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**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA - SANTA ANA DIVISION**

In re: AB CAPITAL, LLC, a California limited liability company, Debtor(s).	CASE NO.: 8:22-bk-11585-TA CHAPTER: 7 <p style="text-align: center;">NOTICE OF SALE OF ESTATE PROPERTY***</p>
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Sale Date: 08/08/2023	Time: 11:00 am
Location: United States Bankruptcy Court, Courtroom 5B, 411 West Fourth Street, Santa Ana, CA 92701**	

Type of Sale: Public Private **Last date to file objections:** 07/25/2023

Description of property to be sold: Real property located at 1611 Cliff Drive, Newport Beach, California ("Property")
 ***The Property is not property of the Estate. However, the Trustee is listing the Property for sale pursuant to the Preliminary Injunction entered Nov. 30, 2022 in adversary proceeding entitled, Marshack v. Pukini, et al., Adv. Case No. 8:22-ap-01091-TA ("Preliminary Injunction"). Pursuant to the Preliminary Injunction, the Trustee is expressly permitted to sell the Property, subject to filing a noticed motion and resulting Court order. Sale Motion provides for this Notice.

Terms and conditions of sale: See attached Sale Motion

Proposed sale price: \$2,200,000.00

**Appearance via Zoom - see Supplemental Notice of Hearing To Be Held Remotely Using Zoomgov Audio And Video.

This form is mandatory. It has been approved for use in the United States Bankruptcy Court for the Central District of California.

Overbid procedure (if any): See attached Sale Motion for the Bidding Procedures

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

August 8, 2023 at 11:00 a.m.

United States Bankruptcy Court

Courtroom 5B, 411 West Fourth Street

Santa Ana, CA 92701

[Appearance Via Zoom - see Supplemental Notice of Hearing to be
Held Remotely Using Zoomgov Audio and Video]

Contact person for potential bidders (include name, address, telephone, fax and/or email address):

Rika M. Kido, Esq.

Shulman Bastian Friedman & Bui LLP

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Date: 07/18/2023

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address James C. Bastian, Jr. - Bar No. 175415 Ryan D. O'Dea - Bar No. 273478 Rika M. Kido - Bar No. 273780 SHULMAN BASTIAN FRIEDMAN & BUI LLP 100 Spectrum Center Drive, Suite 600 Irvine, California 92618 Telephone: (949) 340-3400 Facsimile: (949) 340-3000 Email: JBastian@shulmanbastian.com ROdea@shulmanbastian.com RKido@shulmanbastian.com <input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for: Richard A. Marshack, Chapter 7 Trustee	FOR COURT USE ONLY
UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - SANTA ANA DIVISION	
In re: AB CAPITAL, LLC, a California limited liability company, Debtor(s).	CASE NO.: 8:22-bk-11585-TA CHAPTER: 7 NOTICE OF MOTION FOR: CHAPTER 7 TRUSTEE'S MOTION FOR ORDER: (1) CONFIRMING THE SALE OF REAL PROPERTY OWNED BY DEBTOR'S AFFILIATE, SUBJECT TO OVERBID, COMPORTS WITH THE PRELIMINARY INJUNCTION ENTERED IN THE ADVERSARY PROCEEDING; (2) AUTHORIZING THE TRUSTEE TO EXECUTE ANY AND ALL DOCUMENTS CONVENIENT AND NECESSARY TO THE SALE; AND (3) GRANTING RELATED RELIEF (Specify name of Motion) DATE: 08/08/2023 TIME: 11:00 am COURTROOM: 5B [Appearance via Zoom] ** PLACE: 411 West Fourth Street Santa Ana, CA 92701

1. TO (*specify name*): United States Trustee, the Debtor and the parties listed on the attached proof of service
2. NOTICE IS HEREBY GIVEN that on the following date and time and in the indicated courtroom, Movant in the above-captioned matter will move this court for an Order granting the relief sought as set forth in the Motion and accompanying supporting documents served and filed herewith. Said Motion is based upon the grounds set forth in the attached Motion and accompanying documents.
3. **Your rights may be affected.** You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)

****See the Supplemental Notice of Hearing To Be Held Remotely Using Zoomgov Audio And Video**

This form is mandatory. It has been approved for use in the United States Bankruptcy Court for the Central District of California.

4. **Deadline for Opposition Papers:** This Motion is being heard on regular notice pursuant to LBR 9013-1. If you wish to oppose this Motion, you must file a written response with the court and serve a copy of it upon the Movant or Movant's attorney at the address set forth above no less than fourteen (14) days prior to the above hearing date. If you fail to file a written response to this Motion within such time period, the court may treat such failure as a waiver of your right to oppose the Motion and may grant the requested relief.
5. **Hearing Date Obtained Pursuant to Judge's Self-Calendaring Procedure:** The undersigned hereby verifies that the above hearing date and time were available for this type of Motion according to the judge's self-calendaring procedures.

Date: 07/18/2023

SHULMAN BASTIAN FRIEDMAN & BUI LLP
Printed name of law firm

/s/ Rika M. Kido
Signature

Rika M. Kido
Printed name of attorney

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8 Special Litigation Counsel for Richard A. Marshack,
Chapter 7 Trustee

9
10 **UNITED STATES BANKRUPTCY COURT**
11 **CENTRAL DISTRICT OF CALIFORNIA, SANTA ANA DIVISION**

12 In re
13 **AB CAPITAL, LLC,**
14 **a California limited liability company,**
Debtor.

Case No. 8:22-bk-11585-TA

Chapter 7

CHAPTER 7 TRUSTEE’S MOTION FOR ORDER:

- 15 (1) **CONFIRMING THE SALE OF REAL
PROPERTY OWNED BY DEBTOR’S
AFFILIATE, SUBJECT TO OVERBID,
16 COMPORTS WITH THE PRELIMINARY
INJUNCTION ENTERED IN THE ADVERSARY
17 PROCEEDING;**
- 18 (2) **AUTHORIZING THE TRUSTEE TO EXECUTE
ANY AND ALL DOCUMENTS CONVENIENT
AND NECESSARY TO THE SALE; AND**
- 19 (3) **GRANTING RELATED RELIEF;**

20 **MEMORANDUM OF POINTS AND AUTHORITIES;
21 DECLARATIONS OF RICHARD A. MARSHACK,
CLARENCE YOSHIKANE, AND J. MICHAEL ISSA
22 IN SUPPORT THEREOF**

23 [Real Property located at 1611 Cliff Drive, Newport
Beach, CA 92663]

24 **Hearing Date:**

25 Date: August 8, 2023

Time: 11:00 a.m.

26 Place: Courtroom 5B [Appearance Via Zoom]¹
411 West Fourth Street
27 Santa Ana, California 92701

¹ See the Supplemental Notice of Hearing To Be Held Remotely Using Zoomgov Audio And Video.

TABLE OF CONTENTS

1			
2			Page
3	I.	SUMMARY OF ARGUMENT	5
4	II.	RELEVANT FACTS	8
5		A. Case Commencement and Appointment of Trustee.....	8
6		B. Insider Action and the Preliminary Injunction.....	8
7		C. The Property and Sale of the Property	11
8		D. Treatment of Liens and Encumbrances Through the Sale	11
9		1. Real Property Taxes	11
10		2. 1 st Deed of Trust – Various Investors of the Debtor	12
11		3. 2 nd Deed of Trust – AB Capital LLC, a California Limited Liability Company	14
12		E. CalPac Mortgage Fund, LLC Does Not Object to the Sale of the Property	15
13		F. Broker Employment, Marketing Efforts and Basis for Value of the Property.....	16
14		G. Fencing Costs Advanced for the Property.....	17
15		H. Notice of Bidding Procedures	17
16	III.	ARGUMENT	21
17		A. This Motion Comports With the Requirements of the Preliminary Injunction That the Sale of the Property is Expressly Conditioned Upon the Filing of a Noticed Motion and Resulting Court Order.....	21
18		B. While This is Not a Sale of Estate Property, Section 363(b) of the Bankruptcy Code is Instructive to Show There is a Sound Business Justification for the Sale Which Comports With the Requirements of the Preliminary Injunction.	21
19		C. The Trustee is Authorized to Execute Any and All Documents Convenient and Necessary for the Sale of the Property Consistent with the Preliminary Injunction.	23
20		D. The Proposed Sale May be Allowed Free and Clear of Liens.	24
21	IV.	CONCLUSION	27
22		DECLARATION OF RICHARD A. MARSHACK.....	30
23		DECLARATION OF CLARENCE YOSHIKANE.....	33
24		DECLARATION OF J. MICHAEL ISSA	35
25			
26			
27			
28			

TABLE OF AUTHORITIES

Page

CASES

1

2

3

4 **CASES**

5 *Bank of Am. v. Graves*,

5 51 Cal. App. 4th 607 (1996)..... 27

6 *Citicorp Homeowners Services, Inc. v. Elliot (In re Elliot)*,

6 94 B.R. 343 (Bankr. E.D. Pa. 1988)..... 25

7

8 *City of Riverside v. Horspool*,

8 223 Cal. App. 4th 670 (2014)..... 24

9 *Clear Channel Out-Door, Inc. v. Knupfer (In re PW, LLC)*,

9 391 B.R. 25 (B.A.P. 9th Cir. 2008)..... 25, 26

10

11 *Fpci Re-Hab 01 v. E & G Invs.*,

11 207 Cal. App. 3d 1018 (1989)..... 26

12 *In re 240 North Brand Partners v. Colony GFP Partners, L.P. (In re 240 North Brand*

13 *Partners)*,

13 200 B.R. 653 (9th Cir. BAP 1996)..... 22

14 *In re Chinichian*,

14 784 F.2d 1440 (9th Cir. 1986)..... 24

15

16 *In re Jolan, Inc.*,

16 403 B.R. 866 (Bankr. W.D. Wash., 2009) 26

17 *In re Lionel Corp.*,

17 722 F.2d 1063 (2d Cir. 1983)..... 22, 24

18

19 *In re Wilde Horse Enterprises, Inc.*,

19 136 B.R. 830 (Bankr. C.D. Cal. 1991)..... 22

20 *Miners’ Bank of Wilkes-Barre v. Acker*,

20 66 F.2d 850 (3rd Cir. 1993)..... 24

21

22 *Mutual Life Ins. Co. of New York v. Red Oak Farms, Inc. (In re Red Oak Farms, Inc.)*,

22 36 B.R. 856 (Bankr. W.D. Mo. 1984)..... 25

23 *Pinnacle Restaurant at Big Sky, LLC v. CH SP Acquisitions, LC (In re of Spanish Peaks*

24 *Holdings II, LLC)*,

24 862 F.3d 1148 (9th Cir. 2017)..... 25

25 *Spreckels v. Spreckels Sugar Corp.*,

25 79 F.2d 332 (2d Cir. 1935)..... 24

26

27 *Van Huffel v. Harkelrode*,

27 284 U.S. 225 (1931) 24

1 **STATUTES**

2 11 U.S.C. § 105(a)..... 24
3 11 U.S.C. § 363(b) 21, 22
4 11 U.S.C. § 363(f) 25
5 11 U.S.C. § 363(f)(1) 25
6 11 U.S.C. § 363(f)(5) 25
7 11 U.S.C. § 363(m) 27, 28
8 Cal. Civ. Code § 2924k 27

9 **TREATISES**

10 3 Collier on Bankruptcy P 363.02[4] (16th 2022) 22
11
12
13
14
15
16
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1 **TO THE HONORABLE THEODOR C. ALBERT, UNITED STATES BANKRUPTCY**
2 **JUDGE, UNITED STATES TRUSTEE, THE DEBTOR, ALL CREDITORS, AND ALL**
3 **INTERESTED PARTIES AND THEIR COUNSEL:**

4 Richard A. Marshack, solely in his capacity as the Chapter 7 Trustee (“Trustee”) for the
5 bankruptcy estate (“Estate”) of AB Capital, LLC, a California limited liability company (“Debtor”)
6 brings this Motion For Order: (1) Confirming the Sale of Real Property Owned by Debtor’s
7 Affiliate, Subject to Overbid, Comports With the Preliminary Injunction Entered in Adversary
8 Proceeding; (2) Authorizing the Trustee to Execute Any and All Documents Convenient and
9 Necessary to the Sale; and (3) Granting Related Relief (“Motion”). In support of the Motion, the
10 Trustee respectfully represents as follows:

11 **I. SUMMARY OF ARGUMENT²**

12 The Trustee has received an offer from Pelican Fund LLC or its assignee³ (“Buyer”), to
13 purchase the real property located at 1611 Cliff Drive, Newport Beach, California 92663
14 (“Property”) for the price of \$2,200,000.00, subject to overbids. As the Court is aware, the Property
15 is not property of the Estate.⁴ The Property is owned by CalPac Mortgage, which is an affiliate of
16 the Debtor, a Defendant in the Insider Action, and an Enjoined Party pursuant to the Preliminary
17 Injunction. Pursuant to the Preliminary Injunction, in the Trustee’s discretion and business
18 judgment, the Trustee was expressly permitted to actively market the Property for sale and take all
19 steps necessary and convenient to market and consummate the sale of the Property; provided,
20 however that the sale is expressly conditioned upon the filing of a noticed motion and resulting
21 Court order. Therefore, the Trustee files this Motion in compliance with and pursuant to procedures
22 contemplated by the Preliminary Injunction.

23

24 ² All capitalized terms are defined below.

25 ³ Any assignee needs prior approval by the Trustee and CalPac Mortgage.

26 ⁴ The Trustee is investigating the relationship between the Debtor and CalPac Mortgage, and believes it is possible that
27 CalPac Mortgage and the Debtor may be determined to be alter egos of each other, and other entities and individuals,
28 and that CalPac Mortgage may at some point become subject to proceedings to substantively consolidate CalPac
Mortgage and the Estate. Further, while at present the Property is not property of the Estate, the Property may also be
recovered as an avoidable transfer, at which point, the Property becomes property of the Estate when the transfer has
been avoided. *See Midland Euro Exchange Inc. v. Swiss Finance Corp. (In re Midland Euro Exchange Inc.)*, 347 B.R.
708, 719 (Bankr. C.D. Cal 2006).

1 The Trustee is aware that the Court is used to seeing a motion brought pursuant to Section
2 363 of the Bankruptcy Code for a sale in a bankruptcy case. While the Trustee's authority to sell
3 the Property is different for this sale, Section 363(b) of the Bankruptcy Code is instructive and
4 provides a good framework for which the Court and interested parties can review the Trustee's
5 decision to sell the Property pursuant to the terms of the Preliminary Injunction. Paragraph 12 of
6 the Preliminary Injunction provides that "[i]n the Trustee's discretion and business judgment," the
7 Trustee may sell the Property. The offer by the Buyer is the highest and best offer the Estate has
8 received for the Property given that there may be possible permit issues and there is no structure on
9 the Property with only the foundation poured for the planned duplex or two condominiums. In the
10 event the purchase price for the Property is increased by a successful overbid (at an auction to be
11 held at the hearing on this Motion), the estimated net proceeds from the sale of the Property will
12 increase.

13 The sale of the Property is expected to be a consensual short sale as there is no equity above
14 the liens and encumbrances against the Property. The First DOT Investors⁵ have agreed to accept a
15 reduced payment on their lien. Further, Foothill Financial, the remaining First DOT Investors, and
16 the Broker have agreed to carve-out and assign a distribution of their payment to the Trustee to assist
17 in defraying the fees and expenses associated with the marketing and sale of the Property pursuant
18 to the Preliminary Injunction and provide funds for distribution to creditors (estimated to total
19 approximately **\$156,164.91**). Specifically, Foothill Financial, which holds a majority interest in the
20 First DOT, has agreed to carve-out and assign a distribution to the Trustee as follows: (i) in the sum
21 of \$37,500 to the Trustee if the sale price is between \$2,200,000.00 and \$2,399,999.00; (i) a carveout
22 of seven percent (7%) of the Net Proceeds⁶ to the Trustee if the sale price is between \$2,400,000.00
23 and \$2,599,999.00; and (iii) a carveout of ten percent (10%) of the Net Proceeds to the Trustee if
24

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26 ⁵ The First DOT relates to a loan to CalPac Mortgage by the Debtor. The First DOT Investors are comprised of investor-
27 creditors of the Debtor. The sale of the Property ensures that these investor-creditors of the Debtor receive something
now on account of their secured claim, which provides a benefit to the Estate as it provides certainty as to the amount
of such creditors' unsecured claims against the Estate.

28 ⁶ Net Proceeds is the sales price, less all maintenance costs (including, but not limited to, insurance costs and weed
abatement), costs of sale (including, but not limited to Broker commissions, title, escrow, conveyance costs and
prorations) and payment of superior liens (including, but not limited to, property taxes and HOA dues).

1 the sale price is \$2,600,000.00 or greater. The remaining First DOT Investors have agreed to carve-
2 out and assign a distribution to the Trustee in the sum of ten percent (10%) of the net sales proceeds
3 (estimated at \$96,664.91), and the Broker has agreed to carve-out and assign a distribution to the
4 Trustee in the sum of one percent (1%) of the total purchase price of the Property (estimated at
5 \$22,000.00). Accordingly, there is a sound business justification for the sale which complies with
6 the requirements of the Preliminary Injunction.

7 There are no funds available for payment on the Second DOT. The First DOT Investors
8 could conduct a judicial or non-judicial foreclosure on their lien. In the event of foreclosure by the
9 First DOT Investors, the Second DOT Investors could be eliminated and/or the Second DOT
10 Investors could be compelled to accept money satisfaction of their alleged junior lien. To the extent
11 that the Trustee does not get consent as expected and to ensure that the sale of the Property may
12 close promptly, for equity and in the interest of justice, the Trustee requests that the Court authorize
13 the sale of the Property free and clear of liens and encumbrances, including but not limited to the
14 Second DOT.

15 Finally, the Trustee requests the Court authorize that he may execute any and all documents
16 convenient and necessary to consummate the sale of the Property consistent with the Agreement
17 and Preliminary Injunction, including but not limited to the Agreement and any amendments thereto,
18 any counter-offers, any document(s) whereby the Trustee expressly consents to closing on the sale
19 of the Property, any and all conveyances contemplated by the Agreement attached as **Exhibit "4"**
20 to the Marshack Declaration, any beneficiary demand statements, and any deeds of reconveyance
21 (if needed). The Trustee further requests the Court authorize him to make disbursements through
22 escrow on the sale of the Property as described in detail below.

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1 **II. RELEVANT FACTS**

2 **A. Case Commencement and Appointment of Trustee**

3 On September 15, 2022, the Initial Petitioning Creditors⁷ filed an involuntary chapter 7
4 bankruptcy petition against Debtor.

5 On September 19, 2022, an emergency motion was filed by the Initial Petitioning Creditors,
6 seeking the appointment of an interim trustee pursuant to 11 U.S.C. § 303(g) [Docket No. 7].
7 Following a hearing held on September 22, 2022, such motion was granted, and the Office of the
8 United States Trustee appointed the Trustee to provide specific services related to AB Capital's
9 operations [Docket Nos. 36, 38].

10 On October 6, 2022, the orders for relief were entered [Docket Nos. 58-59]. That same day,
11 the AB Capital Court entered an order expanding the Trustee's powers to include all the powers of
12 a Chapter 7 trustee, including to "take possession of the property of the estate and to operate any
13 business of the debtor" [Docket No. 62].

14 **B. Insider Action and the Preliminary Injunction**

15 On October 18, 2022, the Trustee filed a Complaint for: (1) Breach of Fiduciary Duty; (2)
16 Conversion; (3) Money Had and Recovered; (4) Unjust Enrichment; (5) Turnover of Property of the
17 Estate (11 U.S.C. § 542); (6) Turnover of Property be Custodian (11 U.S.C. § 543), (7) Avoidance
18 and Recovery of Fraudulent Transfer (11 U.S.C. § 548), (8) Avoidance and Recovery of Fraudulent
19 Transfer (Cal. Civ. Code § 3439(a)(1)), and (9) Violation of Cal. Penal Code § 496(a) against
20 defendants, Joshua R. Pukini, individually and as trustee of The Joshua R. Pukini Trust dated
21 6/27/2013; Ryan Young, individually and as trustee of The Young Family Trust dated 8/24/2014,
22

23 ⁷ The Involuntary Petition was signed by 17 Properties I, LLC, Ira M. Hermann and Anita Hermann, as Trustees of the
24 Hermann Family Trust dated October 7, 1993, Andrew D. Hermann and Karen L. Hermann, as Trustees of the Andrew
25 D. and Karen L. Hermann Trust dated March 25, 2009, James John Murphy Jr. and Karen Kawatomari Murphy, as
26 Trustees of the James John Murphy Jr. and Karen Kawatomari Murphy 1997 Revocable Trust dated October 1, 1997,
27 Mariana Figueroa Gruenberg, Mark Treitler, as Trustee of the Treitler Family Trust, Bryan Werlemann as Trustee of
28 the Bryan A. Werlemann Trust dated July 9, 1999, and Jonathan Beigler (collectively the "Initial Petitioning Creditors").
On October 3, 2022, Geoffrey Field, Trustee of the Geoffrey P. Field Living Trust dated 8/10/2011, Michael Bumbaca
and Adele Bumbaca, Husband and Wife as Community Property with ROS, and Noreen Kennedy, Trustee of the Noreen
Kay Kennedy Separate Property Trust dated 5/16/2005, filed joinders to the Involuntary Petition [dockets 50-52] and
on October 4, 2022, Kana Hishiya filed her joinder to the Involuntary Petition [docket 53] (collectively the "Joining
Petitioning Creditors"). The Initial Petitioning Creditors and the Joining Petition Creditors are collectively referred to
as the "Petitioning Creditors."

1 the Ryan J. Young Trust, and the Young Ryan Trust; Edmund Valasquez, Jr.; 108 Avenida Serra,
2 LLC; 1034 W Balboa, LLC; 31831 Sunset LLC; AB Capital Fund A, LLC; AB Capital Fund B,
3 LLC; AB Capital Holdings I, LLC; AB Capital LFD, Inc.; ABC 2260 San Ysidro LLC; BDP
4 Development Partners, LLC; Cal-Pac Distressed Real Estate Fund I, LLC; Calpac Management,
5 Inc.; CalPac Mortgage Fund, LLC; Living Art Works LLC; Luna Construction Management, LLC;
6 and Tablerock Enterprises, LLC (“Defendants”), commencing Adv. Case No. 8:22-ap-01091-TA
7 (“Insider Action”).

8 Concurrent with commencing the Insider Action, the Trustee filed his Motion for (1)
9 Emergency Issuance of a Temporary Restraining Order Without Notice Pursuant to FRBP
10 7056(b)(1) and LBR 7056-1(b)(1); and (2) Issuance of Preliminary Injunction After Hearing on
11 Expedited Basis Pursuant to FRBP 7056(b) [Adversary Proceeding, Docket No. 2] (“Injunction
12 Motion”) in the Insider Action. Following a continued hearing on the Injunction Motion, on
13 November 30, 2022, the Court issued a Preliminary Injunction [Adversary Proceeding, Docket No.
14 32], a copy of which is attached to the Declaration of Richard A. Marshack annexed to this Motion
15 (“Marshack Declaration”) as **Exhibit “1”**.⁸

16 Paragraph 12 of the Preliminary Injunction provides as follows:

17 In the Trustee’s discretion and business judgment, the Trustee is
18 expressly permitted to actively market for sale the Affiliate or Insider
19 Real Property, and take all steps necessary and convenient to market
20 and consummate the sale of any Affiliate or Insider Real Property,
21 including execution of documents; provided, however that the
22 Trustee’s sale of any Affiliate or Insider Real Property is expressly
23 conditioned upon such sale being the subject of a noticed motion and
24 resulting Court order.

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26 ⁸ On June 2, 2023, the Order Approving Stipulation to Extend Term of Preliminary Injunction was entered in the Insider
27 Action (“PI Extension Order”). Pursuant to the PI Extension Order, the term of the Preliminary Injunction is extended
28 up to and including February 28, 2024. Further, on June 7, 2023, the Order Approving the Stipulation to Extend Term
of Preliminary Injunction to Include and Bind the Joshua R. Pukini Trust Dated June 27, 2023 was entered in the Insider
Action (“PI Pukini Extension Order”). True and correct copies of the PI Extension Order and the PI Pukini Extension
Order are attached to the Marshack Declaration as **Exhibit “2”**.

1 An “Affiliate or Insider Real Property” is defined in Paragraph 3(iii) of the Preliminary Injunction
2 as follows:

3 (iii) Any and all personal property, real property, or interests
4 in real property, held, directly or indirectly, in the name or for the
5 benefit of Debtor’s affiliates or insiders including but not limited to
6 the following: 1034 W. Balboa Boulevard, Newport Beach, CA
7 92661; 108 Avenida Serra, San Clemente, CA 92672; 31831 Sunset
8 Avenue, Laguna Beach, CA 92651; 1 Makena Lane, Rancho Mirage,
9 CA 92270; 2 Makena Lane, Rancho Mirage, CA 92270; 4 Makena
10 Lane, Rancho Mirage, CA 92270; 5 Makena Lane, Rancho Mirage,
11 CA 92270; 7 Makena Lane, Rancho Mirage, CA 92270; 2260 San
12 Ysidro Drive, Los Angeles, CA 90210; 3301 Coldwater Canyon
13 Avenue, Studio City, CA 91604; 530 Alta Vista Way, Laguna Beach,
CA 92651; 1312 Beverly Grove Place, Beverly Hills, CA 90210; 501
S. Olive Street, Anaheim, CA 92805; 109 Rivo Alto Canal, Long
Beach, CA 90803; 170 N. Circulo Robel, Anaheim, CA 92807; 20620
Manzanita Avenue, Yorba Linda, CA 92886; 5578 Avenida Adobe,
Yorba Linda, CA 92886; 5632 Campo Walk, Long Beach, CA 90803;
7890 East Berner Street, Long Beach, CA 90808; and 38861
Elmwood Drive, Rancho Mirage, CA 92270; 2826-041-022, Los
Angeles County, CA; 112 22nd Street, Newport Beach, CA 92663;
and 7900 E. Cramer Street, Long Beach, CA 90808 (the “Affiliate or
Insider Real Property Interests”).

14 The Property, which is the subject of this Motion, is specifically included in Paragraph 3(iii) of the
15 Preliminary Injunction.

16 Pursuant to Paragraph 14 of the Preliminary Injunction:

17 14. In the Trustee’s discretion and business judgment, the
18 Trustee is expressly permitted to take all steps necessary to monetize
19 or realize value on account of Affiliate or Insider Ownership Interests.
20 The Trustee’s entry into a transaction to sell, monetize or realize value
for Affiliate or Insider Ownership Interests is expressly conditioned
upon such a sale being the subject of a noticed motion and resulting
Court order.

21 Finally, Paragraph 16 of the Preliminary Injunction⁹ provides as follows:

22 16. For the avoidance of doubt, the Trustee shall have final
23 authority regarding the sale or other disposition of any of the Enjoined
24 Property, and approval of any sale or disposition of the Enjoined
25 Property must be expressly approved by the Trustee in writing prior
to closing or consummating such a transaction, or otherwise
authorized by Court order.

26 _____
27 ⁹ “Enjoined Property” is defined in Paragraph 2 of the Preliminary Injunction as “any asset, including bank or brokerage
28 accounts, of any kind owned or controlled, in whole or in part, by any of the Enjoined Parties and pursuant to Paragraph
3, it includes “Affiliate or Insider Real Property.” The Enjoined Parties are defined in Paragraph 2 of the Preliminary
Injunction as the “Defendants, and any entity, affiliate, or subsidiary owned or controlled in whole or in part by
Defendants.”

1 Therefore, pursuant to the Preliminary Injunction, in the Trustee’s discretion and business
2 judgment, the Trustee was expressly permitted to actively market the Property for sale and take all
3 steps necessary and convenient to market and consummate the sale of the Property; provided,
4 however that the sale is expressly conditioned upon the filing of a noticed motion and resulting
5 Court order.

6 **C. The Property and Sale of the Property**

7 The Property is a lot with a poured slab for either a duplex or two condominiums located in
8 Orange County, California. The Property is legally described on page 3 of the Title Report dated
9 July 5, 2023 (“Title Report”), a copy of which is attached as **Exhibit “3”** to the Marshack
10 Declaration. Pursuant to the Title Report, title to the Property is vested in “Calpac Mortgage Fund,
11 LLC, a California Limited Liability Company,” which is an entity related to the Debtor.

12 The Buyer has offered to purchase the Property for \$2,200,000.00 (“Purchase Price”). The
13 Purchase Price includes a deposit of \$100,000.00. A true and correct copy of the Residential
14 Purchase Agreement and Joint Escrow Instructions and its addenda (collectively the “Agreement”)
15 is attached to the Marshack Declaration as **Exhibit “4”**. Given that the sale is subject to overbids,
16 it is anticipated that the final purchase price will receive the best and highest value for the Property
17 and is therefore fair and reasonable.

18 **D. Treatment of Liens and Encumbrances Through the Sale**

19 The Title Report lists the liens and encumbrances impacting the Property. Additional details
20 regarding each lien, including estimated amounts owing on these liens and encumbrances, any
21 resolutions reached with creditors regarding such liens and encumbrances, and the proposed
22 treatment of such liens and encumbrances through the sale are as follows:

23 **1. Real Property Taxes**

24 Pursuant to the Title Report, the Property has been declared tax-defaulted for non-payment
25 of delinquent taxes for fiscal years 2021 and 2022. The amount to redeem by July 31, 2023 is
26 \$43,685.57. All outstanding real property taxes will be paid through escrow on the sale transaction.

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1 **2. 1st Deed of Trust – Various Investors of the Debtor**

2 Pursuant to the Title Report, a first deed of trust in the amount of \$3,000,000.00 was recorded
3 against the Property for the benefit of various investors of the Debtor as reflected on a Lender
4 Vesting Addendum attached to the deed of trust (“First DOT”) on February 25, 2021, Instrument
5 No. 2021000135128.¹⁰

6 On August 30, 2021, an Assignment of Deed of Trust, Instrument No. 2021000542738 was
7 recorded against the Property whereby The Coldren Family Trust, Robert S. & Brooke R. Coldren,
8 Trustees dated March 21, 2003 assigned to the Debtor an undivided 100,000/100,000 beneficial
9 interest in the First DOT.

10 On September 29, 2021, an Assignment of Deed of Trust, Instrument No. 2021000602764
11 was recorded against the Property whereby the Debtor assigned to the Debtor an undivided
12 100,000/100,000 beneficial interest in the First DOT.

13 On November 16, 2021, an Assignment of Deed of Trust, Instrument No. 2021000703637
14 was recorded against the Property whereby the Debtor assigned to Geoffrey P. Field, Trustee of the
15 Geoffrey P. Field Living Trust dated 8/10/21 an undivided 100,000/100,000 beneficial interest in
16 the First DOT.

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23 ¹⁰ Specifically, the Lender Vesting Addendum provides that the following investors are beneficiaries of the First DOT:
24 ADP Investment Group, LLC as to an undivided 150,000/3,000,000 interest; Arthur A. Graves, III, as Trustee of the
25 Graves Revocable Living Trust UDT 2008 as to an undivided 100,000/3,000,000 interest; Boris E. Efron and Michele
26 R. Efron Husband and wife as Community Property with Right of Survivorship as to an undivided 100,000/3,000,000
27 interest; Desert Southwest Enterprises as to an undivided 150,000/3,000,000 interest; Emilio Carl Melillo, Trustee of
28 the Emilio Carl Melillo Separate Property Trust dated February 14, 2014 as to an undivided 300,000/3,000,000 interest;
Foothill Financial, LP as to an undivided 1,550,000/3,000,000 interest; Kenneth L. McKay, Trustee of the Ken and Dian
McKay Family Trust, Survivor’s Trust, dated June 30, 2000 as to an undivided 100,000/3,000,000 interest; Luis Enrique
Gomez as to an undivided 100,000/3,000,000 interest, Mario Melillo as to an undivided 50,000/3,000,000 interest; Mark
Kevin Jones, a Single Man as his Sole and Separate Property as to an undivided 100,000/3,000,000 interest; The 2006
PDB Trust, Nancy Bartelt, Trustee as to an undivided 200,000/3,000,000 interest; and The Coldren Family Trust, Robert
S. & Brooke R. Coldren, Trustees dated March 21, 2003 as to an undivided 100,000/3,000,000 interest.

1 After accounting for the foregoing three Assignments of Deed of Trust, the beneficiaries in
2 the First DOT are as follows: ADP Investment Group, LLC as to an undivided 150,000/3,000,000
3 interest; Arthur A. Graves, III, as Trustee of the Graves Revocable Living Trust UDT 2008 as to an
4 undivided 100,000/3,000,000 interest; Boris E. Efron and Michele R. Efron Husband and wife as
5 Community Property with Right of Survivorship as to an undivided 100,000/3,000,000 interest;
6 Desert Southwest Enterprises as to an undivided 150,000/3,000,000 interest; Emilio Carl Melillo,
7 Trustee of the Emilio Carl Melillo Separate Property Trust dated February 14, 2014 as to an
8 undivided 300,000/3,000,000 interest; Foothill Financial, LP ("Foothill Financial") as to an
9 undivided 1,550,000/3,000,000 interest; Geoffrey P. Field, Trustee of the Geoffrey P. Field Living
10 Trust dated 8/10/21, as to an undivided 100,000/3,000,000 interest; Kenneth L. McKay, Trustee of
11 the Ken and Dian McKay Family Trust, Survivor's Trust, dated June 30, 2000 as to an undivided
12 100,000/3,000,000 interest; Luis Enrique Gomez as to an undivided 100,000/3,000,000 interest,
13 Mario Melillo as to an undivided 50,000/3,000,000 interest; Mark Kevin Jones, a Single Man as his
14 Sole and Separate Property as to an undivided 100,000/3,000,000 interest; and The 2006 PDB Trust,
15 Nancy Bartelt, Trustee as to an undivided 200,000/3,000,000 interest (collectively, the "First DOT
16 Investors").

17 Pursuant to a Payment Statement from Del Toro Loan Servicing Inc. dated November 18,
18 2022, it is estimated that the total amount due for the First DOT is \$3,228,300.00 ("Payment
19 Statement").¹¹ A true and correct copy of the Payment Statement is attached as **Exhibit "5"** to the
20 Marshack Declaration. After payment of costs of sale and outstanding real property taxes, there is
21 insufficient equity available for payment in full to the First DOT Investors. Therefore, the Trustee
22 has reached out to the First DOT Investors, who have agreed to accept a reduced payment on their
23 lien and have agreed to carve-out and assign a distribution to the Trustee to assist in defraying the
24 fees and expenses associated with the marketing and sale of the Property pursuant to the Preliminary
25 Injunction and provide a benefit to unsecured creditors.

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28 ¹¹ This does not preclude any of the Investor Creditors from claiming a different amount in a proof of claim. The total amount owed is not important for this Motion as there will be insufficient proceeds to pay the Investor Creditors in full.

1 Foothill Financial, which holds a majority interest in the First DOT, has agreed to carve-out
2 and assign a distribution to the Trustee as follows: (i) in the sum of \$37,500.00 to the Trustee if the
3 sale price is between \$2,200,000.00 and \$2,399,999.00; (ii) a carveout of seven percent (7%) of the
4 Net Proceeds¹² to the Trustee if the sale price is between \$2,400,000.00 and \$2,599,999.00; and (iii)
5 a carveout of ten percent (10%) of the Net Proceeds to the Trustee if the sale price is \$2,600,000.00
6 or greater (“Foothill Carve-Out”).

7 The Trustee has reached out to the remaining First DOT Investors who have agreed to accept
8 Net Proceeds less a ten percent (10%) Investor Carve-Out¹³ and assignment to assist the Trustee
9 with defraying the fees and expenses associated with the sale of the Property and provide funds for
10 distribution to creditors. The Trustee’s counsel has confirmed the remaining First DOT Investors’
11 agreement to the Investor Carve-Out via Zoom meeting and are requesting written consent
12 (“Consent”) in the form of **Exhibit “6”** to the Marshack Declaration.

13 **3. 2nd Deed of Trust – AB Capital LLC, a California Limited Liability Company**

14 Pursuant to the Title Report, a second deed of trust in the amount of \$1,000,000.00 (“Second
15 DOT”) was recorded against the Property on February 17, 2021, Instrument No. 2021-135129 for
16 the benefit of AB Capital LLC, a California Limited Liability Company.

17 On September 15, 2021, an Assignment of Deed of Trust, Instrument No. 2021-574222 was
18 recorded against the Property whereby the Debtor assigned to Property Pacific Premier Trust
19 Custodian FBO Stephen A. Field IRA (“Field IRA”) an undivided 300,000/1,000,000 beneficial
20 interest in the Second DOT.

21 On November 16, 2021, an Assignment of Deed of Trust, Instrument No. 2021-703639 was
22 recorded against the Property whereby the Debtor assigned to Brad Bunten & Doreen Bunten (the
23 “Buntens”) an undivided 150,000/1,000,000 beneficial interest in the Second DOT.

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26 ¹² Net Proceeds is the sales price, less all maintenance costs (including, but not limited to, insurance costs and weed
27 abatement), costs of sale (including, but not limited to Broker commissions, title, escrow, conveyance costs and
prorations) and payment of superior liens (including, but not limited to, property taxes and HOA dues).

28 ¹³ Trustee reserves the right NOT to sell the Property and close escrow if he does not receive complete consensus of the
Investors to the Carve-out and assignment. The Investors will also need to provide escrow with a request for substitution
of trustee and reconvince as well as either a note or lost note affidavit.

1 On December 6, 2021, an Assignment of Deed of Trust, Instrument No. 2021-734704 was
2 recorded against the Property whereby the Debtor assigned to Renewable Farms an undivided
3 100,000/1,000,000 beneficial interest in the Second DOT.

4 On December 6, 2021, an Assignment of Deed of Trust, Instrument No. 2021-734727 was
5 recorded against the Property whereby the Debtor assigned to Mihae Park and G. Ray Kerciu,
6 Trustees of the Kerciu Living Trust (“Kerciu Trust”) an undivided 200,000/1,000,000 beneficial
7 interest in the Second DOT.

8 On December 6, 2021, an Assignment of Deed of Trust, Instrument No. 2021-734731 was
9 recorded against the Property whereby the Debtor assigned to Manuel G. Rocha, Trustee of the
10 Rocha Family Trust (“Rocha Trust,” together with the Field Ira, Buntens, and Kerciu Trust, the
11 “Second DOT Investors”) an undivided 100,000/1,000,000 beneficial interest in the Second DOT.

12 It is unclear from the Debtor’s files the estimated amount due and owing on the Second
13 DOT.¹⁴ It is not believed that there will be any money to pay the Second DOT Investors.

14 **E. CalPac Mortgage Fund, LLC Does Not Object to the Sale of the Property**

15 On May 4, 2023, the Trustee filed the Stipulation to Modify the Preliminary Injunction to
16 Appoint J. Michael Issa as Chief Restructuring Officer of Defendants CalPac Mortgage Fund, LLC
17 and CalPac Management, Inc. and Allow the Appointment of Lee Naujock as Successor Trustee to
18 the Joshua R. Pukini Trust Dated June 27, 2013 in the Insider Action [Insider Action, Docket No.
19 138] (“CRO Stipulation”), a copy of which is attached as **Exhibit “8”** to the Declaration of J.
20 Michael Issa annexed to this Motion (“Issa Declaration”). On May 5, 2023, the Court entered an
21 Order approving the CRO Stipulation [Insider Action, Docket No. 142] (“CRO Order”), a copy of
22 which is attached as **Exhibit “9”** to the Issa Declaration. The CRO Order approved the CRO
23 Stipulation, authorizing the modification of the Preliminary Injunction to allow for the appointment
24 of J. Michael Issa (“Mr. Issa”) as CRO for CalPac Mortgage and for CalPac Mortgage’s sole
25 member, CalPac Management, Inc. (“CalPac Management,” collectively with CalPac Mortgage, the
26 “CalPac Entities”). Paragraph 6 of the CRO Stipulation provides as follows:

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28 ¹⁴ The Second DOT was not serviced by Del Toro Loan Servicing Inc., so the Trustee does not have the same information
that he does for the First DOT.

1 In the event that there is either mutual consent or a court order
2 authorizing a Permissive Act, Mr. Issa, in his capacity as CRO for the
3 CalPac Entities, shall take all actions reasonably necessary to
4 consummate the Permissive Act, including, if necessary, the
execution of settlement agreements, deeds, escrow instructions and
any other documents required to close escrow, and any other
document necessary to consummate the Permissive Act.

5 The Trustee’s counsel has provided a copy of this Motion to Mr. Issa, in his capacity as CRO
6 for the CalPac Entities. Through his professionals, the Trustee has consulted with Mr. Issa and Mr.
7 Issa has given his advice regarding the sale of the Property. Mr. Issa has confirmed, in his capacity
8 as CRO for the CalPac Entities, that he does not object to the sale of the Property.

9 **F. Broker Employment, Marketing Efforts and Basis for Value of the Property**

10 On March 7, 2023, the Court entered an Order authorizing the employment of
11 BHHS/Berkshire Hathaway HomeServices California Properties (the “Broker”) to assist the Trustee
12 with the marketing and sale of the Property [Docket No. 168] (“Employment Order”).

13 The Broker has agreed that its commission for the Property will not exceed five percent (5%)
14 of the total purchase price of the Property, to be split as agreed upon by the Broker and buyer’s
15 agent, with one percent (1%) of the total purchase price of the Property carved out and assigned to
16 the Estate (“Broker Carve-Out”) in order to assist the Trustee with defraying the fees and expenses
17 associated with the marketing and sale of the Property pursuant to the Preliminary Injunction.

18 The Broker has marketed the Property across multiple channels including Multiple Listing
19 Service, Berkshire Hathaway HomeServices California Properties Website, Nationally and
20 Internationally, Yoshikane-Toyama.com, Zillow, Trulia, Realtor.com, and various social media
21 platforms since the Property was listed in early March 2023. Additionally, the Broker has received
22 approximately twenty (20) agent calls, and approximately twelve (12) buyer calls.

23 The best determination of price is the market, which has spoken. The Buyer’s offer is the
24 result of negotiations for the highest and best offer. Since accepting the Buyer’s offer, the Broker
25 has continued to market the Property for overbids. Additional offers are subject to the prospective
26 buyers’ inspections and due diligence.

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1 Further, the Broker has more than twenty (20) years of experience in the sale of real property
2 as well as property valuations and is familiar with valuing real property in today’s economic
3 environment. The Broker has advised the Trustee that it believes the current sale price is consistent
4 with local area comparable properties.

5 Because the best determination of price is the market, and because the proposed sale is
6 subject to overbids, the sale will be at fair market value. Based on this, it is anticipated that the
7 Trustee will receive the best and highest value for the Property and therefore the proposed sale price
8 is fair and reasonable.

9 **G. Fencing Costs Advanced for the Property**

10 To ensure that the Property was secure and to limit access to the Property by third parties,
11 including students at a nearby school, the Broker advanced funds in the amount of \$1,407.00 to pay
12 National Construction Company to construct perimeter fencing around the Property (“Fencing
13 Costs”). The Broker was reimbursed for his advance from the funds the Trustee is holding from the
14 sale of 108 Avenida Serra, San Clemente (“Serra Proceeds”) pursuant to the Order Approving
15 Motion for Use of Sale Proceeds Derived From 108 Avenida Serra Pursuant to the Terms of the
16 Preliminary Injunction entered by the Court in the Insider Action on May 1, 2023 [Insider Action,
17 Docket No. 136] (“Serra Proceeds Order”). A copy of the Serra Proceeds Order is attached as
18 **Exhibit “7”** to the Marshack Declaration. Pursuant to the Serra Proceeds Order, the Trustee was
19 authorized to use the Serra Proceeds to reimburse the Broker for the Fencing Costs. The Serra
20 Proceeds Order further provides that the Fencing Costs are to be paid back to the Serra Proceeds
21 trust account from proceeds of the sale of the Property.

22 **H. Notice of Bidding Procedures**

23 The Trustee has determined that, to ensure that the best and highest value is received for the
24 Property, the sale of the Property should be subject to overbids. Accordingly, to obtain the highest
25 and best offer, the sale of the Property is subject to overbid at an auction to be conducted during the
26 hearing on this Motion (the “Auction”). The Auction shall only be conducted if one or more
27 Qualified Bids (defined below and other than the Agreement submitted by the Buyer) are timely

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1 received. The Trustee, therefore, is utilizing the following bidding procedures (“Bidding
2 Procedures”):

3 1. Bid Qualification Process. To be eligible to participate in the Auction, each offer,
4 solicitation, or proposal (each, a “Bid”), and each entity submitting such a Bid (each, a “Bidder”),
5 must be determined by the Trustee to satisfy each of the following conditions (other than the existing
6 Bid of the Buyer, which is deemed to have satisfied such conditions):

7 a. Form. The Bid must: (i) be in writing; (ii) disclose the identity of the
8 individual or entity that will be bidding for the Property; and (iii) be in the form of a duly
9 authorized, executed, and non-contingent purchase agreement, together with all schedules,
10 exhibits, and related documents thereto.

11 b. Good Faith Deposit. The Bid must be accompanied by certified funds in an
12 amount equal to three percent (3%) of the Bid.

13 c. Same or Better Terms. The Bid must be on terms and conditions that are
14 substantially the same or better than, not more burdensome in any material way than, and no
15 more conditional than the terms of the Agreement, as determined by the Trustee. The Bid
16 may not contain additional termination rights, covenants, financing, or due diligence
17 contingencies, or closing conditions, other than as may be included in the Agreement.

18 d. “As-Is,” “Where-Is Condition; No Warranties. The Bid must acknowledge
19 that the Property is being sold on an “AS IS” basis without warranties of any kind, expressed
20 or implied, being given by the Trustee, concerning the condition of the Property or the
21 quality of the title thereto, or any other matters relating to the Property. The Bidder must
22 represent and warrant that the Bidder is purchasing the Property as a result of Bidder’s
23 investigations and is not buying the Property pursuant to any representation made by any
24 broker, agent, accountant, attorney, or employee acting at the direction, or on the behalf of
25 the Trustee. The Bidder must acknowledge that he/she/it has inspected the Property, and
26 upon closing of escrow governed by the Purchase Agreement, the Bidder forever waives, for
27 himself/herself or their heirs, successors and assigns, all claims against the Debtor, its
28 attorneys, agents and employees, the Debtor’s Estate, Richard A. Marshack as Trustee and
individually, the Trustee’s general counsel, Marshack Hays, LLP, the Trustee’s special
counsel, Shulman Bastian Friedman & Bui LLP, and the Trustee’s agents and employees,
arising or which might otherwise arise in the future concerning the Property.

e. Corporate Authority. If the party bidding for the Property is an entity, the
Bid must include written evidence reasonably acceptable to the Trustee demonstrating that
the Bidder has full power and authority (including full corporate or other organizational
power and authority) to consummate the proposed transaction contemplated by the Bid.

f. Proof of Financial Ability to Perform. The Bid must provide evidence of
having sufficient specifically committed funds to complete the transaction and such other
documentation relevant to the Bidder’s ability to qualify as the purchaser of Property and
ability to close the sale and immediately and unconditionally pay the winning bid purchase
price at close of escrow. To the extent that the Bid is not accompanied by evidence of the
Bidder’s capacity to consummate the transaction contemplated by the Bid with unrestricted
and fully available cash, the Bid must include written evidence of a firm, irrevocable
commitment for financing or other evidence of ability to consummate evidence of ability to
consummate the proposed transaction, documented to the satisfaction of the Trustee, by the
submission of recent financial documentation (audited, if available), that will allow the
Trustee to make a reasonable determination as to the financial and other capabilities of the
Bidder to close escrow on the Property.

1 g. Irrevocable. The Bid must be irrevocable through the Auction; provided
2 however, that if such Bid is accepted as the Successful Bid or Backup Bid (each defined
3 below), such Bid shall continue to remain irrevocable, subject to the terms and conditions of
4 the Bidding Procedures.

5 h. Bid Deadline. The Bid must be in writing and be received by the Trustee or
6 his counsel, Rika M. Kido (rkido@shulmanbastian.com), on or before 5:00 p.m. (California
7 time) on or before **three (3) business days prior to the hearing on the Motion**.

8 i. Amount of Bid. Each Bid must bid an initial amount of at least \$10,000.00
9 over the Purchase Price, or \$2,210,000.00 (“Baseline Bid”). Minimum bid increments
10 thereafter shall be in the amount of \$5,000.00, or an amount acceptable to the Trustee. The
11 Trustee has the sole and absolute discretion to determine which overbid is the best for the
12 Estate and will seek approval of the Court of same.

