%			
Dr. Natchez Maurice	0.125%	Redeemed	0.125%			
TGC/Farkas Funding, LLC	1.000%	Held		1.518%		Liable for Capital Call
TGC/Farkas Funding, LLC	2.000%	Held		3.036%		Liable for Capital Call
			34.116%	100.000%		

PA0687

ELECTRONICALLY SERVED
8/10/2021 12:58 PM

Electronically Filed
08/10/2021 12:58 PM
CLERK OF THE COURT

Michael R. Mushkin, Esq.
Nevada Bar No. 2421
L. Joe Coppedge, Esq.
Nevada Bar No. 4954
MUSHKIN & COPPEDGE
6070 South Eastern Ave Ste 270
Las Vegas, NV 89119
Telephone: 702-454-3333
Facsimile: 702-386-4979
Michael@mccnvlaw.com
jcoppedge@mccnvlaw.com

Attorneys for Defendant and Counterclaimants
5148 Spanish Heights, LLC and
CBC Partners I, LLC

DISTRICT COURT

CLARK COUNTY, NEVADA

SPANISH HEIGHTS ACQUISITION COMPANY, LLC, a Nevada Limited Liability Company; SJC VENTURES HOLDING COMPANY, LLC, d/b/a SJC VENTURES, LLC, a Delaware Limited Liability Company, Plaintiffs, v. CBC PARTNERS I, LLC, a foreign Limited Liability Company; CBC PARTNERS, LLC, a foreign Limited Liability Company; 5148 SPANISH HEIGHTS, LLC, a Nevada Limited Liability Company; KENNETH ANTOS AND SHEILA NEUMANN-ANTOS, as Trustees of the Kenneth & Sheila Antos Living Trust and the Kenneth M. Antos & Sheila M. Neumann-Antos Trust; DACIA, LLC, a foreign Limited Liability Company; DOES I through X; and ROE CORPORATIONS I through X, inclusive, Defendants.	Case No. A-20-813439-B Dept. No.: 11 **ORDER APPOINTING RECEIVER**
AND RELATED MATTERS	

ORDER APPOINTING RECEIVER

The Motion for Appointment of Receiver of SJC Ventures Holding Company, LLC d/b/a SJC Ventures, LLC a Delaware limited liability company (the "Motion"), having come before the Honorable Elizabeth Gonzalez on July 30, 2021, in Chambers. The Court, having reviewed and considered the record, the points and authorities on file, and the argument of counsel, and good cause appearing, this Court GRANTS the Motion as follows:

THE COURT FINDS that a receiver over SJC Ventures, LLC ("SJCV") is appropriate at this time given the evidence presented during the trial of this matter, as well as Judge Denton's findings in the *TGC/Farkas Funding, LLC v. First 100, LLC* matter before the Eighth Judicial District Court (Case No. A-20-822273-C).

THE COURT FURTHER FINDS that while Plaintiff takes issue with the neutrality of the Receiver proposed by Defendants/Counterclaimants, the Court's experience with Larry Bertsch has not been similar to that outlined by Jay Bloom.

THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Receiver shall be Larry L. Bertsch ("Receiver");

2. The Receiver shall collect the business records of SJCV and any subsidiary and affiliated entities in which SJCV has an ownership interest, specifically First 100, LLC and Spanish Heights Acquisition Company, LLC;

3. The Receiver shall determine the efforts made to collect upon the Judgment in the matter styled as *First 100, LLC v. Raymond Ngan*, Case No. A-17-753459-C in the Eighth Judicial District Court for Clark County, Nevada, and report the financial condition of SJCV to the Court;

4. The Receiver shall prepare and file with the Court monthly operating reports which shall include a statement reflecting the Receiver's fees and expenses incurred in the preparation of his report, as well as the fees and expenses of any attorneys employed by the Receiver ("Interim Receiver Report"), with such fees and costs to be paid by the Defendants;

5. A bond in the amount of $ 500.00 shall be posted by Defendants as a requirement for this Order to be deemed effective; and

6. Absent further order from the Court, the Receiver shall have no other powers,

authorities, or responsibilities aside from those explicitly stated in this Order.

7. Counterdefendant Bloom is specifically ordered to cooperate with the Receiver in providing the business records of SJCV and any subsidiary and affiliated entities in which SJCV has an ownership interest, specifically First 100, LLC and Spanish Heights Acquisition Company, LLC;

8. The Receiver shall be the agent of the Court and shall be accountable directly to this Court. This Court hereby asserts exclusive jurisdiction The Receiver is authorized to perform a review and accounting of all of SJCV's assets, holdings, and interests. The Receiver is empowered to use any and all lawful means to identify the assets, rights, holdings, and interests of SJCV and any subsidiary and affiliated entities in which SJCV has an ownership interest, specifically First 100, LLC and Spanish Heights Acquisition Company, LLC; The Receiver is acting solely in its capacity as a court-appointed Receiver and the debts of the Receiver are solely the debts of the Receivership Estate. In no event shall the Receiver or its personnel have any personal liability or obligation for the proper debts of the Receiver and/or the Receivership Estate.

9. The Receiver and the interested parties to the Receivership Estate may petition this Court for instructions in connection with this Order and any further orders which this Court may make.

10. Unless expressly limited herein, the Receiver shall be further granted all powers given to an equity receiver, provided by N.R.S. Chapter 32 and/or common law.

11. Larry Bertsch is acting solely in his capacity as Receiver and no risk, obligation or expense incurred shall be the personal risk, obligation, or expense of Larry Bertsch.

12. No individual or entity may sue the Receiver without first obtaining the permission of this Court.

/ / /

/ / /

/ / /

13. Individuals or entities interested in the Receivership Estate may contact the Receiver directly by and through the following individual:

Larry Bertsch
265 E. Warm Springs Road Suite 104
Las Vegas, Nevada 89119
(702) 471-7223

IT IS SO ORDERED

Dated this 10th day of August, 2021

E9A D44 3F77 4620
Elizabeth Gonzalez
District Court Judge

Respectfully Submitted by:
MUSHKIN & COPPEDGE

/s/Michael R. Mushkin
MICHAEL R. MUSHKIN, ESQ.,
Nevada Bar No. 2421
L. JOE COPPEDGE, ESQ.,
Nevada Bar. No. 4954
6070 S. Eastern Ave., Suite 270
Las Vegas, Nevada 89119

Attorneys for Defendants/Counterclaimants

Read and Approved:
MAIER GUTIERREZ &ASSOCIATES

Did Not Approve
JOSEPH A. GUTIERREZ, ESQ.
Nevada Bar No. 9046
DANIELLE J. BARRAZA, ESQ.
Nevada Bar No. 13822
8816 Spanish Ridge Avenue
Las Vegas, Nevada 89148

Attorneys for Plaintiffs/Counterdefendants

CSERV

DISTRICT COURT
CLARK COUNTY, NEVADA

Spanish Heights Acquisition Company LLC, Plaintiff(s) vs. CBC Partners I LLC, Defendant(s)	CASE NO: A-20-813439-B DEPT. NO. Department 11

AUTOMATED CERTIFICATE OF SERVICE

This automated certificate of service was generated by the Eighth Judicial District Court. The foregoing Order Granting Motion was served via the court's electronic eFile system to all recipients registered for e-Service on the above entitled case as listed below:

Service Date: 8/10/2021

MGA Docketing	docket@mgalaw.com
Karen Foley	kfoley@mccnvlaw.com
Michael Mushkin	michael@mccnvlaw.com
Kimberly Yoder	kyoder@mccnvlaw.com
Jadyn Hayes	jhayes@mccnvlaw.com