13 The Trustee will review each Bid received from a Bidder to determine whether it meets the
14 requirements set forth herein. A Bid received from a Bidder before the Bid Deadline that meets the
15 above requirements shall constitute a “Qualified Bid,” and such Bidder shall constitute a “Qualified
16 Bidder.”

17 2. Auction. If one or more Qualified Bids (other than the Agreement submitted by the
18 Buyer) are received by the Bid Deadline, the Trustee (or Court, if that is the Court’s preference) will
19 conduct the Auction to determine the highest or otherwise best Qualified Bid. If no Qualified Bid
20 (other than the Agreement) is received by the Bid Deadline, no Auction shall be conducted and the
21 Agreement shall be deemed to be the Successful Bid, and the Buyer shall be deemed to be the
22 Successful Bidder. Only Qualified Bidders may participate in the Auction.

23 a. The Trustee (or Court) Shall Conduct the Auction. The Court (or Trustee, if
24 that is the Court’s preference) shall direct and preside over the Auction at the hearing on this
25 Motion. Only the Buyer and such other Qualified Bidders (or their qualified representatives)
26 will be entitled to make any Bids at the Auction.

27 b. Terms of Overbid. An “Overbid” is any Bid made at the Auction subsequent
28 to the Trustee’s announcement of the Baseline Bid that satisfies each of the following:

i. Minimum Overbid Increment. Any Overbid after the Baseline Bid
shall be made in increments valued at not less than \$5,000.00, or an amount
acceptable to the Trustee.

ii. Remaining Terms Are the Same as for Qualified Bids. Except as
modified herein, an Overbid must comply with the conditions for a Qualified Bid set
forth herein; provided, however, that the Bid Deadline shall not apply. Any Overbid
must remain open and binding on the Bidder until and unless the Trustee accepts a
higher Overbid.

c. Successful Bidder. The Auction shall continue until the Trustee determines
in his reasonable business judgment that there is a highest or otherwise best Qualified Bid at
the Auction (a “Successful Bid,” and each Bidder submitting such Successful Bid, a
“Successful Bidder”). The Auction shall not close unless and until all Bidders who have
submitted Qualified Bids have been given a reasonable opportunity, as determined by the
Trustee, to submit an Overbid at the Auction to the then-existing Overbids. At the hearing
on the Motion, the Trustee will seek entry of an order, *inter alia*, authorizing and approving
the sale of the Property to the Successful Bidder. The hearing on the Motion may be
adjourned or rescheduled without notice other than by an announcement of the adjourned
date at the hearing on the Sale Motion. If a successful Overbidder is accepted and confirmed

1 by the Court, then the successful Overbidder is to reimburse the original bidder up to
2 \$2,000.00 costs incurred. Only physical inspection, termite inspection, and loan appraisal
are reimbursable expenses.

3 d. First Backup Bidder. The entity/individual with the second highest or
4 otherwise best Qualified Bid at the Auction, as determined by the Trustee, in the exercise of
his business judgment, will be designated as the first backup bidder (the "First Backup
5 Bidder"). The First Backup Bidder shall be required to keep its initial Bid (or, if the First
Backup Bidder submitted one or more Overbids at the Auction, its final Overbid) (the "First
6 Backup Bid") open and irrevocable until the close of escrow on the Sale of the Property with
the Successful Bidder. In the event the Successful Bidder fails to close within twenty-one
7 (21) calendar days after entry of an order of the Court confirming the sale or other the time
parameters approved by the Court ("Closing Deadline"), the Trustee shall retain the
8 Successful Bidder's Deposit and will be released from his obligation to sell the Property to
the Successful Bidder. The Trustee shall proceed to consummate the First Backup Bid with
the First Backup Bidder.

9 e. Second Backup Bidder. The entity/individual with the third highest or
10 otherwise best Qualified Bid at the Auction, as determined by the Trustee, in the exercise of
his business judgment, will be designated as the second backup bidder (the "Second Backup
11 Bidder"). The Second Backup Bidder shall be required to keep its initial Bid (or, if the
Second Backup Bidder submitted one or more Overbids at the Auction, its final Overbid)
12 (the "Second Backup Bid") open and irrevocable until the close of escrow on the Sale of the
Property with the Successful Bidder or, in the event the Successful Bidder failed to close on
13 the sale of the Property, the First Backup Bidder. In the event the First Backup Bidder fails
to close on the sale of the Property within twenty-one (21) calendar days after the Closing
14 Deadline or other the time parameters approved by the Court, the Trustee shall retain the
First Backup Bidder's Deposit and will be released from his obligation to sell the Property
15 to the First Backup Bidder. The Trustee shall proceed to consummate the Second Backup
Bid with the Second Backup Bidder.

16 3. Modification of the Bidding Procedures. The Trustee may modify the above Bidding
17 Procedures in his reasonable business judgment.

18 4. Return of Good Faith Deposit. The Good Faith Deposits of the Qualified Bidders
shall be held by the Trustee. The Good Faith Deposit of any Qualified Bidder that is neither the
19 Successful Bidder nor the First Backup Bidder nor the Second Backup Bidder shall be returned to
such Qualified Bidder not later than two (2) business days after the hearing on the Motion. If the
20 Successful Bidder timely closes escrow on the Property, its Good Faith Deposit shall be credited
towards its purchase price. The Good Faith Deposit of the First Backup Bidder and Second Backup
21 Bidder shall be returned to the First Backup Bidder and Second Backup Bidder twenty-four (24)
hours after the Successful Bidder closes escrow on the Property. In the event the Successful Bidder
22 fails to close on the sale of the Property within the time parameters approved by the Court, the Good
Faith Deposit of the First Backup Bidder shall be credited towards its purchase price. The Good
23 Faith Deposit of the Second Backup Bidder shall be returned to the Second Backup Bidder twenty-
four (24) hours after the First Backup Bidder closes escrow on the Property. In the event the First
24 Backup Bidder fails to close on the sale of the Property within the time parameters approved by the
Court, the Good Faith Deposit of the Second Backup Bidder shall be credited towards its purchase
25 price. The return of the Good Faith Deposit of the Successful Bidder or the First Backup Bidder
who fails to close the transaction shall be determined by the terms of the Agreement.

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1 The Bidding Procedures will be provided to all creditors and any potential bidders or parties
2 who have shown an interest in the Property. While this is not a sale of estate property, the form
3 Notice of Sale of Estate Property will be filed with the Court for posting on the Court’s website
4 under the link “Current Notices of Sales,” which affords notice to additional potential interested
5 parties. The Trustee’s Broker will also update the Multiple Listing Service to reflect the Bidding
6 Procedures. Based on the foregoing, the Trustee believes that under the circumstances of this case,
7 the Property will have been appropriately marketed for bidding.

8 **III. ARGUMENT**

9 **A. This Motion Comports With the Requirements of the Preliminary Injunction That the**
10 **Sale of the Property is Expressly Conditioned Upon the Filing of a Noticed Motion and**
11 **Resulting Court Order.**

12 Paragraphs 12 and 14 of the Preliminary Injunction provide that the sale of the Property is
13 expressly conditioned upon the filing of a noticed motion and resulting Court order. While
14 Paragraph 16 of the Preliminary Injunction provides that the Trustee shall have final authority
15 regarding the sale of the Property, he may proceed with such a sale only with an Order from this
16 Court approving such a sale. Therefore, the Trustee has filed this Motion regarding the sale of the
17 Property to ensure that he has complied with the Preliminary Injunction.

18 **B. While This is Not a Sale of Estate Property, Section 363(b) of the Bankruptcy Code is**
19 **Instructive to Show There is a Sound Business Justification for the Sale Which**
20 **Comports With the Requirements of the Preliminary Injunction.**

21 The sale of the Property is not property of the Estate. The Property is owned by CalPac
22 Mortgage, which is an affiliate of the Debtor, a Defendant in the Insider Action, and an Enjoined
23 Party pursuant to the Preliminary Injunction. Pursuant to Paragraph 12 of the Preliminary Injunction,
24 in the Trustee’s discretion and business judgment, the Trustee was expressly permitted to actively
25 market the Property for sale and take all steps necessary and convenient to market and consummate
26 the sale of the Property. While this is not a sale of property of the Estate, the sale of bankruptcy
27 estate property under Section 363(b) of the Bankruptcy Code is instructive and provides a good

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1 framework for which the Court and interested parties can review the Trustee’s decision to sell the
2 Property pursuant to the terms of the Preliminary Injunction.

3 Paragraph 12 of the Preliminary Injunction provides that “[i]n the Trustee’s discretion and
4 business judgment,” the Trustee may sell the Property. The sale of estate property pursuant to 11
5 U.S.C. § 363(b)(1) must demonstrate a valid business justification. *In re 240 North Brand Partners*
6 *v. Colony GFP Partners, L.P. (In re 240 North Brand Partners)*, 200 B.R. 653, 659 (9th Cir. BAP
7 1996)(citing to *In re Lionel Corp.*, 722 F.2d 1063, 1070 (2d Cir. 1983)); *see also In re Wilde Horse*
8 *Enterprises, Inc.*, 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991). Under this “business judgment” test,
9 the bankruptcy court “independently” determines “only whether the trustee’s judgment was
10 reasonable and whether a sound business justification exists supporting the sale and its terms.” 3
11 *Collier on Bankruptcy P 363.02[4]* (16th 2022).

12 The sale of the Property will be at a fair market price because the best determination of the
13 price is the market, and the sale is subject to overbids (with an auction to be held in Court). In this
14 case, the sale of the Property will result in the Estate receiving the Investor Carve-Out and Broker
15 Carve-Out totaling **\$156,164.91**. The liens and encumbrances will be paid through the sale of the
16 Property as follows:

Sale Price	\$2,200,000.00
<i>Less</i> estimated costs of sale (estimated 2% for costs of sale and real estate broker commission of 5%, for a total of 7%) less 1% Broker Carve-Out	(\$132,000.00)
<i>Less</i> Broker Carve-Out	(\$22,000.00)
<i>Less</i> Fencing Costs	(\$1,407.00)
<i>Less</i> estimated Water Costs ¹⁵	(\$943.78)
<i>Less</i> estimated property taxes (including defaulted taxes and pro-rata current taxes) (estimated)	(\$43,685.57)
<i>Less</i> estimated payoff for First DOT (Minus Foothill Financial Carve-Out and Investor Carve-Out)	(\$1,865,798.74)

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15 The City of Newport Beach issued a Final Notice of Intent to Terminate Water Service for the Property (“Water Notice”) for the past due amount of \$943.78. The Broker will be advancing funds to pay the past due amount and ensure that water service is not discontinued. These “Water Costs” are anticipated to be higher than the \$943.78 provided for in the Water Notice and the Trustee estimates that up to an additional \$200.00 per month may need to be advanced by the Broker until escrow closes on the sale of the Property.

1	Less Foothill Financial Carve-Out	(\$37,500.00)
2	Less Investor Carve-Out	(\$96,664.91)
3	Less estimated payoff for Second DOT	(\$0.00)
4	Net Proceeds	\$0.00

6 The facts surrounding the sale of the Property support a sound business justification exists
7 supporting the sale of the Property and its terms. The sale of the Property ensures the secured
8 creditors, which are creditors of the Debtor, will receive some payment on account of their liens.
9 The sale of the Property also ensures that the Estate receives funds to defray the fees and expenses
10 associated with the marketing and sale of the Property pursuant to the Preliminary Injunction and
11 provide funds for distribution to creditors. Thus, good cause exists to grant the Motion.

12 **C. The Trustee is Authorized to Execute Any and All Documents Convenient and**
13 **Necessary for the Sale of the Property Consistent with the Preliminary Injunction.**

14 Paragraph 12 of the Preliminary Injunction provides as follows:

15 In the Trustee’s discretion and business judgment, the Trustee is
16 expressly permitted to actively market for sale the Affiliate or Insider
17 Real Property, and take all steps necessary and convenient to market
18 and consummate the sale of any Affiliate or Insider Real Property,
including execution of documents; provided, however that the
19 Trustee’s sale of any Affiliate or Insider Real Property is expressly
20 conditioned upon such sale being the subject of a noticed motion and
21 resulting Court order.

22 Further, paragraph 16 of the Preliminary Injunction states: “For the avoidance of doubt, the
23 Trustee shall have final authority regarding the sale or other disposition of any of the Enjoined
24 Property, and approval of any sale or disposition of the Enjoined Property must be expressly
25 approved by the Trustee in writing prior to closing or consummating such a transaction, or otherwise
26 authorized by Court order.” Despite the disjunctive requirement of Paragraph 16 of the Preliminary
27 Injunction (*i.e.* Trustee’s approval in writing or Court order), out of an abundance of caution, the
28 Trustee requests Court authority to execute any and all documents convenient and necessary to
consummate the sale of the Property consistent with the Preliminary Injunction, including any
document(s) whereby the Trustee expressly consents to closing on the sale of the Property.

1 The Court may authorize the Trustee to execute any and all documents convenient and
2 necessary to consummate the sale of the Property consistent with the Preliminary Injunction under
3 11 U.S.C. § 105(a) which provides: “The court may issue any order, process, or judgment that is
4 necessary or appropriate to carry out the provisions of this title.” See 11 U.S.C. § 105. Section 105
5 sets out the power of the bankruptcy court to fashion orders as necessary pursuant to the purposes
6 of the Bankruptcy Code. *In re Chinichian*, 784 F.2d 1440, 1443 (9th Cir. 1986). See also, *In re*
7 *Lionel Corp.*, 722 F.2d 1063, 1069 (2d Cir. 1983) (bankruptcy judge must have substantial freedom
8 to tailor his orders to meet differing circumstances).

9 As such, the Trustee requests the Court authorize the Trustee to execute any and all
10 documents convenient and necessary to consummate the sale of the Property consistent with the
11 Preliminary Injunction, including any document(s) whereby the Trustee expressly consents to
12 closing on the sale of the Property.

13 **D. The Proposed Sale May be Allowed Free and Clear of Liens.**

14 The Trustee believes that the sale of the Property will be consensual. To the extent that the
15 Trustee does not get consent as expected and to ensure that the sale of the Property may close
16 promptly, the Trustee requests that the Court authorize the sale of the Property free and clear of liens
17 and encumbrances, including but not limited to the Second DOT. A court of equity has the power
18 to order the sale of property free and clear of liens and encumbrances. See *City of Riverside v.*
19 *Horspool*, 223 Cal. App. 4th 670, 684 (2014)(citing to *Spreckels v. Spreckels Sugar Corp.*, 79 F.2d
20 332, 334 (2d Cir. 1935) and *Miners’ Bank of Wilkes-Barre v. Acker*, 66 F.2d 850, 853 (3rd Cir.
21 1993)). Such power has long been exercised by federal courts sitting in equity when ordering sales
22 by receivers or on foreclosure. See *Van Huffel v. Harkelrode*, 284 U.S. 225, 227 (1931). The
23 Trustee believes that, in the interest of justice, he should be able to sell the Property free and clear
24 of liens and encumbrances if doing so is required to ensure that the sale promptly closes on the
25 Property.

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1 While this is not a sale of property of the Estate, Section 363(f) of the Bankruptcy Code is
2 instructive as to when the sale of property free and clear is equitable pursuant to the Bankruptcy
3 Code. Section 363(f) allows a trustee to sell property of the bankruptcy estate “free and clear of any
4 interest in such property of an entity,” if any one of the following five conditions is met:

5 (1) Applicable non-bankruptcy law permits a sale of such property free and
6 clear of such interest;

7 (2) Such entity consents;

8 (3) Such interest is a lien and the price at which such property is to be sold is
9 greater than the aggregate value of all liens on such property;

10 (4) Such interest is in bona fide dispute; or

11 (5) Such entity could be compelled, in a legal or equitable proceeding, to
12 accept money satisfaction of such interest.

13 11 U.S.C. § 363(f); see, e.g., *Pinnacle Restaurant at Big Sky, LLC v. CH SP Acquisitions, LC (In re*
of Spanish Peaks Holdings II, LLC), 862 F.3d 1148, 1153-54 (9th Cir. 2017).

14 The consent of a lien holder is certainly one basis for approval of a sale, but Section 363(f)
15 is written in the disjunctive. Thus, satisfaction of any one of the five conditions is sufficient to sell
16 property free and clear of liens. See e.g., *Citicorp Homeowners Services, Inc. v. Elliot (In re Elliot)*,
17 94 B.R. 343, 345 (Bankr. E.D. Pa. 1988); *Mutual Life Ins. Co. of New York v. Red Oak Farms, Inc.*
18 *(In re Red Oak Farms, Inc.)*, 36 B.R. 856, 858 (Bankr. W.D. Mo. 1984).

19 In *Pinnacle Rest. at Big Sky, LLC v. CH SP Acquisitions, LLC (In re Spanish Peaks Holdings*
20 *II, LLC)*, 872 F.3d 892 (9th Cir. 2017) (“*Pinnacle*”), the Ninth Circuit Court of Appeals held that
21 where state foreclosure law would eliminate a junior interest, Trustee may sell property free and
22 clear of such interest pursuant to Section 363(f)(1). *Id.* at 900.

23 Bankruptcy Courts have also found that the availability of foreclosure sales outside of
24 bankruptcy represent a “legal or equitable proceeding”, such that a bankruptcy trustee may thus sell
25 a subject property free and clear of liens under Section 363(f)(5). In *Clear Channel Out-Door, Inc.*
26 *v. Knupfer (In re PW, LLC)*, 391 B.R. 25 (B.A.P. 9th Cir. 2008), the Bankruptcy Appellate Panel
27 (“BAP”) reversed the Bankruptcy Court’s approval of a sale to a senior lender free and clear of the
28 liens of the junior lienholder under Section 363(f)(5). In reversing the Bankruptcy Court’s decision,

1 the BAP found that Section 363(f)(5) requires that “(1) a proceeding exists or could be brought, in
2 which (2) the nondebtor could be compelled to accept a money satisfaction of (3) its interest.” *Id.* at
3 41. Analyzing the aforementioned factors in reverse order, the BAP concluded that a lien constitutes
4 an “interest” for purposes of Section 363(f)(5). With respect to the second factor, the BAP ruled
5 that Section 363(f)(5) refers to those proceedings in which the creditor “could be compelled to take
6 less than the value of the claim secured by the interest.” *Id.* In order to approve a sale free and clear
7 under Section 363(f)(5), the Court must “make a finding of the existence of ... a mechanism [to
8 address extinguishing the lien or interest without paying such interest in full] and the [debtor] must
9 demonstrate how satisfaction of the lien ‘could be compelled.’” *Id.* at 45. Finally, the BAP held that
10 Section 363(f)(5) requires that there be, “or that there be the possibility of, some proceeding, either
11 at law or at equity, in which the nondebtor could be forced to accept money in satisfaction of its
12 interest.” *Id.*

13 Here, all the factors set forth in *Clear Channel* for a sale free and clear of Second DOT
14 satisfied. First, as discussed in *Clear Channel*, the lien asserted by Second DOT constitutes an
15 interest in property for the purposes of Section 363(f)(5). *Clear Channel*, 391 B.R. at 41.

16 Second, regarding the combined other elements – that a proceeding exists or could be
17 brought, in which the Second DOT Investors holding a junior lien could be compelled to accept a
18 money satisfaction – as set forth in the Motion, the First DOT Investors have a senior lien on the
19 Property. The First DOT Investors could conduct a judicial or non-judicial foreclosure on their lien.
20 In the event of foreclosure by the First DOT Investors, the Second DOT Investors could be
21 eliminated and/or the Second DOT Investors could be compelled to accept money satisfaction of
22 their alleged junior lien. *See In re Jolan, Inc.*, 403 B.R. 866, 869-870 (Bankr. W.D. Wash.,
23 2009)(finding that “judicial and nonjudicial foreclosures in Washington operate to clear junior
24 lienholders’ interests, and their liens attach to proceeds in excess of the costs of sale and the
25 obligation or judgment foreclosed.”); *See also Fpci Re-Hab 01 v. E & G Invs.*, 207 Cal. App. 3d
26 1018, 1023 (1989) (“The statutory scheme concerning nonjudicial foreclosure contemplates that in
27 order to protect its interest, a junior lienor must pay the trustor’s obligation to the senior lienor.
28 (*Arnolds Management Corp. v. Eischen*, 158 Cal.App.3d at p. 579, 205 Cal.Rptr. 15; Civ.Code, §§

1 2904, 2876, 2924c, sub. (a)(1).”); *Bank of Am. v. Graves*, 51 Cal. App. 4th 607, 611–12
2 (1996)(quoting Bernhardt, Cal. Mortgage and Deed of Trust Practice (Cont.Ed.Bar 2d ed. 1990) §
3 4.8, pp. 193–194)(“A senior foreclosure sale conveys the property free of all junior liens....Thus, the
4 junior no longer has a lien on the property, and the security has been entirely destroyed. A sold-out
5 junior thus holds security that has ‘become valueless’ and is permitted to sue directly on the note.”);
6 Cal. Civ. Code § 2924k (noting that when a senior trust deed holder forecloses, the funds from the
7 sale are first used to pay certain costs of sale, then second used to pay the obligations of the senior
8 foreclosing lender secured by the deed of trust that is the subject of the foreclosure sale, then third
9 to pay the outstanding balance of obligations secured by any junior liens in the order of their
10 priority).

11 Based on the foregoing, through application of applicable California law, the Second DOT
12 Investors are “out of the money” and the Trustee requests that the Property be sold free and clear of
13 their lien. Therefore, in order to ensure that the Trustee may close on the sale of the Property, the
14 Trustee requests authority to sell the Property free and clear of all liens, including but not limited to
15 the Second DOT, with any liens and interests against the Property that are not released, paid in full,
16 or otherwise resolved through escrow, if any, to attach to the sale proceeds with the same force,
17 effect, validity, and priority as such liens or interests had with respect to the Property prior to the
18 sale, pending agreement with the lienholder or further Court order.

19 **IV. CONCLUSION**

20 **WHEREFORE**, based on the foregoing, the Trustee respectfully submits that good cause
21 exists to grant the Motion and requests that the Court enter an order as follows:

22 1. The sale of the Property on an as-is, where-is basis, without any warranties or
23 representations, to the Buyer (or Successful Bidder) pursuant to the terms and conditions as set forth
24 in the Agreement attached as **Exhibit “4”** to the Marshack Declaration comports with the
25 Preliminary Injunction Entered in the Insider Action;

26 2. In the event of an overbid, the Trustee may accept a back-up offer;

27 3. The Buyer is a good faith purchaser entitled to the protections set forth in 11 U.S.C.
28 § 363(m);

1 4. In the event of an overbid, the Successful Bidder shall be good faith purchaser
2 entitled to the protections set forth in 11 U.S.C. § 363(m);

3 5. Should Buyer or Successful Bidder not timely complete the purchase of the Property
4 pursuant to the terms of the Agreement, their deposit shall be forfeited;

5 6. The sale of the Property shall be free and clear of all liens, including but not limited
6 to the Second DOT, with any liens and interests against the Property that are not released, paid in
7 full, or otherwise resolved through escrow, if any, to attach to the sale proceeds with the same force,
8 effect, validity, and priority as such liens or interests had with respect to the Property prior to the
9 sale, pending agreement with the lienholder or further Court order;

10 7. The Trustee is authorized to execute any and all documents convenient and necessary
11 to consummate the sale of the Property consistent with the Agreement and Preliminary Injunction,
12 including but not limited to the Agreement and any amendments thereto, any counter-offers, any
13 document(s) whereby the Trustee expressly consents to closing on the sale of the Property, any and
14 all conveyances contemplated by the Agreement attached as **Exhibit "4"** to the Marshack
15 Declaration, any beneficiary demand statements, and any deeds of reconveyance (if needed);

16 8. The Trustee and/or A&A Escrow (Antonia Delgado) are authorized to pay all
17 reasonable costs of sale through escrow on the sale of the Property: (i) all real property taxes, (iii)
18 escrow fees, title insurance, and other costs of sale to be split between the Buyer and the Estate in
19 the manner customary in Orange County, California, (iii) real estate commission not to exceed five
20 and percent (5%), (iv) Fencing Costs to the Trustee, (v) Water Costs to the Broker, and (v) all
21 amounts owed under the First DOT (as agreed upon);

22 9. Any net proceeds from the sale shall be paid to and held by the Trustee in a
23 segregated account as provided by paragraph 17 of the Preliminary Injunction;

24 10. The Trustee is authorized to deposit the Broker Carve-Out, Foothill Financial Carve-
25 Out, and Investor Carve-Out, which shall constitute property of the Estate, in the Estate's general
26 operating account;

27 11. The Trustee is authorized to deposit the funds received as reimbursement for the
28 Fencing Costs in the segregated account for the Serra Proceeds;

1 12. Any remaining funds not otherwise disbursed as provided for in this Order shall be
2 held by the Trustee in a segregated account pending further Court order;

3 13. To the extent that it is necessary and aids in the prompt close of escrow on the sale
4 of the Property, in his capacity as CRO for the CalPac Entities, Mr. Issa is authorized to execute any
5 and all documents on behalf of the CalPac Entities which are convenient and necessary to
6 consummate the sale of the Property, including but not limited to deeds, escrow instructions, and
7 any other documents required to close escrow on the sale of the Property;

8 14. The Court retains jurisdiction: (a) to interpret, enforce, and implement the terms and
9 provisions of this sale; and (b) to resolve any disputes arising under or related to the order; and

10 15. For such other and further relief as the Court deems just and proper under the
11 circumstances of this case.

12 Respectfully submitted,

13 **SHULMAN BASTIAN FRIEDMAN & BUI LLP**

14
15 DATED: July 18, 2023

By: /s/ Rika M. Kido

James C. Bastian, Jr.

Ryan D. O’Dea

Rika M. Kido

Brooked S. Thompson

Special Counsel for Richard A. Marshack,

Chapter 7 Trustee for the bankruptcy estate of

AB Capital LLC, Case No. 8:22-bk-11585-TA

DECLARATION

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DECLARATION OF RICHARD A. MARSHACK

I, Richard A. Marshack, declare and state as follows:

1. The matters stated here are true and correct and within my personal knowledge. If called as a witness, I could and would competently testify thereto. I am the duly appointed, qualified and acting Chapter 7 trustee for the bankruptcy estate (“Estate”) of AB Capital, LLC, Case No. 8:22-bk-11585-TA.

2. I make this Declaration in support of my *Motion For Order: (1) Confirming the Sale of Real Property Owned by Debtor’s Affiliate, Subject to Overbid, Comports With the Preliminary Injunction Entered in Adversary Proceeding; (2) Authorizing the Trustee to Execute Any and All Documents Convenient and Necessary to the Sale; and (3) Granting Related Relief (“Motion”)*. Unless otherwise noted, capitalized terms in this Declaration have the meaning set forth in the Motion.

3. On November 30, 2022, the Court issued a Preliminary Injunction in the Insider Action, a true and correct copy of which is attached hereto as **Exhibit “1”**.¹⁶

4. The sale of the Property is not property of the Estate. The Property is owned by CalPac Mortgage, which is an affiliate of the Debtor, a Defendant in the Insider Action, and an Enjoined Party to the Preliminary Injunction. Pursuant to Paragraph 12 of the Preliminary Injunction, in my discretion and business judgment, I was expressly permitted to actively market real properties owned by Debtor’s Insiders and Affiliates, including the Property, for sale and take all steps necessary and convenient to market and consummate the sale of such properties.

5. Attached hereto as **Exhibit “3”** is a true and correct copy of the Updated Title Report dated July 5, 2023 for the Property.

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¹⁶ On June 2, 2023, the Order Approving Stipulation to Extend Term of Preliminary Injunction was entered in the Insider Action (“PI Extension Order”). Pursuant to the PI Extension Order, the term of the Preliminary Injunction is extended up to and including February 28, 2024. Further, on June 7, 2023, the Order Approving the Stipulation to Extend Term of Preliminary Injunction to Include and Bind the Joshua R. Pukini Trust Dated June 27, 2023 was entered in the Insider Action (“PI Pukini Extension Order”). Attached hereto as **Exhibit “2”** are true and correct copies of the PI Extension Order and the PI Pukini Extension Order.

1 6. I have received an offer to purchase the Property from Pelican Fund LLC or his
2 assignee (collectively the “Buyer”), for \$2,200,000.00, subject to overbids. A true and correct copy
3 of the Residential Purchase Agreement and Joint Escrow Instructions and its addenda (collectively
4 the “Agreement”) is attached hereto as **Exhibit “4”**.

5 7. Pursuant to the Payment Statement from Del Toro Loan Servicing Inc. dated
6 November 18, 2022, it is estimated that the total amount due for the First DOT is \$3,228,300.00
7 (“Payment Statement”). Attached hereto as **Exhibit “5”** is a true and correct copy of the Payment
8 Statement.

9 8. In order to assist me in defraying the fees and expenses associated with the marketing
10 and sale of the Property pursuant to the Preliminary Injunction and to provide funds for distribution
11 to creditors, Foothill Financial, which holds a majority interest in the First DOT, has agreed to carve-
12 out and assign a distribution to me as follows: (i) in the sum of \$37,500.00 to the Trustee if the sale
13 price is between \$2,200,000.00 and \$2,399,999.00; (i) a carveout of seven percent (7%) of the Net
14 Proceeds¹⁷ to the Trustee if the sale price is between \$2,400,000.00 and \$2,599,999.00; and (iii) a
15 carveout of ten percent (10%) of the Net Proceeds to the Trustee if the sale price is \$2,600,000.00
16 or greater (“Foothill Carve-Out”).

17 9. Additionally, the remaining First DOT Investors who have agreed to accept Net
18 Proceeds less a ten percent (10%) Investor Carve-Out¹⁸ and assignment to assist me with defraying
19 the fees and expenses associated with the sale of the Property and to provide funds for distribution
20 to creditors. My counsel has confirmed the remaining First DOT Investors’ agreement to the
21 Investor Carve-Out via Zoom meeting and is requesting written consent (“Consent”) in the form of
22 **Exhibit “6”** attached hereto.

23 10. I do not believe that there will be any money to pay the Second DOT Investors.

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26 ¹⁷ Net Proceeds is the sales price, less all maintenance costs (including, but not limited to, insurance costs and weed
27 abatement), costs of sale (including, but not limited to Broker commissions, title, escrow, conveyance costs and
prorations) and payment of superior liens (including, but not limited to, property taxes and HOA dues).

28 ¹⁸ Trustee reserves the right NOT to sell the Property and close escrow if he does not receive complete consensus of the
Investors to the Carve-out and assignment. The Investors will also need to provide escrow with a request for substitution
of trustee and reconvince as well as either a note or lost note affidavit.

1 11. The sale of the Property will result in the Estate receiving the Foothill Financial
2 Carve-out, the Investor Carve-Out, and Broker Carve-Out totaling \$156,164.91.

3 12. My counsel has provided a copy of this Motion to Mr. Issa, the CRO for the CalPac
4 Entities. Through my professionals, I have consulted with Mr. Issa, and he has provided his advice
5 regarding the sale of the Property. Mr. Issa has confirmed that, in his capacity as CRO for the
6 CalPac Entities, he does not object to the sale of the Property.

7 13. On May 1, 2023, the Court entered the Order Approving Motion for Use of Sale
8 Proceeds Derived From 108 Avenida Serra Pursuant to the Terms of the Preliminary Injunction in
9 the Insider Action [Insider Action, Docket No. 136] ("Serra Proceeds Order"). Attached hereto as
10 **Exhibit "7"** is a true and correct copy of the Serra Proceeds Order. Pursuant to the Serra Proceeds
11 Order, I was authorized to use the Serra Proceeds to reimburse the Broker for the Fencing Costs.
12 The Fencing Costs are to be paid back to the Serra Proceeds trust account from proceeds of the sale
13 of the Property. Accordingly, I request authority to deposit the funds received as reimbursement for
14 the Fencing Costs in the segregated account for the Serra Proceeds.

15 14. The offer from the Buyer is the best offer received for the Property. I believe that
16 the proposed sale, subject to overbids, will be at fair market value because the market itself, not
17 hypothetical appraisals of the market, are the best determinant of value. Given that the sale is subject
18 to overbids, it is anticipated the sale will result in the highest value for the Property and the proposed
19 sale price is fair and reasonable.

20 15. For the reasons set forth in Sale Motion and this Declaration, I believe there is a
21 sound business justification for the sale which complies with the requirements of the Preliminary
22 Injunction. I respectfully request that the Court grant the Motion so that I do not lose this favorable
23 opportunity to provide a benefit to the Estate.

24 I declare under penalty of perjury under the laws of the United States of America that the
25 facts set forth herein are true and correct.

26 Executed on July 18, 2023.



Richard A. Marshack

DECLARATION

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DECLARATION OF CLARENCE YOSHIKANE

I, Clarence Yoshikane, declare as follows:

1. I am a licensed real estate agent in the State of California and associated with BHHS / Berkshire Hathaway HomeServices California Properties. I am over 18 years of age and I have personal knowledge of the facts set forth herein and could, if called as a witness, competently testify thereto. I am also personally familiar with the real property referenced in this Declaration and that is the subject of the Motion.

2. I make this Declaration in support of the *Chapter 7 Trustee’s Motion For Order: (1) Confirming the Sale of Real Property Owned by Debtor’s Affiliate, Subject to Overbid, Comports With the Preliminary Injunction Entered in Adversary Proceeding; (2) Authorizing the Trustee to Execute Any and All Documents Convenient and Necessary to the Sale; and (3) Granting Related Relief (“Motion”)*. Unless otherwise noted, capitalized terms in this Declaration have the meaning set forth in the Motion.

3. On March 7, 2023, the Court entered an Order authorizing the employment of BHHS/Berkshire Hathaway HomeServices California Properties (the “Broker”) to assist the Trustee with the marketing and sale of the Property [Docket No. 168] (“Employment Order”). The Broker has agreed that its commission for the Property will not exceed five percent (5%) of the total purchase price of the Property, to be split as agreed upon by the Broker and buyer’s agent, with one percent (1%) of the total purchase price of the Property carved out and assigned to the Estate (“Broker Carve-Out”) in order to assist the Trustee with defraying the fees and expenses associated with the marketing and sale of the Property pursuant to the Preliminary Injunction.

4. The Broker has marketed the Property across multiple channels since early March 2023, including Multiple Listing Service, Berkshire Hathaway HomeServices California Properties Website, Nationally and Internationally, Yoshikane-Toyama.com, Zillow, Trulia, Realtor.com, and various social media platforms. Since the Property was listed, there have been twenty (20) agent calls and twelve (12) buyer calls.

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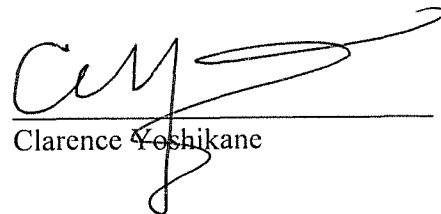
1 5. The best determination of price is the market, which has spoken. The Buyer's offer is
2 the result of negotiations for the highest and best offer. Since accepting the Buyer's offer, the Broker
3 has continued to market the Property for overbids.

4 6. Further, the Broker has more than twenty (20) years of experience in the sale of real
5 property as well as property valuations and is familiar with valuing real property in today's
6 economic environment. The Broker has advised the Trustee that it believes the current sale price is
7 consistent with local area comparable properties.

8 7. Because the best determination of price is the market, and because the proposed sale
9 is subject to overbids, the sale will be at fair market value. Based on this, it is anticipated that the
10 Trustee will receive the best and highest value for the Property and therefore the proposed sale price
11 is fair and reasonable.

12 I declare under penalty of perjury under the laws of the United States of America that the
13 facts set forth herein are true and correct.

14 Executed at Newport Beach, California on July 18, 2023.

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Clarence Yeshikane

DECLARATION

1 **DECLARATION OF J. MICHAEL ISSA**

2 I, J. Michael Issa, declare as follows:

3 1. I am the Chief Restructuring Officer (“CRO”) of CalPac Mortgage Fund, LLC
4 (“CalPac Mortgage”) and CalPac Management, Inc. (“CalPac Management”), collectively with
5 CalPac Mortgage, the “CalPac Entities”).¹⁹ I am over eighteen (18) years of age and I have personal
6 knowledge of the facts set forth herein and could, if called as a witness, competently testify thereto.
7 I am also personally familiar with the real property referenced in this Declaration and that is the
8 subject of the Motion.

9 2. I make this Declaration in support of the *Chapter 7 Trustee’s Motion For Order: (1)*
10 *Confirming the Sale of Real Property Owned by Debtor’s Affiliate, Subject to Overbid, Comports*
11 *With the Preliminary Injunction Entered in Adversary Proceeding; (2) Authorizing the Trustee to*
12 *Execute Any and All Documents Convenient and Necessary to the Sale; and (3) Granting Related*
13 *Relief (“Motion”).* Unless otherwise noted, capitalized terms in this Declaration have the meaning
14 set forth in the Motion.

15 3. Pursuant to the Title Report, title to the Property is vested in “CalPac Mortgage Fund,
16 LLC, a California Limited Liability Company.”

17 4. On May 4, 2023, the Trustee filed the *Stipulation to Modify the Preliminary*
18 *Injunction to Appoint J. Michael Issa as Chief Restructuring Officer of Defendants CalPac*
19 *Mortgage Fund, LLC and CalPac Management, Inc. and Allow the Appointment of Lee Naujock as*
20 *Successor Trustee to the Joshua R. Pukini Trust Dated June 27, 2013* in the Insider Action [Insider
21 Action, Docket No. 138] (“CRO Stipulation”), a copy of which is attached hereto as **Exhibit “8”**.

22 5. On May 5, 2023, the Court entered an Order approving the CRO Stipulation [Insider
23 Action, Docket No. 142] (“CRO Order”), a copy of which is attached hereto as **Exhibit “9”**. The
24 CRO Order approved the CRO Stipulation and authorized the modification of the Preliminary
25 Injunction to allow for my appointment as CRO for CalPac Mortgage and for CalPac’s sole member,
26 CalPac Management.

27 _____
28 ¹⁹ The CalPac Entities are affiliates of the Debtor, Defendants in the Insider Action, and Enjoined Parties to the Preliminary Injunction.

1 6. The Trustee has provided me with a copy of this Motion. I have reviewed the Motion
2 and the underlying business transaction. The Trustee, through his professionals, has consulted with
3 me and I have given my advice regarding the sale of the Property. I believe that the Trustee has
4 engaged in fair and reasonable marketing, advertising and other sale efforts and procedures in
5 connection with the sale of the Property. I believe that the proposed sale, subject to overbids, will
6 be at fair market value because the market itself, not hypothetical appraisals of the market, are the
7 best determinant of value. Therefore, in my capacity as CRO for the CalPac Entities, I do not object
8 to the sale of the Property.

9 7. To the extent that it is necessary and that it aids in the prompt close of escrow on the
10 sale of the Property, in my capacity as CRO for the CalPac Entities, I request authority to execute
11 any and all documents on behalf of the CalPac Entities which are convenient and necessary to
12 consummate the sale of the Property and consistent with my retention as CRO for the CalPac
13 Entities, including but not limited to deeds, escrow instructions, and any other documents required
14 to close escrow on the sale of the Property.

15 I declare under penalty of perjury under the laws of the United States of America that the
16 facts set forth herein are true and correct.

17 Executed at Irvine, California on July 18, 2023.

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20 _____
21 J. Michael Issa
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EXHIBIT 1

1 James C. Bastian, Jr. - Bar No. 175415
2 Ryan D. O’Dea - Bar No. 273478
3 Eric P. Francisconi - Bar No. 172102
4 Shane M. Biornstad - Bar No. 250202
5 **SHULMAN BASTIAN FRIEDMAN & BUI LLP**
6 100 Spectrum Center Drive, Suite 600
7 Irvine, CA 92618
8 Telephone: (949) 340-3400
9 Facsimile: (949) 340-3000
10 Email: JBastian@shulmanbastian.com
11 ROdea@shulmanbastian.com
12 EFrancisconi@shulmanbastian.com
13 SBiornstad@shulmanbastian.com



14 Proposed Special Litigation Counsel for
15 Richard A. Marshack, Chapter 7 Trustee

16 **UNITED STATES BANKRUPTCY COURT**
17 **CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION**

18 In re
19 **AB CAPITAL, LLC., a California limited liability company,**
20 Debtor.

21 Case No.: 8:22-bk-11585-TA
22 Chapter 7 (Involuntary)
23 Adv. Case No. 8:22-ap-01091-TA
24 **PRELIMINARY INJUNCTION**

25 RICHARD A. MARSHACK, Chapter 7 Trustee,
26 Plaintiff,
27 vs.
28 JOSHUA R. PUKINI, individually and as trustee of The Joshua R. Pukini Trust dated June 27, 2013; RYAN YOUNG, individually and as trustee of The Young Family Trust dated August 24, 2014, The Ryan J. Young Trust and The Young Ryan Trust; EDMUND VALASQUEZ, JR., an individual; 108 AVENIDA SERRA, LLC, a California limited liability company; 1034 W BALBOA, LLC, a California limited liability company; 31831 SUNSET LLC, a California limited liability company; AB CAPITAL FUND A, LLC, a California limited liability company; AB CAPITAL FUND B, LLC, a California limited liability company; AB CAPITAL HOLDINGS I, LLC, a California limited liability company; AB CAPITAL LFD, INC., a California corporation; ABC 2260 SAN

1 YSIDRO LLC, a California limited liability
company; BDP DEVELOPMENT
2 PARTNERS, LLC, a California limited
liability company; CAL-PAC DISTRESSED
REAL ESTATE FUND I, LLC, a California
3 limited liability company; CALPAC
MANAGEMENT, INC., a California
4 corporation; CALPAC MORTGAGE FUND,
LLC, a California limited liability company;
5 LIVING ART WORKS LLC, a California
limited liability company; LUNA
CONSTRUCTION MANAGEMENT, LLC,
6 a California limited liability company;
7 TABLEROCK ENTERPRISES, LLC, a
California limited liability company; and
DOES 1 through 50, inclusive,

8 Defendants.

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1 On October 21, 2022, a hearing (the “Hearing”) was held on the motion (the “Motion”) of
2 Richard A. Marshack, as Chapter 7 Trustee of the bankruptcy estate of AB Capital, LLC (“Trustee”),
3 for issuance of a temporary restraining order (“TRO”) and preliminary injunction (“Preliminary
4 Injunction”), seeking, among other things, to enjoin Joshua R. Pukini, individually and as trustee of
5 The Joshua R. Pukini Trust dated 6/27/2013; Ryan Young, individually and as trustee of The Young
6 Family Trust dated 8/24/2014, the Ryan J. Young Trust, and the Young Ryan Trust; Edmund
7 Valasquez, Jr.; 108 Avenida Serra, LLC; 1034 W Balboa, LLC; 31831 Sunset LLC; AB Capital
8 Fund A, LLC; AB Capital Fund B, LLC; AB Capital Holdings I, LLC; AB Capital LFD, Inc.; ABC
9 2260 San Ysidro LLC; BDP Development Partners, LLC; Cal-Pac Distressed Real Estate Fund I,
10 LLC; Calpac Management, Inc.; CalPac Mortgage Fund, LLC; Living Art Works LLC; Luna
11 Construction Management, LLC; and Tablerock Enterprises, LLC (“Defendants”) from diverting,
12 secreting, hiding, wasting, spending, appropriating, subverting or transferring assets derived from
13 or related to debtor AB Capital, LLC (“Debtor”) in their possession, custody, or control, the
14 Honorable Theodor C. Albert presiding. On October 24, 2022, the Court entered the TRO, reflected
15 as Docket Number 21 in the above-captioned adversary action, which was stipulated and agreed to
16 by defendants Josh Pukini and Ryan Young.

17 Having considered the Motion, all evidence submitted by Trustee, the parties’ oral argument
18 at the Hearing, Josh Pukini’s and Ryan Young’s stipulation for entry of the TRO and their stipulation
19 to the terms of this Preliminary Injunction, and good cause appearing,

20 It is hereby **ORDERED**:

21 1. The Motion seeking a Preliminary Injunction is granted, as modified and provided
22 herein.

23 2. Subject to Paragraphs 4 through 7 below, Defendants, and any entity, affiliate, or
24 subsidiary owned or controlled in whole or in part by Defendants (collectively, the “Enjoined
25 Parties”) are enjoined from selling, encumbering, transferring, diverting, secreting, hiding, wasting,
26 spending, appropriating, collecting, compromising (including collecting amounts due under any
27 notes or other instruments or entering into any settlement or compromise) or subverting any asset,

1 including bank or brokerage accounts, of any kind owned or controlled, in whole or in part, by any
2 of the Enjoined Parties (the “Enjoined Property”) from November 30, 2022 through May 1, 2023
3 (the “Injunction Period”) without the express written consent of the Trustee or further order of the
4 court.

5 3. The Enjoined Property includes, but is not limited to the following:

6 (i) Any and all personal property, real property or interests in real property, held or owned,
7 directly or indirectly by or for the benefit of Debtor, including but not limited to the following: 8018
8 La Milla, Rancho Santa Fe, CA 92067; 1314 Sunset Plaza Drive, Los Angeles, CA 90069; 322
9 Broadway, Oakland, CA 94607; and 444 Museum Drive, Los Angeles, CA 90066 (the “Debtor’s
10 Real Property”);

11 (ii) Any and all liens, notes, deeds of trust, assignments or security interests related to or
12 securing repayment of any loan, note, or any other obligation of any kind (collectively “Liens”),
13 held directly or indirectly by or for the benefit of Debtor including but not limited to Liens related
14 to the following real property: 2260 San Ysidro Drive, Los Angeles, CA 90210 (2nd DOT); 437 E.
15 5th Street, Long Beach, CA 90802 (1st DOT); 1611 Cliff Drive, Newport Beach, CA 92663 (2nd
16 DOT); 1312 Beverly Grove Place, Beverly Hills, CA 90210 (2nd DOT); 7 Makena Lane, Rancho
17 Mirage, CA 92270 (2nd DOT); and 8018 La Milla, Rancho Santa Fe, CA 92067 (1st DOT) (the
18 “Debtor’s Lien Interests”);

19 (iii) Any and all personal property, real property, or interests in real property, held, directly
20 or indirectly, in the name or for the benefit of Debtor’s affiliates or insiders including but not limited
21 to the following: 1034 W. Balboa Boulevard, Newport Beach, CA 92661; 108 Avenida Serra, San
22 Clemente, CA 92672; 31831 Sunset Avenue, Laguna Beach, CA 92651; 1 Makena Lane, Rancho
23 Mirage, CA 92270; 2 Makena Lane, Rancho Mirage, CA 92270; 4 Makena Lane, Rancho Mirage,
24 CA 92270; 5 Makena Lane, Rancho Mirage, CA 92270; 7 Makena Lane, Rancho Mirage, CA
25 92270; 2260 San Ysidro Drive, Los Angeles, CA 90210; 3301 Coldwater Canyon Avenue, Studio
26 City, CA 91604; 530 Alta Vista Way, Laguna Beach, CA 92651; 1312 Beverly Grove Place, Beverly
27 Hills, CA 90210; 501 S. Olive Street, Anaheim, CA 92805; 109 Rivo Alto Canal, Long Beach, CA

1 90803; 170 N. Circulo Robel, Anaheim, CA 92807; 20620 Manzanita Avenue, Yorba Linda, CA
2 92886; 5578 Avenida Adobe, Yorba Linda, CA 92886; 5632 Campo Walk, Long Beach, CA 90803;
3 7890 East Berner Street, Long Beach, CA 90808; and 38861 Elmwood Drive, Rancho Mirage, CA
4 92270; 2826-041-022, Los Angeles County, CA; 112 22nd Street, Newport Beach, CA 92663; and
5 7900 E. Cramer Street, Long Beach, CA 90808 (the “Affiliate or Insider Real Property Interests”).

6 (iv) Any and all liens, notes, deeds of trust, assignments or security interests related to or
7 securing repayment of any loan, note, or any other obligation of any kind (collectively “Liens”) held
8 directly or indirectly by or for the benefit of any affiliate or insider of the Debtor, including but not
9 limited to Liens related to the following real property: 437 E. 5th Street, Long Beach, CA 90802;
10 and 7 Makena Lane, Rancho Mirage, CA 92270 (the “Affiliate or Insider Lien Interests”);

11 (v) Any and all ownership interest, including stock, partnership or membership interests,
12 held directly or indirectly by or for the benefit of the Debtor in any entity (“Debtor’s Ownership
13 Interests”);

14 (vi) Any and all ownership interest, including stock, partnership or membership interests,
15 held directly or indirectly by or for the benefit of any affiliate or insider of the Debtor (“Affiliate or
16 Insider Ownership Interests”);

17 (vi) Debtor’s hardcopy and electronic books and records, including those removed from
18 Debtor’s corporate office (“Debtor’s Records”);

19 (vii) Hardcopy and electronic books and records of any affiliate or insider (“Affiliate or
20 Insider Records”);

21 (viii) Original notes, construction loan related documents and other documents or
22 instruments evidencing or related to any right to payment in favor of Debtor (“Debtor Notes and
23 Other Instruments”) or any of Debtor’s insiders or affiliates (“Insider Notes and Other
24 Instruments”);

25 (ix) Any and all claims, causes of action or rights to proceed with legal or equitable action
26 or process held by or for the benefit of the Debtor (“Debtor Claims”);

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1 (x) Any and all claims, causes of action or rights to proceed with legal or equitable action
2 or process held by or for the benefit of any affiliate or insider of the Debtor, including those
3 identified on **Exhibit A** affixed to this Preliminary Injunction (“Affiliate or Insider Claims”); and

4 (xi) Construction documents, contracts, bids, keys, access codes, plans, permits,
5 entitlements, governmental approvals, certificates of occupancy, licenses, or other form of
6 authorization or approval issued by a government agency or authority and legally required for the
7 construction ownership, operation, and use of the Enjoined Property (“Construction Documents”),

8 4. Subject to a monthly budget provided to the Trustee, defendant Ryan Young shall be
9 permitted to utilize up to \$35,000.00 (the “Young Monthly Budget”), derived from of his personal
10 funds and/or derived from defendant Tablerock Enterprises, LLC (“Tablerock”), for his ordinary
11 and reasonable costs of living and legal expenses during the Injunction Period. As a condition
12 precedent to being entitled to the Young Monthly Budget, defendant Ryan Young must prepare and
13 provide to the Trustee, a report (the “Young Report”) identifying the anticipated source(s) of funds
14 comprising the Young Monthly Budget. If defendant Ryan Young or his wife receive funds in a
15 given month from sources not identified in the Young Report, defendant Ryan Young shall disclose
16 to the Trustee the source of any such funds that he or his wife receive within fourteen (14) days of
17 receipt; absent objection from the Trustee, such funds shall not be subject to this Preliminary
18 Injunction (the “Non-Enjoined Funds”). To the extent there is a disagreement between the Trustee
19 and defendant Ryan Young over whether funds constitute Non-Enjoined Funds, defendant Ryan
20 Young may present such dispute to the Court on 72 hours’ notice, if necessary. To the extent
21 defendant Ryan Young requires funds in addition to the Young Monthly Budget for the purpose of
22 paying state and/or federal taxes, Mr. Young may request a temporary increase of the Young
23 Monthly Budget solely to satisfy his tax liability (the “Young Temporary Increase”). As a condition
24 precedent to being entitled to the Young Temporary Increase: (1) defendant Ryan Young shall
25 provide the Trustee with appropriate documentation supporting the tax liability necessitating the
26 Young Temporary Increase; and (2) the Trustee must approve, in writing, the Young Temporary
27 Increase – approval which shall not unreasonably be withheld.

1 5. The Trustee has agreed that this Preliminary Injunction shall not apply to Ryan
2 Young’s personal residence at 31522 Bluff Drive, Laguna Beach, CA 92651 (the “Young
3 Residence”) or any proceeds derived from the Young Residence during the Injunction Period
4 conditioned upon Mr. Young’s agreement to not sell, transfer, or encumber the Young Residence
5 during the Injunction Period; without prejudice to the Trustee seeking to include the Young
6 Residence as part of the Enjoined Property.

7 6. Subject to a monthly budget provided to the Trustee, defendant Josh Pukini shall be
8 permitted to utilize up to \$35,000.00 (the “Pukini Monthly Budget”), derived from of his personal
9 funds for his ordinary and reasonable costs of living and legal expenses during the Injunction Period.
10 As a condition precedent to being entitled to the Pukini Monthly Budget, defendant Josh Pukini
11 must prepare and provide to the Trustee, a report (the “Pukini Report”) identifying the anticipated
12 source(s) of funds comprising the Pukini Monthly Budget. If defendant Josh Pukini receives funds
13 in a given month from sources not identified in the Pukini Report, defendant Josh Pukini shall
14 disclose to the Trustee the source of any such funds that he receives within fourteen (14) days of
15 receipt; absent objection from the Trustee, such funds shall not be subject to this Preliminary
16 Injunction (the “Non-Enjoined Funds”). To the extent there is a disagreement between the Trustee
17 and defendant Josh Pukini over whether funds constitute Non-Enjoined Funds, defendant Josh
18 Pukini may present such dispute to the Court on 72 hours’ notice, if necessary. To the extent
19 defendant Josh Pukini requires funds in addition to the Pukini Monthly Budget for the purpose of
20 paying state and/or federal taxes, Mr. Pukini may request a temporary increase of the Pukini
21 Monthly Budget solely to satisfy his tax liability (the “Pukini Temporary Increase”). As a condition
22 precedent to being entitled to the Pukini Temporary Increase: (1) defendant Josh Pukini shall
23 provide the Trustee with appropriate documentation supporting the tax liability necessitating the
24 Pukini Temporary Increase; and (2) the Trustee must approve, in writing, the Pukini Temporary
25 Increase – approval which shall not unreasonably be withheld.

26 7. Subject to a monthly budget provided to the Trustee, defendant Edmund Valasquez,
27 Jr. shall be permitted to utilize up to \$25,000.00 (the “Valasquez Monthly Budget” and, together

1 with the Young Monthly Budget and the Valasquez Monthly Budget, the “Monthly Budgets”),
2 derived from of his personal funds for his ordinary and reasonable costs of living and legal expenses
3 during the Injunction Period. As a condition precedent to being entitled to the Valasquez Monthly
4 Budget, defendant Edmund Valasquez must prepare and provide to the Trustee, a report the
5 “Valasquez Report”) identifying the anticipated source(s) of funds comprising the Valasquez
6 Monthly Budget. If defendant Edmund Valasquez receives funds in a given month from sources
7 not identified in the Valasquez Report, defendant Edmund Valasquez shall disclose to the Trustee
8 the source of any such funds that he receives within fourteen (14) days of receipt; absent objection
9 from the Trustee, such funds shall not be subject to this Preliminary Injunction (the “Non-Enjoined
10 Funds”). To the extent there is a disagreement between the Trustee and defendant Edmund
11 Valasquez over whether funds constitute Non-Enjoined Funds, defendant Edmond Valasquez may
12 present such dispute to the Court on 72 hours’ notice, if necessary. To the extent defendant Edmund
13 Valasquez requires funds in addition to the Valasquez Monthly Budget for the purpose of paying
14 state and/or federal taxes, Mr. Valasquez may request a temporary increase of the Valasquez
15 Monthly Budget solely to satisfy his tax liability (the “Valasquez Temporary Increase”). As a
16 condition precedent to being entitled to the Valasquez Temporary Increase: (1) defendant Edmund
17 Valasquez shall provide the Trustee with appropriate documentation supporting the tax liability
18 necessitating the Valasquez Temporary Increase; and (2) the Trustee must approve, in writing, the
19 Valasquez Temporary Increase – approval which shall not unreasonably be withheld.

20 8. All deadlines to answer or respond to the complaint in this adversary action are
21 stayed during the Injunction Period. The Court may schedule and hold periodic status conferences
22 in the adversary action, but will not issue a scheduling order during the Injunction Period.

23 9. Subject to the terms and conditions set forth in paragraphs 11 through 15 below,
24 Defendants shall cooperate with, report to and take advice and direction from the Trustee and his
25 agents, counsel and representatives as necessary in the Trustee’s discretion in: (a) marketing, selling
26 and managing the Enjoined Property; (b) collecting on notes constituting the Enjoined Property; (c)
27 pursuing foreclosure remedies associated with the Enjoined Property; and (d) taking any other

1 actions that are reasonably necessary to monetize the Enjoined Property for the benefit of the estate
2 and creditors (all of which shall be referred to herein as the “Cooperation Activities”).

3 10. Subject to the terms of that certain Stipulated Protective Order affixed hereto as
4 **Exhibit B**,¹ Defendants are required to turn over all documents and information to the Trustee as
5 necessary for the Trustee to administer Debtor’s estate or that which is necessary to the marketing,
6 sale, collection or taking any other activities necessary to preserve or realize value from the Enjoined
7 Property – including but not limited to turnover of copies of all bank statements for any bank account
8 held or controlled by Defendants for the last two (2) years, access² to any and all bank accounts held
9 or controlled by Defendants, Notes and Other Instruments (including any copies of same), Debtor
10 Records, Construction Documents, Affiliate or Insider Records and turnover of any and all
11 documents related to and necessary or convenient to determine the value and disposition of any
12 Enjoined Property, including any document referenced in or related to the Enjoined Property
13 described in Paragraph 3 above. To the extent, after Defendants’ good faith efforts, Defendants are
14 not able to provide the Trustee with electronic access to any bank account(s) held or controlled by
15 Defendants, , no later than the 10th day of each month, Defendants shall provide the Trustee with
16 account statements for any and all bank accounts held or controlled by Defendants (where electronic
17 access has not been provided to the Trustee). To the extent the ending balance for any account has
18 changed from the prior month’s ending balance, other than the accounts from which the Monthly
19 Budgets are funded, Defendants shall provide the Trustee with all information necessary for the
20 Trustee to determine the basis for the change, which may include a copy of the full prior month’s
21 bank statement. To the extent the accounts from which the Monthly Budgets are funded have
22 decreased by an amount more than the allowed Monthly Budgets, Defendants shall, upon the

23 _____
24 ¹ The Stipulated Protective Order will be separately filed and lodged with the Court for approval.

25 ² “Access” does not mean, and shall not be interpreted to mean or include, the Trustee’s ownership
26 or control over any bank account held or controlled by Defendants. For the sake of clarity, “access”
27 for purposes of Paragraph 10 of this Preliminary Injunction shall mean electronic or hardcopy access
28 to any and all bank records and banking activity associated with bank accounts owned or controlled
by Defendants.

1 Trustee’s request, immediately provide the Trustee with all information necessary to evaluate and
2 determine the use of such proceeds.

3 11. Defendants shall be enjoined from interfering³ with, or taking steps of any kind to
4 impair, the Trustee’s ability: (a) to market and sell the Debtor Real Property; (b) to collect payments
5 due and owing under any Debtor Notes or Other Instruments; (c) to collect payments due and owing
6 under any Insider Notes or Other Instruments, subject to any such payments being held in a
7 segregated account by the Trustee subject to any claims, rights, or defenses asserted by Defendants,
8 including but not limited to the right of Defendants to seek to use a portion of such payments to
9 fund, in part, the Monthly Budgets; (d) enforcing the Debtor’s Lien Interests; (e) enforcing the
10 Affiliate or Insider Lien Interests, subject to any Net Proceeds from such enforcement activity being
11 held in a segregated account by the Trustee subject to any claims, rights, or defenses asserted by
12 Defendants; or (f) realize value for or on account of any Enjoined Property. To the extent there is
13 any dispute over the Trustee’s proposed action under this paragraph, any appropriate Defendant(s)
14 may present such dispute to the Court on 72 hours’ notice, if necessary.

15 12. In the Trustee’s discretion and business judgment, the Trustee is expressly permitted
16 to actively market for sale the Affiliate or Insider Real Property, and take all steps necessary and
17 convenient to market and consummate the sale of any Affiliate or Insider Real Property, including
18 execution of documents; provided, however that the Trustee’s sale of any Affiliate or Insider Real
19 Property is expressly conditioned upon such sale being the subject of a noticed motion and resulting
20 Court order.

21 13. In the Trustee’s discretion and business judgment, the Trustee: (a) is expressly
22 permitted to collect payments due and owing under the Debtor Notes and Other Instruments; (b) is
23 expressly permitted to collect payments due and owing under Insider Notes and Other Instruments
24 and/or taking all steps necessary to enforce the Affiliate or Insider Lien Interests, subject to any such

25 ³ For purposes of this Preliminary Injunction: “Interfering” shall not mean, and shall not be
26 interpreted to mean or include, Defendants seeking bankruptcy court relief to resolve any dispute
27 regarding any term or provision of this Preliminary Injunction. Similarly, “interfering” shall not
28 mean or include Defendants’ opposition to any motion filed by the Trustee regarding a dispute over
any term or provision of this Preliminary Injunction.

1 payments being held in a segregated account by the Trustee subject to any claims, rights, or defenses
2 asserted by Defendants; (c) to exercise foreclosure rights related to the Affiliate or Insider Lien
3 Interests; and (d) compromise or settle any Affiliate or Insider Claims without further order of the
4 Court so long as the Trustee provides Defendants with a minimum of fourteen (14) days' notice of
5 his intention to do so; provided however that the Trustee may seek Court approval of these actions
6 as he deems necessary or appropriate in his discretion. To the extent there is any dispute over the
7 Trustee's proposed action under this paragraph, any appropriate Defendant(s) may present the
8 dispute to the Court on 72 hours' notice, if necessary.

9 14. In the Trustee's discretion and business judgment, the Trustee is expressly permitted
10 to take all steps necessary to monetize or realize value on account of Affiliate or Insider Ownership
11 Interests. The Trustee's entry into a transaction to sell, monetize or realize value for Affiliate or
12 Insider Ownership Interests is expressly conditioned upon such a sale being the subject of a noticed
13 motion and resulting Court order.

14 15. Defendants shall be enjoined from interfering with, or taking steps of any kind to
15 impair, the Trustee's ability: (a) to market for sale the Affiliate or Insider Real Property; (b) to
16 collect payments due and owing under Notes or Other Instruments constituting or other obligations
17 which are secured by Affiliate or Insider Lien Interests; (c) to exercise foreclosure or other
18 enforcement rights related to the Affiliate or Insider Lien Interests; (d) monetize or realize value on
19 account of Affiliate or Insider Ownership Interests; or (e) compromise or settle any Affiliate or
20 Insider Claims. To the extent there is any dispute over the Trustee's proposed action under this
21 paragraph, any appropriate Defendant(s) may present such dispute to the Court on 72 hours' notice,
22 if necessary.

23 16. For the avoidance of doubt, the Trustee shall have final authority regarding the sale
24 or other disposition of any of the Enjoined Property, and approval of any sale or disposition of the
25 Enjoined Property must be expressly approved by the Trustee in writing prior to closing or
26 consummating such a transaction, or otherwise authorized by Court order.

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1 17. Any and all net proceeds resulting from sale, enforcement or other disposition of any
2 Affiliate or Insider Real Property, Affiliate or Insider Lien Interests, Affiliate or Insider Claims or
3 Affiliate or Insider Ownership Interests after payment of reasonable and ordinary closing costs,
4 including reasonable brokerage commissions and valid encumbrances or in the case of Affiliate or
5 Insider Claims, payment of reasonable attorneys' fees and costs incurred in relation thereto (but not
6 including any administrative fees or costs of the Trustee or his professionals, which may only be
7 paid upon entry of a final order of the bankruptcy court approving same), approved by the Trustee
8 in his sole discretion (the "Net Proceeds"), shall be held in a segregated account by the Trustee
9 subject to any claims, rights, or defenses asserted by Defendants.

10 18. In the Trustee's discretion and business judgment, and absent an agreement from the
11 appropriate Defendant(s), the Parties recognize that the Trustee may apply to the court for
12 permission to spend any cash constituting net sale proceeds from 108 Avenida Serra, San Clemente,
13 California, any Net Proceeds, and any funds held in Defendants' bank accounts as reasonably
14 necessary to cover the cost of insurance, repairs, or other items necessary to preserve the value of
15 the Enjoined Property. To the extent such request cannot be made by way of stipulated agreement,
16 the Trustee may file a motion seeking approval of such request with 72 hours' notice.

17 19. Should any term of this Preliminary Injunction be breached by any party, including
18 but not limited breach of the Cooperation Activities, any non-breaching party may submit a
19 declaration to the Court attesting to the breach and lodge an order with the Court seeking hearing
20 on seventy-two (72) business hours' notice, subject to the availability of the Court.

21 20. This Preliminary Injunction is without prejudice to any claim or defense of the
22 Trustee or Defendants. All rights of all parties are expressly reserved, including the right of the
23 Trustee to seek an extension of the Injunction Period, expansion of the scope of this Preliminary
24 Injunction or the issuance of a permanent injunction, and the rights of Defendants to challenge the
25 scope of this Preliminary Injunction, the expansion of the scope of this Preliminary Injunction, or
26 the issuance of a permanent injunction. In the event the Trustee files a motion to extend the
27 Injunction Period or to expand the scope of this Preliminary Injunction, Defendants may oppose

1 such a motion. Nothing in this Preliminary Injunction shall constitute or be treated as a waiver of
2 any argument, claim, or defense of Defendants in opposition to a motion to extend the Injunction
3 Period or expand the scope of this Preliminary Injunction.. Should the Trustee file a motion to
4 extend the Injunction Period or to expand the scope of this Preliminary Injunction, or in the event
5 any Defendant files a motion seeking to modify or vacate all or portions of the Preliminary
6 Injunction (“Motion to Modify or Vacate”), the burden of establishing the applicable elements
7 necessary for preliminary injunctive relief shall be on the Trustee. However, in the event any
8 Defendant intends to file a Motion to Modify or Vacate, such Defendant shall: (1) no less than seven
9 (7) days prior to filing a Motion to Modify or Vacate, prepare and provide to the Trustee a written
10 statement detailing the basis and grounds for the prospective motion; and (2) no less than three (3)
11 days prior to filing a Motion to Modify or Vacate, meet and confer with the Trustee (telephonically,
12 virtually, or physically) in good faith to resolve the dispute(s) underlying the prospective motion.
13 Should the parties’ meet and confer efforts fail to resolve the dispute(s) and a Motion to Modify or
14 Vacate be filed with the Court, Defendants and the Trustee agree to an expediated discovery
15 schedule and the deadline for filing any opposition to the Motion to Modify or Vacate shall not be
16 less than fourteen (14) days after the later of: (a) receipt of all Defendants’ discovery responses; (b)
17 receipt of all Defendants’ production of documents; or (c) conclusion of any deposition noticed or
18 subpoenaed by the Trustee.⁴

19 21. This Preliminary Injunction may be served on third-parties, including banks and
20 escrow companies in contract with any of the Enjoined Parties, or in possession of any Enjoined
21 Property, and that such third-parties are directed and authorized to interact exclusively with and take
22 instruction from the Trustee or his authorized representatives in connection with any Enjoined Party
23 or Enjoined Property as necessary to allow the Trustee and Defendants to comply with the terms of
24 this Preliminary Injunction.

25
26 _____
27 ⁴ In the event the Trustee does not propound discovery upon Defendants or any third-party, the
28 deadline to oppose any Motion to Modify or Vacate shall not be less than twenty-one (21) days from
the date such Motion to Modify or Vacate was filed with the Court.

Case Information	Parties
Orange County Superior Court; 30-2022-01254450-CU-BC-CJC	Michael C. Vaupel; Lynda L. Roese-Vaupel, as individuals and Co-Trustees of the Vaupel Family Trust Dated March 6, 2008 as Amended and Restated February 16, 2010 v. AB Capital, LLC; Joshua Pukini; and Ryan J. Young
Orange County Superior Court; 30-2022-01244889-CU-BC-WJC	FCI Lender Services, Inc. v. AB Capital, LLC
Los Angeles County Superior Court; 22TRCV00066	Shoyinka Veronica Ogbeide v. AB Capital, LLC; Escrow Experts, Inc.; FCI Lenders Services Inc.
Orange County Superior Court; 30-2021-01236708-CU-WT-CJC	Cierra Taylor v. AB Capital, LLC; Luna Construction Management LLC; Joshua Pukini, individually and as trustee of The Joshua R. Pukini Trust; Calpac Mortgage Fund LLC; Calpac Management Inc., dba Cal Pac Capital
Orange County Superior Court; 30-2021-01199187-CU-BC-CJC	410 Twenty Ninth Streets LLC v. AB Capital LLC; Joshua R. Pukini; Ryan J. Young
Los Angeles County Superior Court; 22TRCV00321	Konstro Designs & Engineering Inc. v. AB Capital LLC; Escrow Experts Inc.; FCI Lender Services Inc.; Joshua Pukini; Ryan Young
Los Angeles County Superior Court; 21STCV14445	Mikayel Israyelyan; 14241 Ventura LLC v. AB Capital, LLC; Joshua R. Pukini; Ryan Young; Justin C. Johnson; Calpac Management, Inc.
United States Bankruptcy Court Central District of California - Los Angeles Division; 2:21-bk-12447-ER	MED Equity, LLC - Debtor
United States Bankruptcy Court Central District of California - Santa Ana Division; 8:22-bk-11556-TA	Stonebridge Ventures, LLC
Los Angeles Superior Court Central District; 21STCV29689	Kurmi LLC v. AB Capital, LLC; BBG Ira, LLC; Kenneth Morgan trustee of the Kenneth and Robin Morgan Trust dated 08/11/2021
Orange County Superior Court; 30-2021-01181232-CU-OR-CJC	Ferguson Enterprises LLC v. 1034 W Balboa LLC; ADW Lending LLC; Joshua Pukini; AB Capital LLC; Calpac Managements Inc.
Los Angeles County Superior Court; 22SMCV00390	Danmor Investment Profit Sharing Trust Inc; USTDS Inc. v. Calpac Mortgage Fund LLC; Joshua Pukini; Ryan Young
Inland Counties Riverside County Superior Court; CVPS2200340	Coldwell Banker Residential Brokerage v. Joshua R. Pukini; BDP Development Partners LLC
Orange County Superior Court; 30-2021-01236962-CU-BC-CJC	Frederick Veitch, individually and as trustee of the Frederick A. Veitch Revocable Trust v. Calpac Mortgage Fund LLC; Luna Construction Management LLC; Joshua Pukini
Los Angeles County Superior Court; 21NWCV00635	Showroom Interiors; Vesta Home LLC v. Joshua R. Pukini; Stonebridge Ventures LLC
Orange County Superior Court; 30-2021-01200463-CU-OE-CJC	Cierra Taylor v. AB Capital, LLC; Luna Construction Management LLC; Joshua Pukini
Los Angeles Superior Court Central District; 20STCV47149	Meribear Productions, Inc. dba Meridith Baer Home v. Stonebridge Ventures LLC; Joshua R. Pukini
Inland Counties Riverside County Superior Court; PSC2004436	Probuild Company LLC v. Luna Construction Management LLC; Joshua R. Pukini; Stonebridge Ventures LLC
Orange County Superior Court; 30-2020-01162773-CL-OR-CJC	Probuild Company LLC v. Luna Construction Management LLC; Joshua R. Pukini; Stonebridge Ventures LLC
Los Angeles County Superior Court; 20STCV26093	Jilanchi Saman; Qwan Capital LLC; Qwan International Investments LLC v. Joshua Pukini; Ryan Young
Orange County Superior Court; 30-2019-01062223-CU-OR-CJC	Wayne Larry Jones, individually and as Trustee of the Wayne Larry Jones Family Trust v. 2401 Alta Vista LLC; Studio Z Consulting Inc.; Richard W. Denzer; Joshua R. Pukini, individually and as Trustee of the Joshua R. Pukini Trust
Los Angeles Superior Court Central District; BC697499	Randy Rose v. Howard A. Royal; Mag Equities, LLC; Calpac Management Inc.; Cal Pac Capital; Med Equity LLC; Joshua R. Pukini; 871 Linda Flora LLC
Orange County Superior Court; 00792151CJC	Stephanie Moarton-Pukini v. Samuel E. Sunshine, MD, a medical corp.; Comfort Laser Clinics
Orange County Superior Court; 07cc07499	Point Center Financial, Inc. v. Josh Pukini; Calif. Pacific Home Loans, Inc. dba Cal-Pac Funding
Los Angeles Superior Court; 21STLC02599	Ganahl Lumber Company v. Calpac Management Inc., et al.
San Diego Superior Court; 37-2020-00046579-SC-SC-CTL	The Bronze Legacy LLC v. Calpac Management Inc.
US Bankruptcy Court, Central District of California; 1:20-ap-01116	PB-1, LLC v. Calpac Management, Inc.
Los Angeles Superior Court; 18BBCV00223	Tap Ram Reinforcing, Inc. v. PB-1, LLC et. Al.
Riverside Superior Court; RIC1805223	County of Riverside v. Temescal-Leroy
Orange County Superior Court; 30-2015-00769288-CL-CL-CJC	Caisteal Builders, Inc. v. Calpac Management Inc.
Riverside Superior Court; TES1000086	Calpac v. Rancon
Riverside Superior Court; TES10000741	Calpac v. Horton
Orange County Superior Court; 30-2021-01199187-CU-BC-CJC	State of California, Employment Development Department v. Ryan Young
Kern Superior Court; R-1502-CL-10493	Desert Valleys Federal Credit Union v. Young
Los Angeles County Superior Court; BC400715	Robert E. Word v. Rodeny Gresko dba Quick Appraisal Services; California Pacific Home Loans, Inc.; Ryan Young
Los Angeles Superior Court; 22STLC04460	Reno Hardware & Supply, Inc. v. Luna Construction Mangement, LLC
Los Angeles Superior Court; 22SMCV00390	USTDS, Inc. et al v. Calpac Mortgage Fund LLC
United States Bankruptcy Court for the Northern District of California; 22-50930	In re 40th Street Deveopment, LLC
Los Angeles Superior Court; 20BBCV00871	John Ingram v. CE Partners, LLC, Chris Nelson, and Does 1 through 100

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION

In re
AB CAPITAL, LLC, a California limited liability company,
Debtor,

Case No.: 8:22-bk-11585-TA
Adv. Case No. 8:22-ap-01091-TA
[Assigned to Hon. Theodor C. Albert]

RICHARD A. MARSHACK, Chapter 7 Trustee,
Plaintiff,
v.

STIPULATED PROTECTIVE ORDER¹

JOSHUA R. PUKINI, individually and as trustee of The Joshua R. Pukini Trust dated June 27, 2013; RYAN YOUNG, individually and as trustee of The Young Family Trust dated August 24, 2014, The Ryan J. Young Trust and The Young Ryan Trust; EDMUND AVENIDA SERRA, LLC, a California limited liability company; 1034 W BALBOA, LLC, a California limited liability company; AB CAPITAL FUND B, LLC, a California limited liability company; AB CAPITAL HOLDINGS I, LLC, a California limited liability company; AB CAPITAL LFD, INC., a California corporation; ABC 2260 SAN YSIDRO, LLC, a California limited liability company; BDP DEVELOPMENT PARTNERS, LLC, a California limited liability company; CAL-PAC DISTRESSED REAL ESTATE FUND I, LLC, a California limited liability company; CALPAC MANAGEMENT, INC., a California corporation; CALPAC MORTGAGE FUND, LLC, a California limited liability company; LIVING ART WORKS LLC, a California limited liability company; LUNA CONSTRUCTION MANAGEMENT, LLC, a California limited liability company; TABLEROCK ENTERPRISES, LLC, a California limited liability company,
Defendants.

1. A. PURPOSES AND LIMITATIONS

Discovery in this action is likely to involve production of confidential, proprietary, or private information for which special protection from public disclosure and from use for any purpose other than prosecuting this litigation may be warranted. Accordingly, the parties hereby stipulate to and request the Court to enter the following Stipulated Protective Order (“SPO”). This SPO does not confer blanket protections on all disclosures or responses to discovery. The protection it affords from public disclosure and use extends only to the limited information or items that are entitled to confidential treatment under the applicable legal principles. Further, this SPO does not entitle the parties to file confidential information under seal. Rather, when the parties seek permission from the court to file material under seal, the parties must comply with applicable statutes and/or Local Rules.

B. GOOD CAUSE STATEMENT

In light of the nature of the claims and allegations in this case and the parties’ representations that discovery in this case will involve the production of confidential records, and in order to expedite the flow of information, to facilitate the prompt resolution of disputes over confidentiality of discovery materials, to adequately protect information the parties are entitled to keep confidential, to ensure that the parties are permitted reasonable necessary uses of such material in connection with this action, to address their handling of such material at the end of the litigation, and to serve the

¹ This Stipulated Protective Order is based substantially on the model of protective order provided under Magistrate Judge Jacqueline Choolijan’s procedures.

1 ends of justice, a protective order for such information is justified in this matter. The parties shall not designate any information/documents as
2 confidential without a good faith belief that such information/documents have been maintained in a confidential, non-public manner, and that there is
3 good cause or a compelling reason why it should not be part of the public record of this case.

4 2. DEFINITIONS

5 2.1 Action: this pending adversary proceeding, entitled *Marshack v. Pukini et al*, Adv. Pro. No. 8:22-ap-01091-TA.

6 2.2 Challenging Party: a Party or Non-Party that challenges the designation of information or items under this SPO.

7 2.3 “CONFIDENTIAL” Information or Items: information (regardless of how it is generated, stored or maintained) or tangible
8 things that qualify for protection under Federal Rule of Civil Procedure 26(c), and as specified above in the Good Cause Statement.

9 2.4 Counsel: Outside Counsel of Record and House Counsel (as well as their support staff).

10 2.5 Designating Party: a Party or Non-Party that designates information or items that it produces in disclosures or in responses to
11 discovery as “CONFIDENTIAL.”

12 2.6 Disclosure or Discovery Material: all items or information, regardless of the medium or manner in which it is generated, stored,
13 or maintained (including, among other things, testimony, transcripts, and tangible things), that are produced or generated in disclosures or responses
14 to discovery in this matter.

15 2.7 Estate Professional(s): any individual or entities (including employees of such individual or entity) whose employment as a
16 professional of the estate in the bankruptcy case of AB Capital, LLC, Bankr. Case No. 8:22-bk-11585-TA, has been approved by order entered by the
17 Honorable Theodor C. Albert.

18 2.8 Expert: a person with specialized knowledge or experience in a matter pertinent to the litigation who has been retained by a
19 Party or its counsel to serve as an expert witness or as a consultant in this Action.

20 2.9 House Counsel: attorneys who are employees of a party to this Action. House Counsel does not include Outside Counsel of
21 Record or any other outside counsel.

22 2.10 Non-Party: any natural person, partnership, corporation, association, or other legal entity not named as a Party to this action.

23 2.11 Outside Counsel of Record: attorneys who are not employees of a party to this Action but are retained to represent or advise a
24 party to this Action and have appeared in this Action on behalf of that party or are affiliated with a law firm which has appeared on behalf of that
25 party, and includes support staff. This includes Estate Professionals employed as “Special Counsel”, “General Counsel”, “Special Litigation Counsel”,
26 or any other attorney who is an Estate Professional.

27 2.12 Party: any party to this Action, including all of its officers, directors, employees, consultants, retained experts, and Outside
28 Counsel of Record (and their support staffs).

1 2.13 Producing Party: a Party or Non-Party that produces Disclosure or Discovery Material in this Action.

2 2.14 Professional Vendors: persons or entities that provide litigation support services (e.g., photocopying, videotaping, translating,
3 preparing exhibits or demonstrations, and organizing, storing, or retrieving data in any form or medium) and their employees and subcontractors.

4 2.15 Protected Material: any Disclosure or Discovery Material that is designated as “CONFIDENTIAL.”

5 2.16 Receiving Party: a Party that receives Disclosure or Discovery Material from a Producing Party.

6 3. SCOPE

7 The protections conferred by this SPO cover not only Protected Material (as defined above), but also (1) any information copied or
8 extracted from Protected Material; (2) all copies, excerpts, summaries, or compilations of Protected Material; and (3) any testimony, conversations,
9 or presentations by Parties or their Counsel that might reveal Protected Material, other than during a court hearing or at trial.

10 Any use of Protected Material during a court hearing or at trial shall be governed by the orders of the presiding judge. This SPO does not
11 govern the use of Protected Material during a court hearing or at trial.

12 4. DURATION

13 Even after final disposition of this litigation, the confidentiality obligations imposed by this SPO shall remain in effect until a Designating
14 Party agrees otherwise in writing or a court order otherwise directs. Final disposition shall be deemed to be the later of (1) dismissal of all claims and
15 defenses in this Action, with or without prejudice; and (2) final judgment herein after the completion and exhaustion of all appeals, rehearings,
16 remands, trials, or reviews of this Action, including the time limits for filing any motions or applications for extension of time pursuant to applicable
17 law.

18 5. DESIGNATING PROTECTED MATERIAL

19 5.1 Exercise of Restraint and Care in Designating Material for Protection. Each Party or Non-Party that designates information or
20 items for protection under this SPO must take care to limit any such designation to specific material that qualifies under the appropriate standards.
21 The Designating Party must designate for protection only those parts of material, documents, items, or oral or written communications that qualify so
22 that other portions of the material, documents, items, or communications for which protection is not warranted are not swept unjustifiably within the
23 ambit of this SPO.

24 Mass, indiscriminate, or routinized designations are prohibited. Designations that are shown to be clearly unjustified or that have been
25 made for an improper purpose (e.g., to unnecessarily encumber the case development process or to impose unnecessary expenses and burdens on
26 other parties) may expose the Designating Party to sanctions.

27 If it comes to a Designating Party’s attention that information or items that it designated for protection do not qualify for protection, that
28 Designating Party must promptly notify all other Parties that it is withdrawing the inapplicable designation.

1 5.2 Manner and Timing of Designations. Except as otherwise provided in this SPO or as otherwise stipulated or ordered, Disclosure
2 or Discovery Material that qualifies for protection under this SPO must be clearly so designated before the material is disclosed or produced.

3 Designation in conformity with this SPO requires:

4 (a) for information in documentary form (e.g., paper or electronic documents, but excluding transcripts of depositions), that the
5 Producing Party affix at a minimum, the legend “CONFIDENTIAL” (hereinafter “CONFIDENTIAL legend”), to each page that contains protected
6 material. If only a portion or portions of the material on a page qualifies for protection, the Producing Party also must clearly identify the protected
7 portion(s) (e.g., by making appropriate markings in the margins).

8 A Party or Non-Party that makes original documents available for inspection need not designate them for protection until after the
9 inspecting Party has indicated which documents it would like copied and produced. During the inspection and before the designation, all of the
10 material made available for inspection shall be deemed “CONFIDENTIAL.” After the inspecting Party has identified the documents it wants copied
11 and produced, the Producing Party must determine which documents, or portions thereof, qualify for protection under this SPO. Then, before
12 producing the specified documents, the Producing Party must affix the “CONFIDENTIAL legend” to each page that contains Protected Material. If
13 only a portion or portions of the material on a page qualifies for protection, the Producing Party also must clearly identify the protected portion(s)
14 (e.g., by making appropriate markings in the margins).

15 (b) for testimony given in depositions that the Designating Party identifies on the record, before the close of the deposition as
16 protected testimony.

17 (c) for information produced in some form other than documentary and for any other tangible items, that the Producing Party affix
18 in a prominent place on the exterior of the container or containers in which the information is stored the legend “CONFIDENTIAL.” If only a portion
19 or portions of the information warrants protection, the Producing Party, to the extent practicable, shall identify the protected portion(s).

20 5.3 Inadvertent Failures to Designate. If timely corrected, an inadvertent failure to designate qualified information or items does
21 not, standing alone, waive the Designating Party’s right to secure protection under this SPO for such material. Upon timely correction of a designation,
22 the Receiving Party must make reasonable efforts to assure that the material is treated in accordance with the provisions of this SPO.

23 6. CHALLENGING CONFIDENTIALITY DESIGNATIONS

24 6.1 Timing of Challenges. Any Party or Non-Party may challenge a designation of confidentiality at any time that is consistent
25 with the Court’s Scheduling Order.

26 6.2 Meet and Confer. All parties reserve the right to object to a document being labeled as confidential. The Challenging Party
27 shall notify the Designating Party of all objections to documents designated as CONFIDENTIAL, and absent a court order protecting the documents,
28 the Challenging Party may use the documents upon the later of fifteen (15) days after giving the notice, or the Court’s issuance of an order resolving

1 any pending challenge, whichever is later. During the fifteen (15) day notice period, the Designating Party shall initiate a meet and confer conference
2 within three (3) business days of receipt of the notice.

3 6.3 The burden of persuasion in any such challenge proceeding shall be on the Designating Party. Frivolous challenges, and those
4 made for an improper purpose (e.g., to harass or impose unnecessary expenses and burdens on other parties) may expose the Challenging Party to
5 sanctions. Unless the Designating Party has waived or withdrawn the confidentiality designation, all parties shall continue to afford the material in
6 question the level of protection to which it is entitled under the Producing Party's designation until the Court rules on the challenge.

7 7. ACCESS TO AND USE OF PROTECTED MATERIAL

8 7.1 Basic Principles. A Receiving Party may use Protected Material that is disclosed or produced by another Party or by a Non-
9 Party in connection with this Action only for prosecuting, defending, or attempting to settle this Action. Such Protected Material may be disclosed
10 only to the categories of persons and under the conditions described in this SPO. When the Action has been terminated, a Receiving Party must
11 comply with the provisions of Section 13 below.

12 Protected Material must be stored and maintained by a Receiving Party at a location and in a secure manner that ensures that access is
13 limited to the persons authorized under this SPO.

14 7.2 Disclosure of "CONFIDENTIAL" Information or Items. Unless otherwise ordered by the court or permitted in writing by the
15 Designating Party, a Receiving Party may disclose any information or item designated "CONFIDENTIAL" only to:

16 (a) the Receiving Party's Outside Counsel of Record in this Action, as well as employees of said Outside Counsel of Record to
17 whom it is reasonably necessary to disclose the information for this Action;

18 (b) Estate Professionals to whom it is reasonably necessary to disclose the information for this Action;

19 (c) the officers, directors, and employees (including House Counsel) of the Receiving Party to whom disclosure is reasonably
20 necessary for this Action;

21 (d) Experts (as defined in this SPO) of the Receiving Party to whom disclosure is reasonably necessary for this Action and who have
22 signed the "Acknowledgment and Agreement to Be Bound" (Exhibit A);

23 (e) the court and its personnel;

24 (f) court reporters and their staff;

25 (g) professional jury or trial consultants, mock jurors, and Professional Vendors to whom disclosure is reasonably necessary for this
26 Action and who have signed the "Acknowledgment and Agreement to Be Bound" (Exhibit A);

27 (h) the author or recipient of a document containing the information or a custodian or other person who otherwise possessed or knew
28 the information;

1 (i) during their depositions, witnesses, and attorneys for witnesses, in the Action to whom disclosure is reasonably necessary
2 provided: (1) the deposing party requests that the witness sign the “Acknowledgment and Agreement to Be Bound” form attached as Exhibit A
3 hereto; and (2) they will not be permitted to keep any confidential information unless they sign the “Acknowledgment and Agreement to Be Bound”
4 attached as Exhibit A, unless otherwise agreed by the Designating Party or ordered by the court. Pages of transcribed deposition testimony or exhibits
5 to depositions that reveal Protected Material may be separately bound by the court reporter and may not be disclosed to anyone except as permitted
6 under this SPO; and

7 (j) any mediator or settlement officer, and their supporting personnel, mutually agreed upon by any of the parties engaged in
8 settlement discussions.

9 8. PROTECTED MATERIAL SUBPOENAED OR ORDERED PRODUCED IN OTHER LITIGATION

10 If a Party is served with a subpoena or a court order issued in other litigation that compels disclosure of any information or items designated
11 in this Action as “CONFIDENTIAL,” that Party must:

12 (a) promptly notify in writing the Designating Party. Such notification shall include a copy of the subpoena or court order;

13 (b) promptly notify in writing the party who caused the subpoena or order to issue in the other litigation that some or all of the
14 material covered by the subpoena or order is subject to this SPO. Such notification shall include a copy of this SPO; and

15 (c) cooperate with respect to all reasonable procedures sought to be pursued by the Designating Party whose Protected Material may
16 be affected.

17 If the Designating Party timely seeks a protective order, the Party served with the subpoena or court order shall not produce any information
18 designated in this action as “CONFIDENTIAL” before a determination by the court from which the subpoena or order issued, unless the Party has
19 obtained the Designating Party’s permission, or unless otherwise required by the law or court order. The Designating Party shall bear the burden and
20 expense of seeking protection in that court of its confidential material and nothing in these provisions should be construed as authorizing or
21 encouraging a Receiving Party in this Action to disobey a lawful directive from another court.

22 9. A NON-PARTY’S PROTECTED MATERIAL SOUGHT TO BE PRODUCED IN THIS LITIGATION

23 (a) The terms of this SPO are applicable to information produced by a Non-Party in this Action and designated as
24 “CONFIDENTIAL.” Such information produced by Non-Parties in connection with this litigation is protected by the remedies and relief provided
25 by this SPO. Nothing in these provisions should be construed as prohibiting a Non-Party from seeking additional protections.

26 (b) In the event that a Party is required, by a valid discovery request, to produce a Non-Party’s confidential information in its
27 possession, and the Party is subject to an agreement with the Non-Party not to produce the Non-Party’s confidential information, then the Party shall:

28 (1) promptly notify in writing the Requesting Party and the Non-Party that some or all of the information requested is subject

1 to a confidentiality agreement with a Non-Party;

2 (2) promptly provide the Non-Party with a copy of the SPO in this Action, the relevant discovery request(s), and a reasonably
3 specific description of the information requested; and

4 (3) make the information requested available for inspection by the Non-Party, if requested.

5 (c) If a Non-Party fails to seek a protective order from this Court within 14 days of receiving the notice and accompanying
6 information, the Receiving Party may produce the Non-Party's confidential information responsive to the discovery request. If the Non-Party timely
7 seeks a protective order, the Receiving Party shall not produce any information in its possession or control that is subject to the confidentiality
8 agreement with the Non-Party before a determination by the court. Absent a court order to the contrary, the Non-Party shall bear the burden and
9 expense of seeking protection in this court of its Protected Material.

10 10. UNAUTHORIZED DISCLOSURE OF PROTECTED MATERIAL

11 If a Receiving Party learns that, by inadvertence or otherwise, it has disclosed Protected Material to any person or in any circumstance not
12 authorized under this SPO, the Receiving Party must immediately (a) notify in writing the Designating Party of the unauthorized disclosures, (b) use
13 its best efforts to retrieve all unauthorized copies of the Protected Material, (c) inform the person or persons to whom unauthorized disclosures were
14 made of all the terms of this SPO, and (d) request such person or persons to execute the "Acknowledgment and Agreement to Be Bound" that is
15 attached hereto as Exhibit A.

16 11. INADVERTENT PRODUCTION OF PRIVILEGED OR OTHERWISE PROTECTED MATERIAL

17 When a Producing Party gives notice to Receiving Parties that certain inadvertently produced material is subject to a claim of privilege or
18 other protection, the obligations of the Receiving Parties are those set forth in Federal Rule of Civil Procedure 26(b)(5)(B). This provision is not
19 intended to modify whatever procedure may be established in an e-discovery order that provides for production without prior privilege review.
20 Pursuant to Federal Rule of Evidence 502(d) and (e), insofar as the parties reach an agreement on the effect of disclosure of a communication or
21 information covered by the attorney-client privilege or work product protection, the parties may incorporate their agreement into this SPO.

22 12. MISCELLANEOUS

23 12.1 Right to Further Relief. Nothing in this SPO abridges the right of any person to seek its modification by the Court in the future.

24 12.2 Right to Assert Other Objections. No Party waives any right it otherwise would have to object to disclosing or producing any
25 information or item on any ground not addressed in this SPO. Similarly, no Party waives any right to object on any ground to use in evidence of any
26 of the material covered by this SPO.

27 12.3 Filing Protected Material. Protected Material may only be filed under seal pursuant to a court order authorizing the sealing of
28 the specific Protected Material at issue. If a Party's request to file Protected Material under seal is denied by the court, then the Receiving Party may

1 file the information in the public record unless otherwise instructed by the court.

2 13. FINAL DISPOSITION

3 After the final disposition of this Action, as defined in Section 4, within 60 days of a written request by the Designating Party, each
4 Receiving Party must return all Protected Material to the Producing Party or destroy such material. As used in this subdivision, "all Protected Material"
5 includes all copies, abstracts, compilations, summaries, and any other format reproducing or capturing any of the Protected Material. Whether the
6 Protected Material is returned or destroyed, the Receiving Party must submit a written certification to the Producing Party (and, if not the same person
7 or entity, to the Designating Party) by the 60 day deadline that (1) identifies (by category, where appropriate) all the Protected Material that was
8 returned or destroyed and (2) affirms that the Receiving Party has not retained any copies, abstracts, compilations, summaries or any other format
9 reproducing or capturing any of the Protected Material. Notwithstanding this provision, Counsel are entitled to retain an archival copy of all pleadings,
10 motion papers, trial, deposition, and hearing transcripts, legal memoranda, correspondence, deposition and trial exhibits, expert reports, attorney work
11 product, and consultant and expert work product, even if such materials contain Protected Material. Any such archival copies that contain or constitute
12 Protected Material remain subject to this SPO as set forth in Section 4.

13 14. Any violation of this SPO may be punished by any and all appropriate measures including, without limitation, contempt proceedings
14 and/or monetary sanctions.

15 IT IS SO STIPULATED, THROUGH COUNSEL OF RECORD:

16 DATED: _____

17 _____
18 Attorneys for Plaintiff

19 DATED: _____

20 _____
21 Attorneys for Defendant

22 FOR GOOD CAUSE SHOWN, IT IS SO ORDERED.

23 DATED: _____

24 _____
25 HON. THEODOR C. ALBERT
26 Chief Judge, Bankruptcy Court, Central District of California

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EXHIBIT A

ACKNOWLEDGMENT AND AGREEMENT TO BE BOUND

I, _____ [print or type full name], of _____ [print or type full address], declare under penalty of perjury that I have read in its entirety and understand the Stipulated Protective Order (“SPO”) that was issued by the United States Bankruptcy Court for the Central District of California on _____ in the case of *Marshack v. Pukini et al*, Adv. Pro. No. 8:22-ap-01091-TA. I agree to comply with and to be bound by all the terms of this SPO and I understand and acknowledge that failure to so comply could expose me to sanctions and punishment in the nature of contempt. I solemnly promise that I will not disclose in any manner any information or item that is subject to this SPO to any person or entity except in strict compliance with the provisions of this SPO.

I further agree to submit to the jurisdiction of the United States Bankruptcy Court for the Central District of California for the purpose of enforcing the terms of this SPO, even if such enforcement proceedings occur after termination of this action. I hereby appoint _____ [print or type full name] of _____ [print or type full address and telephone number] as my California agent for service of process in connection with this action or any proceedings related to enforcement of this SPO.

Date: _____

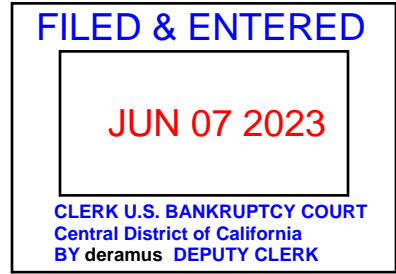
City and State where sworn and signed: _____

Printed name: _____

Signature: _____

EXHIBIT 2

James C. Bastian, Jr. - Bar No. 175415
Ryan D. O’Dea - Bar No. 273478
Rika M. Kido - Bar No. 273780
SHULMAN BASTIAN FRIEDMAN & BUI LLP
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Irvine, California 92618
Telephone: (949) 340-3400
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Email: JBastian@shulmanbastian.com
ROdea@shulmanbastian.com
RKido@shulmanbastian.com



Special Litigation Counsel for Richard A.
Marshack, Chapter 7 Trustee

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA, SANTA ANA DIVISION

In re
AB CAPITAL, LLC, a California limited liability company,
Debtor.

Case No. 8:22-bk-11585-TA
Chapter 7
Adv No. 8:22-ap-01091-TA

RICHARD A. MARSHACK, Chapter 7
Trustee,

ORDER APPROVING THE STIPULATION TO EXTEND TERM OF PRELIMINARY INJUNCTION TO INCLUDE AND BIND THE JOSHUA R. PUKINI TRUST DATED JUNE 27, 2013

Plaintiff,

[Relates to Adv. Dkt. No. 152]

vs.