Electronically Filed
8/11/2021 12:30 PM
Steven D. Grierson
CLERK OF THE COURT

Michael R. Mushkin, Esq.
Nevada Bar No. 2421
L. Joe Coppedge, Esq.
Nevada Bar No. 4954
MUSHKIN & COPPEDGE
6070 South Eastern Ave Ste 270
Las Vegas, NV 89119
Telephone: 702-454-3333
Facsimile: 702-386-4979
Michael@mccnvlaw.com
jcoppedge@mccnvlaw.com

Attorneys for Defendant and Counterclaimants
5148 Spanish Heights, LLC and
CBC Partners I, LLC

DISTRICT COURT

CLARK COUNTY, NEVADA

SPANISH HEIGHTS ACQUISITION COMPANY, LLC, a Nevada Limited Liability Company; SJC VENTURES HOLDING COMPANY, LLC, d/b/a SJC VENTURES, LLC, a Delaware Limited Liability Company, Plaintiffs, v. CBC PARTNERS I, LLC, a foreign Limited Liability Company; CBC PARTNERS, LLC, a foreign Limited Liability Company; 5148 SPANISH HEIGHTS, LLC, a Nevada Limited Liability Company; KENNETH ANTOS AND SHEILA NEUMANN-ANTOS, as Trustees of the Kenneth & Sheila Antos Living Trust and the Kenneth M. Antos & Sheila M. Neumann-Antos Trust; DACIA, LLC, a foreign Limited Liability Company; DOES I through X; and ROE CORPORATIONS I through X, inclusive, Defendants.	Case No. A-20-813439-B Dept. No.: 11 **NOTICE OF ENTRY OF ORDER**
CAPTION CONTINUES BELOW	

5148 SPANISH HEIGHTS, LLC, a Nevada limited liability company; and CBC PARTNERS I, LLC, a Washington limited liability company,

Counterclaimants,

v.

SPANISH HEIGHTS ACQUISITION COMPANY, LLC, a Nevada Limited Liability Company; SJC VENTURES, LLC, a Delaware limited liability company; SJC VENTURES HOLDING COMPANY, LLC, a Delaware limited liability company; JAY BLOOM, individually and as Manager, DOE DEFENDANTS 1-10; and ROE DEFENDANTS 11-20,

Counterdefendants.

NOTICE OF ENTRY OF ORDER

PLEASE TAKE NOTICE that an Order Appointing Receiver was entered in the above-entitled action on August 10, 2021, a copy of which is attached hereto.

DATED this 11th day of August, 2021.

MUSHKIN & COPPEDGE

/s/Michael R. Mushkin
MICHAEL R. MUSHKIN, ESQ.
Nevada State Bar No. 2421
L. JOE COPPEDGE, ESQ.
Nevada Bar No. 4954
6070 South Eastern Ave Ste 270
Las Vegas, NV 89119

CERTIFICATE OF SERVICE

I hereby certify that the foregoing **Notice of Entry of Order** was submitted electronically for filing and/or service with the Eighth Judicial District Court on this 11th day of August, 2021. Electronic service of the foregoing document shall be upon all parties listed on the Odyssey eFileNV service contact list.

/s/Kimberly C. Yoder
An Employee of
MUSHKIN & COPPEDGE

Electronically Filed
08/10/2021 12:58 PM
CLERK OF THE COURT

Michael R. Mushkin, Esq.
Nevada Bar No. 2421
L. Joe Coppedge, Esq.
Nevada Bar No. 4954
MUSHKIN & COPPEDGE
6070 South Eastern Ave Ste 270
Las Vegas, NV 89119
Telephone: 702-454-3333
Facsimile: 702-386-4979
Michael@mccnvlaw.com
jcoppedge@mccnvlaw.com

Attorneys for Defendant and Counterclaimants
5148 Spanish Heights, LLC and
CBC Partners I, LLC

DISTRICT COURT

CLARK COUNTY, NEVADA

SPANISH HEIGHTS ACQUISITION COMPANY, LLC, a Nevada Limited Liability Company; SJC VENTURES HOLDING COMPANY, LLC, d/b/a SJC VENTURES, LLC, a Delaware Limited Liability Company, Plaintiffs, v. CBC PARTNERS I, LLC, a foreign Limited Liability Company; CBC PARTNERS, LLC, a foreign Limited Liability Company; 5148 SPANISH HEIGHTS, LLC, a Nevada Limited Liability Company; KENNETH ANTOS AND SHEILA NEUMANN-ANTOS, as Trustees of the Kenneth & Sheila Antos Living Trust and the Kenneth M. Antos & Sheila M. Neumann-Antos Trust; DACIA, LLC, a foreign Limited Liability Company; DOES I through X; and ROE CORPORATIONS I through X, inclusive, Defendants.	Case No. A-20-813439-B Dept. No.: 11 **ORDER APPOINTING RECEIVER**
AND RELATED MATTERS	

ORDER APPOINTING RECEIVER

The Motion for Appointment of Receiver of SJC Ventures Holding Company, LLC d/b/a SJC Ventures, LLC a Delaware limited liability company (the "Motion"), having come before the Honorable Elizabeth Gonzalez on July 30, 2021, in Chambers. The Court, having reviewed and considered the record, the points and authorities on file, and the argument of counsel, and good cause appearing, this Court GRANTS the Motion as follows:

THE COURT FINDS that a receiver over SJC Ventures, LLC ("SJCV") is appropriate at this time given the evidence presented during the trial of this matter, as well as Judge Denton's findings in the *TGC/Farkas Funding, LLC v. First 100, LLC* matter before the Eighth Judicial District Court (Case No. A-20-822273-C).

THE COURT FURTHER FINDS that while Plaintiff takes issue with the neutrality of the Receiver proposed by Defendants/Counterclaimants, the Court's experience with Larry Bertsch has not been similar to that outlined by Jay Bloom.

THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Receiver shall be Larry L. Bertsch ("Receiver");

2. The Receiver shall collect the business records of SJCV and any subsidiary and affiliated entities in which SJCV has an ownership interest, specifically First 100, LLC and Spanish Heights Acquisition Company, LLC;

3. The Receiver shall determine the efforts made to collect upon the Judgment in the matter styled as *First 100, LLC v. Raymond Ngan*, Case No. A-17-753459-C in the Eighth Judicial District Court for Clark County, Nevada, and report the financial condition of SJCV to the Court;

4. The Receiver shall prepare and file with the Court monthly operating reports which shall include a statement reflecting the Receiver's fees and expenses incurred in the preparation of his report, as well as the fees and expenses of any attorneys employed by the Receiver ("Interim Receiver Report"), with such fees and costs to be paid by the Defendants;

5. A bond in the amount of $ 500.00 shall be posted by Defendants as a requirement for this Order to be deemed effective; and

6. Absent further order from the Court, the Receiver shall have no other powers,

authorities, or responsibilities aside from those explicitly stated in this Order.

7. Counterdefendant Bloom is specifically ordered to cooperate with the Receiver in providing the business records of SJCV and any subsidiary and affiliated entities in which SJCV has an ownership interest, specifically First 100, LLC and Spanish Heights Acquisition Company, LLC;

8. The Receiver shall be the agent of the Court and shall be accountable directly to this Court. This Court hereby asserts exclusive jurisdiction The Receiver is authorized to perform a review and accounting of all of SJCV's assets, holdings, and interests. The Receiver is empowered to use any and all lawful means to identify the assets, rights, holdings, and interests of SJCV and any subsidiary and affiliated entities in which SJCV has an ownership interest, specifically First 100, LLC and Spanish Heights Acquisition Company, LLC; The Receiver is acting solely in its capacity as a court-appointed Receiver and the debts of the Receiver are solely the debts of the Receivership Estate. In no event shall the Receiver or its personnel have any personal liability or obligation for the proper debts of the Receiver and/or the Receivership Estate.