Status Conference

JOSHUA R. PUKINI, individually and as trustee of The Joshua R. Pukini Trust dated June 27, 2013; RYAN YOUNG, individually and as trustee of The Young Family Trust dated August 24, 2014, The Ryan J. Young Trust and The Young Ryan Trust; EDMUND VALASQUEZ, JR., an individual; 108 AVENIDA SERRA, LLC, a California limited liability company; 1034 W BALBOA, LLC, a California limited liability company; 31831 SUNSET LLC, a California limited liability company; AB CAPITAL FUND A, LLC, a California limited liability company; AB CAPITAL FUND B, LLC, a California limited liability company; AB CAPITAL HOLDINGS I, LLC, a California limited liability company; AB CAPITAL LFD, INC., a California corporation; ABC 2260 SAN YSIDRO LLC, a California limited liability company; BDP DEVELOPMENT PARTNERS, LLC, a California limited liability company; CAL-

Date: June 6, 2023
Time: 11:00 a.m.
Place: Courtroom 5B
411 West Fourth Street
Santa Ana, California 92701

1 PAC DISTRESSED REAL ESTATE FUND I,
2 LLC, a California limited liability company;
3 CALPAC MANAGEMENT, INC., a
4 California corporation; CALPAC
5 MORTGAGE FUND, LLC, a California
6 limited liability company; LIVING ART
7 WORKS LLC, a California limited liability
8 company; LUNA CONSTRUCTION
9 MANAGEMENT, LLC, a California limited
10 liability company; TABLEROCK
11 ENTERPRISES, LLC, a California limited
12 liability company; and DOES 1 through 50,
13 inclusive,

14 Defendants.

15 The status conference in the above-referenced adversary proceeding was held on June 6,
16 2023 at 11:00 a.m., the Honorable Theodor C. Albert, United States Bankruptcy Judge, presiding.
17 Richard A. Marshack, Chapter 7 trustee for the bankruptcy estate of AB Capital, LLC (“Plaintiff”)
18 and special litigation counsel for the Plaintiff, Ryan D. O’Dea of Shulman Bastian Friedman Bui
19 LLP appeared as reflected in the record.

20 **IT IS HEREBY ORDERED** that:

21 The Order Approving the Stipulation to Extend Term of Preliminary Injunction to February
22 28, 2024, entered by the Court on June 2, 2023 and referenced as adversary docket no. 152, shall
23 include and bind The Joshua R. Pukini Trust dated June 27, 2013.

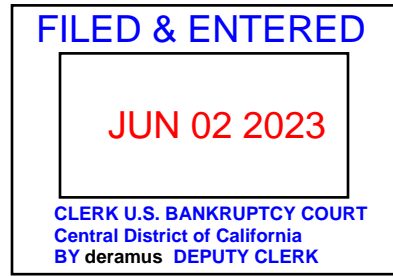
24 ###

25 Date: June 7, 2023



Theodor C. Albert
United States Bankruptcy Judge

James C. Bastian, Jr. - Bar No. 175415
Ryan D. O’Dea - Bar No. 273478
Rika M. Kido - Bar No. 273780
SHULMAN BASTIAN FRIEDMAN & BUI LLP
100 Spectrum Center Drive, Suite 600
Irvine, California 92618
Telephone: (949) 340-3400
Facsimile: (949) 340-3000
Email: JBastian@shulmanbastian.com
ROdea@shulmanbastian.com
RKido@shulmanbastian.com



Special Litigation Counsel for Richard A. Marshack, Chapter 7 Trustee

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA, SANTA ANA DIVISION

In re
AB CAPITAL, LLC, a California limited liability company,

Debtor.

Case No. 8:22-bk-11585-TA

Chapter 7

Adv No. 8:22-ap-01091-TA

RICHARD A. MARSHACK, Chapter 7 Trustee,

Plaintiff,

ORDER APPROVING STIPULATION TO EXTEND TERM OF PRELIMINARY INJUNCTION

vs.

JOSHUA R. PUKINI, individually and as trustee of The Joshua R. Pukini Trust dated June 27, 2013; RYAN YOUNG, individually and as trustee of The Young Family Trust dated August 24, 2014, The Ryan J. Young Trust and The Young Ryan Trust; EDMUND VALASQUEZ, JR., an individual; 108 AVENIDA SERRA, LLC, a California limited liability company; 1034 W BALBOA, LLC, a California limited liability company; 31831 SUNSET LLC, a California limited liability company; AB CAPITAL FUND A, LLC, a California limited liability company; AB CAPITAL FUND B, LLC, a California limited liability company; AB CAPITAL HOLDINGS I, LLC, a California limited liability company; AB CAPITAL LFD, INC., a California corporation; ABC 2260 SAN YSIDRO LLC, a California limited liability company; BDP DEVELOPMENT PARTNERS, LLC, a California limited liability company; CAL-

1 PAC DISTRESSED REAL ESTATE FUND I,
2 LLC, a California limited liability company;
3 CALPAC MANAGEMENT, INC., a
4 California corporation; CALPAC
5 MORTGAGE FUND, LLC, a California
6 limited liability company; LIVING ART
7 WORKS LLC, a California limited liability
8 company; LUNA CONSTRUCTION
9 MANAGEMENT, LLC, a California limited
10 liability company; TABLEROCK
11 ENTERPRISES, LLC, a California limited
12 liability company; and DOES 1 through 50,
13 inclusive,

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Defendants.

The Court, having read and considered the Stipulation to Extend Term of Preliminary Injunction (the “Stipulation”) entered into by and between Richard A. Marshack, Chapter 7 Trustee of the Estate of AB Capital, LLC (“Plaintiff”), defendant Ryan Young, defendant CalPac Mortgage Fund, defendant Cal-Pac Distressed Real Estate Fund I, LLC, defendant Calpac Management, Inc. (collectively, the “Calpac Entities”), defendant Edmund Valasquez Jr. and defendant Josh Pukini filed with this Court on June 2, 2023 [Adv. Dkt. No. 151], and finding good cause appearing therefore,

IT IS HEREBY ORDERED that:

1. The Stipulation is approved.
2. The Term of the Preliminary Injunction (defined in the Stipulation) is extended up to and including February 28, 2024.
3. The Plaintiff shall withdraw the “Motion For Order: (1) Compelling Compliance With Terms of Preliminary Injunction; (2) To Show Cause As To Why Defendant Joshua R. Pukini Should Not Be Held In Contempt For Violation of The Preliminary Injunction; (3) To Show Cause As To Why Defendant Edmund Valasquez, Jr. Should Not Be Held In Contempt For Violation of the Preliminary Injunction; and (4) To Show Cause Why Anerio V. Altman Should Not Be Compelled To Disgorge Funds Received In Violation of the Preliminary Injunction” filed on January 13, 2023 [Adv. Dkt. No. 44].

EXHIBIT 3



Lawyers Title Company
7530 N. Glenoaks Blvd.
Burbank, CA 91504
Phone: (818) 767-2000
Fax: (818) 504-4937

Lawyers Title - LA
7530 N. Glenoaks Blvd.
Burbank, CA 91504

Attn: Michael Chediak--So

Title Officer: Michael Chediak--So
email: tu07@ltic.com
Phone No.: (818) 252-6050
Fax No.: (818) 252-4549
File No.: 122074661

Your Reference No: 437 E 5TH ST

Property Address: 1611 Cliff Drive, Newport Beach, California

UPDATED PRELIMINARY REPORT

Dated as of July 5, 2023, at 7:30 a.m.

In response to the application for a policy of title insurance referenced herein, Lawyers Title Company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitation on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

The policy(s) of title insurance to be issued hereunder will be policy(s) of **Commonwealth Land Title Insurance Company**.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered. It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

SCHEDULE A

The form of policy of title insurance contemplated by this report is:

2021 Homeowner's Policy
ALTA Loan 2021

The estate or interest in the land hereinafter described or referred to covered by this report is:

A FEE

Title to said estate or interest at the date hereof is [vested in:](#)

Calpac Mortgage Fund, LLC, a California Limited Liability Company

The land referred to herein is situated in the County of Orange, State of California, and is described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

EXHIBIT "A"

All that certain real property situated in the County of Orange, State of California, described as follows:

LOT 3 IN BLOCK A OF [TRACT NO. 1219](#), IN THE CITY OF NEWPORT BEACH, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 38 PAGE(S) 26 AND 27 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

[APN: 049-221-08](#)

SCHEDULE B

At the date hereof Exceptions to coverage in addition to the printed exceptions and exclusions in said policy form would be as follows:

- A. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2023-2024.
- B. Intentionally Deleted
- C. Said property has been declared tax-defaulted for non-payment of delinquent taxes for the fiscal year 2021.

Amount to redeem by July 31, 2023 for the above-stated year (and subsequent years, if any) is \$43,685.57

- D. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A; or as a result of changes in ownership or new construction occurring prior to date of policy.

- 1. Water rights, claims or title to water, whether or not disclosed by the public records.
- 2. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document

Granted to: Southern California Edison Company, a Corporation
Purpose: Public utility purposes
Recording No: [Book 1599, Page 200](#), of Official Records
Affects: said land more particularly described therein

- 3. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document

Granted to: The Pacific Telephone and Telegraph Company
Purpose: Public utility purposes
Recording No: [Book 1600, Page 313](#), of Official Records
Affects: said land more particularly described therein

- 4. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon age, race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, genetic information, medical condition, citizenship, primary language, and immigration status, as set forth in the document

Recording No: [Book 1600, Page 387](#), of Official Records

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

5. A construction deed of trust to secure an indebtedness in the amount shown below,

Amount: \$3,000,000.00
Dated: February 17, 2021
Trustor/Grantor: Calpac Mortgage Fund, LLC, a California limited liability company
Trustee: First American Title Company
Beneficiary: ADP Investment Group, LLC as to an undivided 150,000/3,000,000 interest; Arthur A. Graves, III, as Trustee of the Graves Revocable Living Trust UDT 2008 as to an undivided 100,000/3,000,000 interest; Boris E. Efron and Michele R. Efron Husband and Wife as Community Property with Right of Survivorship as to an undivided 100,000/3,000,000 interest; Desert Southwest Enterprises as to an undivided 150,000/3,000,000 interest; Emilio Carl Melillo, Trustee of the Emilio Carl Melillo Separate Property Trust dated February 14, 2014 as to an undivided 300,000/3,000,000 interest; Foothill Financial, LP as to an undivided 1,550,000/3,000,000 interest; Kenneth L. McKay, Trustee of the Ken and Diane McKay Family Trust, Survivor's Trust, dated June 30, 2000 as to an undivided 100,000/3,000,000 interest; Luis Enrique Gomez as to an undivided 100,000/3,000,000 interest; Mario Melillo as to an undivided 50,000/3,000,000 interest; Mark Kevin Jones, a Single Man as his Sole and Separate Property as to an undivided 100,000/3,000,000 interest; The 2006 PDB Trust, Nancy Bartelt, Trustee as to an undivided 200,000/3,000,000 interest; The Coldren Family Trust, Robert S. & Brook R. Coldren, Trustees dated March 21, 2003 as to an undivided 100,000/3,000,000
Loan No.: CPMF-1611-2
Recording Date: February 25, 2021
Recording No: [2021-135128](#), of Official Records

This Company will require that the original note, the original deed of trust and a properly executed request for full reconveyance together with appropriate documentation (i.e., copy of trust, partnership agreement or corporate resolution) be in this office prior to the close of this transaction if the above-mentioned item is to be paid through this transaction or deleted from a policy of title insurance.

Any demands submitted to us for payoff must be signed by all beneficiaries as shown on said deed of trust, and/or any assignments thereto. In the event said demand is submitted by an agent of the beneficiary(s), we will require the written approval of the demand by the beneficiary(s). Servicing agreements do not constitute approval for the purposes of this requirement.

If no amounts remain due under the obligation a zero balance demand will be required along with the reconveyance documents.

In addition, we require the written approval of said demand by the trustor(s) on said deed of trust or the current owners if applicable.

A partial assignment of the beneficial interest under said trust deed

From: The Coldren Family Trust, Robert S. & Brooke R. Coldren, Trustees dated March 21, 2003
To: AB Capital, LLC, a California Limited Liability Company
Recording Date: August 30, 2021
Recording No: [2021-542738](#), of Official Records
As to: 100,000/100,000 interest

A partial assignment of the beneficial interest under said trust deed

From: AB Capital, LLC, a California Limited Liability Company
To: AB Capital, LLC, a California Limited Liability Company
Recording Date: September 29, 2021
Recording No: [2021-602764](#), of Official Records
As to: 100,000/100,000 interest

A partial assignment of the beneficial interest under said trust deed

From: AB Capital, LLC, a California Limited Liability Company
To: Geoffrey P. Field, Trustee of the Geoffrey P. Field Living Trust dated
8/10/2011
Recording Date: November 16, 2021
Recording No: [2021-703637](#), of Official Records
As to: 100,000/100,000 interest

6. Any other claims for construction liens that may be recorded, by reason of a recent work of improvement that is disclosed by the construction lien shown in the last above numbered item.
7. A construction deed of trust to secure an indebtedness in the amount shown below,

Amount: \$1,000,000.00
Dated: February 17, 2021
Trustor/Grantor: Calpac Mortgage Fund, LLC, a California limited liability company
Trustee: First American Title Company
Beneficiary: AB Capital, LLC as to an undivided 100% interest
Loan No.: CPMF-1611-4
Recording Date: February 25, 2021
Recording No: [2021-135129](#), of Official Records

This Company will require that the original note, the original deed of trust and a properly executed request for full reconveyance together with appropriate documentation (i.e., copy of trust, partnership agreement or corporate resolution) be in this office prior to the close of this transaction if the above-mentioned item is to be paid through this transaction or deleted from a policy of title insurance.

Any demands submitted to us for payoff must be signed by all beneficiaries as shown on said deed of trust, and/or any assignments thereto. In the event said demand is submitted by an agent of the beneficiary(s), we will require the written approval of the demand by the beneficiary(s). Servicing agreements do not constitute approval for the purposes of this requirement.

If no amounts remain due under the obligation a zero balance demand will be required along with the reconveyance documents.

In addition, we require the written approval of said demand by the trustor(s) on said deed of trust or the current owners if applicable.

A partial assignment of the beneficial interest under said trust deed

From: AB Capital, LLC, a California Limited Liability Company
To: Pacific Premier Trust Custodian FBO Stephen A. Field IRA
Recording Date: September 15, 2021
Recording No: [2021-574222](#), of Official Records
As to: 300,000/1,000,000 interest

A partial assignment of the beneficial interest under said trust deed

From: AB Capital, LLC
To: Brad Bunten & Doreen Bunten
Recording Date: November 16, 2021
Recording No: 2021-703639, of Official Records
As to: 150,000/1,000,000 interest

A partial assignment of the beneficial interest under said trust deed

From: AB Capital, LLC
To: Renewable Farms
Recording Date: December 6, 2021
Recording No: 2021-734704, of Official Records
As to: 100,000/1,000,000 interest

A partial assignment of the beneficial interest under said trust deed

From: AB Capital, LLC
To: Mihae Prk and G. Ray Kerciu, Trustees of the Kerciu Living Trust
Recording Date: December 6, 2021
Recording No: 2021-734727, of Official Records
As to: 200,000/1,000,000 interest

A partial assignment of the beneficial interest under said trust deed

From: AB Capital, LLC
To: Manuel G. Rocha, Trustee of the Rocha Family Trust
Recording Date: December 6, 2021
Recording No: 2021-734731, of Official Records
As to: 100,000/1,000,000 interest

8. Any other claims for construction liens that may be recorded, by reason of a recent work of improvement that is disclosed by the construction lien shown in the last above numbered item.
9. Any statutory lien or claim of lien, affecting the Title, that arises from services provided, labor performed, or materials or equipment furnished, except as insured by the ALTA [32-06, 32.1-06 or 32.2-06] Endorsement as it may be revised by ALTA 33-06 (Disbursement) Endorsement.
10. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

11. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters which a correct survey would disclose and which are not shown by the public records.
12. Any easements not disclosed by the public records as to matters affecting title to real property, whether or not said easements are visible and apparent.
13. Matters which may be disclosed by an inspection and/or by a correct ALTA/ACSM Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.
14. An inspection of said Land has been ordered; upon its completion the Company reserves the right to

except additional items and/or make additional requirements.

15. Any other claims for mechanics' lien that may be recorded by reason of a work of improvement as disclosed by an inspection of said land.

END OF SCHEDULE B EXCEPTIONS

**PLEASE REFER TO THE "NOTES AND REQUIREMENTS SECTION" WHICH FOLLOWS FOR
INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION**

REQUIREMENTS SECTION:

Req. No. 1: In order to complete this report, the Company requires a Statement of Information to be completed by the following party(s),

Party(s): All Parties

The Company reserves the right to add additional items or make further requirements after review of the requested Statement of Information.

NOTE: The Statement of Information is necessary to complete the search and examination of title under this order. Any title search includes matters that are indexed by name only, and having a completed Statement of Information assists the Company in the elimination of certain matters which appear to involve the parties but in fact affect another party with the same or similar name. Be assured that the Statement of Information is essential and will be kept strictly confidential to this file.

Req. No. 2: The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance from the entity named below:

Limited Liability Company: Calpac Mortgage Fund

a) A copy of its operating agreement, if any, and any and all amendments, supplements and/or modifications thereto, certified by the appropriate manager or member

b) If a domestic Limited Liability Company, a copy of its Articles of Organization and all amendments thereto with the appropriate filing stamps

c) If the Limited Liability Company is member-managed, a full and complete current list of members certified by the appropriate manager or member

d) A current dated certificate of good standing from the proper governmental authority of the state in which the entity was created

e) If less than all members, or managers, as appropriate, will be executing the closing documents, furnish evidence of the authority of those signing.

f) If Limited Liability Company is a Single Member Entity, a Statement of Information for the Single Member will be required.

g) Each member and manager of the LLC without an Operating Agreement must executed in the presence of a notary public the Certificate of California LLC (Without an Operating Agreement) Status and Authority form.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

Req. No. 3: The Company will require that, upon completion of the improvements under construction on the land, a Notice of Completion be recorded in the office of the County Recorder.

Req. No. 4: If a work of improvement was recently completed or will be completed prior to the close of this transaction, the Company will require that a valid Notice of Completion be recorded. This notice must be signed by an owner of the property and must be recorded within 15 days of the actual completion date.

Req. No. 5: Furnish for review a full and complete copy of any unrecorded agreement, contract, license and/or lease together with all supplements, assignments and amendments thereto, prior to the close of this transaction.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

Req. No. 6: The Company will require that the attached "Owner's Information Statement" be completed by the owner of the estate described or referred to in Schedule A immediately prior to the close of this transaction and be returned to us.

The purposes of the Owner's Information Statement is to provide the Company with certain information that cannot necessarily be ascertained by making a physical inspection of the land.

INFORMATIONAL NOTES SECTION

- Note No. 1: The information on the attached plat is provided for your convenience as a guide to the general location of the subject property. The accuracy of this plat is not guaranteed, nor is it a part of any policy, report or guarantee to which it may be attached.
- Note No. 2: California insurance code section 12413.1 regulates the disbursement of escrow and sub-escrow funds by title companies. The law requires that funds be deposited in the title company escrow account and available for withdrawal prior to disbursement. Funds deposited with the company by wire transfer may be disbursed upon receipt. Funds deposited with the company via cashier's check or teller's check drawn on a California based bank may be disbursed on the next business day after the day of deposit. If funds are deposited with the company by other methods, recording and/or disbursement may be delayed. All escrow and sub-escrow funds received by the company will be deposited with other escrow funds in one or more non-interest bearing escrow accounts of the company in a financial institution selected by the company. The company may receive certain direct or indirect benefits from the financial institution by reason of the deposit of such funds or the maintenance of such accounts with such financial institution, and the company shall have no obligation to account to the depositing party in any manner for the value of, or to pay to such party, any benefit received by the company. Those benefits may include, without limitation, credits allowed by such financial institution on loans to the company or its parent company and earnings on investments made with the proceeds of such loans, accounting, reporting and other services and products of such financial institution. Such benefits shall be deemed additional compensation of the company for its services in connection with the escrow or sub-escrow.
- For wiring instructions please contact your Title Officer or Title Company Escrow officer.**
- Note No. 3: Lawyers Title is a division of Commonwealth Land Title Insurance Company. The insurer in policies of title insurance, when issued in this transaction, will be Commonwealth Land Title Insurance Company.
- Note No. 4: Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
- Note No. 5: Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DDT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.
- Note No. 6: Due to the special requirements of SB 50 (California Public Resources Code Section 8560 et seq.), any transaction that includes the conveyance of title by an agency of the United States must be approved in advance by the Company's State Counsel, Regional Counsel, or one of their designees.
- Note No. 7: Intentionally Deleted
- Note No. 8: None of the items shown in this report will cause the Company to decline to attach CLTA Endorsement Form 100 to an ALTA Loan Policy, when issued.
- Note No. 9: The following information will be included in the CLTA Form 116 or ALTA Form 22-06 Endorsement to be issued pursuant to this order:
- There is located on said Land: Multi Family Residence
Known as: 1611 Cliff Drive, Newport Beach, California
- Note No. 10: There are no conveyances affecting said Land recorded within 24 months of the date of this report.
- Note No. 11: The Company requires current beneficiary demands prior to closing. If the demand is expired and a current demand cannot be obtained, our requirements will be as follows:
- a) If the Company accepts a verbal update on the demand, we may hold an amount equal to one monthly mortgage payment. This hold will be in addition to the verbal hold the lender may have stipulated.

- b) If the Company cannot obtain a verbal update on the demand, we will either pay off the expired demand or wait for the amended demand, at our discretion.
- c) All payoff figures are verified at closing. If the customer's last payment was made within 15 days of closing, our Payoff Department may hold one month's payment to insure the check has cleared the bank (unless a copy of the cancelled check is provided, in which case there will be no hold).

Note No. 12: The Company and its policy issuing agents are required by Federal law to collect additional information about certain transactions in specified geographic areas in accordance with the Bank Secrecy Act. If this transaction is required to be reported under a Geographic Targeting Order issued by FinCEN, the Company or its policy issuing agent must be supplied with a completed ALTA Information Collection Form ("ICF") prior to closing the transaction contemplated herein.

Note No. 13: Property taxes for the current fiscal year shown below HAVE NOT BEEN PAID. (Please refer to Default/Delinquent information shown above.) For proration purposes the amounts were:

<u>Tax Identification No.:</u>	<u>049-221-08</u>
Fiscal Year:	2022-2023
1 st Installment:	\$9,144.42, Defaulted
Penalty:	\$914.44
2 nd Installment:	\$9,144.42, Defaulted
Penalty and Cost:	\$937.44
Exemption:	\$none
Land:	\$1,623,790.00
Improvements:	\$ 66,339.00
Code Area:	07-001

Processor: DB
Date Typed: July 13, 2023

ATTACHMENT ONE

(Rev 11-04-22 (CA))

**CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY – 1990 (11-09-18)**

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material unless such lien is shown by the public records at Date of Policy.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART II

(Variable exceptions such as taxes, easements, CC&R's, etc., are inserted here)]

**CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE OWNER'S POLICY (02-04-22)**

EXCLUSIONS FROM COVERAGE

The following matters are excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement on the Land;
 - iii. the subdivision of land; or
 - iv. environmental remediation or protection.
- b. any governmental forfeiture, police, regulatory, or national security power.
- c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.

Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.

2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. not known to the Company, not recorded in the Public Records at the Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - c. resulting in no loss or damage to the Insured Claimant;
 - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 9 or 10); or
 - e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser had been given for the Title at the Date of Policy.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction vesting the Title as shown in Schedule A is a:

- a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer:
 - i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
 - ii. for any other reason not stated in Covered Risk 9.b.
5. Any claim of a PACA-PSA Trust. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 8.
 6. Any lien on the Title for real estate taxes or assessments imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 6 does not modify or limit the coverage provided under Covered Risk 2.b.
 7. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

EXCEPTIONS FROM COVERAGE

Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.

This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

PART I

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records at Date of Policy but that could be (a) ascertained by an inspection of the Land, or (b) asserted by persons or parties in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records at Date of Policy.
4. Any encroachment, encumbrance, violation, variation, easement, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records at Date of Policy.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor, material or equipment unless such lien is shown by the Public Records at Date of Policy.
7. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.

PART II

(Variable exceptions such as taxes, easements, CC&R's, etc., are inserted here)

CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (07-01-2021)

EXCLUSIONS FROM COVERAGE

The following matters are excluded from the coverage of this policy and We will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement on the Land;
 - iii. the subdivision of land; or
 - iv. environmental remediation or protection.
- b. any governmental forfeiture, police, or regulatory, or national security power.
- c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.

Exclusion 1 does not modify or limit the coverage provided under Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23, or 27.

2. Any power to take the Land by condemnation. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 17.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
 - a. created, suffered, assumed, or agreed to by You;
 - b. not Known to Us, not recorded in the Public Records at the Date of Policy, but Known to You and not disclosed in writing to Us by You prior to the date You became an Insured under this policy;
 - c. resulting in no loss or damage to You;
 - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 5, 8.f., 25, 26, 27, 28, or 32); or
 - e. resulting in loss or damage that would not have been sustained if You paid consideration sufficient to qualify You as a bona fide purchaser of the Title at the Date of Policy.
4. Lack of a right:
 - a. to any land outside the area specifically described and referred to in Item 3 of Schedule A; and
 - b. in any street, road, avenue, alley, lane, right-of-way, body of water, or waterway that abut the Land.Exclusion 4 does not modify or limit the coverage provided under Covered Risk 11 or 21.
5. The failure of Your existing structures, or any portion of Your existing structures, to have been constructed before, on, or after the Date of Policy in accordance with applicable building codes. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 14 or 15.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transfer of the Title to You is a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer:
 - i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
 - ii. for any other reason not stated in Covered Risk 30.
7. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
8. Negligence by a person or an entity exercising a right to extract or develop oil, gas, minerals, groundwater, or any other subsurface substance.
9. Any lien on Your Title for real estate taxes or assessments imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 9 does not modify or limit the coverage provided under Covered Risk 8.a. or 27.

10. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$5,000.00

CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

- Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - building;
 - zoning;
 - land use;
 - improvements on the Land;
 - land division; and
 - environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

- The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
- The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
- Risks:
 - that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;

- b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
 6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.
 This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
 7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
 8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
 9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$5,000.00

ALTA OWNER'S POLICY (07-01-2021)

EXCLUSIONS FROM COVERAGE

The following matters are excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement on the Land;

- iii. the subdivision of land; or
 - iv. environmental remediation or protection.
 - b. any governmental forfeiture, police, regulatory, or national security power.
 - c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.
- Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.
- 2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
 - 3. Any defect, lien, encumbrance, adverse claim, or other matter:
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. not Known to the Company, not recorded in the Public Records at the Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - c. resulting in no loss or damage to the Insured Claimant;
 - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 9 or 10); or
 - e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser had been given for the Title at the Date of Policy.
 - 4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction vesting the Title as shown in Schedule A is a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer:
 - i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
 - ii. for any other reason not stated in Covered Risk 9.b.
 - 5. Any claim of a PACA-PSA Trust. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 8.
 - 6. Any lien on the Title for real estate taxes or assessments imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 6 does not modify or limit the coverage provided under Covered Risk 2.b.
 - 7. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

EXCEPTIONS FROM COVERAGE

Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.

This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

NOTE: The 2021 ALTA Owner's Policy may be issued to afford either Standard Coverage or Extended Coverage. In addition to variable exceptions such as taxes, easements, CC&R's, etc., the Exceptions from Coverage in a Standard Coverage policy will also include the Western Regional Standard Coverage Exceptions listed as 1 through 7 below:

- 1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.

2. Any facts, rights, interests, or claims that are not shown by the Public Records at Date of Policy but that could be (a) ascertained by an inspection of the Land or (b) asserted by persons or parties in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records at Date of Policy.
4. Any encroachment, encumbrance, violation, variation, easement, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records at Date of Policy.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor, material or equipment unless such lien is shown by the Public Records at Date of Policy.
7. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;

- (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
- (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

NOTE: The 2006 ALTA Owner's Policy may be issued to afford either Standard Coverage or Extended Coverage. In addition to variable exceptions such as taxes, easements, CC&R's, etc., the Exceptions from Coverage in a Standard Coverage policy will also include the Western Regional Standard Coverage Exceptions listed below as 1 through 7 below:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records at Date of Policy but that could be (a) ascertained by an inspection of the Land, or (b) asserted by persons or parties in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records at Date of Policy.
4. Any encroachment, encumbrance, violation, variation, easement, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records at Date of Policy.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor, material or equipment unless such lien is shown by the Public Records at Date of Policy.
7. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

Not all discounts are offered by every FNF Company. The discount will only be applicable to the FNF Company as indicated by the named discount.

FNF Underwritten Title Company

CTC – Chicago Title Company
CLTC - Commonwealth Land Title Company
FNTC – Fidelity National Title Company of California
FNTCCA – Fidelity National Title Company of California
TICOR – Ticor Title Company of California
LTC – Lawyer’s Title Company
SLTC – ServiceLink Title Company

Underwritten by FNF Underwriters

CTIC – Chicago Title Insurance Company
CLTIC – Commonwealth Land Title Insurance Company
FNTIC – Fidelity National Title Insurance Company
FNTIC – Fidelity National Title Insurance Company

CTIC – Chicago Title Insurance Company
CLTIC - Commonwealth Land Title Insurance Company
CTIC – Chicago Title Insurance Company

Available Discounts

DISASTER LOANS (CTIC, CLTIC, FNTIC)

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within twenty-four (24) months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be fifty percent (50%) of the appropriate title insurance rate.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC, FNTIC)

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be fifty percent (50%) to seventy percent (70%) of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be forty (40%) to fifty percent (50%) of the appropriate title insurance rate, depending on the type of coverage selected.

Wire Fraud Alert

This Notice is not intended to provide legal or professional advice. If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. **If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.**

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.
- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. DO NOT use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. **Obtain the phone number of relevant parties to the transaction as soon as an escrow account is opened.** DO NOT send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.
- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do NOT reuse the same password for other online accounts.
- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

Federal Bureau of Investigation:
<http://www.fbi.gov>

Internet Crime Complaint Center:
<http://www.ic3.gov>

FIDELITY NATIONAL FINANCIAL PRIVACY NOTICE

Effective January 1, 2023

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, "FNF," "our," or "we") respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

A limited number of FNF subsidiaries have their own privacy notices. If a subsidiary has its own privacy notice, the privacy notice will be available on the subsidiary's website and this Privacy Notice does not apply.

Collection of Personal Information

FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- identity information (e.g. Social Security Number, driver's license, passport, or other government ID number);
- financial account information (e.g. loan or bank account information); and
- other personal information necessary to provide products or services to you.

We may collect Personal Information about you from:

- information we receive from you or your agent;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

Collection of Browsing Information

FNF automatically collects the following types of Browsing Information when you access an FNF website, online service, or application (each an "FNF Website") from your Internet browser, computer, and/or device:

- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

Other Online Specifics

Cookies. When you visit an FNF Website, a "cookie" may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

Web Beacons. We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

Do Not Track. Currently our FNF Websites do not respond to "Do Not Track" features enabled through your browser.

Links to Other Sites. FNF Websites may contain links to unaffiliated third-party websites. FNF is not responsible for the privacy practices or content of those websites. We recommend that you read the privacy policy of every website you visit.

Use of Personal Information

FNF uses Personal Information for three main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you about our, our affiliates', and others' products and services, jointly or independently.

When Information Is Disclosed

We may disclose your Personal Information and Browsing Information in the following circumstances:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to affiliated or nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;
- to affiliated or nonaffiliated third parties with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

Security of Your Information

We maintain physical, electronic, and procedural safeguards to protect your Personal Information.

Choices With Your Information

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

For California Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law. For additional information about your California privacy rights, please visit the "California Privacy" link on our website (<https://fnf.com/pages/californiaprivacy.aspx>) or call (888) 413-1748.

For Nevada Residents: We are providing this notice pursuant to state law. You may be placed on our internal Do Not Call List by calling FNF Privacy at (888) 714-2710 or by contacting us via the information set forth at the end of this Privacy Notice. For further information concerning Nevada's telephone solicitation law, you may contact: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: aginquiries@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

For Virginia Residents: For additional information about your Virginia privacy rights, please email privacy@fnf.com or call (888) 714-2710.

Information From Children

The FNF Websites are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

International Users

FNF's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

FNF Website Services for Mortgage Loans

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except as required or authorized by contract with the mortgage loan servicer or lender, or as required by law or in the good-faith belief that such disclosure is necessary: to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

Your Consent To This Privacy Notice; Notice Changes

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The Privacy Notice's effective date will show the last date changes were made. If you provide information to us following any change of the Privacy Notice, that signifies your assent to and acceptance of the changes to the Privacy Notice.

Accessing and Correcting Information; Contact Us

If you have questions or would like to correct your Personal Information, visit FNF's Privacy Inquiry Website (<https://privacyportal.onetrust.com/webform/aa4c6ea2-82de-4ea3-b17d-9d1616eb2a19/ec2647c9-e34e-4730-81e2-636b1fda0269>) or contact us by phone at (888) 714-2710, by email at privacy@fnf.com, or by mail to:

Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, Florida 32204
Attn: Chief Privacy Officer

FIDELITY NATIONAL FINANCIAL
CALIFORNIA PRIVACY NOTICE

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, "FNF," "our," or "we") respect and are committed to protecting your privacy. This California Privacy Notice explains how we collect, use, and disclose Personal Information, when and to whom we disclose such information, and the rights you, as a California resident ("Consumer"), have regarding your Personal Information ("California Privacy Rights"). "Personal Information" means information that identifies, relates to, describes, and is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household. If FNF has collected, used, or disclosed your Personal Information in relation to a job application or employment, independent contractor, officer, owner, or director relationship with FNF, FNF's practices are discussed in our Notice at Collection for Prospective Employees, available at ***Prospective California Employees***. (<https://fnf.com/Prospective-California-Employees>)

Some subsidiaries maintain separate California Privacy Notices or privacy statements. If a subsidiary has a separate California Privacy Notice, it will be available on the subsidiary's website, and this California Privacy Notice does not apply.

Collection of categories of Personal Information:

In the preceding 12 months FNF has collected, and will continue to collect, the following categories of Personal Information from you:

- Identifiers such as name, address, telephone number, IP address, email address, account name, social security number, driver's license number, state identification card, passport number, financial information, date of birth, or other similar identifiers;
- Characteristics of protected classifications under California or Federal law;
- Commercial information, including records of personal property, products or services purchased, or other purchasing or consuming histories;
- Internet or other electronic network activity information including, but not limited to browsing history on FNF websites and information regarding a Consumer's interaction with an FNF website;
- Geolocation data;
- Professional or employment information;
- Education Information.

This Personal Information is collected from the following sources:

- Information we receive from you on applications or other forms;
- Information about your transactions with FNF, our affiliates, or others;
- Information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities, or from internet service providers, data analytics providers, and social networks;
- Information from the use of our websites and mobile applications;
- Information we receive directly from you related to doing business with us.

This Personal Information is collected for the following business purposes:

- To provide products and services to you or in connection with a transaction involving you;
- To perform a contract between FNF and the Consumer;
- To improve our products and services;
- To comply with legal obligations;
- To protect against fraudulent or illegal activity;
- To communicate with you about FNF or our affiliates;
- To maintain an account with FNF or our affiliates;
- To provide, support, personalize, and develop our websites, products, and services;
- To directly market our products to consumers;
- As described to you when collecting your Personal Information or as otherwise set forth in the California

Disclosures of Personal Information for a business purpose:

In the preceding 12 months FNF has disclosed, and will continue to disclose, the categories of Personal Information listed above for a business purpose. We may disclose Personal Information for a business purpose to the following categories of third parties:

- FNF affiliates and subsidiaries;
- Non-affiliated third parties, with your prior consent;
- Businesses in connection with the sale or other disposition of all or part of the FNF business and/or assets;
- Service Providers and non-affiliated third parties such as internet service providers, data analytics providers, and social networks; Law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order.

Sale of Personal Information:

In the preceding 12 months, FNF has not sold or shared Personal Information. FNF does not sell or share Personal Information.

Retention Periods:

Due to the breadth and variety of data collected by FNF, it is not possible for us to provide you with a comprehensive list of timeframes during which we retain each category of Personal Information. FNF retains categories of information as reasonably necessary to satisfy the purpose for which we collect the information. This time period varies depending on the purpose for which we collected the information, the nature and frequency of our interactions and relationship with you, whether we have a legal basis to continue retaining the information, industry practices, the value and sensitivity of the information, and state and federal recordkeeping requirements.

Personal Information of minors:

FNF does not knowingly collect the Personal Information of minors. FNF does not sell or share the information of consumers under 16 years of age.

Sensitive Personal Information:

FNF does not use or disclose sensitive Personal Information for any purposes other than those specified in the California Consumer Privacy Act.

Right to know:

Consumers have a right to know about Personal Information collected, used, disclosed, shared, or sold, including the categories of such Personal Information, as well as the purpose for such collection, use, disclosure, sharing, or selling, categories of third parties to whom Personal Information is disclosed, shared or sold, and the specific pieces of Personal Information collected about the consumer. Consumers have the right to request FNF disclose what Personal Information it collected, used, and disclosed in the past 12 months, or since January 1, 2022.

Right to request deletion:

Consumers have a right to request the deletion of their Personal Information, subject to certain exceptions.

Right to Correct:

Consumers have the right to correct inaccurate Personal Information.

Right to non-discrimination:

Consumers have a right not to be discriminated against because of exercising their consumer privacy rights. We will not discriminate against Consumers for exercising any of their California Privacy Rights.

Privacy Requests

To exercise any of your California Privacy Rights, or if acting an authorized agent on behalf of another individual, please visit [EXHIBIT 3](https://privacyportal.onetrust.com/webform/aa4c6ea2-82de-4ea3-b17d-</u></p></div><div data-bbox=)

Upon making a California Privacy Request, FNF will verify the consumer's identity by requiring an account, loan, escrow number, or other identifying information from the consumer.

The above-rights are subject to any applicable rights and obligations including both Federal and California exemptions rendering FNF, or Personal Information collected by FNF, exempt from certain CCPA requirements.

A Consumer may use an Authorized Agent to submit any CCPA request. Authorized agents' requests will be processed like any other CCPA request, but FNF will also require the Consumer provide the agent written permission to make the request and verify his or her identity with FNF.

FNF website services for mortgage loans:

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice describing the categories, sources, and uses of your Personal Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Information. FNF does not share Information collected through the Service Websites, except (1) as required or authorized by contract with the mortgage loan servicer or lender, or (2) as required by law or in the good-faith belief that such disclosure is necessary to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

California Privacy Notice – Effective Date:

This California Privacy Notice was last updated on January 1, 2023.

Contact for more information:

For questions or concerns about FNF's California Privacy Notice and privacy practices, or to exercise any of your California Privacy Rights, please visit California Privacy (<https://fnf.com/californiaprivacy>) call Toll Free 888-413-1748, or contact us by mail at the below address.

Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, Florida 32204
Attn: Chief Privacy Officer

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Financial, Inc. All Rights Reserved.

Fidelity National

OWNER'S INFORMATION STATEMENT

STATE OF CALIFORNIA }
COUNTY OF _____ } ss

To: Commonwealth Land Title Insurance Company
Re: Title Order 122074661 - LTLA - Michael Chediak--So

The undersigned, first being duly sworn, deposes and says:

1). That I/we are the owner(s) of that certain real property located in the County of Orange described in the report referenced above:

That the land is improved by a:

- Single Family residence: one to four family residence
- Apartment building
- Office building
- Commercial building
- Combination office and commercial building
- Industrial building
- _____

2). That there have been no repairs, work of improvement or materials furnished to the premises within the last 12 months, except

That the work of improvement or repairs, if any:

- Started on _____
- Was completed on _____
- Will be completed on _____

3). There are no unpaid bills for labor of material because of any improvements or repairs made to the above premises; except

4). That there is no one in possession of or has access to the premises other than:

- the undersigned
- tenants based only on month-to-month rental agreements
- lessees based upon existing leases, copies of which are attached hereto*
- _____

5). That no person(s) other those mentioned above have any rights, easements, licenses, or agreements allowing them to use, encroach on, or travel over said real property except _____(enter "none" if such is true)

6). That the undersigned has not received any supplemental tax bill which is unpaid.

7). That this declaration is given for the purpose of inducing the Company and Commonwealth Land Title Insurance Company to issue its policy(ies) of title insurance under the above referenced title order which may provide coverage as to the items mentioned above and that the statements made herein are true and correct of my/our knowledge.

*Declarant(s), please remember to attach copies.

Executed under penalty of perjury on the _____ day of _____, 2____.

Signature

Signature

Owner's Information Statement
(11/02)

EXHIBIT 3

EXHIBIT 4

Property Address: 1611 Cliff Dr, Newport Beach, CA 92663-5208 Date: 4/5/2023

H. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to paragraph 3J(1)) shall, within 3 (or ___) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. (Verification attached.)

I. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (or is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the purchase price. ~~Buyer shall, as specified in paragraph 44B(2), in writing, remove the appraisal contingency or cancel this Agreement within 17 (or ___) Days After Acceptance.~~

J. LOAN TERMS:

~~(1) LOAN APPLICATIONS: Within 7 (or ___) Days After Acceptance, Buyer shall Deliver to Seller a letter from Buyer's lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in paragraph 3D. If any loan specified in paragraph 3D is an adjustable rate loan, the prequalification or preapproval letter shall be based on the qualifying rate, not the initial loan rate. (Letter attached.)~~

(2) LOAN CONTINGENCY: Buyer shall act diligently and in good faith to obtain the designated loan(s). Buyer's qualification for the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan. Buyer's contractual obligations regarding deposit, balance of down payment and closing costs are not contingencies of this Agreement.

(3) LOAN CONTINGENCY REMOVAL:

Within 21 (or ___) Days After Acceptance, Buyer shall, as specified in paragraph 14, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.

(4) NO LOAN CONTINGENCY: Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

(5) LENDER LIMITS ON BUYER CREDITS: Any credit to Buyer, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.

K. BUYER STATED FINANCING: Seller is relying on Buyer's representation of the type of financing specified (including but not limited to, as applicable, all cash, amount of down payment, or contingent or non-contingent loan). Seller has agreed to a specific closing date, purchase price and to sell to Buyer in reliance on Buyer's covenant concerning financing. Buyer shall pursue the financing specified in this Agreement. Seller has no obligation to cooperate with Buyer's efforts to obtain any financing other than that specified in the Agreement and the availability of any such alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.

4. SALE OF BUYER'S PROPERTY:

A. This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer.

~~OR B. This Agreement and Buyer's ability to obtain financing are contingent upon the sale of property owned by Buyer as specified in the attached addendum (C.A.R. Form COP).~~

5. ADDENDA AND ADVISORIES:

A. ADDENDA: Addendum # (C.A.R. Form ADM)
 Back Up Offer Addendum (C.A.R. Form BUO) Court Confirmation Addendum (C.A.R. Form CCA)
 Septic, Well and Property Monument Addendum (C.A.R. Form SWPI)
 Short Sale Addendum (C.A.R. Form SSA) Other

B. BUYER AND SELLER ADVISORIES: Buyer's Inspection Advisory (C.A.R. Form BIA)
 Probate Advisory (C.A.R. Form PA) Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
 Trust Advisory (C.A.R. Form TA) REO Advisory (C.A.R. Form REQ)
 Short Sale Information and Advisory (C.A.R. Form SSIA) Other

6. OTHER TERMS: PROPERTY TO BE SOLD IN "AS-IS", "WHERE-IS" CONDITION WITH ALL FAULTS AND WITHOUT ANY WARRANTIES, EXPRESSED OR IMPLIED. PEST CONTROL/TERMITE INSPECTION REPORT AND ANY CORRECTIVE WORK WILL NOT BE PROVIDED, COMPLETED BY NOR PAID FOR BY SELLER. TRUSTEE'S ADDENDUM TO EXCLUSIVE AND RIGHT TO SELL IS INCORPORATED HEREIN IN ITS ENTIRETY.

7. ALLOCATION OF COSTS

A. INSPECTIONS, REPORTS AND CERTIFICATES: Unless otherwise agreed in writing, this paragraph only determines who is to pay for the inspection, test, certificate or service ("R eport") mentioned; it does not determine who is to pay for any work recommended or identified in the Report.

- (1) Buyer Seller shall pay for a natural hazard zone disclosure report, including tax environmental Other: _____ prepared by Seller's Choice
- (2) Buyer Seller shall pay for the following R eport _____ prepared by _____
- (3) Buyer Seller shall pay for the following Report _____ prepared by _____

Buyer's Initials (_____) (_____)

Seller's Initials (MM) (_____)

RPA-CA REVISED 12/15 (PAGE 2 OF 10)

RAM, Bankruptcy Trustee, signed per Addendum

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 2 OF 10)

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Trustee -

Property Address: 1611 Cliff Dr, Newport Beach, CA 92663-5208 Date: 4/5/2023

B. GOVERNMENT REQUIREMENTS AND RETROFIT:

- (1) Buyer Seller shall pay for smoke alarm and carbon monoxide device installation and water heater bracing, if required by Law. Prior to Close Of Escrow ("COE"), Seller shall provide Buyer written statement(s) of compliance in accordance with state and local Law, unless Seller is exempt.
- ~~(2) (i) Buyer Seller shall pay the cost of compliance with any other minimum mandatory government inspections and reports if required as a condition of closing escrow under any Law.~~
- ~~(ii) Buyer Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards required as a condition of closing escrow under any Law, whether the work is required to be completed before or after COE.~~
- ~~(iii) Buyer shall be provided, within the time specified in paragraph 14A, a copy of any required government conducted or point of sale inspection report prepared pursuant to this Agreement or in anticipation of this sale of the Property.~~

C. ESCROW AND TITLE:

- (1) (a) Buyer Seller shall pay escrow fee each to pay their own
 - (b) Escrow Holder shall be Seller's Choice
 - (c) The Parties shall, within 5 (or ___) Days After receipt, sign and return Escrow Holder's general provisions.
 - (2) (a) Buyer Seller shall pay for **owner's** title insurance policy specified in paragraph 13E _____
 - (b) Owner's title policy to be issued by Seller's Choice
- (Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

D. OTHER COSTS:

- (1) Buyer Seller shall pay County transfer tax or fee _____
 - (2) Buyer Seller shall pay City transfer tax or fee _____
 - (3) Buyer Seller shall pay Homeowners' Association ("HOA") transfer fee split 50/50
 - ~~(4) Buyer Seller shall pay HOA fees for preparing the documents required to be delivered by Civil Code § 4525 _____~~
 - (5) Buyer Seller shall pay HOA fees for preparing all documents other than those required by Civil Code § 4525 _____
 - (6) Buyer to pay for any HOA certification fee.
 - (7) Buyer Seller shall pay for any private transfer fee _____
 - (8) Buyer Seller shall pay for _____
 - (9) Buyer Seller shall pay for _____
 - (10) Buyer Seller shall pay for the cost, not to exceed \$ _____, of a standard (or upgraded) one-year home warranty plan, issued by Click here to select your Service Provider _____, with the following optional coverages: Air Conditioner Pool/Spa Other: _____
- Buyer is informed that home warranty plans have many optional coverages in addition to those listed above. Buyer is advised to investigate these coverages to determine those that may be suitable for Buyer.

OR Buyer waives the purchase of a home warranty plan. Nothing in this paragraph precludes Buyer's purchasing a home warranty plan during the term of this Agreement.

8. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:

A. NOTE TO BUYER AND SELLER: Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in paragraph 8 B or C.

B. ITEMS INCLUDED IN SALE: Except as otherwise specified or disclosed,

- (1) All EXISTING fixtures and fittings that are attached to the Property;
- (2) EXISTING electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar power systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water features and fountains, water softeners, water purifiers, security systems/alarms and the following if checked: all stove(s), except _____; all refrigerator(s) except _____; all washer(s) and dryer(s), except _____;
- (3) The following additional items: _____
- (4) Existing integrated phone and home automation systems, including necessary components such as intranet and Internet-connected hardware or devices, control units (other than non-dedicated mobile devices, electronics and computers) and applicable software, permissions, passwords, codes and access information, are (are NOT) included in the sale.
- (5) **LEASED OR LIENED ITEMS AND SYSTEMS:** Seller shall, within the time specified in paragraph 14A, (i) disclose to Buyer if any item or system specified in paragraph 8B or otherwise included in the sale is leased, or not owned by Seller, or specifically subject to a lien or other encumbrance, and (ii) Deliver to Buyer all written materials (such as lease, warranty, etc.) concerning any such item. Buyer's ability to assume any such lease, or willingness to accept the Property subject to any such lien or encumbrance, is a contingency in favor of Buyer and Seller as specified in paragraph 14B and C.
- (6) Seller represents that all items included in the purchase price, unless otherwise specified, (i) are owned by Seller and shall be transferred free and clear of liens and encumbrances, except the items and systems identified pursuant to 8B(5) and _____, and (ii) are transferred without Seller warranty regardless of value.

C. ITEMS EXCLUDED FROM SALE: Unless otherwise specified, the following items are excluded from sale: (i) audio and video components (such as flat screen TVs, speakers and other items) if any such item is not itself attached to the Property, even if a bracket or other mechanism attached to the component or item is attached to the Property; (ii) furniture and other items secured to the Property for earthquake purposes; and (iii) _____

_____. Brackets attached to walls, floors or ceilings for any such component, furniture or item shall remain with the Property for will be removed and holes or other damage shall be repaired, but not painted.