9. The Receiver and the interested parties to the Receivership Estate may petition this Court for instructions in connection with this Order and any further orders which this Court may make.

10. Unless expressly limited herein, the Receiver shall be further granted all powers given to an equity receiver, provided by N.R.S. Chapter 32 and/or common law.

11. Larry Bertsch is acting solely in his capacity as Receiver and no risk, obligation or expense incurred shall be the personal risk, obligation, or expense of Larry Bertsch.

12. No individual or entity may sue the Receiver without first obtaining the permission of this Court.

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13. Individuals or entities interested in the Receivership Estate may contact the Receiver directly by and through the following individual:

Larry Bertsch
265 E. Warm Springs Road Suite 104
Las Vegas, Nevada 89119
(702) 471-7223

IT IS SO ORDERED

Dated this 10th day of August, 2021

E9A D44 3F77 4620
Elizabeth Gonzalez
District Court Judge

Respectfully Submitted by:
MUSHKIN & COPPEDGE

/s/Michael R. Mushkin
MICHAEL R. MUSHKIN, ESQ.,
Nevada Bar No. 2421
L. JOE COPPEDGE, ESQ.,
Nevada Bar. No. 4954
6070 S. Eastern Ave., Suite 270
Las Vegas, Nevada 89119

Attorneys for Defendants/Counterclaimants

Read and Approved:
MAIER GUTIERREZ &ASSOCIATES

Did Not Approve
JOSEPH A. GUTIERREZ, ESQ.
Nevada Bar No. 9046
DANIELLE J. BARRAZA, ESQ.
Nevada Bar No. 13822
8816 Spanish Ridge Avenue
Las Vegas, Nevada 89148

Attorneys for Plaintiffs/Counterdefendants

CSERV

DISTRICT COURT
CLARK COUNTY, NEVADA

Spanish Heights Acquisition Company LLC, Plaintiff(s) vs. CBC Partners I LLC, Defendant(s)	CASE NO: A-20-813439-B DEPT. NO. Department 11

AUTOMATED CERTIFICATE OF SERVICE

This automated certificate of service was generated by the Eighth Judicial District Court. The foregoing Order Granting Motion was served via the court's electronic eFile system to all recipients registered for e-Service on the above entitled case as listed below:

Service Date: 8/10/2021

MGA Docketing	docket@mgalaw.com
Karen Foley	kfoley@mccnvlaw.com
Michael Mushkin	michael@mccnvlaw.com
Kimberly Yoder	kyoder@mccnvlaw.com
Jadyn Hayes	jhayes@mccnvlaw.com

DECLARATION OF JAY BLOOM

I, JAY BLOOM, hereby declare as follows:

1. I am over the age of eighteen (18) and I have personal knowledge of all the facts set forth herein. Except otherwise indicated, all facts set forth in this declaration are based upon my own personal knowledge, my review of the relevant documents, and my opinion of the matters that are the issues of this lawsuit. If called to do so, I would competently and truthfully testify to all matters set forth herein, except for those matters stated to be based upon information and belief.

2. I am providing this declaration in my capacity as Manager on behalf of SJC Ventures, LLC.

3. SJC Ventures, LLC manages ostensibly billions of dollars in property. including:

   a. commodities worth billions of dollars,
   b. crypto currency worth in excess of $3 billion,
   c. a judgment in the amount of approximately $2.2 billion and
   d. a variety of vehicles, real property, and entertainment endeavors, one in particular potentially worth billions of dollars

4. I have had experience in the past with Larry Bertsch as a receiver.

5. He was adjudicated as having conducted misconduct and the Court refused to adopt his findings.

6. It is my understanding and belief that this is specifically the reason that not only was a receiver requested, but specifically the non-neutral Larry Bertsch.

7. A bond of $500 is woefully inadequate to protect against the non-neutral receiver's anticipated premeditated and prearranged misconduct.