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)

RPA-CA REVISED 12/15 (PAGE 3 OF 10)

RAM, Bankruptcy Trustee, signed per Addendum

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 3 OF 10)

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Trustee -



Property Address: 1611 Cliff Dr, Newport Beach, CA 92663-5208

Date: 4/5/2023

9. CLOSING AND POSSESSION:

- A. Buyer intends (or does not intend) to occupy the Property as Buyer's primary residence.
- B. **Seller-occupied or vacant property:** Possession shall be delivered to Buyer: (i) at 6 PM or (AM/ PM) on the date of Close Of Escrow; (ii) no later than ___ calendar days after Close Of Escrow; or (iii) at ___ AM/ PM on _____.
- ~~C. Seller remaining in possession After Close Of Escrow: If Seller has the right to remain in possession after Close Of Escrow, (i) the Parties are advised to sign a separate occupancy agreement such as C.A.R. Form SIP, for Seller continued occupancy of less than 30 days, C.A.R. Form RLAS for Seller continued occupancy of 30 days or more, and (ii) the Parties are advised to consult with their insurance and legal advisors for information about liability and damage or injury to persons and personal and real property; and (iii) Buyer is advised to consult with Buyer's lender about the impact of Seller's occupancy on Buyer's loan.~~
- D. **Tenant-occupied property:** Property shall be vacant at least 5 (or ___) Days Prior to Close Of Escrow, unless otherwise agreed in writing. **Note to Seller: If you are unable to deliver Property vacant in accordance with rent control and other applicable Law, you may be in breach of this Agreement.**

OR Tenant to remain in possession (C.A.R. Form TIP).

~~E. At Close Of Escrow, Seller assigns to Buyer any assignable warranty rights for items included in the sale; and Seller shall Deliver to Buyer, available Copies of any such warranties. Brokers cannot and will not determine the assignability of any warranties.~~

F. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys, passwords, codes and/or means to operate all locks, mailboxes, security systems, alarms, home automation systems and intranet and Internet-connected devices included in the purchase price, and garage door openers. If the Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

~~10. STATUTORY AND OTHER DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:~~

- A. (1) Seller shall, within the time specified in paragraph 14A, Deliver to Buyer: (i) if required by Law, a fully completed: Federal Lead-Based Paint Disclosures (C.A.R. Form FLD) and pamphlet ("Lead Disclosures"); and (ii) unless exempt, fully completed disclosures or notices required by sections 1102 et. seq. and 1103 et. seq. of the Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHD"), notice or actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act of 1982 and Improvement Bond Act of 1915); and, if Seller has actual knowledge, of industrial use and military ordnance location (C.A.R. Form SPQ or ESD).
- (2) Any Statutory Disclosure required by this paragraph is considered fully completed if Seller has answered all questions and completed and signed the Seller section(s) and the Listing Agent, if any, has completed and signed the Listing Broker section(s), or, if applicable, an Agent Visual Inspection Disclosure (C.A.R. Form AVID). Nothing stated herein relieves a Buyer's Broker, if any, from the obligation to (i) conduct a reasonably competent and diligent visual inspection of the accessible areas of the Property and disclose, on Section IV of the TDS, or an AVID, material facts affecting the value or desirability of the Property that were or should have been revealed by such an inspection or (ii) complete any sections on all disclosures required to be completed by Buyer's Broker.
- (3) **Note to Buyer and Seller:** Waiver of Statutory and Lead Disclosures is prohibited by Law.
- (4) Within the time specified in paragraph 14A, (i) Seller, unless exempt from the obligation to provide a TDS, shall, complete and provide Buyer with a Seller Property Questionnaire (C.A.R. Form SPQ); (ii) if Seller is not required to provide a TDS, Seller shall complete and provide Buyer with an Exempt Seller Disclosure (C.A.R. Form ESD).
- (5) Buyer shall, within the time specified in paragraph 14B(1), return Signed Copies of the Statutory, Lead and other disclosures to Seller.
- (6) In the event Seller or Listing Broker, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. **However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies of which Buyer is otherwise aware, or which are disclosed in reports provided to or obtained by Buyer or ordered and paid for by Buyer.**
- (7) If any disclosure or notice specified in paragraph 10A(1), or subsequent or amended disclosure or notice is Delivered to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within **3 Days After Delivery** in person, or **5 Days After Delivery** by deposit in the mail, by giving written notice of cancellation to Seller or Seller's agent.
- B. **NATURAL AND ENVIRONMENTAL HAZARD DISCLOSURES AND OTHER BOOKLETS:** Within the time specified in paragraph 14A, Seller shall, if required by Law: (i) Deliver to Buyer earthquake guide(s) (and questionnaire), environmental hazards booklet, and home energy rating pamphlet; (ii) disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; and Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.
- C. **WITHHOLDING TAXES:** Within the time specified in paragraph 14A, to avoid required withholding, Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law (C.A.R. Form AS or QS).
- D. **MEGAN'S LAW DATABASE DISCLOSURE:** Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)
- E. **NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES:** This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov>. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.
- F. **CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:**
 - (i) **SELLER HAS: 7 (or ___) Days After Acceptance** to disclose to Buyer if the Property is a ~~condominium, or is located in a planned development or other common interest subdivision (C.A.R. Form SPQ or ESD).~~ **condominium.**

Buyer's Initials (_____) (_____)
RPA-CA REVISED 12/15 (PAGE 4 OF 10)

Seller's Initials (MM) (_____)

RAM, Bankruptcy Trustee, signed per Addendum



CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 4 OF 10)

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Trustee -

Property Address: ..., 1611 Cliff Dr, Newport Beach, CA 92663-5208

Date: 4/5/2023

~~(B) If the Property is a condominium or is located in a planned development or other common interest subdivision, Seller has 3 (or ___) Days After Acceptance to request from the HOA (C.A.R. Form HOA1): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). (vi) private transfer fees; (vii) Pet fee restrictions; and (viii) smoking restrictions. Seller shall itemize and Deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 14B(3). The Party specified in paragraph 7, as directed by escrow, shall deposit funds into escrow or direct to HOA or management company to pay for any of the above.~~

11. CONDITION OF PROPERTY: Unless otherwise agreed in writing: (i) the Property is sold (a) "AS-IS" in its PRESENT physical condition as of the date of Acceptance and ~~(b) subject to Buyer's investigation right;~~ (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.

~~A. Seller shall, within the time specified in paragraph 14A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.~~

~~B. Buyer has the right to conduct Buyer Investigations of the Property and, as specified in paragraph 14B, based upon information discovered in these investigations: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.~~

C. Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.

12. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY: ~~NOT~~

A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph ~~and paragraph 14B. Within the time specified in paragraph 14B(4),~~ Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to: (i) a general physical inspection; (ii) an inspection specifically for wood destroying pests and organisms. Any inspection for wood destroying pests and organisms shall be prepared by a registered Structural Pest Control company; shall cover the main building and attached structures; may cover detached structures; shall NOT include water tests of shower pans on upper level units unless the owners of property below the shower consent; shall NOT include roof coverings; and, if the Property is a unit in a condominium or other common interest subdivision, the inspection shall include only the separate interest and any exclusive-use areas being transferred, and shall NOT include common areas; and shall include a report ("Pest Control Report") showing the findings of the company which shall be separated into sections for evident infestation or infections (Section 1) and for conditions likely to lead to infestation or infection (Section 2); (iii) inspect for lead-based paint and other lead-based paint hazards; ~~(iv) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA);~~ (v) review the registered sex offender database; (vi) confirm the insurability of Buyer and the Property including the availability and cost of flood and fire insurance; and (vii) review and seek approval of leases that may need to be assumed by Buyer. Without Seller's prior written consent, Buyer shall neither make nor cause to be made: invasive or destructive Buyer Investigations, except for minimally invasive testing required to prepare a Pest Control Report; or inspections by any governmental building or zoning inspector or government employee, unless required by Law.

B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 14B, complete Buyer Investigations and either remove the contingency or cancel this Agreement, ~~and (ii) give Seller, at no cost, complete copies of all such investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.~~

C. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.

D. **Buyer indemnity and seller protection for entry upon property:** Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-Responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.

13. TITLE AND VESTING:

~~A. Within the time specified in paragraph 14, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 14B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall, within 7 Days After Acceptance, plus Escrow Holder a completed Statement of Information.~~

B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except for: (i) monetary liens of record (which Seller is obligated to pay off) unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.

~~C. Within the time specified in paragraph 14A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.~~

D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.

Buyer's Initials () ()
RPA-CA REVISED 12/15 (PAGE 5 OF 10)

Seller's Initials (DS) ()
RAM, Bankruptcy Trustee, signed per Addendum

CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 5 OF 10)



Property Address: 1611 Cliff Dr, Newport Beach, CA 92663-5208

Date: 4/5/2023

E. Buyers shall receive a CLTA/ALTA "Homeowner's Policy of Title Insurance", if applicable to the type of property and buyer. If not, Escrow Holder shall notify Buyer. A title company can provide information about the availability, coverage, and cost of other title policies and endorsements. If the Homeowner's Policy is not available, Buyer shall choose another policy, instruct Escrow Holder in writing and shall pay any increase in cost.

~~14. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).~~

~~A. SELLER HAS: 7 (or ___) Days After Acceptance to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 5, 6, 7, 8B(5), 10A, B, C, and F, 11A and 13A. If, by the time specified, Seller has not Delivered any such item, Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement.~~

~~B. (1) BUYER HAS: 17 (or ___) Days After Acceptance, unless otherwise agreed in writing, to: (i) complete all Buyer Investigations; review all disclosures, reports, lease documents to be assumed by Buyer pursuant to paragraph 8B(5), and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property; and (ii) Deliver to Seller Signed Copies of Statutory and Lead Disclosures and other disclosures Delivered by Seller in accordance with paragraph 10A.~~

~~(2) Within the time specified in paragraph 14B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to (C.A.R. Form RRRR) Buyer's requests.~~

~~(3) By the end of the time specified in paragraph 14B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in paragraph 14A, then Buyer has 5 (or ___) Days After Delivery of any such items, or the time specified in paragraph 14B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.~~

~~(4) Continuation of Contingency: Even after the end of the time specified in paragraph 14B(1) and before Seller cancels, if at all, pursuant to paragraph 14D, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 14D(1).~~

~~(5) Access to Property: Buyer shall have access to the Property to conduct inspections and investigations for 17 (or ___) Days After Acceptance, whether or not any part of the Buyer's Investigation Contingency has been waived or removed.~~

~~C. REMOVAL OF CONTINGENCIES WITH OFFER: Buyer removes the contingencies specified in the attached Contingency Removal form (C.A.R. Form CR). If Buyer removes any contingency without an adequate understanding of the Property's condition or Buyer's ability to purchase, Buyer is acting against the advice of Broker.~~

~~D. SELLER RIGHT TO CANCEL:~~

~~(1) Seller right to Cancel; Buyer Contingencies: If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.~~

~~(2) Seller right to Cancel; Buyer Contract Obligations: Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3A, or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; (ii) Deliver a notice of FHA or VA costs or terms as required by paragraph 3D(3) (C.A.R. Form FVA); (iii) Deliver a letter as required by paragraph 3J(1); (iv) Deliver verification, or a satisfactory verification if Seller reasonably disapproves of the verification already provided, as required by paragraph 3C or 3H; (v) In writing assume or accept leases or liens specified in 8B5; (vi) Return Statutory and Lead Disclosures as required by paragraph 10A(5); or (vii) Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 21B; or (viii) Provide evidence of authority to sign in a representative capacity as specified in paragraph 19. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.~~

~~E. NOTICE TO BUYER OR SELLER TO PERFORM: The NBP or NSP shall: (i) be in writing; (ii) be signed by the applicable Buyer or Seller, and (iii) give the other Party at least 2 (or ___) Days After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP or NSP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 14.~~

~~F. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES: If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.~~

~~G. CLOSE OF ESCROW: Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: (i) be signed by the applicable Buyer or Seller; and (ii) give the other Party at least 3 (or ___) Days After Delivery to close escrow. A DCE may not be Delivered any earlier than 3 Days Prior to the scheduled close of escrow.~~

~~H. EFFECT OF CANCELLATION ON DEPOSITS: If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award. If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit. (C.A.R. Form BDRD or SDRD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursement of the deposit. Escrow Holder, at its discretion, may nonetheless require mutual cancellation instructions. A Party may be subject to a civil penalty of up to \$1,000 for refusal to sign cancellation instructions if no good~~

Buyer's Initials (____)(____)
RPA-CA REVISED 12/15 (PAGE 6 OF 10)

Seller's Initials (MM)(____)
RAM, Bankruptcy Trustee signed per Addendum



CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 6 OF 10)

Property Address: 1611 Cliff Dr, Newport Beach, CA 92663-5208 Date: 4/5/2023

15. **FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final verification of the Property within 5 (or) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 11; ~~(ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).~~

~~16. **REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain invoices and paid receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of invoices and paid receipts and statements to Buyer prior to final verification of condition.~~


17. **PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (I) for periods after Close Of Escrow, by Buyer; and (II) for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.

18. **BROKERS:**
 A. **COMPENSATION:** Seller or Buyer, or both, as applicable, agree to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, ~~or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.~~
 B. **SCOPE OF DUTY:** Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in Investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for determining the fair market value of the Property or any personal property included in the sale; (x) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (xi) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

19. **REPRESENTATIVE CAPACITY:** If one or more Parties is signing this Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 31 or 32 and attach a Representative Capacity Signature Disclosure (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on this Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which that party is acting already exists and (ii) shall Deliver to the other Party and Escrow Holder, ~~within 3 Days After Acceptance,~~ evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code §18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).

20. **JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**
 A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5A, 6, 7, 10C, 13, 14G, 17, 18A, 19, 20, 26, 29, 30, 31, 32 and paragraph D of the section titled Real Estate Brokers on page 10. If a Copy of the separate compensation agreement(s) provided for in paragraph 18A, or paragraph D of the section titled Real Estate Brokers on page 10 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 7C(1)(c). To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within 3 (or) Days, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 7, 10 or elsewhere in this Agreement.
 B. A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within 3 Days After Acceptance (or _____). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement. Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under paragraph 10C, Escrow Holder shall deliver to Buyer a Qualified Substitute statement that complies with federal Law.

Buyer's Initials (_____) (_____) RPA-CA REVISED 12/15 (PAGE 7 OF 10)

Seller's Initials () (_____) RAM, Bankruptcy Trustee, signed per Addendum



CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 7 OF 10)

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Trustee -

Property Address: 1611 Cliff Dr, Newport Beach, CA 92663-5208 Date: 4/5/2023

- C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 18A and paragraph D of the section titled Real Estate Brokers on page 10. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 18A, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement.
- D. Upon receipt, Escrow Holder shall provide Seller and Seller's Broker verification of Buyer's deposit of funds pursuant to paragraph 3A and 3B. Once Escrow Holder becomes aware of any of the following, Escrow Holder shall immediately notify all Brokers: (i) if Buyer's initial or any additional deposit or down payment is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.
- E. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 3 Days after mutual execution of the amendment.

~~21. REMEDIES FOR BUYER'S BREACH OF CONTRACT:~~

- ~~A. Any clause added by the Parties specifying a remedy (such as release or forfeiture of deposit or making a deposit non-refundable) for failure of Buyer to complete the purchase in violation of this Agreement shall be deemed invalid unless the clause independently satisfies the statutory liquidated damages requirements set forth in the Civil Code.~~
- ~~B. LIQUIDATED DAMAGES: If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Except as provided in paragraph 14H, release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award. AT THE TIME OF ANY INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION INCORPORATING THE INCREASED DEPOSIT AS LIQUIDATED DAMAGES (C.A.R. FORM RID).~~

~~Buyer's Initials _____ / _____ Seller's Initials _____ / _____~~

~~22. DISPUTE RESOLUTION:~~

- ~~A. MEDIATION: The Parties agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action through the C.A.R. Real Estate Mediation Center for Consumers (www.consumermediation.org) or through any other mediation provider or service mutually agreed to by the Parties. The Parties also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. Mediation fees, if any, shall be divided equally among the Parties involved. If, for any dispute or claim to which this paragraph applies, any Party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that Party shall not be entitled to recover attorney fees, even if they would otherwise be available to that Party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED. Exclusions from this mediation agreement are specified in paragraph 22C.~~
- ~~B. ARBITRATION OF DISPUTES:~~

~~The Parties agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The Parties also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 22C.~~

~~"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."~~

~~"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."~~

~~Buyer's Initials _____ / _____ Seller's Initials _____ / _____~~

~~C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:~~

- ~~(1) EXCLUSIONS: The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.~~

Buyer's Initials (_____) (_____) Seller's Initials (RAM) (_____)
 RPA-CA REVISED 12/15 (PAGE 8 OF 10) RAM, Bankruptcy Trustee, signed per Addendum

Property Address: ..., 1611 Cliff Dr, Newport Beach, CA 92663-5208

Date: 4/5/2023

~~(2) PRESERVATION OF ACTIONS: The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) the filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies; or (iii) the filing of a mechanic's lien.~~

~~(3) BROKERS: Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker participating in mediation or arbitration shall not be deemed a party to this Agreement.~~

23. SELECTION OF SERVICE PROVIDERS: Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.

24. MULTIPLE LISTING SERVICE ("MLS"): Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.

~~25. ATTORNEY FEES: In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 22A.~~

26. ASSIGNMENT: Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the separate written consent of Seller to a specified assignee. Such consent shall not be unreasonably withheld. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless otherwise agreed in writing by Seller. (C.A.R. Form AOOA).

27. EQUAL HOUSING OPPORTUNITY: The Property is sold in compliance with federal, state and local anti-discrimination Laws.

28. TERMS AND CONDITIONS OF OFFER:

This is an offer to purchase the Property on the above terms and conditions. ~~The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initiated by all Parties or if incorporated by mutual agreement in a counter offer or addendum. If at least one but not all Parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. The Parties have read and acknowledge receipt of a Copy of the offer and agree to the confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation.~~ This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.

29. TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES: Time is of the essence. All understandings between the Parties are incorporated in this Agreement. Its terms are intended by the Parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Except as otherwise specified, this Agreement shall be interpreted and disputes shall be resolved in accordance with the Laws of the State of California. **Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.**

30. DEFINITIONS: As used in this Agreement:

- A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a Party and is delivered to and personally received by the other Party or that Party's authorized agent in accordance with the terms of this offer or a final counter offer.
- B. "Agreement" means this document and any counter offers and any incorporated addenda, collectively forming the binding agreement between the Parties. Addenda are incorporated only when Signed by all Parties.
- C. "C.A.R. Form" means the most current version of the specific form referenced or another comparable form agreed to by the parties.
- D. "Close Of Escrow", including "COE", means the date the grant deed, or other evidence of transfer of title, is recorded.
- E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
- F. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
- G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
- H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
- I. "Deliver", "Delivered" or "Delivery", unless otherwise specified in writing, means and shall be effective upon: personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in the section titled Real Estate Brokers on page 10, regardless of the method used (i.e., messenger, mail, email, fax, other).
- J. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either Party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other Party.
- K. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
- L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
- M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.

~~31. EXPIRATION OF OFFER: This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by _____ who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or by _____ AM/ _____ PM, on _____ (date)).~~

One or more Buyers is signing this Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-B) for additional terms.

Date 4/5/2023 BUYER [Signature]

(Print name) Pelican Fund LLC 64A6355B21ED418

Date _____ BUYER _____

(Print name) _____

Additional Signature Addendum attached (C.A.R. Form ASA).

Seller's Initials (MM) (_____)

RPA-CA REVISED 12/15 (PAGE 9 OF 10) RAM, Bankruptcy Trustee, signed per Addendum CALIFORNIA RESIDENTIAL PURCHASE AGREEMENT (RPA-CA PAGE 9 OF 10)



Property Address: 1611 Cliff Dr, Newport Beach, CA 92663-5208 Date: 4/5/2023

32. ACCEPTANCE OF OFFER: Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer, and agrees to sell the Property on the above terms and conditions. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to Deliver a Signed Copy to Buyer.

(If checked) SELLER'S ACCEPTANCE IS SUBJECT TO ATTACHED ~~COUNTER OFFER (C.A.R. Form SCO or SMCO)~~ DATED: Trustee's Addendum

One or more Sellers is signing this Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-S) for additional terms.

Date _____ SELLER RAM, Bankruptcy Trustee, signed per Addendum
 (Print name) Richard A. Marshack, Ch 7 Trustee for the Estate of: AB Capital LLC, a California Limited Liability Company

Date _____ SELLER _____
 (Print name) _____

Additional Signature Addendum attached (C.A.R. Form ASA).

(_____/_____) (Do not initial if making a counter offer.) CONFIRMATION OF ACCEPTANCE: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) _____ at _____
 (Initials) AM/ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

REAL ESTATE BROKERS:

- A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
- B. Agency relationships are confirmed as stated in paragraph 2.
- C. If specified in paragraph 3A(2), Agent who submitted the offer for Buyer acknowledges receipt of deposit.
- D. COOPERATING BROKER COMPENSATION: Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow, the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS. If Listing Broker and Cooperating Broker are not both Participants of the MLS, or a reciprocal MLS, in which the Property is offered for sale, then compensation must be specified in a separate written agreement (C.A.R. Form CBC). Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.

Real Estate Broker (Selling Firm) _____ CalBRE Lic. # _____
 By Clarence Yoshikane CalBRE Lic. # _____ Date _____
 By _____ CalBRE Lic. # _____ Date _____
 Address _____ City _____ State _____ Zip _____
 Telephone _____ Fax _____ E-mail _____
 Real Estate Broker (Listing Firm) Berkshire Hathaway HomeServices CA Properties CalBRE Lic. # 01317331
 By Clarence Yoshikane CalBRE Lic. # 00801398 Date _____
 By _____ CalBRE Lic. # _____ Date _____
 Address 1400 Newport Center Drive, Suite 200 City Newport Beach State CA Zip 92660
 Telephone 714.606.5765 Fax _____ E-mail J.Toyama@verizon.net

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, a deposit in the amount of \$ _____), counter offer numbers _____ Seller's Statement of Information and _____, and agrees to act as Escrow Holder subject to paragraph 20 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.
 Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is _____
 Escrow Holder _____ Escrow # _____
 By _____ Date _____
 Address _____
 Phone/Fax/E-mail _____
 Escrow Holder has the following license number # _____
 Department of Business Oversight, Department of Insurance, Bureau of Real Estate.

PRESENTATION OF OFFER: (_____) Listing Broker presented this offer to Seller on _____ (date).

 Broker or Designee Initials

REJECTION OF OFFER: (_____) (_____) No counter offer is being made. This offer was rejected by Seller on _____ (date).

 Seller's Initials

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 525 South Virgil Avenue, Los Angeles, California 90020
 Buyer Acknowledges that page 10 is part of this Agreement _____ (_____) Buyer's Initials
 Reviewed by _____
 Broker or Designee

ADDENDUM TO PURCHASE AGREEMENT

This Addendum (“Addendum”) to Residential Purchase Agreement and Joint Escrow Instructions dated April 5, 2023 (“Agreement”) is entered into effective April 5, 2023, by and between Pelican Fund LLC (hereinafter “Buyer”) and Richard A. Marshack, Chapter 7 Bankruptcy Trustee (“Trustee”), in the case entitled AB Capital LLC (“Debtor”), Case No.: 8:22-bk-11575-TA (“Case”) currently pending in the United States Bankruptcy Court, in the Central District of California (“Court”), regarding 1611 Cliff Dr., Newport Beach, Ca. APN: 049-221-08 (“Property”).

RECITALS

The owner of the Property, Calpac Mortgage Fund, LLC, a California Limited Liability Company (“Owner”), is a related entity to Debtor. The Property is not technically property of the Bankruptcy Estate; however, Trustee is selling the Property pursuant to a Preliminary Injunction entered November 30, 2022 in an adversary proceeding entitled *Marshack v. Pukini et. al.*, Adversary Case No. 8:22-ap-01091-TA currently pending in the Court. The Owner may object to the sale. Trustee has no obligation to sell the Property unless, among other things, Trustee obtains an appropriate order from the Court which specifically authorizes the sale of the Property (notwithstanding the fact that the Property is not technically property of the Estate), and the Title Company, defined below, accepts the Court order to issue title insurance.

On September 15, 2022, an involuntary bankruptcy was filed against AB Capital, LLC (previously defined as “Debtor”) by numerous petitioning creditors (the “Petitioning Creditors”), initiating bankruptcy case number 8:22-bk-11585-TA (previously defined as “Case”).

On September 19, 2022, the Petitioning Creditors filed an emergency motion for appointment of an interim trustee pursuant to Bankruptcy Code Section 303(g) (the “Interim Trustee Motion”).

On September 22, 2022, the Court held a hearing on the Interim Trustee Motion – during which the Court granted the Interim Trustee Motion as provided in the order entered on September 22, 2022 (the “Interim Trustee Order”).

The Interim Trustee Order directed the Office of the United States Trustee to immediately appoint an interim chapter 7 trustee, required any appointed interim chapter 7 trustee to file a report with the Court detailing his or her preliminary findings and continued the hearing on the Interim Trustee Motion to October 4, 2022.

On September 23, 2022, Richard A. Marshack (previously defined as “Trustee”) was appointed as the interim trustee of Debtor’s bankruptcy estate.

On October 4, 2022, the Court held a continued hearing on the Motion for Appointment of Interim Trustee at which time the Court granted additional relief by expanding Trustee’s powers to include all rights, powers, and duties of an interim trustee including those set forth in 11 U.S.C. § 303(g). During the hearing, the Court also, *sua sponte*, announced that it would enter an order for relief.

On October 6, 2022, the order for relief was entered. On October 6, 2022, the Court also entered an amended order granting the Motion for Appointment of Interim Trustee in its entirety and further providing that the Trustee shall have all the powers of a Chapter 7 Trustee including “to take possession of the property of the estate and to operate any business of the debtor.”

On October 18, 2022, Trustee initiated an adversary action, entitled *Marshack v. Pukini*, Adversary Case No. 8:22-ap-01091-TA (“Adversary Proceeding”) for: 1. BREACH OF FIDUCIARY DUTY 2. CONVERSION 3. MONEY HAD AND RECEIVED 4. UNJUST ENRICHMENT 5. TURNOVER OF PROPERTY TO THE ESTATE (11 U.S.C. § 542) 6.

TURNOVER OF PROPERTY BY A CUSTODIAN (11 U.S.C. § 543) 7. AVOIDANCE AND RECOVERY OF FRAUDULENT TRANSFER (11 U.S.C. § 548) 8. AVOIDANCE AND RECOVERY OF FRAUDULENT TRANSFER (Cal. Civil Code § 3439(a)(1)) 9. VIOLATION OF CAL. PENAL CODE § 496(a) against JOSHUA R. PUKINI, individually and as trustee of The Joshua R. Pukini Trust dated June 27, 2013; RYAN YOUNG, individually and as trustee of The Young Family Trust dated August 24, 2014, The Ryan J. Young Trust and The Young Ryan Trust; EDMUND VALASQUEZ, JR., an individual; 108 AVENIDA SERRA, LLC, a California limited liability company; 1034 W BALBOA, LLC, a California limited liability company; 31831 SUNSET LLC, a California limited liability company; AB CAPITAL FUND A, LLC, a California limited liability company; AB CAPITAL FUND B, LLC, a California limited liability company; AB CAPITAL HOLDINGS I, LLC, a California limited liability company; AB CAPITAL LFD, INC., a California corporation; ABC 2260 SAN YSIDRO LLC, a California limited liability company; BDP DEVELOPMENT PARTNERS, LLC, a California limited liability company; CALPAC DISTRESSED REAL ESTATE FUND I, LLC, a California limited liability company; CALPAC MANAGEMENT, INC., a California corporation; CALPAC MORTGAGE FUND, LLC, a California limited liability company; LIVING ART WORKS LLC, a California limited liability company; LUNA CONSTRUCTION MANAGEMENT, LLC, a California limited liability company; TABLEROCK ENTERPRISES, LLC, a California limited liability company (“Defendants”).

On October 18, 2022, Trustee filed an emergency motion for temporary restraining order and preliminary injunction (the “Injunction Motion”), seeking, among other things, to enjoin Defendants from diverting, secreting, hiding, wasting, spending, appropriating, subverting or transferring assets derived from or related to Debtor in their possession, custody, or control.

On October 21, 2022, a hearing was held on the Injunction Motion, during which time Defendants stipulated to the issuance of a temporary restraining order (“TRO”). A TRO mutually agreeable to all parties was entered by the Court on October 24, 2022, and a continued hearing on the Injunction Motion was scheduled for December 1, 2022 to determine whether a preliminary injunction should be issued by the Court.

On November 30, 2022, and in an effort to avoid the uncertainty of litigation and to reduce costs and expenses of all parties to the adversary action, Trustee and Defendants stipulated to the issuance of a preliminary injunction (the “Stipulation”). On November 30, 2022, the Court entered the preliminary injunction (the “Preliminary Injunction”) as per the parties’ Stipulation. A copy of the Preliminary Injunction is attached as Exhibit “A.”

Buyers have made an offer on the Property by way of the Agreement. Trustee is willing to accept the offer, subject to Bankruptcy Court approval and the terms of this Addendum and any counter offer.

Richard A. Marshack, Chapter 7 Trustee and/or his attorneys will seek a Court Order authorizing the sale of the Property.

Buyer understands that any sale of the Property is subject to certain terms and conditions imposed by the Bankruptcy Code and ancillary procedures, and any sale requires an Order of the Bankruptcy Court.

AGREEMENT

- 1) Court Approval, Sale Motion, Overbid and Closing. All offers/sales are subject to Court confirmation and overbid. Trustee and/or his attorneys will file a motion authorizing the sale and conveyance of the Property to Buyer pursuant to the Agreement, which shall include overbid terms and procedures (the “Sale Motion”). The sale shall close, with Buyer

tendering the full Purchase Price (less the Deposit), the first business day that is not more than fifteen (15) calendar days after entry of an order of the Court confirming the sale (the "Sale Order"). Trustee has no obligation to sell the Property unless, among other things, Trustee obtains the Sale Order and the Title Company accepts the Sale Order to issue title insurance.

2) Buyer's Investigation and Property Information.

a) Buyer is not relying on any statement or representation of the Seller, its agents or representatives, nor on any information supplied by the Seller, its agents or its representatives, except as expressly provided in this Addendum. Buyer is entering into the Agreement and is completing its purchase of the Property relying entirely on its own investigation of the Property. Buyer is aware (or will have chosen not to be aware) of all title matters; zoning regulations; other governmental requirements; site, environmental, and physical conditions of the site and any improvements at the Property; status of entitlements or ability to obtain entitlements for the Buyer's intended use; potential cost and procedures for completing and operating the Property; potential costs and procedures for developing the Property and/or constructing Buyer's intended improvements thereon; the past and potential future financial performance of the Property; structural, mechanical, or other physical conditions of the Property and any equipment, structure, roof, or utility services of the Property; status of permits or licenses for the Property; property lines and setbacks; easements and other matters affecting or potentially affecting title, termites or other pests; property taxes, bonds, or assessments relating to the Property; condition of leases or other contracts relating to the Property; income from the Property; the suitability of the Property for Buyer's intended use; the value of the Property, or any part thereof; the Association, if any effecting the Property; the CCR's and other title matters effecting the Property; ADA and accessibility issues; other matters effecting the use and condition of the Property; and any other contingency or matters whatsoever.

b) Buyer acknowledges and agrees that (i) all documentation relating to the Property (the "Property Information") delivered or made available to Buyer and/or its representatives by the Seller and his respective agents and other representatives may have been prepared by third parties and may not be the work product of the Seller; (ii) the Seller has not made an independent investigation or verification of, nor has any knowledge of, the accuracy or completeness of the Property Information; (iii) the Property Information delivered or made available to Buyer and Buyer's representatives is furnished to each of them at the request, and for the convenience, of Buyer; (iv) Buyer is relying solely on its own investigations, examinations, and inspections of the Property and those of Buyer's representatives; and (v) the Seller expressly disclaims any representations or warranties with respect to the accuracy or completeness of the Property Information and Buyer releases the Seller and his respective agents, attorneys, including Marshack Hays LLP and Shulman Bastian Friedman & Bui LLP, and representatives, from any and all liability with respect thereto.

3) Waiver of Contingencies. The Agreement has no loan, appraisal or due diligence contingency. Buyer represents that it has had the opportunity prior to entering into the Agreement to do physical inspections, environmental review (including a phase 1 report) review of city and county documents and permits (Buyer's research), review of any lease, preliminary title report, NHD report and any other due diligence it deem necessary or advisable. Buyer, based solely on its own review and investigation, waives all contingencies.

4) Escrow and Title. Escrow shall be at A & A Escrow Services, Inc. (“Escrow”), Antonia Delgado and Title shall be at Lawyer’s Title Insurance Company (“Title Company”), Kevin Sayles.

a) The contact information for Escrow is as follows:

Antonia Delgado, Senior Escrow Officer
A & A Escrow Services, Inc.
15250 Ventura Blvd., Suite 715
Sherman Oaks, CA 91403
Phone (310) 550-6055 Ext 126

Fax (310) 550-6130

Email: antonia@aaescrow.com.

b) The contact information for Title is as follows:

Kevin Sayles, Vice President
Lawyers Title
7530 N Glenoaks Blvd
Burbank, CA 91504
Phone (213) 364-3810
Email: kevinsayles@ltic.com

5) Property Sold “As is” “Where is”.

a) Buyer acknowledges that Seller is a Bankruptcy Trustee appointed by the United States Trustee, an officer of the Department of Justice, to represent a debtor’s estate in a bankruptcy. Seller has not, and will not, inspect the Property or determine its condition, fitness or use for any particular purpose, nor will he provide any written disclosures, guarantees or warranties of any kind. Seller does not warrant or guarantee the accuracy of any financial statement, legal documents or governmental approvals (including, without limitations, leases, lease amendments, plans, entitlements, permits and certificates of occupancy) relating to the Property. Seller is exempt from complying with the requirements of Article 1.5 of the California Civil Code Sections 1102-1102.17 relating to disclosures upon transfer of residential real property, except Natural Hazards as provided below. Irrespective of any disclosure requirements, the sale shall be “as-is” and “where is” with no warranty or recourse whatsoever.

b) Natural Hazard Disclosure Requirement Compliance. Buyer and Seller acknowledge that Seller is required to disclose if the Property lies within the following natural hazard areas or zones. Seller will employ the services of a company (“NHDS Provider”), and hereby instructs Escrow Holder to retain an NHDS Provider, to examine the maps and other information specifically made available to the public by government agencies for the purpose of enabling Seller to fulfill its disclosure obligations with respect to the natural hazards referred to in California Civil Code § 1102.6c(a) and to report the result of its examination, in writing, to Buyer and Seller using substantially the form of the “NATURAL HAZARD DISCLOSURE STATEMENT” set forth in California Civil Code § 1102.6c(b). The written report prepared by NHDS Provider regarding the results of its examination fully and completely discharges Seller from its disclosure obligations referred to herein, and, for the purpose of this Agreement, the provisions of Civil Code § 1102.4 regarding the non-liability of each Seller for errors or omissions not within its

personal knowledge shall be deemed to apply and NHDS Provider shall be deemed to be an expert, dealing with matters within the scope of its expertise with respect to the examination and written report regarding the natural hazards referred to above.

- c) BUYER DOES HEREBY ACKNOWLEDGE AND AGREE THAT BUYER IS PURCHASING THE PROPERTY IN AN “AS-IS, WHERE IS, WITH ALL FAULTS” CONDITION AS OF THE CLOSE OF ESCROW. IRRESPECTIVE OF ANY PROVISIONS IN THE AGREEMENT, SELLER IS NOT MAKING AND HAS MADE ANY REPRESENTATIONS OR WARRANTIES REGARDING THE PROPERTY; AND PRIOR TO ENTERING INTO THE AGREEMENT, BUYER HAS UNDERTAKEN ALL SUCH INSPECTIONS AND EXAMINATIONS IN CONNECTION WITH THE PROPERTY AS BUYER DEEMS NECESSARY OR APPROPRIATE UNDER THE CIRCUMSTANCES (INCLUDING THE PHYSICAL AND ENVIRONMENTAL CONDITION OF THE PROPERTY, THE ZONING OF THE PROPERTY, THE PROPERTY’S COMPLIANCE WITH APPLICABLE LAWS (INCLUDING LOT LINES AND PERMITS), THE CONDITION OF ANY IMPROVEMENTS ON THE PROPERTY, AND THE AVAILABILITY OR LACK THEREOF OF ENTITLEMENTS, GOVERNMENTAL APPROVALS AND PERMITS FOR THE DEVELOPMENT, USE AND OCCUPANCY OF THE PROPERTY), AND THAT BASED UPON THE SAME, BUYER IS AND WILL BE RELYING STRICTLY AND SOLELY UPON SUCH INSPECTIONS AND EXAMINATIONS AND THE ADVICE OF ITS AGENTS, CONSULTANTS, CONTRACTORS, VENDORS AND REPRESENTATIVES. EXCEPT AS SET FORTH IN THIS ADDENDUM NEITHER SELLER NOR, ANY REPRESENTATIVE, MEMBER, AGENT, EMPLOYEE, INVESTOR, LENDER, PROPERTY MANAGER, BROKER, PRINCIPAL, PARTNER, AFFILIATE OR CONSULTANT OF SELLER IS MAKING OR HAS MADE ANY WARRANTY OR REPRESENTATION (EITHER EXPRESSED OR IMPLIED) WITH RESPECT TO ALL OR ANY PART OF THE PROPERTY AS AN INDUCEMENT TO BUYER TO ENTER INTO THE AGREEMENT AND THEREAFTER TO PURCHASE THE PROPERTY OR, FOR ANY OTHER PURPOSE. BUYER HEREBY EXPRESSLY DISCLAIMS (ON BEHALF OF ITSELF AND ANY PARTY AFFILIATED WITH OR RELATED TO BUYER) ANY AND ALL SELLER REPRESENTATIONS AND WARRANTIES (EITHER EXPRESSED OR IMPLIED), EXCEPT TO THE EXTENT EXPRESSLY PROVIDED FOR IN THIS ADDENDUM. BY REASON OF ALL OF THE FOREGOING, BUYER SHALL ASSUME THE FULL RISK OF ANY LOSS OR DAMAGE OCCASIONED BY ANY FACT, CIRCUMSTANCE, CONDITION, OR DEFECT IN CONNECTION WITH THE PROPERTY AND THE CONSUMMATION OF THE CLOSING SHALL CONCLUSIVELY EVIDENCE AND CONSTITUTE BUYER’S RELEASE OF SELLER AND SELLER’S PROFESSIONALS, (INCLUDING MARSHACK HAYS, LLP AND SHULMAN BASTIAN FRIEDMAN & BUI LLP, AGENTS AND BROKERS, INCLUDING BERKSHIRE HATHAWAY HOMESERVICES CA PROPERTIES) FROM ALL LOSS, DAMAGE AND LIABILITY FOR CLAIMS THAT MAY ARISE AFTER THE CLOSING WITH RESPECT TO ACTS OR OMISSIONS THAT OCCURRED, OR CONDITIONS THAT EXISTED, AT OR PRIOR TO THE CLOSING. WITHOUT LIMITING THE FOREGOING, BUYER SPECIFICALLY RELEASES SELLER AND SELLER’S PROFESSIONALS (“RELEASED PARTIES”) FROM ANY CLAIMS BUYER MAY HAVE AGAINST RELEASED PARTIES NOW OR IN THE FUTURE ARISING FROM THE ENVIRONMENTAL CONDITION OF THE PROPERTY OR THE PRESENCE OF HAZARDOUS SUBSTANCES OR CONTAMINATION ON OR EMANATING FROM THE PROPERTY. THE FOREGOING WAIVERS AND RELEASES BY BUYER SHALL SURVIVE EITHER

(I) THE CLOSING DATE AND SHALL NOT BE DEEMED MERGED INTO THE PROVISIONS OF ANY DEED OR CLOSING DOCUMENTS, OR (II) ANY TERMINATION OF THIS AGREEMENT.

d) California Civil Code section 1542 provides as follows:

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

Buyer acknowledges that it has read, is familiar with, and waives the provisions of California Civil Code section 1542 set forth above and agrees to all of the provisions of this Section.

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- 6) No Repairs. If any state or local ordinance or laws require that the Property be brought into compliance or retrofitted, Buyer, at Buyer’s sole expense, shall comply with and pay for any such requirements including for all necessary governmental repairs, corrections or additions. Seller will not provide a pest control report nor pay for any corrective work; nor shall Buyer receive any credit for corrective work.
- 7) Capacity. Seller is selling the Property and is signing any agreement, addenda, offers or counteroffers solely in his capacity as Trustee and under no circumstances will Seller or any of his professionals, including Marshack Hays, LLP and Shulman Bastian Friedman & Bui LLP, agents and brokers, including Berkshire Hathaway Homeservices CA Properties (collectively “Trustee’s Professionals”), have any liability with regard to the Property, any agreement, offer, counteroffer, addendum, financial information related to the Property, plans, the sale of the Property, the physical condition of the Property, plans, permits (or the lack thereof) or any other matter.
- 8) Authority of Trustee. The Property is not technically property of the Bankruptcy Estate; however, Trustee is selling the Property pursuant to the Preliminary Injunction in the Adversary Proceeding. The sale of the Property is subject to, among other things, the final approval of the Court, and a title company accepting a Bankruptcy Court order to transfer title to the Property.
- 9) Transfer of Property. Transfer of the Property by Seller shall be by Bankruptcy Trustee’s Deed or Quitclaim Deed at Trustee’s option. Seller shall convey and Buyer shall accept the marketable title to the Property that will be insured by the Title Company, without material exception, subject only to the terms herein, any further documentation of the sale and any additional terms of Trustee in any offer/counteroffer, agreement or addenda. In the event that Trustee cannot transfer title, Seller shall have the right to terminate as provided in the “Right to Terminate” section below.
- 10) Liens, Claims, Encumbrances and Interests. The sale shall be free and clear of monetary liens, except property taxes not yet due.
- 11) Assessments, Taxes and Escrow fees. The following assessments, taxes and other costs shall be allocated as follows: (a) all allowable assessments and real property taxes shall be prorated through the closing date of the sale to the applicable accounts of Seller and Buyer, such that

the amounts applicable to the account of Buyer shall not be deducted from the Purchase Price; (b) escrow fees shall be paid 50% by Buyer and 50% by Seller, such that the amount applicable to the account of Buyer shall not be deducted from the Purchase Price; (c) Seller shall pay real property transfer tax (County and City only) and the costs of a standard issue title insurance policy; and (d) the Buyer shall pay for the required natural Hazard disclosure report (NHD) such that the amount applicable to the account of Buyer shall not be deducted from the Purchase Price. All other costs are at Buyer's sole expense and are not to be deducted from the Purchase Price.

- 12) Appliances and Personal Property. No appliances or personal property are included with the sale.
- 13) Brokers and Commissions. Subject to Court approval, Seller shall pay a real estate broker commission through escrow pursuant to the terms of the Listing Agreement unless otherwise agreed in writing by all agents or ordered by the Court. No commission shall be due and payable except from the cash proceeds of an actual sale of the Property to Buyer and upon closing of such sale after Court approval of such sale and the commission. Except as provided for in the Agreement, Buyer represents that no broker, salesman or finder has been engaged by it in connection with any of the transactions contemplated by the Agreement or, to their knowledge, is in any way connected with any of such transactions. In the event of any claim for broker's, consultant's or finder's fees or commissions in connection with the negotiation, execution or consummation of this Agreement, Buyer shall indemnify, hold harmless and defend Seller from and against such claim if it shall be based upon any statement, representation or agreement made by Buyer.
- 14) Seller Right to Terminate. Seller may decline, at his option and sole discretion, to consummate the sale for any reason, including without limitation (a) the dismissal of the Case; (b) the inability to obtain approval of the sale by the Court; (c) liens, claims or co-owners, or other encumbrances against the Property, if any, make the sale infeasible or unprofitable to the Estate; or (d) the inability to sell the Property on the terms and conditions set forth herein. Seller reserves the right, in his sole discretion, to determine not to consummate, and to terminate, the sale of the Property by serving a notice of such termination on any Buyer. No liability or obligations shall accrue to Seller, Richard A. Marshack as Trustee or in his individual capacity, the Estate, Owner, Debtor, any Debtor insider or affiliate entities (as defined in the Preliminary Injunction), or Trustee's Professionals on any such termination. Buyer's sole remedy, in the event that escrow fails to close as a result of Seller's termination and failure to close escrow, shall be a refund of the Deposit in full.
- 15) Title Insurance. The title insurance policy shall be subject only to liens, encumbrances, clouds and other matters as may appear on the preliminary title report, that are not to be removed at the close of Escrow, and have not been objected to by Buyer. Should Seller be unwilling or unable to eliminate those title matters disapproved by Buyer as above, or should title be unwilling to accept the Preliminary Injunction or a Bankruptcy Court Order to transfer title, the Seller may terminate this Agreement or; should Seller fail to deliver goods and marketable title as provided above, Seller or Buyer may terminate this Agreement. In either case, the Buyer's deposit shall be returned to Buyer, and Buyer shall have no recourse against Seller, Richard A. Marshack as Trustee or in his individual capacity, the Estate, Owner, Debtor, any Debtor insider or affiliate entities (as defined in the Preliminary Injunction), or Trustee's Professionals.
- 16) Hold Harmless. Buyer understands the terms and conditions of the Agreement and this Addendum, and holds the Seller, Richard A. Marshack as Trustee or in his individual

capacity, the Estate, Owner, Debtor, any Debtor any insider or affiliate entities (as defined in the Preliminary Injunction), and Trustee's Professionals harmless from any liabilities arising from the Agreement, this Addendum, the sale of the Property or any other matter.

- 17) Non-Refundability and Forfeiture of Deposit. Except as otherwise provided in any agreement, the entirety of the Deposit shall be absolutely non-refundable and forfeited to Seller. Notwithstanding the immediately preceding sentence, in the event: (a) the Court enters an order that does not authorize Seller to sell the Property to Buyer; or (b) the Court enters an order that authorizes the sale to another bidder and Buyer is not a backup bidder, Seller shall refund the entire Deposit to Buyer within ten (10) calendar days following entry of such order of Court. In the event Buyer is overbid and is a backup bidder, Seller shall refund the entire Deposit to Buyer only if the sale closes to the winning bidder and within ten (10) calendar days following such closing.
- 18) Escrow Instructions. Escrow instructions shall be signed by Buyer and Seller within three (3) calendar days after execution of the final agreement/counteroffer. In the event that Buyer is unable to close escrow on the first business day that is at not more than fifteen (15) calendar days after entry of the Sale Order (the "Closing Date"), Buyer shall compensate Seller One Thousand dollars (\$1,000.00) per day for each day beyond the Closing Date that the sale does not close for a total extended period of no more than ten (10) calendar days. Thereafter, Seller shall have absolute discretion to either: (a) provide further extensions of the Closing Date at the same rate of compensation; or (b) terminate the sale to Buyer and retain the entirety of the Deposit as liquidated damages.
- 19) Dispute Jurisdiction. Irrespective of any term in the Agreement, or any other document, any terms related to "Dispute Resolution, Mediation and/or Arbitration" are deleted in their entirety and shall be replaced with: Any dispute is subject to the exclusive jurisdiction and venue of the Bankruptcy Court where the Case is pending. Any offers or agreements shall be construed pursuant to the laws of the State of California as applied by the Bankruptcy Court.
- 20) Conflicts. To the extent that the agreement or any other document conflicts with this Addendum, this Addendum shall control, and the conflicting provisions of the Agreement or any other document are superseded.
- 21) Multiple Offers (if applicable). Buyer recognizes that multiple offers and/or counteroffers (in addition to the instant offer/counter offer) may be pending and Seller reserves the right to choose which contract to execute and submit to the Court for approval.
- 22) Not Assignable. The Agreement is not assignable; however, in the event of any assignment (whether authorized or unauthorized), this Agreement shall be binding upon and inure to the benefit of the successors and assigns of Seller and Buyer.
- 23) Trustee's Authority. The Owner is a related entity to Debtor. The Property is not technically property of the Bankruptcy Estate; however, Trustee is selling the Property pursuant the Preliminary Injunction. The Owner may object to the sale. Trustee has no obligation to sell the Property unless, among other things, Trustee obtains an appropriate order from the Court which specifically authorizes the sale of the Property (notwithstanding the fact that the Property is not technically property of the Estate), and the Title Company accepts the Court order to issue title insurance.

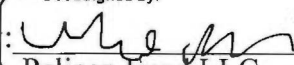
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24) Permits. Seller believes that Owner may have made improvements to the Property without proper permitting. Seller also believes that all inspections by the relevant government agency may not have been done. Buyer shall make its own investigation into these issues, as well as all other matters effecting the Property.

Dated: 4/5/2023

BUYER

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By: 
Pelican Fund LLC

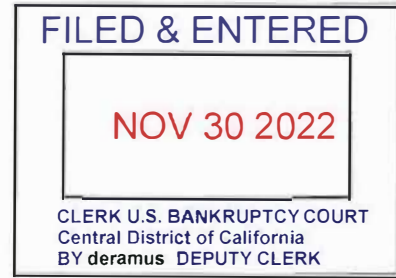
By: _____

Dated:

TRUSTEE

Richard A. Marshack
Chapter 7 Trustee

James C. Bastian, Jr. - Bar No. 175415
Ryan D. O’Dea - Bar No. 273478
Eric P. Francisconi - Bar No. 172102
Shane M. Biornstad - Bar No. 250202
SHULMAN BASTIAN FRIEDMAN & BUI LLP
100 Spectrum Center Drive, Suite 600
Irvine, CA 92618
Telephone: (949) 340-3400
Facsimile: (949) 340-3000
Email: JBastian@shulmanbastian.com
ROdea@shulmanbastian.com
EFrancisconi@shulmanbastian.com
SBiornstad@shulmanbastian.com



Proposed Special Litigation Counsel for
Richard A. Marshack, Chapter 7 Trustee

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION

In re
AB CAPITAL, LLC., a California limited liability company,
Debtor.

Case No.: 8:22-bk-11585-TA
Chapter 7 (Involuntary)
Adv. Case No. 8:22-ap-01091-TA
PRELIMINARY INJUNCTION

RICHARD A. MARSHACK, Chapter 7 Trustee,

Plaintiff,

vs.

JOSHUA R. PUKINI, individually and as trustee of The Joshua R. Pukini Trust dated June 27, 2013; RYAN YOUNG, individually and as trustee of The Young Family Trust dated August 24, 2014, The Ryan J. Young Trust and The Young Ryan Trust; EDMUND VALASQUEZ, JR., an individual; 108 AVENIDA SERRA, LLC, a California limited liability company; 1034 W BALBOA, LLC, a California limited liability company; 31831 SUNSET LLC, a California limited liability company; AB CAPITAL FUND A, LLC, a California limited liability company; AB CAPITAL FUND B, LLC, a California limited liability company; AB CAPITAL HOLDINGS I, LLC, a California limited liability company; AB CAPITAL LFD, INC., a California corporation; ABC 2260 SAN

1 YSIDRO LLC, a California limited liability
company; BDP DEVELOPMENT
2 PARTNERS, LLC, a California limited
liability company; CAL-PAC DISTRESSED
REAL ESTATE FUND I, LLC, a California
3 limited liability company; CALPAC
MANAGEMENT, INC., a California
4 corporation; CALPAC MORTGAGE FUND,
LLC, a California limited liability company;
5 LIVING ART WORKS LLC, a California
limited liability company; LUNA
6 CONSTRUCTION MANAGEMENT, LLC,
a California limited liability company;
7 TABLEROCK ENTERPRISES, LLC, a
California limited liability company; and
DOES 1 through 50, inclusive,

8 Defendants.

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1 On October 21, 2022, a hearing (the "Hearing") was held on the motion (the "Motion") of
2 Richard A. Marshack, as Chapter 7 Trustee of the bankruptcy estate of AB Capital, LLC ("Trustee"),
3 for issuance of a temporary restraining order ("TRO") and preliminary injunction ("Preliminary
4 Injunction"), seeking, among other things, to enjoin Joshua R. Pukini, individually and as trustee of
5 The Joshua R. Pukini Trust dated 6/27/2013; Ryan Young, individually and as trustee of The Young
6 Family Trust dated 8/24/2014, the Ryan J. Young Trust, and the Young Ryan Trust; Edmund
7 Valasquez, Jr.; 108 Avenida Serra, LLC; 1034 W Balboa, LLC; 31831 Sunset LLC; AB Capital
8 Fund A, LLC; AB Capital Fund B, LLC; AB Capital Holdings I, LLC; AB Capital LFD, Inc.; ABC
9 2260 San Ysidro LLC; BDP Development Partners, LLC; Cal-Pac Distressed Real Estate Fund I,
10 LLC; Calpac Management, Inc.; CalPac Mortgage Fund, LLC; Living Art Works LLC; Luna
11 Construction Management, LLC; and Tablerock Enterprises, LLC ("Defendants") from diverting,
12 secreting, hiding, wasting, spending, appropriating, subverting or transferring assets derived from
13 or related to debtor AB Capital, LLC ("Debtor") in their possession, custody, or control, the
14 Honorable Theodor C. Albert presiding. On October 24, 2022, the Court entered the TRO, reflected
15 as Docket Number 21 in the above-captioned adversary action, which was stipulated and agreed to
16 by defendants Josh Pukini and Ryan Young.

17 Having considered the Motion, all evidence submitted by Trustee, the parties' oral argument
18 at the Hearing, Josh Pukini's and Ryan Young's stipulation for entry of the TRO and their stipulation
19 to the terms of this Preliminary Injunction, and good cause appearing,

20 It is hereby **ORDERED**:

- 21 1. The Motion seeking a Preliminary Injunction is granted, as modified and provided
22 herein.
- 23 2. Subject to Paragraphs 4 through 7 below, Defendants, and any entity, affiliate, or
24 subsidiary owned or controlled in whole or in part by Defendants (collectively, the "Enjoined
25 Parties") are enjoined from selling, encumbering, transferring, diverting, secreting, hiding, wasting,
26 spending, appropriating, collecting, compromising (including collecting amounts due under any
27 notes or other instruments or entering into any settlement or compromise) or subverting any asset,

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1 including bank or brokerage accounts, of any kind owned or controlled, in whole or in part, by any
2 of the Enjoined Parties (the "Enjoined Property") from November 30, 2022 through May 1, 2023
3 (the "Injunction Period") without the express written consent of the Trustee or further order of the
4 court.

5 3. The Enjoined Property includes, but is not limited to the following:

6 (i) Any and all personal property, real property or interests in real property, held or owned,
7 directly or indirectly by or for the benefit of Debtor, including but not limited to the following: 8018
8 La Milla, Rancho Santa Fe, CA 92067; 1314 Sunset Plaza Drive, Los Angeles, CA 90069; 322
9 Broadway, Oakland, CA 94607; and 444 Museum Drive, Los Angeles, CA 90066 (the "Debtor's
10 Real Property");

11 (ii) Any and all liens, notes, deeds of trust, assignments or security interests related to or
12 securing repayment of any loan, note, or any other obligation of any kind (collectively "Liens"),
13 held directly or indirectly by or for the benefit of Debtor including but not limited to Liens related
14 to the following real property: 2260 San Ysidro Drive, Los Angeles, CA 90210 (2nd DOT); 437 E.
15 5th Street, Long Beach, CA 90802 (1st DOT); 1611 Cliff Drive, Newport Beach, CA 92663 (2nd
16 DOT); 1312 Beverly Grove Place, Beverly Hills, CA 90210 (2nd DOT); 7 Makena Lane, Rancho
17 Mirage, CA 92270 (2nd DOT); and 8018 La Milla, Rancho Santa Fe, CA 92067 (1st DOT) (the
18 "Debtor's Lien Interests");

19 (iii) Any and all personal property, real property, or interests in real property, held, directly
20 or indirectly, in the name or for the benefit of Debtor's affiliates or insiders including but not limited
21 to the following: 1034 W. Balboa Boulevard, Newport Beach, CA 92661; 108 Avenida Serra, San
22 Clemente, CA 92672; 31831 Sunset Avenue, Laguna Beach, CA 92651; 1 Makena Lane, Rancho
23 Mirage, CA 92270; 2 Makena Lane, Rancho Mirage, CA 92270; 4 Makena Lane, Rancho Mirage,
24 CA 92270; 5 Makena Lane, Rancho Mirage, CA 92270; 7 Makena Lane, Rancho Mirage, CA
25 92270; 2260 San Ysidro Drive, Los Angeles, CA 90210; 3301 Coldwater Canyon Avenue, Studio
26 City, CA 91604; 530 Alta Vista Way, Laguna Beach, CA 92651; 1312 Beverly Grove Place, Beverly
27 Hills, CA 90210; 501 S. Olive Street, Anaheim, CA 92805; 109 Rivo Alto Canal, Long Beach, CA

1 90803; 170 N. Circulo Robel, Anaheim, CA 92807; 20620 Manzanita Avenue, Yorba Linda, CA
2 92886; 5578 Avenida Adobe, Yorba Linda, CA 92886; 5632 Campo Walk, Long Beach, CA 90803;
3 7890 East Berner Street, Long Beach, CA 90808; and 38861 Elmwood Drive, Rancho Mirage, CA
4 92270; 2826-041-022, Los Angeles County, CA; 112 22nd Street, Newport Beach, CA 92663; and
5 7900 E. Cramer Street, Long Beach, CA 90808 (the “Affiliate or Insider Real Property Interests”).

6 (iv) Any and all liens, notes, deeds of trust, assignments or security interests related to or
7 securing repayment of any loan, note, or any other obligation of any kind (collectively “Liens”) held
8 directly or indirectly by or for the benefit of any affiliate or insider of the Debtor, including but not
9 limited to Liens related to the following real property: 437 E. 5th Street, Long Beach, CA 90802;
10 and 7 Makena Lane, Rancho Mirage, CA 92270 (the “Affiliate or Insider Lien Interests”);

11 (v) Any and all ownership interest, including stock, partnership or membership interests,
12 held directly or indirectly by or for the benefit of the Debtor in any entity (“Debtor’s Ownership
13 Interests”);

14 (vi) Any and all ownership interest, including stock, partnership or membership interests,
15 held directly or indirectly by or for the benefit of any affiliate or insider of the Debtor (“Affiliate or
16 Insider Ownership Interests”);

17 (vi) Debtor’s hardcopy and electronic books and records, including those removed from
18 Debtor’s corporate office (“Debtor’s Records”);

19 (vii) Hardcopy and electronic books and records of any affiliate or insider (“Affiliate or
20 Insider Records”);

21 (viii) Original notes, construction loan related documents and other documents or
22 instruments evidencing or related to any right to payment in favor of Debtor (“Debtor Notes and
23 Other Instruments”) or any of Debtor’s insiders or affiliates (“Insider Notes and Other
24 Instruments”);

25 (ix) Any and all claims, causes of action or rights to proceed with legal or equitable action
26 or process held by or for the benefit of the Debtor (“Debtor Claims”);

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1 (x) Any and all claims, causes of action or rights to proceed with legal or equitable action
2 or process held by or for the benefit of any affiliate or insider of the Debtor, including those
3 identified on **Exhibit A** affixed to this Preliminary Injunction ("Affiliate or Insider Claims"); and

4 (xi) Construction documents, contracts, bids, keys, access codes, plans, permits,
5 entitlements, governmental approvals, certificates of occupancy, licenses, or other form of
6 authorization or approval issued by a government agency or authority and legally required for the
7 construction ownership, operation, and use of the Enjoined Property ("Construction Documents"),

8 4. Subject to a monthly budget provided to the Trustee, defendant Ryan Young shall be
9 permitted to utilize up to \$35,000.00 (the "Young Monthly Budget"), derived from of his personal
10 funds and/or derived from defendant Tablerock Enterprises, LLC ("Tablerock"), for his ordinary
11 and reasonable costs of living and legal expenses during the Injunction Period. As a condition
12 precedent to being entitled to the Young Monthly Budget, defendant Ryan Young must prepare and
13 provide to the Trustee, a report (the "Young Report") identifying the anticipated source(s) of funds
14 comprising the Young Monthly Budget. If defendant Ryan Young or his wife receive funds in a
15 given month from sources not identified in the Young Report, defendant Ryan Young shall disclose
16 to the Trustee the source of any such funds that he or his wife receive within fourteen (14) days of
17 receipt; absent objection from the Trustee, such funds shall not be subject to this Preliminary
18 Injunction (the "Non-Enjoined Funds"). To the extent there is a disagreement between the Trustee
19 and defendant Ryan Young over whether funds constitute Non-Enjoined Funds, defendant Ryan
20 Young may present such dispute to the Court on 72 hours' notice, if necessary. To the extent
21 defendant Ryan Young requires funds in addition to the Young Monthly Budget for the purpose of
22 paying state and/or federal taxes, Mr. Young may request a temporary increase of the Young
23 Monthly Budget solely to satisfy his tax liability (the "Young Temporary Increase"). As a condition
24 precedent to being entitled to the Young Temporary Increase: (1) defendant Ryan Young shall
25 provide the Trustee with appropriate documentation supporting the tax liability necessitating the
26 Young Temporary Increase; and (2) the Trustee must approve, in writing, the Young Temporary
27 Increase – approval which shall not unreasonably be withheld.

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1 5. The Trustee has agreed that this Preliminary Injunction shall not apply to Ryan
2 Young’s personal residence at 31522 Bluff Drive, Laguna Beach, CA 92651 (the “Young
3 Residence”) or any proceeds derived from the Young Residence during the Injunction Period
4 conditioned upon Mr. Young’s agreement to not sell, transfer, or encumber the Young Residence
5 during the Injunction Period; without prejudice to the Trustee seeking to include the Young
6 Residence as part of the Enjoined Property.

7 6. Subject to a monthly budget provided to the Trustee, defendant Josh Pukini shall be
8 permitted to utilize up to \$35,000.00 (the “Pukini Monthly Budget”), derived from of his personal
9 funds for his ordinary and reasonable costs of living and legal expenses during the Injunction Period.
10 As a condition precedent to being entitled to the Pukini Monthly Budget, defendant Josh Pukini
11 must prepare and provide to the Trustee, a report (the “Pukini Report”) identifying the anticipated
12 source(s) of funds comprising the Pukini Monthly Budget. If defendant Josh Pukini receives funds
13 in a given month from sources not identified in the Pukini Report, defendant Josh Pukini shall
14 disclose to the Trustee the source of any such funds that he receives within fourteen (14) days of
15 receipt; absent objection from the Trustee, such funds shall not be subject to this Preliminary
16 Injunction (the “Non-Enjoined Funds”). To the extent there is a disagreement between the Trustee
17 and defendant Josh Pukini over whether funds constitute Non-Enjoined Funds, defendant Josh
18 Pukini may present such dispute to the Court on 72 hours’ notice, if necessary. To the extent
19 defendant Josh Pukini requires funds in addition to the Pukini Monthly Budget for the purpose of
20 paying state and/or federal taxes, Mr. Pukini may request a temporary increase of the Pukini
21 Monthly Budget solely to satisfy his tax liability (the “Pukini Temporary Increase”). As a condition
22 precedent to being entitled to the Pukini Temporary Increase: (1) defendant Josh Pukini shall
23 provide the Trustee with appropriate documentation supporting the tax liability necessitating the
24 Pukini Temporary Increase; and (2) the Trustee must approve, in writing, the Pukini Temporary
25 Increase – approval which shall not unreasonably be withheld.

26 7. Subject to a monthly budget provided to the Trustee, defendant Edmund Valasquez,
27 Jr. shall be permitted to utilize up to \$25,000.00 (the “Valasquez Monthly Budget” and, together

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1 with the Young Monthly Budget and the Valasquez Monthly Budget, the “Monthly Budgets”),
2 derived from of his personal funds for his ordinary and reasonable costs of living and legal expenses
3 during the Injunction Period. As a condition precedent to being entitled to the Valasquez Monthly
4 Budget, defendant Edmund Valasquez must prepare and provide to the Trustee, a report the
5 “Valasquez Report”) identifying the anticipated source(s) of funds comprising the Valasquez
6 Monthly Budget. If defendant Edmund Valasquez receives funds in a given month from sources
7 not identified in the Valasquez Report, defendant Edmund Valasquez shall disclose to the Trustee
8 the source of any such funds that he receives within fourteen (14) days of receipt; absent objection
9 from the Trustee, such funds shall not be subject to this Preliminary Injunction (the “Non-Enjoined
10 Funds”). To the extent there is a disagreement between the Trustee and defendant Edmund
11 Valasquez over whether funds constitute Non-Enjoined Funds, defendant Edmond Valasquez may
12 present such dispute to the Court on 72 hours’ notice, if necessary To the extent defendant Edmund
13 Valasquez requires funds in addition to the Valasquez Monthly Budget for the purpose of paying
14 state and/or federal taxes, Mr. Valasquez may request a temporary increase of the Valasquez
15 Monthly Budget solely to satisfy his tax liability (the “Valasquez Temporary Increase”). As a
16 condition precedent to being entitled to the Valasquez Temporary Increase: (1) defendant Edmund
17 Valasquez shall provide the Trustee with appropriate documentation supporting the tax liability
18 necessitating the Valasquez Temporary Increase; and (2) the Trustee must approve, in writing, the
19 Valasquez Temporary Increase – approval which shall not unreasonably be withheld.

20 8. All deadlines to answer or respond to the complaint in this adversary action are
21 stayed during the Injunction Period. The Court may schedule and hold periodic status conferences
22 in the adversary action, but will not issue a scheduling order during the Injunction Period.

23 9. Subject to the terms and conditions set forth in paragraphs 11 through 15 below,
24 Defendants shall cooperate with, report to and take advice and direction from the Trustee and his
25 agents, counsel and representatives as necessary in the Trustee’s discretion in: (a) marketing, selling
26 and managing the Enjoined Property; (b) collecting on notes constituting the Enjoined Property; (c)
27 pursuing foreclosure remedies associated with the Enjoined Property; and (d) taking any other

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1 actions that are reasonably necessary to monetize the Enjoined Property for the benefit of the estate
2 and creditors (all of which shall be referred to herein as the “Cooperation Activities”).

3 10. Subject to the terms of that certain Stipulated Protective Order affixed hereto as
4 **Exhibit B**,¹ Defendants are required to turn over all documents and information to the Trustee as
5 necessary for the Trustee to administer Debtor’s estate or that which is necessary to the marketing,
6 sale, collection or taking any other activities necessary to preserve or realize value from the Enjoined
7 Property – including but not limited to turnover of copies of all bank statements for any bank account
8 held or controlled by Defendants for the last two (2) years, access² to any and all bank accounts held
9 or controlled by Defendants, Notes and Other Instruments (including any copies of same), Debtor
10 Records, Construction Documents, Affiliate or Insider Records and turnover of any and all
11 documents related to and necessary or convenient to determine the value and disposition of any
12 Enjoined Property, including any document referenced in or related to the Enjoined Property
13 described in Paragraph 3 above. To the extent, after Defendants’ good faith efforts, Defendants are
14 not able to provide the Trustee with electronic access to any bank account(s) held or controlled by
15 Defendants, , no later than the 10th day of each month, Defendants shall provide the Trustee with
16 account statements for any and all bank accounts held or controlled by Defendants (where electronic
17 access has not been provided to the Trustee). To the extent the ending balance for any account has
18 changed from the prior month’s ending balance, other than the accounts from which the Monthly
19 Budgets are funded, Defendants shall provide the Trustee with all information necessary for the
20 Trustee to determine the basis for the change, which may include a copy of the full prior month’s
21 bank statement. To the extent the accounts from which the Monthly Budgets are funded have
22 decreased by an amount more than the allowed Monthly Budgets, Defendants shall, upon the

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24 ¹ The Stipulated Protective Order will be separately filed and lodged with the Court for approval.

25 ² “Access” does not mean, and shall not be interpreted to mean or include, the Trustee’s ownership
26 or control over any bank account held or controlled by Defendants. For the sake of clarity, “access”
27 for purposes of Paragraph 10 of this Preliminary Injunction shall mean electronic or hardcopy access
28 to any and all bank records and banking activity associated with bank accounts owned or controlled
by Defendants.

1 Trustee's request, immediately provide the Trustee with all information necessary to evaluate and
2 determine the use of such proceeds.

3 11. Defendants shall be enjoined from interfering³ with, or taking steps of any kind to
4 impair, the Trustee's ability: (a) to market and sell the Debtor Real Property; (b) to collect payments
5 due and owing under any Debtor Notes or Other Instruments; (c) to collect payments due and owing
6 under any Insider Notes or Other Instruments, subject to any such payments being held in a
7 segregated account by the Trustee subject to any claims, rights, or defenses asserted by Defendants,
8 including but not limited to the right of Defendants to seek to use a portion of such payments to
9 fund, in part, the Monthly Budgets; (d) enforcing the Debtor's Lien Interests; (e) enforcing the
10 Affiliate or Insider Lien Interests, subject to any Net Proceeds from such enforcement activity being
11 held in a segregated account by the Trustee subject to any claims, rights, or defenses asserted by
12 Defendants; or (f) realize value for or on account of any Enjoined Property. To the extent there is
13 any dispute over the Trustee's proposed action under this paragraph, any appropriate Defendant(s)
14 may present such dispute to the Court on 72 hours' notice, if necessary.

15 12. In the Trustee's discretion and business judgment, the Trustee is expressly permitted
16 to actively market for sale the Affiliate or Insider Real Property, and take all steps necessary and
17 convenient to market and consummate the sale of any Affiliate or Insider Real Property, including
18 execution of documents; provided, however that the Trustee's sale of any Affiliate or Insider Real
19 Property is expressly conditioned upon such sale being the subject of a noticed motion and resulting
20 Court order.

21 13. In the Trustee's discretion and business judgment, the Trustee: (a) is expressly
22 permitted to collect payments due and owing under the Debtor Notes and Other Instruments; (b) is
23 expressly permitted to collect payments due and owing under Insider Notes and Other Instruments
24 and/or taking all steps necessary to enforce the Affiliate or Insider Lien Interests, subject to any such

25 ³ For purposes of this Preliminary Injunction: "Interfering" shall not mean, and shall not be
26 interpreted to mean or include, Defendants seeking bankruptcy court relief to resolve any dispute
27 regarding any term or provision of this Preliminary Injunction. Similarly, "interfering" shall not
28 mean or include Defendants' opposition to any motion filed by the Trustee regarding a dispute over
any term or provision of this Preliminary Injunction.

1 payments being held in a segregated account by the Trustee subject to any claims, rights, or defenses
2 asserted by Defendants; (c) to exercise foreclosure rights related to the Affiliate or Insider Lien
3 Interests; and (d) compromise or settle any Affiliate or Insider Claims without further order of the
4 Court so long as the Trustee provides Defendants with a minimum of fourteen (14) days' notice of
5 his intention to do so; provided however that the Trustee may seek Court approval of these actions
6 as he deems necessary or appropriate in his discretion. To the extent there is any dispute over the
7 Trustee's proposed action under this paragraph, any appropriate Defendant(s) may present the
8 dispute to the Court on 72 hours' notice, if necessary.

9 14. In the Trustee's discretion and business judgment, the Trustee is expressly permitted
10 to take all steps necessary to monetize or realize value on account of Affiliate or Insider Ownership
11 Interests. The Trustee's entry into a transaction to sell, monetize or realize value for Affiliate or
12 Insider Ownership Interests is expressly conditioned upon such a sale being the subject of a noticed
13 motion and resulting Court order.

14 15. Defendants shall be enjoined from interfering with, or taking steps of any kind to
15 impair, the Trustee's ability: (a) to market for sale the Affiliate or Insider Real Property; (b) to
16 collect payments due and owing under Notes or Other Instruments constituting or other obligations
17 which are secured by Affiliate or Insider Lien Interests; (c) to exercise foreclosure or other
18 enforcement rights related to the Affiliate or Insider Lien Interests; (d) monetize or realize value on
19 account of Affiliate or Insider Ownership Interests; or (e) compromise or settle any Affiliate or
20 Insider Claims. To the extent there is any dispute over the Trustee's proposed action under this
21 paragraph, any appropriate Defendant(s) may present such dispute to the Court on 72 hours' notice,
22 if necessary.

23 16. For the avoidance of doubt, the Trustee shall have final authority regarding the sale
24 or other disposition of any of the Enjoined Property, and approval of any sale or disposition of the
25 Enjoined Property must be expressly approved by the Trustee in writing prior to closing or
26 consummating such a transaction, or otherwise authorized by Court order.

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1 17. Any and all net proceeds resulting from sale, enforcement or other disposition of any
2 Affiliate or Insider Real Property, Affiliate or Insider Lien Interests, Affiliate or Insider Claims or
3 Affiliate or Insider Ownership Interests after payment of reasonable and ordinary closing costs,
4 including reasonable brokerage commissions and valid encumbrances or in the case of Affiliate or
5 Insider Claims, payment of reasonable attorneys' fees and costs incurred in relation thereto (but not
6 including any administrative fees or costs of the Trustee or his professionals, which may only be
7 paid upon entry of a final order of the bankruptcy court approving same), approved by the Trustee
8 in his sole discretion (the "Net Proceeds"), shall be held in a segregated account by the Trustee
9 subject to any claims, rights, or defenses asserted by Defendants.

10 18. In the Trustee's discretion and business judgment, and absent an agreement from the
11 appropriate Defendant(s), the Parties recognize that the Trustee may apply to the court for
12 permission to spend any cash constituting net sale proceeds from 108 Avenida Serra, San Clemente,
13 California, any Net Proceeds, and any funds held in Defendants' bank accounts as reasonably
14 necessary to cover the cost of insurance, repairs, or other items necessary to preserve the value of
15 the Enjoined Property. To the extent such request cannot be made by way of stipulated agreement,
16 the Trustee may file a motion seeking approval of such request with 72 hours' notice.

17 19. Should any term of this Preliminary Injunction be breached by any party, including
18 but not limited breach of the Cooperation Activities, any non-breaching party may submit a
19 declaration to the Court attesting to the breach and lodge an order with the Court seeking hearing
20 on seventy-two (72) business hours' notice, subject to the availability of the Court.

21 20. This Preliminary Injunction is without prejudice to any claim or defense of the
22 Trustee or Defendants. All rights of all parties are expressly reserved, including the right of the
23 Trustee to seek an extension of the Injunction Period, expansion of the scope of this Preliminary
24 Injunction or the issuance of a permanent injunction, and the rights of Defendants to challenge the
25 scope of this Preliminary Injunction, the expansion of the scope of this Preliminary Injunction, or
26 the issuance of a permanent injunction. In the event the Trustee files a motion to extend the
27 Injunction Period or to expand the scope of this Preliminary Injunction, Defendants may oppose

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1 such a motion. Nothing in this Preliminary Injunction shall constitute or be treated as a waiver of
2 any argument, claim, or defense of Defendants in opposition to a motion to extend the Injunction
3 Period or expand the scope of this Preliminary Injunction.. Should the Trustee file a motion to
4 extend the Injunction Period or to expand the scope of this Preliminary Injunction, or in the event
5 any Defendant files a motion seeking to modify or vacate all or portions of the Preliminary
6 Injunction (“Motion to Modify or Vacate”), the burden of establishing the applicable elements
7 necessary for preliminary injunctive relief shall be on the Trustee. However, in the event any
8 Defendant intends to file a Motion to Modify or Vacate, such Defendant shall: (1) no less than seven
9 (7) days prior to filing a Motion to Modify or Vacate, prepare and provide to the Trustee a written
10 statement detailing the basis and grounds for the prospective motion; and (2) no less than three (3)
11 days prior to filing a Motion to Modify or Vacate, meet and confer with the Trustee (telephonically,
12 virtually, or physically) in good faith to resolve the dispute(s) underlying the prospective motion.
13 Should the parties’ meet and confer efforts fail to resolve the dispute(s) and a Motion to Modify or
14 Vacate be filed with the Court, Defendants and the Trustee agree to an expediated discovery
15 schedule and the deadline for filing any opposition to the Motion to Modify or Vacate shall not be
16 less than fourteen (14) days after the later of: (a) receipt of all Defendants’ discovery responses; (b)
17 receipt of all Defendants’ production of documents; or (c) conclusion of any deposition noticed or
18 subpoenaed by the Trustee.⁴

19 21. This Preliminary Injunction may be served on third-parties, including banks and
20 escrow companies in contract with any of the Enjoined Parties, or in possession of any Enjoined
21 Property, and that such third-parties are directed and authorized to interact exclusively with and take
22 instruction from the Trustee or his authorized representatives in connection with any Enjoined Party
23 or Enjoined Property as necessary to allow the Trustee and Defendants to comply with the terms of
24 this Preliminary Injunction.

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27 ⁴ In the event the Trustee does not propound discovery upon Defendants or any third-party, the
28 deadline to oppose any Motion to Modify or Vacate shall not be less than twenty-one (21) days from
the date such Motion to Modify or Vacate was filed with the Court.

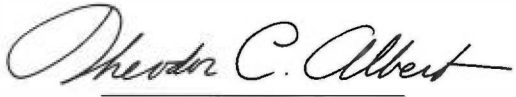
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22. The Trustee is not required to post a bond under Fed. R. Civ. Proc. 65 or Fed. R. Bankr. Proc. 7065.

23. A status conference regarding the Preliminary Injunction is scheduled for February 16, 2023 at 11:00 a.m.

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Date: November 30, 2022


Theodor C. Albert
United States Bankruptcy Judge

Case Information	Parties
Orange County Superior Court; 30-2022-01254450-CU-BC-CJC	Michael C. Vaupel; Lynda L. Roese-Vaupel, as individuals and Co-Trustees of the Vaupel Family Trust Dated March 6, 2008 as Amended and Restated February 16, 2010 v. AB Capital, LLC; Joshua Pukini; and Ryan J. Young
Orange County Superior Court; 30-2022-01244889-CU-BC-WJC	FCI Lender Services, Inc. v. AB Capital, LLC
Los Angeles County Superior Court; 22TRCV00066	Shoyinka Veronica Ogbeide v. AB Capital, LLC; Escrow Experts, Inc.; FCI Lenders Services Inc.
Orange County Superior Court; 30-2021-01236708-CU-WT-CJC	Cierra Taylor v. AB Capital, LLC; Luna Construction Management LLC; Joshua Pukini, individually and as trustee of The Joshua R. Pukini Trust; Calpac Mortgage Fund LLC; Calpac Management Inc., dba Cal Pac Capital
Orange County Superior Court; 30-2021-01199187-CU-BC-CJC	410 Twenty Ninth Streets LLC v. AB Capital LLC; Joshua R. Pukini; Ryan J. Young
Los Angeles County Superior Court; 22TRCV00321	Konstro Designs & Engineering Inc. v. AB Capital LLC; Escrow Experts Inc.; FCI Lender Services Inc.; Joshua Pukini; Ryan Young
Los Angeles County Superior Court; 21STCV14445	Mikayel Israyelyan; 14241 Ventura LLC v. AB Capital, LLC; Joshua R. Pukini; Ryan Young; Justin C. Johnson; Calpac Management, Inc.
United States Bankruptcy Court Central District of California - Los Angeles Division; 2:21-bk-12447-ER	MED Equity, LLC - Debtor
United States Bankruptcy Court Central District of California - Santa Ana Division; 8:22-bk-11556-TA	Stonebridge Ventures, LLC
Los Angeles Superior Court Central District; 21STCV29689	Kurmi LLC v. AB Capital, LLC; BBG Ira, LLC; Kenneth Morgan trustee of the Kennth and Robin Morgan Trust dated 08/11/2021
Orange County Superior Court; 30-2021-01181232-CU-OR-CJC	Ferguson Enterprises LLC v. 1034 W Balboa LLC; ADW Lending LLC; Joshua Pukini; AB Capital LLC; Calpac Managements Inc.
Los Angeles County Superior Court; 22SMCV00390	Danmor Investment Profit Sharing Trust Inc; USTDS Inc. v. Calpac Mortgage Fund LLC; Joshua Pukini; Ryan Young
Inland Counties Riverside County Superior Court; CVPS2200340	Coldwell Banker Residential Brokerage v. Joshua R. Pukini; BDP Development Partners LLC
Orange County Superior Court; 30-2021-01236962-CU-BC-CJC	Frederick Veitch, individually and as trustee of the Frederick A. Veitch Revocable Trust v. Calpac Mortgage Fund LLC; Luna Construction Management LLC; Joshua Pukini
Los Angeles County Superior Court; 21NWCV00635	Showroom Interiors; Vesta Home LLC v. Joshua R. Pukini; Stonebridge Ventures LLC
Orange County Superior Court; 30-2021-01200463-CU-OE-CJC	Cierra Taylor v. AB Capital, LLC; Luna Construction Management LLC; Joshua Pukini
Los Angeles Superior Court Central District; 20STCV47149	Meribear Productions, Inc. dba Meridith Baer Home v. Stonebridge Ventures LLC; Joshua R. Pukini
Inland Counties Riverside County Superior Court; PSC2004436	Probuild Company LLC v. Luna Construction Management LLC; Joshua R. Pukini; Stonebridge Ventures LLC
Orange County Superior Court; 30-2020-01162773-CL-OR-CJC	Probuild Company LLC v. Luna Construction Management LLC; Joshua R. Pukini; Stonebridge Ventures LLC
Los Angeles County Superior Court; 20STCV26093	Jilanchi Saman; Qwan Capital LLC; Qwan International Investments LLC v. Joshua Pukini; Ryan Young
Orange County Superior Court; 30-2019-01062223-CU-OR-CJC	Wayne Larry Jones, individually and as Trustee of the Wayne Larry Jones Family Trust v. 2401 Alta Vista LLC; Studio Z Consulting Inc.; Richard W. Denzer; Joshua R. Pukini, individually and as Trustee of the Joshua R. Pukini Trust
Los Angeles Superior Court Central District; BC697499	Randy Rose v. Howard A. Royal; Mag Equities, LLC; Calpac Management Inc.; Cal Pac Capital; Med Equity LLC; Joshua R. Pukini; 871 Linda Flora LLC
Orange County Superior Court; 00792151CJC	Stephanie Moarton-Pukini v. Samuel E. Sunshine, MD, a medical corp.; Comfort Laser Clinics
Orange County Superior Court; 07cc07499	Point Center Fianncial, Inc. v. Josh Pukini; Calif. Pacific Home Loans, Inc. dba Cal-Pac Funding
Los Angeles Superior Court; 21STLC02599	Ganahl Lumber Company v. Calpac Management Inc., et al.
San Diego Superior Court; 37-2020-00046579-SC-SC-CTL	The Bronze Legacy LLC v. Calpac Management Inc.
US Bankrutpcy Court, Central District of California; 1:20-ap-01116	PB-1, LLC v. Calpac Management, Inc.
Los Angeles Superior Court; 18BBCV00223	Tap Ram Reinforcing, Inc. v. PB-1, LLC et. Al.
Riverside Superior Court; RIC1805223	County of Riverside v. Temescal-Leroy
Orange County Superior Court; 30-2015-00769288-CL-CL-CJC	Caisteal Builders, Inc. v. Calpac Management Inc.
Riverside Superior Court; TES1000086	Calpac v. Rancon
Riverside Superior Court; TES10000741	Calpac v. Horton
Orange County Superior Court; 30-2021-01199187-CU-BC-CJC	State of California, Employment Development Department v. Ryan Young
Kern Superior Court; R-1502-CL-10493	Desert Valleys Federal Credit Union v. Young
Los Angeles County Superior Court; BC400715	Robert E. Word v. Rodeny Gresko dba Quick Appraisal Services; California Pacific Home Loans, Inc.; Ryan Young
Los Angeles Superior Court; 22STLC04460	Reno Hardware & Supply, Inc. v. Luna Construction Mangement, LLC
Los Angeles Superior Court; 22SMCV00390	USTDS, Inc. et al v. Calpac Mortgage Fund LLC
United States Bankruptcy Court for the Northern District of California; 22-50930	In re 40th Street Devleopment, LLC
Los Angeles Superior Court; 20BBCV00871	John Ingram v. CE Partners, LLC, Chris Nelson, and Does 1 through 100

1 UNITED STATES BANKRUPTCY COURT
2 CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION

3 In re
4 AB CAPITAL, LLC, a California limited liability company,
5 Debtor,

Case No.: 8:22-bk-11585-TA
Adv. Case No. 8:22-ap-01091-TA
[Assigned to Hon. Theodor C. Albert]

RICHARD A. MARSHACK, Chapter 7 Trustee,
6 Plaintiff,

STIPULATED PROTECTIVE ORDER¹

v.

7 JOSHUA R. PUKINI, individually and as trustee of The Joshua R. Pukini
8 Trust dated June 27, 2013; RYAN YOUNG, individually and as trustee
9 of The Young Family Trust dated August 24, 2014, The Ryan J. Young
10 Trust and The Young Ryan Trust; EDMUND AVENIDA SERRA, LLC,
11 a California limited liability company; 1034 W BALBOA, LLC, a
12 California limited liability company; AB CAPITAL FUND B, LLC, a
13 California limited liability company; AB CAPITAL HOLDINGS I, LLC,
14 a California limited liability company; AB CAPITAL LFD, INC., a
15 California corporation; ABC 2260 SAN YSIDRO, LLC, a California
16 limited liability company; BDP DEVELOPMENT PARTNERS, LLC, a
17 California limited liability company; CAL-PAC DISTRESSED REAL
18 ESTATE FUND I, LLC, a California limited liability company;
19 CALPAC MANAGEMENT, INC., a California corporation; CALPAC
20 MORTGAGE FUND, LLC, a California limited liability company;
21 LIVING ART WORKS LLC, a California limited liability company;
22 LUNA CONSTRUCTION MANAGEMENT, LLC, a California limited
23 liability company; TABLEROCK ENTERPRISES, LLC, a California
24 limited liability company,
25 Defendants.

1. A. PURPOSES AND LIMITATIONS

Discovery in this action is likely to involve production of confidential, proprietary, or private information for which special protection from public disclosure and from use for any purpose other than prosecuting this litigation may be warranted. Accordingly, the parties hereby stipulate to and request the Court to enter the following Stipulated Protective Order (“SPO”). This SPO does not confer blanket protections on all disclosures or responses to discovery. The protection it affords from public disclosure and use extends only to the limited information or items that are entitled to confidential treatment under the applicable legal principles. Further, this SPO does not entitle the parties to file confidential information under seal. Rather, when the parties seek permission from the court to file material under seal, the parties must comply with applicable statutes and/or Local Rules.

B. GOOD CAUSE STATEMENT

In light of the nature of the claims and allegations in this case and the parties’ representations that discovery in this case will involve the production of confidential records, and in order to expedite the flow of information, to facilitate the prompt resolution of disputes over confidentiality of discovery materials, to adequately protect information the parties are entitled to keep confidential, to ensure that the parties are permitted reasonable necessary uses of such material in connection with this action, to address their handling of such material at the end of the litigation, and to serve the

¹ This Stipulated Protective Order is based substantially on the model of protective order provided under Magistrate Judge Jacqueline Choolijan’s procedures.

1 ends of justice, a protective order for such information is justified in this matter. The parties shall not designate any information/documents as
2 confidential without a good faith belief that such information/documents have been maintained in a confidential, non-public manner, and that there is
3 good cause or a compelling reason why it should not be part of the public record of this case.

4 2. DEFINITIONS

5 2.1 Action: this pending adversary proceeding, entitled *Marshack v. Pukini et al*, Adv. Pro. No. 8:22-ap-01091-TA.

6 2.2 Challenging Party: a Party or Non-Party that challenges the designation of information or items under this SPO.

7 2.3 "CONFIDENTIAL" Information or Items: information (regardless of how it is generated, stored or maintained) or tangible
8 things that qualify for protection under Federal Rule of Civil Procedure 26(c), and as specified above in the Good Cause Statement.

9 2.4 Counsel: Outside Counsel of Record and House Counsel (as well as their support staff).

10 2.5 Designating Party: a Party or Non-Party that designates information or items that it produces in disclosures or in responses to
11 discovery as "CONFIDENTIAL."

12 2.6 Disclosure or Discovery Material: all items or information, regardless of the medium or manner in which it is generated, stored,
13 or maintained (including, among other things, testimony, transcripts, and tangible things), that are produced or generated in disclosures or responses
14 to discovery in this matter.

15 2.7 Estate Professional(s): any individual or entities (including employees of such individual or entity) whose employment as a
16 professional of the estate in the bankruptcy case of AB Capital, LLC, Bankr. Case No. 8:22-bk-11585-TA, has been approved by order entered by the
17 Honorable Theodor C. Albert.

18 2.8 Expert: a person with specialized knowledge or experience in a matter pertinent to the litigation who has been retained by a
19 Party or its counsel to serve as an expert witness or as a consultant in this Action.

20 2.9 House Counsel: attorneys who are employees of a party to this Action. House Counsel does not include Outside Counsel of
21 Record or any other outside counsel.

22 2.10 Non-Party: any natural person, partnership, corporation, association, or other legal entity not named as a Party to this action.

23 2.11 Outside Counsel of Record: attorneys who are not employees of a party to this Action but are retained to represent or advise a
24 party to this Action and have appeared in this Action on behalf of that party or are affiliated with a law firm which has appeared on behalf of that
25 party, and includes support staff. This includes Estate Professionals employed as "Special Counsel", "General Counsel", "Special Litigation Counsel",
26 or any other attorney who is an Estate Professional.

27 2.12 Party: any party to this Action, including all of its officers, directors, employees, consultants, retained experts, and Outside
28 Counsel of Record (and their support staffs).

1 2.13 Producing Party: a Party or Non-Party that produces Disclosure or Discovery Material in this Action.

2 2.14 Professional Vendors: persons or entities that provide litigation support services (e.g., photocopying, videotaping, translating,
3 preparing exhibits or demonstrations, and organizing, storing, or retrieving data in any form or medium) and their employees and subcontractors.

4 2.15 Protected Material: any Disclosure or Discovery Material that is designated as “CONFIDENTIAL.”

5 2.16 Receiving Party: a Party that receives Disclosure or Discovery Material from a Producing Party.

6 3. SCOPE

7 The protections conferred by this SPO cover not only Protected Material (as defined above), but also (1) any information copied or
8 extracted from Protected Material; (2) all copies, excerpts, summaries, or compilations of Protected Material; and (3) any testimony, conversations,
9 or presentations by Parties or their Counsel that might reveal Protected Material, other than during a court hearing or at trial.

10 Any use of Protected Material during a court hearing or at trial shall be governed by the orders of the presiding judge. This SPO does not
11 govern the use of Protected Material during a court hearing or at trial.

12 4. DURATION

13 Even after final disposition of this litigation, the confidentiality obligations imposed by this SPO shall remain in effect until a Designating
14 Party agrees otherwise in writing or a court order otherwise directs. Final disposition shall be deemed to be the later of (1) dismissal of all claims and
15 defenses in this Action, with or without prejudice; and (2) final judgment herein after the completion and exhaustion of all appeals, rehearings,
16 remands, trials, or reviews of this Action, including the time limits for filing any motions or applications for extension of time pursuant to applicable
17 law.

18 5. DESIGNATING PROTECTED MATERIAL

19 5.1 Exercise of Restraint and Care in Designating Material for Protection. Each Party or Non-Party that designates information or
20 items for protection under this SPO must take care to limit any such designation to specific material that qualifies under the appropriate standards.
21 The Designating Party must designate for protection only those parts of material, documents, items, or oral or written communications that qualify so
22 that other portions of the material, documents, items, or communications for which protection is not warranted are not swept unjustifiably within the
23 ambit of this SPO.

24 Mass, indiscriminate, or routinized designations are prohibited. Designations that are shown to be clearly unjustified or that have been
25 made for an improper purpose (e.g., to unnecessarily encumber the case development process or to impose unnecessary expenses and burdens on
26 other parties) may expose the Designating Party to sanctions.

27 If it comes to a Designating Party’s attention that information or items that it designated for protection do not qualify for protection, that
28 Designating Party must promptly notify all other Parties that it is withdrawing the inapplicable designation.

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5.2 Manner and Timing of Designations. Except as otherwise provided in this SPO or as otherwise stipulated or ordered, Disclosure or Discovery Material that qualifies for protection under this SPO must be clearly so designated before the material is disclosed or produced.

Designation in conformity with this SPO requires:

(a) for information in documentary form (e.g., paper or electronic documents, but excluding transcripts of depositions), that the Producing Party affix at a minimum, the legend “CONFIDENTIAL” (hereinafter “CONFIDENTIAL legend”), to each page that contains protected material. If only a portion or portions of the material on a page qualifies for protection, the Producing Party also must clearly identify the protected portion(s) (e.g., by making appropriate markings in the margins).

A Party or Non-Party that makes original documents available for inspection need not designate them for protection until after the inspecting Party has indicated which documents it would like copied and produced. During the inspection and before the designation, all of the material made available for inspection shall be deemed “CONFIDENTIAL.” After the inspecting Party has identified the documents it wants copied and produced, the Producing Party must determine which documents, or portions thereof, qualify for protection under this SPO. Then, before producing the specified documents, the Producing Party must affix the “CONFIDENTIAL legend” to each page that contains Protected Material. If only a portion or portions of the material on a page qualifies for protection, the Producing Party also must clearly identify the protected portion(s) (e.g., by making appropriate markings in the margins).

(b) for testimony given in depositions that the Designating Party identifies on the record, before the close of the deposition as protected testimony.

(c) for information produced in some form other than documentary and for any other tangible items, that the Producing Party affix in a prominent place on the exterior of the container or containers in which the information is stored the legend “CONFIDENTIAL.” If only a portion or portions of the information warrants protection, the Producing Party, to the extent practicable, shall identify the protected portion(s).

5.3 Inadvertent Failures to Designate. If timely corrected, an inadvertent failure to designate qualified information or items does not, standing alone, waive the Designating Party’s right to secure protection under this SPO for such material. Upon timely correction of a designation, the Receiving Party must make reasonable efforts to assure that the material is treated in accordance with the provisions of this SPO.

6. CHALLENGING CONFIDENTIALITY DESIGNATIONS

6.1 Timing of Challenges. Any Party or Non-Party may challenge a designation of confidentiality at any time that is consistent with the Court’s Scheduling Order.

6.2 Meet and Confer. All parties reserve the right to object to a document being labeled as confidential. The Challenging Party shall notify the Designating Party of all objections to documents designated as CONFIDENTIAL, and absent a court order protecting the documents, the Challenging Party may use the documents upon the later of fifteen (15) days after giving the notice, or the Court’s issuance of an order resolving

1 any pending challenge, whichever is later. During the fifteen (15) day notice period, the Designating Party shall initiate a meet and confer conference
2 within three (3) business days of receipt of the notice.

3 6.3 The burden of persuasion in any such challenge proceeding shall be on the Designating Party. Frivolous challenges, and those
4 made for an improper purpose (e.g., to harass or impose unnecessary expenses and burdens on other parties) may expose the Challenging Party to
5 sanctions. Unless the Designating Party has waived or withdrawn the confidentiality designation, all parties shall continue to afford the material in
6 question the level of protection to which it is entitled under the Producing Party's designation until the Court rules on the challenge.

7 7. ACCESS TO AND USE OF PROTECTED MATERIAL

8 7.1 Basic Principles. A Receiving Party may use Protected Material that is disclosed or produced by another Party or by a Non-
9 Party in connection with this Action only for prosecuting, defending, or attempting to settle this Action. Such Protected Material may be disclosed
10 only to the categories of persons and under the conditions described in this SPO. When the Action has been terminated, a Receiving Party must
11 comply with the provisions of Section 13 below.

12 Protected Material must be stored and maintained by a Receiving Party at a location and in a secure manner that ensures that access is
13 limited to the persons authorized under this SPO.

14 7.2 Disclosure of "CONFIDENTIAL" Information or Items. Unless otherwise ordered by the court or permitted in writing by the
15 Designating Party, a Receiving Party may disclose any information or item designated "CONFIDENTIAL" only to:

16 (a) the Receiving Party's Outside Counsel of Record in this Action, as well as employees of said Outside Counsel of Record to
17 whom it is reasonably necessary to disclose the information for this Action;

18 (b) Estate Professionals to whom it is reasonably necessary to disclose the information for this Action;

19 (c) the officers, directors, and employees (including House Counsel) of the Receiving Party to whom disclosure is reasonably
20 necessary for this Action;

21 (d) Experts (as defined in this SPO) of the Receiving Party to whom disclosure is reasonably necessary for this Action and who have
22 signed the "Acknowledgment and Agreement to Be Bound" (Exhibit A);

23 (e) the court and its personnel;

24 (f) court reporters and their staff;

25 (g) professional jury or trial consultants, mock jurors, and Professional Vendors to whom disclosure is reasonably necessary for this
26 Action and who have signed the "Acknowledgment and Agreement to Be Bound" (Exhibit A);

27 (h) the author or recipient of a document containing the information or a custodian or other person who otherwise possessed or knew
28 the information;

1 (i) during their depositions, witnesses, and attorneys for witnesses, in the Action to whom disclosure is reasonably necessary
2 provided: (1) the deposing party requests that the witness sign the "Acknowledgment and Agreement to Be Bound" form attached as Exhibit A
3 hereto; and (2) they will not be permitted to keep any confidential information unless they sign the "Acknowledgment and Agreement to Be Bound"
4 attached as Exhibit A, unless otherwise agreed by the Designating Party or ordered by the court. Pages of transcribed deposition testimony or exhibits
5 to depositions that reveal Protected Material may be separately bound by the court reporter and may not be disclosed to anyone except as permitted
6 under this SPO; and

7 (j) any mediator or settlement officer, and their supporting personnel, mutually agreed upon by any of the parties engaged in
8 settlement discussions.