8. SJC Ventures, LLC will undoubtedly be irreparably materially harmed if a stay is not granted pending the writ petition being submitted on the order appointing a receiver over SJC Ventures, LLC.

9. Larry Bertsch would interfere with contract negotiations, sales, applications and litigation in fields he is unbelievably unqualified representing billions of dollars in anticipated loss.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of knowledge, information and belief.

DATED this 12th day of August, 2021.

JAY BLOOM

From: Larry Bertsch <larry@llbcpa.com>
Sent: Thursday, August 12, 2021 11:08 AM
To: 'jbloom@lvem.com' <jbloom@lvem.com>; Joseph Gutierrez <jag@mgalaw.com>
Cc: 'Candace Carlyon' <ccarlyon@carlyoncica.com>
Subject: Receiver Request

Messrs. Bloom and Gutierrez,

The Judge signed an order appointing as Receiver on 8/11/2021.

Who should I contact to comply with getting the Records as follows:

i. **Collect Business Records (Includes Banking and Financial Records, contracts, etc.)of SJCV and**

1. **Any subsidiary**
2. **Any Affiliate**
3. **Especially:**
    a. **First 100 LLC**
    b. **Spanish Heights Acquisition Company, LLC**

Larry L Bertsch, CPA, CFF
Larry L. Bertsch, CPA and Associates
265 E. Warm Springs #104
Las Vegas, NV 89119
702-471-7223 (Work)
702-471-7225 (Fax)
www.llbcpa.com

Danielle Barraza

From: Candace Carlyon <ccarlyon@carlyoncica.com>
Sent: Friday, August 13, 2021 9:46 AM
To: Joseph Gutierrez; Larry Bertsch; 'jbloom@lvem.com'
Cc: Danielle Barraza
Subject: RE: Receiver Request

Dear Mr. Gutierrez:

Thank you for your correspondence. Please advise us immediately if a stay is obtained or any of the orders at issue are reversed or vacated. In the meantime, the Court's order is in effect and the Receiver will expect compliance.
All requested assets and records should be turned over to Mr. Bertsch immediately. Thank you.

From: Joseph Gutierrez <jag@mgalaw.com>
Sent: Friday, August 13, 2021 8:56 AM
To: Larry Bertsch <larry@llbcpa.com>; 'jbloom@lvem.com' <jbloom@lvem.com>
Cc: Candace Carlyon <ccarlyon@carlyoncica.com>; Danielle Barraza <djb@mgalaw.com>
Subject: RE: Receiver Request

Citrix Attachments — Expires September 12, 2021

171 Motion to Stay Proceedings and Enforc...ver.pdf	4.6 MB
176 Exhibts 1-3.pdf	2.2 MB
176 Motion to Enforce.pdf	252.7 KB

Download Attachments

Joseph Gutierrez uses Citrix Files to share documents securely.

Mr. Bertsch,

We are in receipt of your email below. Jay Bloom will be the contact on behalf of SJCV.

FYI, SCJV is challenging the district court's order appointing receiver and has filed a motion to stay enforcement of the order, which is set to be heard on Monday August 16th at 8:30am. See attached.

SCJV is also filing a motion for clarification/reconsideration of the order appointing receiver and an emergency appeal based on what it believes to be a ruling appointing receiver based on a voided order by the BK court.

Bankruptcy counsel for Spanish Heights Acquisition Company, LLC has also filed motion to enforce the BK order granting motion for sanctions based on the CBC Parties violation of the automatic stay. See attached.

Let me know if you need any more information on the procedural status of SJCV and SHAC's challenges to the court's order appointing receiver.

Thanks,

Joseph A. Gutierrez
MAIER GUTIERREZ & ASSOCIATES
8816 Spanish Ridge Avenue
Las Vegas, Nevada 89148
Tel: 702.629.7900 | Fax: 702.629.7925
jag@mgalaw.com | www.mgalaw.com

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