9 8. PROTECTED MATERIAL SUBPOENAED OR ORDERED PRODUCED IN OTHER LITIGATION

10 If a Party is served with a subpoena or a court order issued in other litigation that compels disclosure of any information or items designated
11 in this Action as "CONFIDENTIAL," that Party must:

- 12 (a) promptly notify in writing the Designating Party. Such notification shall include a copy of the subpoena or court order;
13 (b) promptly notify in writing the party who caused the subpoena or order to issue in the other litigation that some or all of the
14 material covered by the subpoena or order is subject to this SPO. Such notification shall include a copy of this SPO; and
15 (c) cooperate with respect to all reasonable procedures sought to be pursued by the Designating Party whose Protected Material may
16 be affected.

17 If the Designating Party timely seeks a protective order, the Party served with the subpoena or court order shall not produce any information
18 designated in this action as "CONFIDENTIAL" before a determination by the court from which the subpoena or order issued, unless the Party has
19 obtained the Designating Party's permission, or unless otherwise required by the law or court order. The Designating Party shall bear the burden and
20 expense of seeking protection in that court of its confidential material and nothing in these provisions should be construed as authorizing or
21 encouraging a Receiving Party in this Action to disobey a lawful directive from another court.

22 9. A NON-PARTY'S PROTECTED MATERIAL SOUGHT TO BE PRODUCED IN THIS LITIGATION

23 (a) The terms of this SPO are applicable to information produced by a Non-Party in this Action and designated as
24 "CONFIDENTIAL." Such information produced by Non-Parties in connection with this litigation is protected by the remedies and relief provided
25 by this SPO. Nothing in these provisions should be construed as prohibiting a Non-Party from seeking additional protections.

26 (b) In the event that a Party is required, by a valid discovery request, to produce a Non-Party's confidential information in its
27 possession, and the Party is subject to an agreement with the Non-Party not to produce the Non-Party's confidential information, then the Party shall:

- 28 (1) promptly notify in writing the Requesting Party and the Non-Party that some or all of the information requested is subject

- 1 to a confidentiality agreement with a Non-Party;
- 2 (2) promptly provide the Non-Party with a copy of the SPO in this Action, the relevant discovery request(s), and a reasonably
- 3 specific description of the information requested; and
- 4 (3) make the information requested available for inspection by the Non-Party, if requested.
- 5 (c) If a Non-Party fails to seek a protective order from this Court within 14 days of receiving the notice and accompanying
- 6 information, the Receiving Party may produce the Non-Party's confidential information responsive to the discovery request. If the Non-Party timely
- 7 seeks a protective order, the Receiving Party shall not produce any information in its possession or control that is subject to the confidentiality
- 8 agreement with the Non-Party before a determination by the court. Absent a court order to the contrary, the Non-Party shall bear the burden and
- 9 expense of seeking protection in this court of its Protected Material.

10 10. UNAUTHORIZED DISCLOSURE OF PROTECTED MATERIAL

11 If a Receiving Party learns that, by inadvertence or otherwise, it has disclosed Protected Material to any person or in any circumstance not
12 authorized under this SPO, the Receiving Party must immediately (a) notify in writing the Designating Party of the unauthorized disclosures, (b) use
13 its best efforts to retrieve all unauthorized copies of the Protected Material, (c) inform the person or persons to whom unauthorized disclosures were
14 made of all the terms of this SPO, and (d) request such person or persons to execute the "Acknowledgment and Agreement to Be Bound" that is
15 attached hereto as Exhibit A.

16 11. INADVERTENT PRODUCTION OF PRIVILEGED OR OTHERWISE PROTECTED MATERIAL

17 When a Producing Party gives notice to Receiving Parties that certain inadvertently produced material is subject to a claim of privilege or
18 other protection, the obligations of the Receiving Parties are those set forth in Federal Rule of Civil Procedure 26(b)(5)(B). This provision is not
19 intended to modify whatever procedure may be established in an e-discovery order that provides for production without prior privilege review.
20 Pursuant to Federal Rule of Evidence 502(d) and (e), insofar as the parties reach an agreement on the effect of disclosure of a communication or
21 information covered by the attorney-client privilege or work product protection, the parties may incorporate their agreement into this SPO.

22 12. MISCELLANEOUS

- 23 12.1 Right to Further Relief. Nothing in this SPO abridges the right of any person to seek its modification by the Court in the future.
- 24 12.2 Right to Assert Other Objections. No Party waives any right it otherwise would have to object to disclosing or producing any
- 25 information or item on any ground not addressed in this SPO. Similarly, no Party waives any right to object on any ground to use in evidence of any
- 26 of the material covered by this SPO.
- 27 12.3 Filing Protected Material. Protected Material may only be filed under seal pursuant to a court order authorizing the sealing of
- 28 the specific Protected Material at issue. If a Party's request to file Protected Material under seal is denied by the court, then the Receiving Party may

1 file the information in the public record unless otherwise instructed by the court.

2 13. FINAL DISPOSITION

3 After the final disposition of this Action, as defined in Section 4, within 60 days of a written request by the Designating Party, each
4 Receiving Party must return all Protected Material to the Producing Party or destroy such material. As used in this subdivision, "all Protected Material"
5 includes all copies, abstracts, compilations, summaries, and any other format reproducing or capturing any of the Protected Material. Whether the
6 Protected Material is returned or destroyed, the Receiving Party must submit a written certification to the Producing Party (and, if not the same person
7 or entity, to the Designating Party) by the 60 day deadline that (1) identifies (by category, where appropriate) all the Protected Material that was
8 returned or destroyed and (2) affirms that the Receiving Party has not retained any copies, abstracts, compilations, summaries or any other format
9 reproducing or capturing any of the Protected Material. Notwithstanding this provision, Counsel are entitled to retain an archival copy of all pleadings,
10 motion papers, trial, deposition, and hearing transcripts, legal memoranda, correspondence, deposition and trial exhibits, expert reports, attorney work
11 product, and consultant and expert work product, even if such materials contain Protected Material. Any such archival copies that contain or constitute
12 Protected Material remain subject to this SPO as set forth in Section 4.

13 14. Any violation of this SPO may be punished by any and all appropriate measures including, without limitation, contempt proceedings
14 and/or monetary sanctions.

15 IT IS SO STIPULATED, THROUGH COUNSEL OF RECORD:

16 DATED: _____

17 _____

18 Attorneys for Plaintiff

19 DATED: _____

20 _____

21 Attorneys for Defendant

22 FOR GOOD CAUSE SHOWN, IT IS SO ORDERED.

23 DATED: _____

24 _____

25 HON. THEODOR C. ALBERT
Chief Judge, Bankruptcy Court, Central District of California

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EXHIBIT A

ACKNOWLEDGMENT AND AGREEMENT TO BE BOUND

I, _____ [print or type full name], of _____ [print or type full address], declare under penalty of perjury that I have read in its entirety and understand the Stipulated Protective Order ("SPO") that was issued by the United States Bankruptcy Court for the Central District of California on _____ in the case of *Marshack v. Pukini et al*, Adv. Pro. No. 8:22-ap-01091-TA. I agree to comply with and to be bound by all the terms of this SPO and I understand and acknowledge that failure to so comply could expose me to sanctions and punishment in the nature of contempt. I solemnly promise that I will not disclose in any manner any information or item that is subject to this SPO to any person or entity except in strict compliance with the provisions of this SPO.

I further agree to submit to the jurisdiction of the United States Bankruptcy Court for the Central District of California for the purpose of enforcing the terms of this SPO, even if such enforcement proceedings occur after termination of this action. I hereby appoint _____ [print or type full name] of _____ [print or type full address and telephone number] as my California agent for service of process in connection with this action or any proceedings related to enforcement of this SPO.

Date: _____

City and State where sworn and signed: _____

Printed name: _____

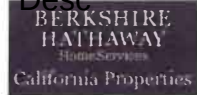
Signature: _____



CALIFORNIA ASSOCIATION OF REALTORS®

ADDENDUM No. One

(C.A.R. Form ADM, Revised 12/21)



The following terms and conditions are hereby incorporated in and made a part of the Purchase Agreement, OR Residential Lease or Month-to-Month Rental Agreement, Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), Other _____, dated 4/5/2023, on property known as 1611 Cliff Dr, Newport Beach, CA 92663-5208,

_____ ("Property/Premises"), in which Pelican Fund LLC is referred to as ("Buyer/Tenant") and Richard A. Marshack, Ch 7 Trustee is referred to as ("Seller/Landlord"). Buyer/Tenant and Seller/Landlord are referred to as the "Parties."

Minimum Initial Overbid to be at Least \$10,000 with Subsequent Overbids to be \$5,000 or an Amount Acceptable to the Trustee. Overbidder to match all terms and conditions of original bid. If a successful Overbidder is accepted and confirmed by the Court, then the successful Overbidder is to reimburse the Original Bidder up to: \$2,000 costs incurred. Only Physical Inspection, Termite Inspection, and Loan Appraisal are Reimbursable Expenses. Aforementioned Costs incurred to be collected by Escrow. Proof of monies spent to be given to Overbidder along with Inspection Reports.

Buyer Acknowledges that the Trustee is a Fiduciary and is Obligated to obtain the best transaction for the estate. Trustee may Terminate this Agreement if he has a better transaction. If a motion to sell has been filed the Trustee may recommend acceptance of another offer. Buyer Acknowledges that Trustee is signing this agreement so the Buyer can start the process to obtain Loan Approval. So the Buyer is prepared to Bid in the Event there is an Auction. Buyer Acknowledges that the Trustee may Terminate this agreement and accept another offer if it is a better offer.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this Addendum.

DocuSigned by: [Signature] Buyer/Tenant Date 4/5/2023 Pelican Fund LLC

Buyer/Tenant _____ Date _____

Seller/Landlord _____ Date _____ Richard A. Marshack, Ch 7 Trustee for the Estate of: AB Capital LLC, a California Limited Liability Company RAM, Bankruptcy Trustee, signed per Addendum

Seller/Landlord _____ Date _____

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ADM REVISED 12/21 (PAGE 1 OF 1)

ADDENDUM (ADM PAGE 1 OF 1)

EXHIBIT 4



CALIFORNIA ASSOCIATION OF REALTORS®

ADDENDUM No. Two

(C.A.R. Form ADM, Revised 12/21)



The following terms and conditions are hereby incorporated in and made a part of the Purchase Agreement, OR Residential Lease or Month-to-Month Rental Agreement, Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), Other _____

dated April 5, 2023, on property known as 1611 Cliff Drive

in which Newport Beach, CA ("Property/Premises"),

and Pelican Fund LLC is referred to as ("Buyer/Tenant")

and Richard A. Marshack, Ch 7 Trustee, for the Estate of: AB Capital LLC, a California Limited Liability Company is referred to as ("Seller/Landlord").

Buyer/Tenant and Seller/Landlord are referred to as the "Parties."

Seller to assign any interest in the plans and blueprints to the Buyer at Close of Escrow.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this Addendum.

DocuSigned by: [Signature] Date 4/5/2023
Buyer/Tenant Pelican Fund LLC

Buyer/Tenant _____ Date _____

Seller/Landlord _____ Date _____
Richard A. Marshack, Ch 7 Trustee

Seller/Landlord _____ Date _____
for the Estate of: AB Capital LLC, a California Limited Liability Company

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ADM REVISED 12/21 (PAGE 1 OF 1)

ADDENDUM (ADM PAGE 1 OF 1)

EXHIBIT 4

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ADDENDUM No. **Three**
(C.A.R. Form ADM, Revised 12/21)

BERKSHIRE HATHAWAY HOMESERVICES | CALIFORNIA PROPERTIES

The following terms and conditions are hereby incorporated in and made a part of the Purchase Agreement, OR Residential Lease or Month-to-Month Rental Agreement, Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), Other _____

dated July 17, 2023, on property known as 1611 Cliff Drive,
Newport Beach, CA ("Property/Premises"),
in which Pelican Fund LLC is referred to as ("Buyer/Tenant")
and Richard A. Marshack, Ch Trustee, for the Estate of: AB Capital LLC, a California Limited Liability Company is referred to as ("Seller/Landlord").
Buyer/Tenant and Seller/Landlord are referred to as the "Parties."

Purchase Price to be \$2,200,000.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this Addendum

DocuSigned by: [Signature] Date 7/17/2023
Buyer/Tenant Pelican Fund LLC

Buyer/Tenant _____ Date _____

[Signature] Date [Signature]
Seller/Landlord _____

Richard A. Marshack, Ch Trustee

Seller/Landlord _____ Date _____

for the Estate of: AB Capital LLC, a California Limited Liability Company

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ADM REVISED 12/21 (PAGE 1 OF 1)

ADDENDUM (ADM PAGE 1 OF 1)

EXHIBIT 4



CONTINGENCY REMOVAL NO. One (C.A.R. Form CR, Revised 12/21)



In accordance with the terms and conditions of the Purchase Agreement, OR Request For Repair (C.A.R. Form RR), Response And Reply To Request For Repair (C.A.R. Form RRRR), Other _____

dated 04/05/2023, ("Agreement"), on property known as 1611 Cliff Drive, Newport Beach, CA 92663 ("Property"), between Pelican Fund LLC ("Buyer") and Richard A. Marshack, Ch 7 Trustee for the Estate of: AB Capital LLC, a California Limited Liability Company ("Seller").

Buyer and Seller are referred to as the "Parties."
1. BUYER REMOVAL OF BUYER CONTINGENCIES: With respect to any contingency and cancellation right that Buyer removes, unless Otherwise Agreed in a separate written agreement between Buyer and Seller, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations and review of reports and other applicable information and disclosures; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and, expense, if any, for Repairs, corrections, or for the inability to obtain financing. Waiver of statutory disclosures is prohibited by law.
2. Buyer removes ONLY the following individually checked Buyer contingencies: (Paragraph numbers refer to C.A.R. Form RPA. Applicable paragraph numbers may be different for different forms.)

- A. Loan (Paragraph 3L(1) and 8A)
- B. Appraisal (Paragraph 3L(2) and 8B)
- C. Investigation of Property (Paragraph 3L(3), 8C, and 12)
 - (1) Entire Buyer's Investigation Contingency (Paragraph 12)
 - OR (2) Only the part of the Investigation related to inspections concerning physical attributes of the Property (Paragraph 12B(1))
 - OR (3) All Buyer Investigations other than the physical attributes (Paragraph 12B(2))
 - OR (4) Entire Buyer's Investigation Contingency, EXCEPT _____
- D. Review of Seller Documents:
 - (1) Review of All Seller Documents (Paragraph 3L(4), 8D, 9B(6), 10A, and 11)
 - OR (2) Review of All Seller Documents, EXCEPT Government Reports (Paragraph 10A); Statutory and other Disclosures (Paragraph 11); Other _____
- E. Preliminary ("Title") Report (Paragraph 3L(5), 8E, and 13)
- F. Common Interest (HOA or OA) Disclosures (Paragraph 3L(6), 8F and 11L)
- G. Review of leased or liened items (Paragraph 3L(7), 8G, and 9B(6))
- H. Sale of Buyer's Property (Paragraph 3L(8) and 8J, C.A.R. Form COP, paragraph 1B and C)(check one or both boxes below)
 - Entering into contract for Buyer's Property
 - Close of Escrow on Buyer's Property
- I. Other: _____

3. ALL Buyer contingencies are removed, EXCEPT: Loan Contingency (Paragraph 3L(1) and 8A); Appraisal Contingency (Paragraph 3L(2) and 8B); Contingency for the Close of Buyer's Property (Paragraph 3L(8) and 8J); Condominium/Planned Development (HOA) Disclosures (Paragraph 3L(6), 8F and 11L); Other _____

4. BUYER HEREBY REMOVES ANY AND ALL BUYER CONTINGENCIES.

5. Once all contingencies are removed, whether or not Buyer has satisfied themselves regarding all contingencies or received any information relating to those contingencies, Buyer may not be entitled to a return of Buyer's deposit if Buyer does not close escrow. This could happen even if, for example, Buyer does not approve of some aspect of the Property or lender does not approve Buyer's loan.

NOTE: If this form is attached to a Request for Repairs (C.A.R. Form RR), Seller Response and Buyer Reply to Request for Repairs (C.A.R. Form RRRR), or another form or document such as an addendum (C.A.R. Form ADM) or Amendment to Existing Agreement (C.A.R. Form AEA), it is only valid if Buyer and Seller agree to the requests made on that form or document.

Buyer [Signature] Pelican Fund LLC Date 4/19/2023
Buyer 84A6355B21ED418... Date _____

6. SELLER REMOVAL OF SELLER CONTINGENCIES:
NOTE: This section is solely for the purpose of removing Seller contingencies and should only be signed by Seller if they are removing Seller contingencies.
Seller hereby removes the following Seller contingencies:
 Finding of replacement property (C.A.R. Form SPRP); Closing on replacement property (C.A.R. Form SPRP)
 Other _____

Seller _____ Date _____
Seller _____ Date _____

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EXHIBIT 5

**Account Information**

Outstanding Principal Balance:	\$3,000,000.00	Escrow Balance :	\$0.00
Deferred Amounts:	\$45.00	Suspense Balance :	\$0.00
Current Interest Rate:	12.000%	Restricted Suspense :	\$0.00
Next Interest Rate Change Date:	-	Loan Maturity Date :	09/01/2022
Remaining Loan Term (Months):	4	Payment Type:	Interest Only - Pymt/ Fixed Rate
Prepayment Penalty	NO	Next Due Date:	06/01/2022

Account Number :	399322137
Payment Due Date :	12/01/2022
AMOUNT DUE:	\$3,228,300.00
If Payment is not received by 12/16/2022, \$1,500.00 Late Fee will be charged	

Explanation of Payment Due

Principal :	\$3,000,000.00
Est Interest	\$30,000.00
Other Amounts Due :	\$0.00
Escrow (Taxes and/or Insurance)	\$0.00
Current Payment:	\$3,030,000.00
Total Fees and Charges	\$18,550.00
Overdue Payments :	\$179,750.00
Total Amount Due :	\$3,228,300.00

Calpac Mortgage Fund, LLC
15 Corporate Plaza, Suite 200
NEWPORT BEACH, CA 92660

Transaction Activity Since (09/18/2022 - 11/18/2022)

Date	Description	Charges	Payments	Date	Description	Charges	Payments
11/17/2022	Assessed Late Charge	\$1,500.00	\$0.00	10/18/2022	Assessed Late Charge	\$1,500.00	\$0.00

Past Payments Breakdown

	Paid Since Last Statement	Paid year to Date
Principal :	\$0.00	\$0.00
Interest :	\$0.00	\$112,500.00
Escrow (Taxes and/or Insurance) :	\$0.00	\$0.00
Fees :	\$0.00	\$0.00
*Partial Payment(Unapplied/Suspense):	\$0.00	\$0.00
Others :	\$0.00	\$42.50
TOTAL :	\$0.00	\$112,542.50

Delinquency Notice

You are late on your mortgage payments. Failure to bring your loan current may result in fees and foreclosure - the loss of your home. As of 11/18/2022, you are 170 days delinquent on your mortgage loan.

Recent Payment Account History :

- * Payment 07/01/2022 - Unpaid balance of \$72,300.00
- * Payment 08/01/2022 - Unpaid balance of \$31,500.00
- * Payment 09/01/2022 - Unpaid balance of \$31,500.00
- * Payment 10/01/2022 - Unpaid balance of \$31,500.00
- * Payment 11/01/2022 - Unpaid balance of \$31,500.00
- * Current Payment 12/01/2022: \$3,030,000.00

Total : \$3,228,300.00 due. You must pay this amount to keep your loan current.

This loan has Matured and is all Due and Payable. Please contact this office for full Payoff amounts, as it may be different from this statement

-----PLEASE DETACH THE BOTTOM PORTION OF THIS STATEMENT, RETURN IT WITH YOUR PAYMENT AND RETAIN THE TOP PORTION FOR YOUR RECORDS-----



FREE Service - Pay Recurring ACH
 DelToroLoanServicing.com/Borrowers/



Pay your bill online (\$8.50 fee)
 DelToroLoanServicing.com/Borrowers/



Pay by Phone (\$15.00 fee)
 (619) 474-5400 Ext. 14

Del Toro Loan Servicing, Inc.
 PO Box 211000
 Chula Vista, CA 91921

Check box if your address or phone number has changed
 And write your new information on the bottom portion of this statement.

Amount Due

Account	399322137
Current Payment Due By 12/01/2022	\$3,030,000.00
Total Payment(s) Due	\$3,228,300.00
\$1,500.00 Late Fee will be charged after 12/16/2022	
Additional Principal :	_____
Additional Escrow:	_____
Total Amount Enclosed:	_____

Property Address: 1611 Cliff Drive
 NEWPORT BEACH, CA 92663

EXHIBIT 5

CUSTOMER SERVICE

Our Customer Care Department is here to help if you have any questions. Please call us toll-free during regular business hours (Mon-Fri, 9:00 am - 5:00 pm PST) at 1-877-335-8676.

ERROR RESOLUTION AND REQUEST FOR INFORMATION

If you believe that there is an error in your account or if you need Del Toro to provide you with any documentation or information regarding your mortgage loan account, please write to Del Toro at the following address: Del Toro Loan Servicing, Inc. - Attn: Consumer Requests, P.O. Box 211000, Chula Vista, CA 91921; or fax to Del Toro at 1-877-826-7834. You will need to provide us the name of the Borrower(s), the mortgage loan account number and either describe the error that you believe has occurred or the request for specific information or documentation. We do not accept any requests for either Error Resolution or for documentation and/information over the telephone although you can call us if you have any questions about the Error Resolution and/or Request for Information process.

CONFORMING PAYMENTS - PAYOR REQUIREMENTS

The payment coupon must be included with remittance. Payments are to be received in accordance with the periodic payment statement and must include your account number clearly illustrated on the payment instrument. All payments must be received by Del Toro during normal business hours (Mon-Fri, 9:00 am to 5:00 pm PST) in order to be credited to Payer's account the same day of receipt. All payments must be payable in U.S. Dollars only and mailed directly to Del Toro's payment processing P.O. Box set forth in Del Toro's Periodic Statement and payment coupon. PARTIAL PAYMENTS are held in suspense accounts until a full payment is received. At that point, the full payment will be applied to the principal and interest of the first monthly payment to become delinquent or as otherwise referenced in your Note and Security Instrument.

SERVICEMEMBERS CIVIL RELIEF ACT

The Service members Civil Relief Act may offer protection or relief to members of the military who have been called to active duty. If either you have been called to active duty or you are the spouse or dependent of a person who has been called to active duty, and you have not yet made us aware of your status, please contact our Customer Care Department during normal business hours (Mon-Fri, 9:00 am to 5:00 pm PST) at 1-877-335-8676.

MORTGAGE COUNSELING

For help exploring your options, the Federal government provides contact information for housing counselors, which you can access by contacting the Consumer Financial Protection Bureau at <http://www.consumerfinance.gov/mortgagehelp> or the Department of Housing and Urban Development at : <http://www.hud.gov/offices/hsg/sfh/hcc/fc/index.cfm> , or by calling HUD at 1-800-569-4287.

IMPORTANT NOTICE: IF YOU OR YOUR ACCOUNT ARE SUBJECT TO PENDING BANKRUPTCY PROCEEDINGS, OR IF YOU RECEIVED A BANKRUPTCY DISCHARGE ON THIS DEBT, THIS STATEMENT IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT AN ATTEMPT TO COLLECT A DEBT. IF YOU ARE NOT IN BANKRUPTCY OR DISCHARGED OF THIS DEBT, BE ADVISED THAT DEL TORO IS A DEBT COLLECTOR AND IS ATTEMPTING TO COLLECT A DEBT ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

-----Please detach the bottom portion of this Statement, return it with your payment, and retain the top portion for your records -----

CHANGE OF ADDRESS (If correct on front, please do not use) For change of address over the phone, call our Customer Care Department at 1-877-335-8676. Please Print Clearly in blue or black ink only in the boxes below:

Street Address _____
City _____ State _____
Zip Code _____
Area Code and Home Phone _____ Area Code and Work _____
Phone _____
Email _____

Property Use?	Market Value of Property?	Email Payment Statements?
<input type="checkbox"/> Primary Residence		<input type="checkbox"/> Yes, I'd like to receive email statements.
<input type="checkbox"/> Rental	\$ _____	<input type="checkbox"/> No, please don't send me email
statements.		
<input type="checkbox"/> Commercial		

EXHIBIT 6

Investor-Creditor Consent Form

1611 Cliff Drive, Newport Beach, CA 92663

1. I, _____, am an investor-creditor of the bankruptcy estate of AB Capital, LLC (“AB Capital”), Case No. 8:22-bk-11585-TA.

2. I am a holder of an interest in a first deed of trust, Instrument No. 2021000135128, recorded on February 25, 2021 (“Deed of Trust”) against the real property located at 1611 Cliff Drive, Newport Beach, CA 92663 (“Property”).

3. I agree to carve out and assign a ten percent (10%) distribution of my net proceeds from the sale the Property to Richard A. Marshack, the Chapter 7 trustee (“Trustee”) for the bankruptcy estate of AB Capital, LLC (“Estate”) to assist in defraying the fees and expenses associated with securing, marketing, and selling the Property.

4. I agree that I will support a sale of the Property for a purchase price of \$2,200,000.00 or more.

5. I agree that all costs of sale (e.g., title and escrow fees, brokers’ commissions, advances, and real property taxes) will be paid from the sale proceeds of the Property before any proceeds due to me are paid from the sale of the Property.

6. I agree that I will execute any and all further documents required by title and/or escrow to close on the sale of the Property, including but not limited to a Substitution of Trustee and Request for Reconveyance. Further, as requested by title and/or escrow, I agree to either provide the original of my note marked “Paid”, or complete and execute a Lost Note Affidavit.

7. I understand the Trustee is relying on this consent in moving forward and he will not continue to market and sell the Property unless at least ninety percent (90%) of the other interest holders for the Deed of Trust consent to the foregoing. In the event less than ninety percent (90%) of the other interest holders do not consent to the foregoing, I understand that the Trustee will abandon the Property and will not proceed with marketing and selling the Property.

Date: _____

Investor-Creditor

EXHIBIT 7

1 James C. Bastian, Jr. - Bar No. 175415
2 Ryan D. O’Dea - Bar No. 273478
3 Rika M. Kido - Bar No. 273780
SHULMAN BASTIAN FRIEDMAN & BUI LLP
4 100 Spectrum Center Drive, Suite 600
Irvine, California 92618
5 Telephone: (949) 340-3400
Facsimile: (949) 340-3000
6 Email: JBastian@shulmanbastian.com
ROdea@shulmanbastian.com
RKido@shulmanbastian.com



7 Special Litigation Counsel for Richard A.
8 Marshack, Chapter 7 Trustee

9 **UNITED STATES BANKRUPTCY COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA, SANTA ANA DIVISION**

11 In re
12 **AB CAPITAL, LLC, a California limited**
13 **liability company,**
14 Debtor.

Case No. 8:22-bk-11585-TA
Chapter 7
Adv No. 8:22-ap-01091-TA

15 RICHARD A. MARSHACK, Chapter 7
16 Trustee,
17 Plaintiff,
18 vs.

**ORDER APPROVING MOTION FOR
USE OF SALE PROCEEDS DERIVED
FROM 108 AVENIDA SERRA
PURSUANT TO THE TERMS OF THE
PRELIMINARY INJUNCTION**

Hearing Date:
Date: April 27, 2023
Time: 11:00 a.m.
Place: Courtroom 5B
411 West Fourth Street
Santa Ana, California 92701

[Appearance also available via Zoom]

19 JOSHUA R. PUKINI, individually and as
20 trustee of The Joshua R. Pukini Trust dated
June 27, 2013; RYAN YOUNG, individually
21 and as trustee of The Young Family Trust
dated August 24, 2014, The Ryan J. Young
Trust and The Young Ryan Trust; EDMUND
22 VALASQUEZ, JR., an individual; 108
AVENIDA SERRA, LLC, a California limited
23 liability company; 1034 W BALBOA, LLC, a
California limited liability company; 31831
24 SUNSET LLC, a California limited liability
company; AB CAPITAL FUND A, LLC, a
25 California limited liability company; AB
CAPITAL FUND B, LLC, a California limited
26 liability company; AB CAPITAL HOLDINGS
I, LLC, a California limited liability company;
27 AB CAPITAL LFD, INC., a California
corporation; ABC 2260 SAN YSIDRO LLC, a
California limited liability company; BDP
28 DEVELOPMENT PARTNERS, LLC, a

1 California limited liability company; CAL-
2 PAC DISTRESSED REAL ESTATE FUND I,
3 LLC, a California limited liability company;
4 CALPAC MANAGEMENT, INC., a
5 California corporation; CALPAC
6 MORTGAGE FUND, LLC, a California
7 limited liability company; LIVING ART
8 WORKS LLC, a California limited liability
9 company; LUNA CONSTRUCTION
10 MANAGEMENT, LLC, a California limited
11 liability company; TABLEROCK
12 ENTERPRISES, LLC, a California limited
13 liability company; and DOES 1 through 50,
14 inclusive,

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Defendants.

1 On April 27, 2023, a hearing was held on the Motion for Use of Sale Proceeds Derived from
2 108 Avenida Serra Pursuant to the Terms of the Preliminary Injunction [docket 94] (“Motion”) filed
3 by Plaintiff Richard A. Marshack, Chapter 7 Trustee (“Plaintiff”) for the bankruptcy estate
4 (“Estate”) of AB Capital, LLC (“Debtor”), the Honorable Theodor C. Albert, United States
5 Bankruptcy Judge, presiding.

6 Plaintiff appeared through Shulman Bastian Friedman & Bui LLP by James C. Bastian, Jr.
7 Defendants Joshua Pukini, Edmund Valasquez, Jr., 108 Avenida Serra, LLC, and Luna Construction
8 Management, Inc. appeared through Lake Forest Bankruptcy by Anerio V. Altman. Defendant Ryan
9 Young appeared through Bienert Katzman Littrell Williams LLP by Tony Bisconti (Mr. Pukini, Mr.
10 Valasquez, Mr. Young, 108 Avenida Serra, LLC, and Luna Construction Management, Inc.,
11 collectively “Defendants”). Other interested parties appeared as reflected in the record.

12 The Court having reviewed the stipulation reached by counsel for Plaintiff and counsel for
13 Defendants on the record, as well as arguments and representations of counsel at the hearing,

14 **IT IS HEREBY ORDERED:**

- 15 1. The Motion is approved, as amended on the record.
- 16 2. The Plaintiff is authorized to use the Serra Proceeds (defined in the Motion), as
17 follows:
- 18 a. For payment of insurance for the AB Capital Properties (defined in the
19 Motion) in the amount of \$25,196.00;
- 20 b. For payments to stage the real property located at 444 Museum, Los Angeles,
21 California (“Museum Property”) at the rate of \$700.00 per month until the Museum Property
22 is sold.
- 23 c. For a payment of up to \$20,000.00 for repairs to the driveway and for
24 issuance of a certificate of occupancy for the Museum Property;
- 25 d. For payments to stage, clean and repair the real property located at 1314
26 Sunset Plaza Drive, Los Angeles (“Sunset Plaza Property”) in an amount not to exceed
27 \$38,600.00;

1 e. For a reimbursement payment to Clarence Yoshikane in the total amount of
2 \$24,723.83 for repairs to the properties discussed in the Motion and on the record;

3 f. For payment of insurance for the Affiliate or Insider Real Property Interest
4 (defined in the Preliminary Injunction) located at (a) 20620 Manzanita Avenue, Yorba
5 Linda, CA 92886, (b) 540 Alta Vista Way, Laguna Beach, CA 92651, (c) 1312 Beverly
6 Grove Place, Beverly Hills, CA 90210, (d) 3301 Coldwater Canyon, Beverly Hills, CA
7 91604, and (e) 2260 San Ysidro Drive, Beverly Hills, CA 90210 in the amount of \$5,160.00;

8 g. For the payment of any expense associated with insurance for the Enjoined
9 Property (as defined in the Preliminary Injunction entered by this Court on November 30,
10 2023 [docket 32]) that is not in excess of \$25,000.00 (“Future Insurance Expense”).
11 However, the aggregate of outstanding unpaid Future Insurance Expenses cannot exceed
12 \$25,000.00 without court permission.

13 h. For payment of any other expenses that Plaintiff determines, in his business
14 judgment, is a reasonable and necessary expenditure (“Future Permitted Expense”) that is
15 not in excess of \$25,000.00. However, the aggregate of outstanding unpaid Future Permitted
16 Expenses cannot exceed \$25,000.00 without court permission.

17 3. For the payment of any expense that is in excess of \$25,000.00, the Plaintiff must
18 seek Court approval.

19 4. All the Serra Proceeds which are advanced and used by the Plaintiff as provided
20 above or which are advanced and used by the Plaintiff for a Future Insurance Expense or a Future
21 Permitted Expense will be given super priority status in the Debtor’s Estate and will be paid back
22 to the Serra Proceeds trust account as follows: (a) from proceeds of the sale of any given property
23 where the funds were advanced and used for that specific property; and/or (b) if the proceeds from
24 the sale of any given property where the funds were advanced are insufficient to pay back the funds,
25 then the funds which were advanced and used by the Plaintiff will have a super priority claim against
26 the Debtor’s Estate.

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EXHIBIT 8

1 James C. Bastian, Jr. - Bar No. 175415
Ryan D. O’Dea - Bar No. 273478
2 Rika M. Kido - Bar No. 273780
SHULMAN BASTIAN FRIEDMAN & BUI LLP
3 100 Spectrum Center Drive, Suite 600
Irvine, California 92618
4 Telephone: (949) 340-3400
Facsimile: (949) 340-3000
5 Email: JBastian@shulmanbastian.com
ROdea@shulmanbastian.com
6 RKido@shulmanbastian.com

7 Special Litigation Counsel for Richard A.
Marshack, Chapter 7 Trustee
8

9 **UNITED STATES BANKRUPTCY COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA, SANTA ANA DIVISION**
11

12 In re
13 **AB CAPITAL, LLC, a California limited**
liability company,
14
Debtor.

Case No. 8:22-bk-11585-TA
Chapter 7 (Involuntary)
Adv No. 8:22-ap-01091-TA

15
16 RICHARD A. MARSHACK, Chapter 7
Trustee,
17
Plaintiff,
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vs.
19

**STIPULATION TO MODIFY THE
PRELIMINARY INJUNCTION TO
APPOINT J. MICHAEL ISSA AS CHIEF
RESTRUCTURING OFFICER OF
DEFENDANTS CALPAC MORTGAGE
FUND, LLC AND CALPAC
MANAGEMENT, INC. AND ALLOW
THE APPOINTMENT OF LEE NAUJOCK
AS SUCCESSOR TRUSTEE TO THE
JOSHUA R. PUKINI TRUST DATED
JUNE 27, 2013**

20 JOSHUA R. PUKINI, individually and as
trustee of The Joshua R. Pukini Trust dated
June 27, 2013; RYAN YOUNG, individually
21 and as trustee of The Young Family Trust
dated August 24, 2014, The Ryan J. Young
Trust and The Young Ryan Trust; EDMUND
22 VALASQUEZ, JR., an individual; 108
23 AVENIDA SERRA, LLC, a California limited
liability company; 1034 W BALBOA, LLC, a
24 California limited liability company; 31831
SUNSET LLC, a California limited liability
25 company; AB CAPITAL FUND A, LLC, a
California limited liability company; AB
26 CAPITAL FUND B, LLC, a California limited
liability company; AB CAPITAL HOLDINGS
27 I, LLC, a California limited liability company;
AB CAPITAL LFD, INC., a California
28 corporation; ABC 2260 SAN YSIDRO LLC, a

1 California limited liability company; BDP
2 DEVELOPMENT PARTNERS, LLC, a
3 California limited liability company; CAL-
4 PAC DISTRESSED REAL ESTATE FUND I,
5 LLC, a California limited liability company;
6 CALPAC MANAGEMENT, INC., a
7 California corporation; CALPAC
8 MORTGAGE FUND, LLC, a California
9 limited liability company; LIVING ART
10 WORKS LLC, a California limited liability
11 company; LUNA CONSTRUCTION
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13 liability company; TABLEROCK
14 ENTERPRISES, LLC, a California limited
15 liability company,

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Defendant.

1 **TO THE HONORABLE THEODOR C. ALBERT, UNITED STATES BANKRUPTCY**
2 **JUDGE:**

3 This Stipulation to Modify the Preliminary Injunction to Appoint J. Michael Issa as Chief
4 Restructuring Officer (“CRO”) of Defendants CalPac Mortgage Fund, LLC and CalPac
5 Management, Inc. and Allow the Appointment of Lee Naujock as Successor Trustee to the Joshua
6 R. Pukini Trust Dated June 27, 2013 (the “Stipulation”) is entered into by and between (1) Richard
7 A. Marshack, Chapter 7 Trustee for the bankruptcy estate of AB Capital, LLC (“Plaintiff”), (2) J.
8 Michael Issa (“Mr. Issa”) of GlassRatner Advisory & Capital Group, LLC dba B. Riley Advisory
9 Services (“B. Riley”), (3) Defendant CalPac Management, Inc. (“CalPac Management”), (4)
10 Defendant CalPac Mortgage Fund, LLC (“CalPac Mortgage”), (5) Joshua R. Pukini, individually
11 (“Mr. Pukini”), and (6) Ryan Young, individually (“Mr. Young”, collectively with Plaintiff, Mr.
12 Issa, CalPac Management, CalPac Mortgage, and Mr. Pukini, individually a “Party”, collectively
13 the “Parties”).

14 **I. RECITALS**

15 **A. Underlying Bankruptcy Case**

16 1. On September 15, 2022, an involuntary bankruptcy was filed against AB Capital,
17 LLC (“Debtor”) by numerous petitioning creditors (the “Petitioning Creditors”), initiating
18 bankruptcy case number 8:22-bk-11585-TA (the “Involuntary Case”).

19 2. On September 19, 2022, the Petitioning Creditors filed an emergency motion for
20 appointment of an interim trustee pursuant to Bankruptcy Code Section 303(g) (the “Interim Trustee
21 Motion”) [Dkt. No. 7].

22 3. On September 22, 2022, the Court held a hearing on the Interim Trustee Motion –
23 during which the Court granted the Interim Trustee Motion as provided in the order entered on
24 September 22, 2022 (the “Interim Trustee Order”) [Dkt No. 36].

25 4. The Interim Trustee Order directed the Office of the United States Trustee to
26 immediately appoint an interim chapter 7 trustee, required any appointed interim chapter 7 trustee
27 to file a report with the Court detailing his or her preliminary findings and continued the hearing on
28 the Interim Trustee Motion to October 4, 2022.

1 5. On September 23, 2022, Plaintiff was appointed as the interim trustee of Debtor’s
2 bankruptcy estate.

3 6. On October 6, 2022, Plaintiff was appointed as the duly acting and qualified chapter
4 trustee of Debtor’s bankruptcy estate [Dkt. No. 63].

5 **B. Instant Adversary Proceeding and Preliminary Injunction**

6 1. On October 18, 2022, Plaintiff initiated the instant adversary action, case number
7 8:22-ap-01091-TA, against Joshua R. Pukini, individually and as trustee of The Joshua R. Pukini
8 Trust dated 6/27/2013; Ryan Young, individually and as trustee of The Young Family Trust dated
9 8/24/2014, the Ryan J. Young Trust, and the Young Ryan Trust; Edmund Valasquez, Jr.; 108
10 Avenida Serra, LLC; 1034 W Balboa, LLC; 31831 Sunset LLC; AB Capital Fund A, LLC; AB
11 Capital Fund B, LLC; AB Capital Holdings I, LLC; AB Capital LFD, Inc.; ABC 2260 San Ysidro
12 LLC; BDP Development Partners, LLC; Cal-Pac Distressed Real Estate Fund I, LLC; Calpac
13 Management, Inc.; CalPac Mortgage Fund, LLC; Living Art Works LLC; Luna Construction
14 Management, LLC; and Tablerock Enterprises, LLC (“Defendants”).

15 2. On October 18, 2022, Plaintiff filed an emergency motion for temporary restraining
16 order and preliminary injunction (the “Injunction Motion”) [Adv. Dkt. No. 2].

17 3. On October 21, 2022, a hearing was held on the Injunction Motion, during which
18 time Defendants stipulated to the issuance of a temporary restraining order (“TRO”). A TRO
19 mutually agreeable to all Parties was entered by the Court on October 24, 2022 [Adv. Dkt. No. 21]
20 and a continued hearing on the Injunction Motion was scheduled for December 1, 2022 to determine
21 whether a preliminary injunction should be issued by the Court.

22 4. On November 30, 2022, and in an effort to avoid the uncertainty of litigation and to
23 reduce costs and expenses of all parties to this adversary action, Plaintiff and Defendants stipulated
24 to the issuance of a preliminary injunction (the “PI Stipulation”) [Adv. Dkt. No. 31].

25 5. On November 30, 2022, this Court entered the preliminary injunction (the
26 “Preliminary Injunction”) as per the PI Stipulation [Adv. Dkt. No. 32].

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1 6. The Preliminary Injunction covers “any asset...of any kind owner or controlled, in
2 whole or in part, by any of the [Defendants] (the ‘Enjoined Property’)” and “any entity, affiliate, or
3 subsidiary owned or controlled in whole or in part by Defendants...(the “Enjoined Parties”).
4 Preliminary Injunction 3:23 through 4:2. Paragraph 3 of the Preliminary Injunction provides that
5 “Enjoined Property” includes several types of real and personal property. Relevant to this
6 Stipulation, paragraph 3(ii) of the Preliminary Injunction provides that “Enjoined Property”
7 includes:

8 (ii) Any and all liens, notes, deeds of trust, assignments or security interests
9 related to or securing repayment of any loan, note, or any other obligation of any kind
10 (collectively “Liens”), held directly or indirectly by or for the benefit of Debtor
11 including but not limited to Liens related to the following real property: 2260 San
12 Ysidro Drive, Los Angeles, CA 90210 (2nd DOT); 437 E. 5th Street, Long Beach,
13 CA 90802 (1st DOT); 1611 Cliff Drive, Newport Beach, CA 92663 (2nd DOT); 1312
14 Beverly Grove Place, Beverly Hills, CA 90210 (2nd DOT); 7 Makena Lane, Rancho
15 Mirage, CA 92270 (2nd DOT); and 8018 La Milla, Rancho Santa Fe, CA 92067 (1st
16 DOT) (the “Debtor’s Lien Interests”).

17 Preliminary Injunction 4:11-18. Further, paragraph 3(iii) of the Preliminary Injunction provides that
18 “Enjoined Property” includes:

19 (iii) Any and all liens, notes, deeds of trust, assignments or security interests
20 related to or securing repayment of any loan, note, or any other obligation of any kind
21 (collectively “Liens”) held directly or indirectly by or for the benefit of any affiliate
22 or insider of the Debtor, including but not limited to Liens related to the following
23 real property: 1034 W. Balboa Boulevard, Newport Beach, CA 92661; 108 Avenida
24 Serra, San Clemente, CA 92672; 31831 Sunset Avenue, Laguna Beach, CA 92651;
25 1 Makena Lane, Rancho Mirage, CA 92270; 2 Makena Lane, Rancho Mirage, CA
26 92270; 4 Makena Lane, Rancho Mirage, CA 92270; 5 Makena Lane, Rancho Mirage,
27 CA 92270; 7 Makena Lane, Rancho Mirage, CA 92270; 2260 San Ysidro Drive, Los
28 Angeles, CA 90210; 3301 Coldwater Canyon Avenue, Studio City, CA 91604; 530
Alta Vista Way, Laguna Beach, CA 92651; 1312 Beverly Grove Place, Beverly Hills,
CA 90210; 501 S. Olive Street, Anaheim, CA 92805; 109 Rivo Alto Canal, Long
Beach, CA 90803; 170 N. Circulo Robel, Anaheim, CA 92807; 20620 Manzanita
Avenue, Yorba Linda, CA 92886; 5578 Avenida Adobe, Yorba Linda, CA 92886;
5632 Campo Walk, Long Beach, CA 90803; 7890 East Berner Street, Long Beach,
CA 90808; and 38861 Elmwood Drive, Rancho Mirage, CA 92270; 2826-041-022,
Los Angeles County, CA; 112 22nd Street, Newport Beach, CA 92663; and 7900 E.
Cramer Street, Long Beach, CA 90808 (the “Affiliate or Insider Real Property
Interests”).

29 Preliminary Injunction 4:19-27, 5:1-7.

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1 7. The Preliminary Injunction authorizes Plaintiff, in his discretion and business
2 judgment, among other permissible actions, to actively market for sale the Affiliate or Insider Real
3 Property and to collect payments due and owing under the Debtor Notes and Other Instruments.

4 Preliminary Injunction 10:15-24, 11:1-8.

5 8. Further, of relevance to this Stipulation, paragraph 9 of the Preliminary Injunction
6 provides:

7 Subject to the terms and conditions set forth in paragraphs 11 through 15 below,
8 Defendants shall cooperate with, report to and take advice and direction from the
9 Trustee and his agents, counsel and representatives as necessary in the Trustee's
10 discretion in: (a) marketing, selling and managing the Enjoined Property; (b)
11 collecting on notes constituting the Enjoined Property; (c) pursuing foreclosure
remedies associated with the Enjoined Property; and (d) taking any other actions that
are reasonably necessary to monetize the Enjoined Property for the benefit of the
estate and creditors (all of which shall be referred to herein as the "Cooperation
Activities").

12 Preliminary Injunction 8:23-27, 9:1-2.

13 9. Finally, of relevance to this Stipulation, paragraph 17 of the Preliminary Injunction
14 provides:

15 Any and all net proceeds resulting from sale, enforcement or other disposition of
16 any Affiliate or Insider Real Property, Affiliate or Insider Lien Interests, Affiliate or
17 Insider Claims or Affiliate or Insider Ownership Interests after payment of
reasonable and ordinary closing costs, including reasonable brokerage commissions
and valid encumbrances or in the case of Affiliate or Insider Claims, payment of
reasonable attorneys' fees and costs incurred in relation thereto (but not including
18 any administrative fees or costs of the Trustee or his professionals, which may only
19 be paid upon entry of a final order of the bankruptcy court approving same),
approved by the Trustee in his sole discretion (the "Net Proceeds"), shall be held in
20 a segregated account by the Trustee subject to any claims, rights, or defenses
asserted by Defendants.

21 Preliminary Injunction 12:1-9.

22 **C. Appointment of J. Michael Issa as CRO**

23 1. The CalPac Entities seek to engage Mr. Issa, of B. Riley, to serve as CRO of the
24 CalPac Entities (defined below) and to provide a variety of financial and management consulting
25 services for the CalPac Entities and other Enjoined Entities that are affiliates of the CalPac Entities.

26 Attached hereto as **Exhibit "1"** is a true and correct copy of the fully executed engagement letter
27 for the appointment of Mr. Issa as CRO, which has been approved by all Parties ("Engagement
28 Letter").

1 2. Mr. Issa believes that he will need the assistance of counsel in his capacity as the
2 CRO of the CalPac Entities. The Parties have agreed, as stipulated below, that he may hire William
3 J. Wall, Esq. of Wall & Son (“Mr. Wall”) as his counsel and that Mr. Wall may be paid from the
4 Net Proceeds received from the sale of any of the Controlled Properties as provided for below.

5 3. Mr. Issa is also authorized to provide consulting services, recommendations and
6 advice to Plaintiff in connection with Plaintiff’s prospective sale, disposition and/or management of
7 the Enjoined Property, as that term is defined in the Preliminary Injunction.

8 **D. The Controlled Assets**

9 1. CalPac Management is the sole member of CalPac Mortgage (collectively, the
10 “CalPac Entities”).

11 2. Title in the following Enjoined Properties are vested in CalPac Mortgage: (1) 112
12 22nd Street, Newport Beach, California 92663¹; (2) 501 S. Olive Street, Anaheim, CA 92805; (3)
13 540 Alta Visa Way, Laguna Beach, CA 92651; (4) 1312 Beverly Grove Place, Beverly Hills, CA
14 90210; (5) 1611 Cliff Drive, Newport Beach, CA 92663; (6) 3301 Coldwater Canyon Avenue,
15 Studio City, CA 91604; and 8807 Carron Drive, Pico Rivera, CA 90660 (collectively, the
16 “Controlled Properties”).

17 3. CalPac Mortgage is also a lender and, in addition to loans against some of the
18 Controlled Properties, it also has/had the following loans against real properties owned by third
19 parties: (1) a third deed of trust for \$1,750,000.00 against the real property located at 437 East 5th
20 Street, Long Beach, CA 90802; (2) a second deed of trust for \$500,000.00 against the real property
21 located at 109 Rivo Alto Canal, Long Beach, CA 90803; and (3) a first deed of trust for
22 \$2,000,000.00 against the real property located at 1358 Laurie Drive, Studio City² (collectively, the
23 “Controlled Loans”).

24 _____
25 ¹ Plaintiff filed his *Motion to Modify Terms of the Preliminary Injunction to Remove Certain Real Proeprties from the*
26 *Defined Phrase “Enjoined Properties”* in this adversary proceeding on April 6, 2023 [Dkt. No. 121] (“PI Modification
Motion”). The PI Modification Motion requests that the real property located at 112 22nd Street, Newport Beach,
27 California 92663 be removed from the defined phrase “Enjoined Parties.” The hearing on the PI Modification Motion
is scheduled for April 27, 2023.

28 ² This property was owned by PB-1, LLC, which filed a voluntary Chapter 11 petition on July 29, 2019, Case No. 1:18-
bk-12855-MT. This property was sold on April 27, 2022 and PB-1, LLC now holds the sale proceeds in a cash collateral

1 4. In addition to the specifically described Controlled Properties and the Controlled
2 Loans, the “Controlled Assets” include any Enjoined Properties for which the CalPac Entities assert,
3 in good faith and supported by documentary evidence, to have an interest. For the sake of clarity,
4 whether a property is included within the defined term Controlled Assets does not resolve the issue
5 of who actually owns said property, which is an issue to be litigated and determined in the above-
6 captioned adversary action. All rights, claims and defenses are expressly reserved [See Paragraph
7 7 below].

8 5. The Controlled Assets include rights to the 15 Corporate Plaza leasehold, rents
9 derived from the 15 Corporate Plaza leasehold and the FF&E in Suite 200 of 15 Corporate Plaza.
10 However, the Parties expressly acknowledge that the existence, status and ownership of the 15
11 Corporate Plaza leasehold is the subject of litigation initiated by Heritage One in Debtor’s
12 bankruptcy. Nothing in this paragraph shall be interpreted to be: (1) an admission of fact; (2) a
13 waiver of any defense; (3) an admission of liability; or (4) a stipulation as to who owns the leasehold
14 rights at 15 Corporate Plaza or any right or benefit flowing from such ownership.

15 6. For the sake of clarity, nothing in this Stipulation: (a) shall be interpreted to be an
16 acknowledgment of any Party’s ownership of the Controlled Assets or (b) shall be interpreted to
17 confer an ownership interest in the Controlled Assets. The issue of actual, legal, beneficial and/or
18 equitable ownership of the Controlled Assets is an issue to be litigated and determined in the above-
19 captioned adversary action and all Parties expressly reserve any and all rights, claims and defenses
20 in relation thereto.

21 **E. Joshua R. Pukini Trust Dated June 27, 2013**

- 22 1. On June 27, 2013, Mr. Pukini established the Joshua R. Pukini Trust (the “Trust”).
23 2. Pursuant to the power reserved to amend the Trust in Article XIII of the Trust, Mr.
24 Pukini, as Trustor, intends to modify the Trust to allow for the appointment of Lee Naujock as the
25 successor Trustee of the Trust.

26
27 _____
28 account pending the resolution of adversary proceeding, *PB-1, LLC v. CalPac Management, Inc., et al.*, Adv. Case No.
1:20-ap-0116-MT.

1 3. Mr. Pukini intends to resign as the Trustee of the Trust and Mr. Naujock will succeed
2 Mr. Pukini as the Trustor of the Trust.

3 **II. STIPULATION**

4 **NOW, THEREFORE,** the Parties stipulate and agree to the following terms:

5 1. The Preliminary Injunction is modified to allow for the appointment of Mr. Issa as
6 CRO for the CalPac Entities.

7 2. No other person shall be designated the CRO for the CalPac Entities absent the
8 consent of Plaintiff or an Order of this Court. The compensation paid to Mr. Issa is set forth in detail
9 in the Engagement Letter, however, absent further Order of this Court, the maximum compensation
10 to be paid for the year after the initial retainer is exhausted shall be Fifty Thousand Dollars
11 (\$50,000.00).

12 3. Although Mr. Issa will not have any authority to manage or dispose of any assets of
13 CalPac Entities or any of the Enjoined Parties, he shall have the authority to work with and give his
14 advice to Plaintiff in furtherance of the Cooperation Activities required under the Preliminary
15 Injunction and he shall have authority to assert any objections to the disposition of the Controlled
16 Assets in any proceeding before this Court pursuant to the terms of the Preliminary Injunction.

17 4. The Parties agree that Mr. Issa, in his capacity as CRO for the CalPac Entities, may
18 retain Mr. Wall as his counsel. Mr. Wall shall be paid a Twenty-Five Thousand Dollar (\$25,000.00)
19 retainer from the Net Proceeds received from the sale of one of the Controlled Properties by Plaintiff
20 from the segregated account holding the Net Proceeds. Once the retainer has been exhausted, Mr.
21 Wall shall be paid his reasonable fees and expenses incurred as counsel for Mr. Issa, in his capacity
22 as CRO for the CalPac Entities, by Plaintiff from the segregated account holding the Net Proceeds
23 received from the sale of the Controlled Properties by Plaintiff. In no event shall Mr. Wall's
24 reasonable fees and expenses exceed Forty-Eight Thousand Dollars (\$48,000.00) per year. To the
25 extent Mr. Wall's reasonable fees and expenses exceed Forty-Eight Thousand Dollars (\$48,000.00)
26 per year, such fees and expenses shall be paid from funds which are not related to the Controlled
27 Properties or any of the Enjoined Properties. The Parties agree that Mr. Issa, in his capacity as CRO
28

1 for the CalPac Entities, may not hire any other counsel absent the consent of the Parties or an Order
2 of this Court.

3 5. The CalPac Entities shall execute the Resolutions attached hereto as **Exhibits “2”**
4 **and “3”** (“CalPac Resolutions”), which have been reviewed and approved by the Parties. The
5 CalPac Resolutions provide in part that Mr. Issa shall have the authority under the Engagement
6 Letter to act on behalf of Mr. Pukini and Mr. Young, as officers and directors of CalPac Entities,
7 with respect to the sale, disposition, or management of any of the Enjoined Properties, subject to the
8 terms and limitations set forth in the Preliminary Injunction and as set forth herein.

9 6. Pursuant to paragraphs 12, 13, and 14 of the Preliminary Injunction, the Trustee is
10 expressly permitted to (a) market, sell and manage the Enjoined Property; (b) collect on notes
11 constituting the Enjoined Property; (c) pursue foreclosure remedies associated with the Enjoined
12 Property; and (d) take any other actions that are reasonably necessary to monetize the Enjoined
13 Property for the benefit of the estate and creditors (“Permissive Act”). For the sake of clarity, for
14 any of the Controlled Assets, Mr. Issa, in his capacity as CRO for the CalPac Entities, shall provide
15 the Trustee with his advice regarding any Permissive Act impacting Controlled Assets. Absent
16 further Order of this Court, Mr. Issa shall not have any authority to sell, dispose of, or manage any
17 Controlled Assets or to handle the proceeds thereof. In the event that there is either mutual consent
18 or a court order authorizing a Permissive Act, Mr. Issa, in his capacity as CRO for the CalPac
19 Entities, shall take all actions reasonably necessary to consummate the Permissive Act, including,
20 if necessary, the execution of settlement agreements, deeds, escrow instructions and any other
21 documents required to close escrow, and any other document necessary to consummate the
22 Permissive Act.

23 7. Notwithstanding any other provision herein, Mr. Issa shall not have any custody or
24 control over Defendant Tablerock Enterprises, LLC.

25 8. To the extent there is any inconsistency between the CalPac Resolutions and the
26 Preliminary Injunction, as modified herein, the terms of the Preliminary Injunction, as modified
27 herein, shall control. No other person shall be authorized to make said decisions or have such
28 authority absent a further Order of this Court.

1 9. The Parties agree that absent a further Order of this Court, no assignment for benefit
2 of creditors shall be initiated and no proceeding under the Bankruptcy Code shall be initiated on
3 behalf of the CalPac Entities.

4 10. Nothing in this Stipulation shall prejudice any Party's rights to seek substantive
5 consolidation or to oppose substantive consolidation of any of the CalPac Entities or any other
6 Enjoined Parties.

7 11. On a monthly basis, Plaintiff shall provide a report of all receipts and disbursements
8 related to the disposition of assets of the CalPac Entities. Plaintiff shall also provide any and all
9 financial information reasonably requested by Mr. Issa, in his capacity as CRO for the CalPac
10 Entities.

11 12. The Parties acknowledge and agree that they entered into this Stipulation because it
12 offers the most cost-effective approach of liquidating the Controlled Assets under the circumstances,
13 while providing reasonable oversight and consultation.

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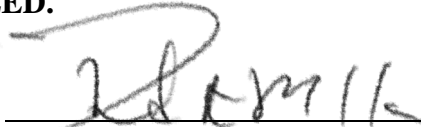
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1 13. Plaintiff does not object to the amendment to the Trust which allows Mr. Naujock to
2 be appointed as successor Trustee of the Trust.

3 **IT IS SO STIPULATED AND AGREED.**

4 DATED: April 27, 2023

5 By: 
Richard A. Marshack, Chapter 7 Trustee

6
7 **R. RILEY ADVISORY SERVICES**

8 DATED: April ____, 2023

9 By: _____
J. Michael Issa

10
11 **CALPAC MANAGEMENT, INC.**

12 DATED: April ____, 2023

13 By: _____
Joshua R. Pukini, SVP and Director for Manager

14
15 **CALPAC MORTGAGE FUND, LLC**

16 DATED: April ____, 2023

17 By: _____
Joshua R. Pukini, Owner and Signor for LLC
Manager

18
19 DATED: April ____, 2023

20 By: _____
Ryan Young, individually

21 DATED: April ____, 2023

22 By: _____
Joshua R. Pukini, individually

1 13. Plaintiff does not object to the amendment to the Trust which allows Mr. Naujock to
2 be appointed as successor Trustee of the Trust.

3 **IT IS SO STIPULATED AND AGREED.**

4 DATED: April __, 2023

5 By: _____
6 Richard A. Marshack, Chapter 7 Trustee

7 **R. RILEY ADVISORY SERVICES**

8 DATED: ^{MAY} April 1, 2023

9 By: _____
10 J. Michael Issa

11 **CALPAC MANAGEMENT, INC.**

12 DATED: April __, 2023

13 By: _____
14 Joshua R. Pukini, SVP and Director for Manager

15 **CALPAC MORTGAGE FUND, LLC**

16 DATED: April __, 2023

17 By: _____
18 Joshua R. Pukini, Owner and Signor for LLC
19 Manager

20 DATED: April __, 2023

21 By: _____
22 Ryan Young, individually

23 DATED: April __, 2023

24 By: _____
25 Joshua R. Pukini, individually

1 13. Plaintiff does not object to the amendment to the Trust which allows Mr. Naujock to
2 be appointed as successor Trustee of the Trust.

3 **IT IS SO STIPULATED AND AGREED.**

4 DATED: April __, 2023

By: _____
Richard A. Marshack, Chapter 7 Trustee

7 **R. RILEY ADVISORY SERVICES**

8 DATED: April __, 2023

By: _____
J. Michael Issa

11 **CALPAC MANAGEMENT, INC.**

12 DATED: April __, 2023

By: _____
Joshua R. Pukini, SVP and Director for Manager

14 **CALPAC MORTGAGE FUND, LLC**

15 DATED: April __, 2023

By: _____
Joshua R. Pukini, Owner and Signor for LLC
Manager

19 DATED: April __, 2023

By: _____
Ryan Young, individually

22 DATED: April __, 2023

By: _____
Joshua R. Pukini, individually

1 13. Plaintiff does not object to the amendment to the Trust which allows Mr. Naujock to
2 be appointed as successor Trustee of the Trust.

3 **IT IS SO STIPULATED AND AGREED.**

4 DATED: April __, 2023

5 By: _____
6 Richard A. Marshack, Chapter 7 Trustee

7 **R. RILEY ADVISORY SERVICES**

8 DATED: April __, 2023

9 By: _____
10 J. Michael Issa

11 **CALPAC MANAGEMENT, INC.**

12 DATED: April __, 2023

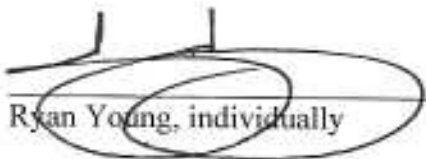
13 By: _____
14 Joshua R. Pukini, SVP and Director for Manager

15 **CALPAC MORTGAGE FUND, LLC**

16 DATED: April __, 2023

17 By: _____
18 Joshua R. Pukini, Owner and Signor for LLC
19 Manager

20 DATED: April 29, 2023

21 By:  _____
22 Ryan Young, individually

23 DATED: April __, 2023

24 By: _____
25 Joshua R. Pukini, individually

EXHIBIT 1

EXHIBIT 8

April 28, 2023

Joshua Pukini
c/o William J. Wall (wwall@wall-law.com)
Wall & Son
26895 Aliso Creek Road #B-110
Aliso Viejo, CA 92656

Re: Calpac Management Inc and Calpac Mortgage Fund
Engagement for Interim Restructuring Officer

This engagement agreement confirms our understanding that Calpac Management Inc and Calpac Mortgage Fund (“Clients” or collectively “Calpac”) are engaging J. Michael Issa (Issa) of GlassRatner Advisory & Capital Group, LLC dba B. Riley Advisory Services (B. Riley) to serve as Chief Restructuring Officer of Clients and to provide a variety of financial and management consulting services for Clients. Clients are also engaging B. Riley to provide support to Issa in this matter.

Clients and principals are bound by an injunction (the “Preliminary Injunction”) entered in an adversary action arising in the bankruptcy case of AB Capital, LLC (“AB Capital”). The Clients need additional resources to assist in the planning, implementation and monitoring of various activities involving the Clients’ assets and the interaction with the chapter 7 trustee of AB Capital’s bankruptcy estate (“Trustee”) and the Bankruptcy Court. The Clients have requested that J. Michael Issa of B. Riley provide assistance in these matters because of his background and experience.

Scope of Services

We understand that Clients are in need of executive level assistance regarding its ongoing business operations and have determined they need to hire a Chief Restructuring Officer and wish to appoint J. Michael Issa to that position. The services to Clients which may be provided by Issa include but are not limited to the following:

1. (1) reviewing, evaluating, and participating in various negotiations with Trustee, creditors, lenders, lessors, etc.; (2) assisting as requested in the assessment and possible monetization of Clients’ assets (3) assisting and/or preparing reports, if necessary, (4) testifying as necessary in any bankruptcy proceedings; (5) interacting with Trustee regarding his handling of the various assets under his jurisdiction; and, (6) otherwise assisting in such matters as will aid in accomplishing the foregoing.

2. It is understood that, in his capacity as Chief Restructuring Officer, Issa will be entitled to employ persons to assist him in performing his duties, including, without limitation, other persons employed or working for B. Riley.
3. It is expressly contemplated that Mr. Issa will interact with and provide professional observations to Trustee and his professionals in conjunction with this engagement.

Compensation

The terms of compensation are as follows:

Hourly Charges

- a) **Hourly Charges:** A retainer of \$25,000 will be required to begin work. B. Riley will charge the Client for the actual time (hourly) spent by each professional multiplied by their standard hourly billing rate. The standard hourly billing rates for those initially assigned to this engagement are as follows:

J. Michael Issa	\$595
Other Consultants	\$250-650

B. Riley will submit bills to Clients on a monthly basis which are due and payable upon presentation. The retainer will be applied to the final bill and any excess will be refunded to Clients at the conclusion of the assignment. In the event B. Riley or Issa are served with a subpoena in connection with any matters covered by this Agreement, Issa agrees to immediately notify Clients of such service. Clients shall pay for all B. Riley or Issa's time and expenses associated with this action at the rates set out above.

- b) **Expenses:** Out-of-pocket expenses for travel, reproduction, printing, graphics, messenger services, overnight mail, shipping, and other 3rd party charges will be billed to you at our cost in addition to our professional fees. You have authorized us to advance such costs and make such out-of-pocket expenditures as may be reasonably necessary in connection with our services.

In the event that either Client decides to seek bankruptcy protection and Mr. Issa is willing to continue to function as Client's CRO in the bankruptcy, the Client agrees that a supplement to this engagement letter would be required.

From the funds held by Trustee that could be related to Calpac pursuant to certain agreements and orders of the Bankruptcy Court, B. Riley shall be paid the initial retainer when Trustee receives consent from either of Mr. Pukini and/or Mr. Young to distribute the funds. As part of the incentive for Trustee to consent to this retainer, Parties to this agreement hereby consent that Mr. Issa and B. Riley will advise Trustee and his professionals and will share any opinions and conclusions he or B. Riley has not only with Calpac/Clients but also with Richard Marshack as Trustee of AB Capital and his professionals.

B. Riley will issue a bill by the 10th of each month for services rendered in the previous month. Bill shall be sent to Mr. Pukini and his counsel, Mr. Young and his counsel, whoever else Mr. Pukini and Mr. Young so designate, Trustee and Ms. Kraus and Mr. Bastian and Ms. Thagard and anyone else those Parties designate. Any party in interest shall have until the 20th of the month the bill was sent assuming timely delivery to object and if there are no objections Trustee is authorized to pay from funds on hand and if there is an objection then 1) Trustee shall pay the undisputed portion and 2) BRiley and the party having the dispute shall meet and discuss and seek to resolve the dispute within 20 days of mailing of the objection and if there is a resolution Trustee may pay upon receipt of a signed or confirmed resolution and if there is no resolution the matter will be submitted to Judge Theodor Albert or whatever Judge is handling the AB Capital case.

Trustee on behalf of AB Capital and Pukini and Young on behalf of Calpac agree to this arrangement as it will facilitate operating this case in a cost efficient manner as opposed to the filing of a proceeding under the bankruptcy code by Calpac. By and through Trustee, AB Capital consents to make the fees for Issa/B. Riley's work available on the condition that Calpac represents and agrees that by entering into this agreement that it will not file a petition under the bankruptcy code. Subject to the restrictions and terms of the Preliminary Injunction, Mike Issa and B. Riley shall have the authority under this agreement to act on behalf of Clients, in lieu of Joshua Pukini and Ryan Young acting on behalf of Clients, with respect to sale, disposition and management of the Enjoined Properties(as defined in the Preliminary Injunction) in which Clients have an interest, so long as such property remains subject to the Preliminary Injunction. For the sake of clarity, nothing in this agreement shall expand Clients', Mr. Pukini's, or Mr. Young's rights under the Preliminary Injunction.

If Clients, Trustee, and B. Riley fail to reach a mutually satisfactory agreement concerning adequate assurance of payment, Clients hereby agree that B. Riley shall have the absolute right to withdraw as a financial consultant for Clients, be immediately relieved of any and all obligations to perform further services or otherwise represent Clients, retain all fees and costs earned and paid to date without prejudice to B. Riley's right to collect unpaid fees and costs in excess of amounts previously paid to B. Riley. If B. Riley agrees to continue representing Clients without being provided with such adequate assurance of payment, B. Riley shall not be deemed to have waived its rights to seek payment of fees and costs, nor shall B. Riley be deemed to have waived its right to withdraw as financial consultant any time thereafter.

Limitations

B. Riley is not a public accounting firm. Our procedures and consulting services will not constitute an "Audit" in accordance with generally accepted auditing standards in the US. Accordingly, we will not be expressing an Audit opinion on any of the financial or other dated included in our analysis.

Hold Harmless

Clients and Clients' principals agree to hold harmless B. Riley (including any employees or affiliated persons and Mr. Issa personally) from and against all claims, liabilities, losses and damages arising out of our services performed upon the Clients' behalf except to the extent caused by gross negligence or willful misconduct by us.

Termination

This agreement may be terminated immediately by either party, in its sole discretion, for any reason whatsoever. Upon termination of this agreement, B. Riley shall be entitled to all unpaid expenses incurred pursuant to this agreement and the remaining unpaid balance of any fee, which is due and payable pursuant hereto.

Governing Law; Dispute Resolution

The laws of the State of California or the AB Capital bankruptcy court shall govern this agreement and any controversy arising under it. Any disputes arising hereunder shall be resolved by binding arbitration.


Conclusion

We look forward to working with you on this matter. All correspondence should be directed to us at the following address:

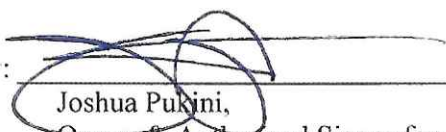
Mike Issa
Senior Managing Director
B. Riley Advisory Services
19800 MacArthur Blvd., Ste. 820
Irvine, CA 92612
Tel: (949) 407-6620
missa@brileyfin.com

If you agree with the terms of this agreement, please sign and return one copy to us.

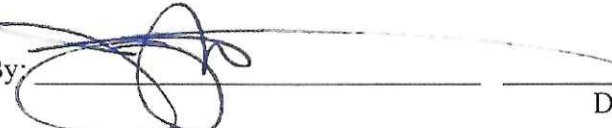
CALPAC MANAGEMENT, INC.

By:  _____ Date _____
Joshua Pukini, SVP and Director for Manager

CALPAC MORTGAGE FUND, LLC

By:  _____ Date _____
Joshua Pukini, Owner & Authorized Signor for LLC Manager

Joshua Pukini, individually

By:  _____ Date _____

Ryan Young, individually

By:  _____ Date 4/29/23

B. RILEY ADVISORY SERVICES

By: _____ Date _____
J. Michael Issa



Ryan Young, individually

By: _____ Date _____

B. RILEY ADVISORY SERVICES

By:  _____ Date 5/1/2023

J. Michael Issa

EXHIBIT 2

ACTION BY UNANIMOUS WRITTEN CONSENT
OF THE BOARD OF DIRECTORS
OF
CALPAC MANAGEMENT, INC.,
a California corporation

The undersigned, being all of the Directors of CALPAC MANAGEMENT, INC., a California corporation (the “Corporation”), and pursuant to the laws of the State of California and the Bylaws of the Corporation, do hereby take the following actions by their unanimous written consent:

CRO APPOINTMENT

WHEREAS, an Involuntary Petition was filed on September 15, 2022 by Petitioning Creditors for relief under Chapter 7 of the Bankruptcy Code in the United States Bankruptcy Court, Central District of California (the “Bankruptcy Court”), Santa Ana Division as Case No: 8-22-bk-11585-TA entitled *In re AB Capital, LLC, a California limited liability company*, Putative Debtor (the “Chapter 7 Case”);

WHEREAS, this Corporation (a) has been deemed related, affiliated and/or a subsidiary to Putative Debtor and (b) is a Defendant in related adversary proceeding entitled *Marshack v. Pukini, et al.*, Case No: 8:22-ap-01091-TA (“Adversary Proceeding”), and, as a result, is an “Enjoined Party” subject to and defined in that certain Preliminary Injunction filed and entered on November 30, 2022 in the Adversary Proceeding (the “Preliminary Injunction”);

WHEREAS, a proposal has been made to the Board of Directors to elect and/or appoint a qualified individual or Corporation as Chief Restructuring Officer (“CRO”) for the purposes of providing business advice and financial and management consulting services to the Corporation, including, evaluation of its business activities, implementation and monitoring of various activities involving the Corporation’s assets, interaction with Richard A. Marshack, as chapter 7 trustee for the bankruptcy estate of AB Capital, LLC and the Bankruptcy Court regarding the Chapter 7 Case and Adversary Proceeding, its financial position and development of a restructuring plan;

WHEREAS, the Corporation has received and reviewed that certain (i) resume of J. Michael Issa (“M. Issa”) and GlassRatner Advisory & Capital Group, LLC d/b/a B. Riley Advisory Services (“B. Riley”, collectively with M. Issa, the “Consultant”), specializing in the provision of fiduciary and consulting services, including CRO services, (ii) additional information regarding specific fiduciary and financial services to be provided by J. Michael Issa (as CRO) and/or B. Riley Inc., or designee and (iii) that certain engagement letter from B. Riley referencing Engagement for Interim Restructuring Officer dated April 13, 2023 (the “CRO Engagement”) outlining its available CRO business advice and consultation services to the Corporation and the retainer and fees required for those services (collectively the “Engagement Documents”);

WHEREAS, a proposal has been submitted to the Board of Directors after review of the Engagement Documents for the Corporation to enter into and execute the CRO Engagement appointing M. Issa as its CRO, and to enter into and execute certain instruments and documents as referenced, related and/or ancillary thereto, and any amendments to the foregoing documentation;

WHEREAS, the Corporation desires to indemnify and hold harmless Consultant, as well as any of its agents, attorneys, associates, employees, and any other representatives”, from any and all claims, damages, liabilities, expenses, and losses that may arise out of or in connection with the Consultant’s performance of the Engagement services;

WHEREAS, after due deliberation, these proposals are considered to be in the best interests of the Corporation and its Shareholder(s) and are thereby approved;

NOW, THEREFORE, BE IT RESOLVED, that J. Michael Issa of GlassRatner Advisory & Capital Group, LLC d/b/a B. Riley Advisory Services is hereby elected and appointed CRO (Chief Restructuring Officer) for the Corporation pursuant to the terms of that certain engagement letter from B. Riley referencing Engagement for Interim Restructuring Officer dated April 13, 2023 under which Consultant will provide business advice and consultation to the Corporation, and the Corporation would provide an indemnification to Consultant, or designee, from and against any and all claims resulting from or arising out of the engagement, with the CRO reporting directly to the Board of Directors.

RESOLVED FURTHER, that Consultant shall have the authority under the Engagement Documents to act on behalf of the Corporation, in lieu of Josh Pukini or Ryan Young acting on behalf of the Corporation, as officers and directors of the Manager and Member, with respect to the sale, disposition, or management of any of the Enjoined Properties (as defined in the Preliminary Injunction) in which the Corporation has an interest, so long as such property remains subject to the Preliminary Injunction, subject to the terms and limitations set forth in the Preliminary Injunction. For the sake of clarity, nothing herein shall expand the Corporation's rights under the Preliminary Injunction

RESOLVED FURTHER, that the Corporation, by and through its Officers and/or Directors, are authorized to (i) execute the CRO Engagement, (ii) reimburse expenses to Consultant or designee required thereunder, (iii) pay the initial retainer and all additional sums due thereunder.

RESOLVED FURTHER, the Corporation desires to indemnify and hold harmless Consultant, as well as any of its agents, attorneys, associates, employees, and any other representatives, from any and all claims, damages, liabilities, expenses, and losses that may arise out of or in connection with the Engagement.

RESOLVED FURTHER, that any act or acts of any person or persons designated and authorized to act by the Board of Directors of the Corporation, which acts would have been authorized by the foregoing resolutions, except that such acts were taken prior to the adoption of such resolutions, be, and they hereby are, severally ratified, confirmed, approved and adopted in all respects as acts in the name and on behalf of this Corporation.

ADDITIONAL RESOLUTIONS

RESOLVED FURTHER, that all acts lawfully done or actions lawfully taken by any Directors or officers of the Corporation or any professionals engaged by the Corporation in connection with the Chapter 7 Case or any proceedings related thereto, or any matter related thereto, be, and hereby are, adopted, ratified, confirmed and approved in all respects as the acts and deeds of the Corporation.


FURTHER RESOLVED, that any and all actions and transactions by the Directors or any officer for and on behalf and in the name of the Corporation with respect to any transactions contemplated by the foregoing resolutions before the adoption of the foregoing resolutions be, and they hereby are, ratified, authorized, approved, adopted and consented to in all respects for all purposes.

FURTHER RESOLVED, that the Officers and Directors of the Corporation are authorized and directed to certify and/or attest these resolutions, certificate of incumbency and such other documents or instruments that the Officers or Directors of the Corporation may deem necessary or appropriate in connection with the

foregoing matters; provided, however, that such certification and/or attestation shall not be required for any document, instrument or agreement to be valid and binding on the Corporation.

FURTHER RESOLVED, that the Directors or any officer of the Corporation shall, upon action by the Officers or Directors be authorized, directed and empowered, in the name and on behalf of the Corporation, to negotiate, execute, deliver, and perform, or cause to be negotiated, executed, delivered, and performed, and take such actions and execute, acknowledge, deliver and verify such agreements, certificates, instruments, guaranties, notices and any and all other documents as any proper Director or officer of the Corporation may deem necessary or appropriate to facilitate the transactions contemplated by the foregoing resolutions, as may be deemed necessary, desirable or appropriate.

IN WITNESS WHEREOF, the undersigned, being all of the Directors of the Corporation, have executed this action and adopted these resolutions by their unanimous written consent, evidenced by their signatures herein below, or on one or more counterparts of this action, which, when taken together shall constitute one action, and which may be delivered by facsimile, email or other internet transmission of .pdf, .jpg, .tiff, or other image files or other signature mechanism. This action and such resolutions shall become effective as of and on April 29, 2023.



RYAN YOUNG, Director

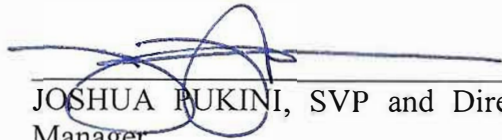
JOSHUA PUKINI, SVP and Director for
Manager

foregoing matters; provided, however, that such certification and/or attestation shall not be required for any document, instrument or agreement to be valid and binding on the Corporation.

FURTHER RESOLVED, that the Directors or any officer of the Corporation shall, upon action by the Officers or Directors be authorized, directed and empowered, in the name and on behalf of the Corporation, to negotiate, execute, deliver, and perform, or cause to be negotiated, executed, delivered, and performed, and take such actions and execute, acknowledge, deliver and verify such agreements, certificates, instruments, guaranties, notices and any and all other documents as any proper Director or officer of the Corporation may deem necessary or appropriate to facilitate the transactions contemplated by the foregoing resolutions, as may be deemed necessary, desirable or appropriate.

IN WITNESS WHEREOF, the undersigned, being all of the Directors of the Corporation, have executed this action and adopted these resolutions by their unanimous written consent, evidenced by their signatures herein below, or on one or more counterparts of this action, which, when taken together shall constitute one action, and which may be delivered by facsimile, email or other internet transmission of .pdf, .jpg, .tiff, or other image files or other signature mechanism. This action and such resolutions shall become effective as of and on April ___, 2023.

RYAN YOUNG, Director



JOSHUA RUKINI, SVP and Director for
Manager

EXHIBIT 3

EXHIBIT 8

ACTION BY WRITTEN CONSENT
OF THE MANAGER AND MEMBER
OF
CALPAC MORTGAGE FUND, LLC,
a California limited liability company

The undersigned, being the Manager and sole Member of CALPAC MORTGAGE FUND, LLC, a California limited liability company (the “Company”), and pursuant to the laws of the State of California and the Operating Agreement of the Company, does hereby take the following actions by its written consent:

CRO APPOINTMENT

WHEREAS, an Involuntary Petition was filed on September 15, 2022 by Petitioning Creditors for relief under Chapter 7 of the Bankruptcy Code in the United States Bankruptcy Court, Central District of California (the “Bankruptcy Court”), Santa Ana Division as Case No: 8-22-bk-11585-TA entitled *In re AB Capital, LLC, a California limited liability company*, Putative Debtor (the “Chapter 7 Case”);

WHEREAS, this Company (a) has been deemed related, affiliated and/or a subsidiary to Putative Debtor and (b) is a Defendant in related adversary proceeding entitled *Marshack v. Pukini, et al.*, Case No: 8:22-ap-01091-TA (“Adversary Proceeding”), and, as a result, is an “Enjoined Party” subject to and defined in that certain Preliminary Injunction filed and entered on November 30, 2022 in the Adversary Proceeding (the “Preliminary Injunction”);

WHEREAS, a proposal has been made to the Manager and sole Member to elect and/or appoint a qualified individual or company as Chief Restructuring Officer (“CRO”) for the purposes of providing business advice and financial and management consulting services to the Company, including, evaluation of its business activities, implementation and monitoring of various activities involving the Company assets, interaction with Richard A. Marshack, as chapter 7 trustee for the bankruptcy estate of AB Capital, LLC and the Bankruptcy Court regarding the Chapter 7 Case and Adversary Proceeding, its financial position and development of a restructuring plan;

WHEREAS, the Company has received and reviewed that certain (i) resume of J. Michael Issa (“M. Issa”) and GlassRatner Advisory & Capital Group, LLC d/b/a B. Riley Advisory Services (“B. Riley”, collectively with M. Issa, the “Consultant”), specializing in the provision of fiduciary and consulting services, including CRO services, (ii) additional information regarding specific fiduciary and financial services to be provided by J. Michael Issa (as CRO) and/or B. Riley Inc., or designee and (iii) that certain engagement letter from B. Riley referencing Engagement for Interim Restructuring Officer dated April 13, 2023 (the “CRO Engagement”) outlining its available CRO business advice and consultation services to the Company and the retainer and fees required for those services (collectively the “Engagement Documents”);

WHEREAS, a proposal has been submitted to the Manager and sole Member after review of the Engagement Documents for the Company to enter into and execute the CRO Engagement appointing M. Issa as its CRO, and to enter into and execute certain instruments and documents as referenced, related and/or ancillary thereto, and any amendments to the foregoing documentation;

WHEREAS, the Corporation desires to indemnify and hold harmless Consultant, as well as any of its agents, attorneys, associates, employees, and any other representatives, from any and all claims, damages, liabilities, expenses, and losses that may arise out of or in connection with the Consultant’s performance of the Engagement services;

WHEREAS, after due deliberation, these proposals are considered to be in the best interests of the Company and its Member and are thereby approved;

NOW, THEREFORE, BE IT RESOLVED, that J. Michael Issa of GlassRatner Advisory & Capital Group, LLC d/b/a B. Riley Advisory Services is hereby elected and appointed CRO (Chief Restructuring Officer) for the Company pursuant to the terms of that certain engagement letter from B. Riley referencing Engagement for Interim Restructuring Officer dated April 13, 2023 under which Consultant will provide business advice and consultation to the Company, and the Company would provide an indemnification to Consultant, or designee, from and against any and all claims resulting from or arising out of the engagement, with the CRO reporting directly to the Manager and Member.

RESOLVED FURTHER, that Consultant shall have the authority under the Engagement Documents to act on behalf of the Corporation, in lieu of Josh Pukini or Ryan Young acting on behalf of the Corporation, as officers and directors of the Company, with respect to the sale, disposition, or management of any of the Enjoined Properties (as defined in the Preliminary Injunction) in which the Corporation has an interest, so long as such property remains subject to the Preliminary Injunction, subject to the terms and limitations set forth in the Preliminary Injunction. For the sake of clarity, nothing herein shall expand the Corporation’s rights under the Preliminary Injunction.

RESOLVED FURTHER, that the Company and its Manager and Member are authorized to (i) execute the CRO Engagement, (ii) reimburse expenses to Consultant or designee required thereunder, (iii) pay the initial retainer and all additional sums due thereunder (iv) indemnify J. Michael Issa and B. Riley or designee from and against any and all claims resulting or arising from the CRO Engagement, and (v) enter into and execute certain instruments and documents as referenced, related and/or ancillary thereto and to take all such further actions as may be necessary to carry out the purpose and intent of the foregoing resolutions.

RESOLVED FURTHER , the Corporation desires to indemnify and hold harmless Consultant, as well as any of its agents, attorneys, associates, employees, and any other representatives, from any and all claims, damages, liabilities, expenses, and losses that may arise out of or in connection with the Engagement.

RESOLVED FURTHER, that any act or acts of any person or persons designated and authorized to act by the Manager and Member of the Company, which acts would have been authorized by the foregoing resolutions, except that such acts were taken prior to the adoption of such resolutions, be, and they hereby are, severally ratified, confirmed, approved and adopted in all respects as acts in the name and on behalf of this Company.

ADDITIONAL RESOLUTIONS

RESOLVED FURTHER, that all acts lawfully done or actions lawfully taken by any Manager, Member or officers of the Company or any professionals engaged by the Company in connection with the Chapter 7 Case or any proceedings related thereto, or any matter related thereto, be, and hereby are, adopted, ratified, confirmed and approved in all respects as the acts and deeds of the Company.

FURTHER RESOLVED, that any and all actions and transactions by the Manager, Member or any officer for and on behalf and in the name of the Company with respect to any transactions contemplated by the foregoing resolutions before the adoption of the foregoing resolutions be, and they hereby are, ratified, authorized, approved, adopted and consented to in all respects for all purposes.

FURTHER RESOLVED, that the Manager or Member of the Company is authorized and directed to certify and/or attest these resolutions, certificate of incumbency and such other documents or instruments that the Manager or Member of the Company may deem necessary or appropriate in connection with the foregoing matters; provided, however, that such certification and/or attestation shall not be required for any document, instrument or agreement to be valid and binding on the Company.

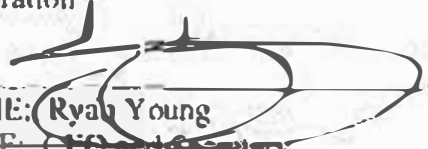
FURTHER RESOLVED, that the Manager, Member or any officer of the Company shall, upon action by the Manager and Member, be authorized, directed and empowered, in the name and on behalf of the Company, to negotiate, execute,

deliver, and perform, or cause to be negotiated, executed, delivered, and performed, and take such actions and execute, acknowledge, deliver and verify such agreements, certificates, instruments, guaranties, notices and any and all other documents as any proper Manager or officer of the Company may deem necessary or appropriate to facilitate the transactions contemplated by the foregoing resolutions, as may be deemed necessary, desirable or appropriate.

IN WITNESS WHEREOF, the undersigned, being the Manager and sole Member of the Company, has executed this action and adopted these resolutions by its written consent, evidenced by its signature herein below, which may be delivered by facsimile, email or other internet transmission of .pdf, .jpg, .tif, or other image files or other signature mechanism. This action and such resolutions shall become effective as of and on April 29, 2023.

MANAGER & SOLE MEMBER:

CALPAC MANAGEMENT, INC., a California corporation

BY: 
NAME: Ryan Young
TITLE: CEO and Secretary

BY: _____
NAME: Joshua Pukini
TITLE: Owner and Authorized Signor for LLC Manager


deliver, and perform, or cause to be negotiated, executed, delivered, and performed, and take such actions and execute, acknowledge, deliver and verify such agreements, certificates, instruments, guaranties, notices and any and all other documents as any proper Manager or officer of the Company may deem necessary or appropriate to facilitate the transactions contemplated by the foregoing resolutions, as may be deemed necessary, desirable or appropriate.

IN WITNESS WHEREOF, the undersigned, being the Manager and sole Member of the Company, has executed this action and adopted these resolutions by its written consent, evidenced by its signature herein below, which may be delivered by facsimile, email or other internet transmission of .pdf, .jpg, .tiff, or other image files or other signature mechanism. This action and such resolutions shall become effective as of and on April __, 2023.

MANAGER & SOLE MEMBER:

CALPAC MANAGEMENT, INC., a California corporation

BY: _____
NAME: Ryan Young
TITLE: CEO and Secretary

BY:  _____
NAME: Joshua Pakini
TITLE: Owner and Authorized Signor for LLC Manager

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is **100 Spectrum Center Drive, Suite 600, Irvine, CA 92618.**

A true and correct copy of the foregoing document entitled (*specify*): **STIPULATION TO MODIFY THE PRELIMINARY INJUNCTION TO APPOINT J. MICHAEL ISSA AS CHIEF RESTRUCTURING OFFICER OF DEFENDANTS CALPAC MORTGAGE FUND, LLC AND CALPAC MANAGEMENT, INC. AND ALLOW THE APPOINTMENT OF LEE NAUJOCK AS SUCCESSOR TRUSTEE TO THE JOSHUA R. PUKINI TRUST DATED JUNE 27, 2013** will be served or was served (**a**) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (**b**) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) **May 4, 2023**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Service information continued on attached page.

2. SERVED BY UNITED STATES MAIL:

On (*date*) _____, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page.

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) **May 4, 2023**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Interested Party: William Wall, Esq.; Email: wwall@wall-law.com

Interested Party: Mike Issa; Email: missa@brileyfin.com

Service information continued on attached page.

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

May 4, 2023

Date

Erlanna Lohayza

Printed Name

/s/ Erlanna Lohayza

Signature

NEF SERVICE LIST

COUNSEL FOR J. PUKINI, E. VELASQUEZ & 108 AVENIDA SERRA: Anerio V Altman LakeForestBankruptcy@jubileebk.net, lakeforestpacer@gmail.com
SPECIAL LITIGATION COUNSEL FOR CHAPTER 7 TRUSTEE/PLAINTIFF: James C Bastian jbastian@shulmanbastian.com
SPECIAL LITIGATION COUNSEL FOR CHAPTER 7 TRUSTEE/PLAINTIFF: Shane M Biornstad SBiornstad@shulmanbastian.com, aragone@shulmanbastian.com
COUNSEL FOR RYAN YOUNG: Anthony Bisconti tbisconti@bklwlaw.com, 7657482420@filings.docketbird.com; docket@bklwlaw.com
INTERESTED PARTY: Evan C Borges eborges@ggtriallaw.com, cwinsten@ggtriallaw.com
COUNSEL FOR CHAPTER 7 TRUSTEE/PLAINTIFF: Sarah Rose Hasselberger shasselberger@marshackhays.com, shasselberger@ecf.courtdrive.com; cbastida@marshackhays.com; kfrederick@ecf.courtdrive.com
COUNSEL FOR CHAPTER 7 TRUSTEE/PLAINTIFF: D Edward Hays ehays@marshackhays.com, ehays@ecf.courtdrive.com; kfrederick@ecf.courtdrive.com; cmendoza@marshackhays.com; cmendoza@ecf.courtdrive.com
INTERESTED PARTY: Jeanne M Jorgensen jjorgensen@pj-law.com, cpage@pj-law.com
SPECIAL LITIGATION COUNSEL FOR CHAPTER 7 TRUSTEE/PLAINTIFF: Rika Kido rkido@shulmanbastian.com, avernon@shulmanbastian.com
CHAPTER 7 TRUSTEE/PLAINTIFF: Richard A Marshack (TR) pkraus@marshackhays.com, rmarshack@iq7technology.com; ecf.alert+Marshack@titlexi.com
COUNSEL FOR DEFENDANT CORONA CAPITAL GROUP: Eric A Mitnick MitnickLaw@gmail.com, mitnicklaw@gmail.com
INTERESTED PARTY: Kerry A. Moynihan kerry@kamlegal.com
SPECIAL LITIGATION COUNSEL FOR CHAPTER 7 TRUSTEE/PLAINTIFF: Ryan D O'Dea rodea@shulmanbastian.com, lgauthier@shulmanbastian.com
INTERESTED PARTY: Matthew D. Resnik Matt@rhmfir.com, roksana@rhmfir.com; rosario@rhmfir.com; sloan@rhmfir.com; priscilla@rhmfir.com; rebecca@rhmfir.com; david@rhmfir.com; susie@rhmfir.com; max@rhmfir.com; russ@rhmfir.com
INTERESTED PARTY: Allan D Sarver ADS@asarverlaw.com
COUNSEL FOR CHAPTER 7 TRUSTEE/PLAINTIFF: Kristine A Thagard kthagard@marshackhays.com, kthagard@ecf.courtdrive.com; kfrederick@ecf.courtdrive.com
INTERESTED PARTY: United States Trustee (SA) ustpregion16.sa.ecf@usdoj.gov
COUNSEL FOR FOOTHILL FINANCIAL: Beth Ann R. Young bry@lnbyg.com, bry@lnbyb.com

EXHIBIT 9

1 James C. Bastian, Jr. - Bar No. 175415
Ryan D. O’Dea - Bar No. 273478
2 Rika Kido - Bar No. 273780
SHULMAN BASTIAN FRIEDMAN & BUI LLP
3 100 Spectrum Center Drive, Suite 600
Irvine, California 92618
4 Telephone: (949) 340-3400
Facsimile: (949) 340-3000
5 Email: JBastian@shulmanbastian.com
ROdea@shulmanbastian.com
6 RKido@shulmanbastian.com



7 Special Litigation Counsel for
Richard A. Marshack, Chapter 7 Trustee

8 **UNITED STATES BANKRUPTCY COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION**

11 In re
12 **AB CAPITAL, LLC, a California limited**
13 **liability company,**
14 Debtor.

Case No. 8:22-bk-11585-TA
Chapter 7 (Involuntary)
Adv. Case No. 8:22-ap-01091-TA

15 RICHARD A. MARSHACK, Chapter 7
Trustee,
16 Plaintiff,
17 vs.

**ORDER GRANTING STIPULATION TO
MODIFY THE PRELIMINARY
INJUNCTION TO APPOINT J. MICHAEL
ISSA AS CHIEF RESTRUCTURING
OFFICER OF DEFENDANTS CALPAC
MORTGAGE FUND, LLC AND CALPAC
MANAGEMENT, INC. AND ALLOW
THE APPOINTMENT OF LEE NAUJOCK
AS SUCCESSOR TRUSTEE TO THE
JOSHUA R. PUKINI TRUST DATED
JUNE 27, 2013**

18 JOSHUA R. PUKINI, individually and as
19 trustee of The Joshua R. Pukini Trust dated
June 27, 2013; RYAN YOUNG, individually
20 and as trustee of The Young Family Trust
dated August 24, 2014, The Ryan J. Young
Trust and The Young Ryan Trust; EDMUND
21 VALASQUEZ, JR., an individual; 108
22 AVENIDA SERRA, LLC, a California limited
liability company; 1034 W BALBOA, LLC, a
23 California limited liability company; 31831
SUNSET LLC, a California limited liability
24 company; AB CAPITAL FUND A, LLC, a
California limited liability company; AB
25 CAPITAL FUND B, LLC, a California limited
liability company; AB CAPITAL HOLDINGS
26 I, LLC, a California limited liability company;
AB CAPITAL LFD, INC., a California
27 corporation; ABC 2260 SAN YSIDRO LLC, a
California limited liability company; BDP
28 DEVELOPMENT PARTNERS, LLC, a

[No Hearing Requested]

1 California limited liability company; CAL-
2 PAC DISTRESSED REAL ESTATE FUND I,
3 LLC, a California limited liability company;
4 CALPAC MANAGEMENT, INC., a
5 California corporation; CALPAC
6 MORTGAGE FUND, LLC, a California
7 limited liability company; LIVING ART
8 WORKS LLC, a California limited liability
9 company; LUNA CONSTRUCTION
10 MANAGEMENT, LLC, a California limited
11 liability company; TABLEROCK
12 ENTERPRISES, LLC, a California limited
13 liability company,

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Defendants.

1 The Court having read and considered the *Stipulation to Modify the Preliminary Injunction*
2 *to Appoint J. Michael Issa as Chief Restructuring Officer of Defendants CalPac Mortgage Fund,*
3 *LLC and CalPac Management, Inc. and Allow the Appointment of Lee Naujock as Successor Trustee*
4 *to the Joshua R. Pukini Trust Dated June 27, 2013* (“Stipulation”) entered into by and between (1)
5 Richard A. Marshack, Chapter 7 Trustee for the bankruptcy estate of AB Capital, LLC, (2) J.
6 Michael Issa (“Mr. Issa”) of GlassRatner Advisory & Capital Group, LLC dba B. Riley Advisory
7 Services, (3) Defendant CalPac Management, Inc. (“CalPac Management”), (4) Defendant CalPac
8 Mortgage Fund, LLC (“CalPac Mortgage”, collectively with CalPac Management, the “CalPac
9 Entities”), (5) Joshua R. Pukini, individually, and (6) Ryan Young, individually, filed with this Court
10 on May 4, 2023 [Docket No. 138], and finding good cause appearing therefor,

11 **IT IS HEREBY ORDERED** that:

- 12 1. The Stipulation is approved.
- 13 2. The Preliminary Injunction is modified to allow for the appointment of Mr. Issa as
14 CRO for the CalPac Entities.

15 ###

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23 Date: May 5, 2023



Theodor C. Albert
United States Bankruptcy Judge