

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Case No. 8:20-cv-00325-MSS-MRM

Plaintiff,

v.

BRIAN DAVISON, et al.,

Defendants.

**JOINT RESPONSE OF RECEIVER AND INVESTOR PLAINTIFFS TO
NON-PARTY ROBERT JOSEPH ARMIJO'S
OBJECTION TO BAR ORDER**

A. Introduction

Robert Joseph Armijo (“Armijo”) is a former EquiAlt sales agent who actively assisted and facilitated the EquiAlt Ponzi scheme by inducing investors to purchase fraudulently issued, unregistered EquiAlt securities while lacking the required license to sell those securities. Armijo was rewarded for his efforts in furtherance of the fraudulent scheme with more than \$1 million in unlawful commissions. He has already been held partially accountable through summary judgment orders entered against him in both an SEC civil enforcement action and the Receiver’s fraudulent conveyance action pending before this Court. ECF No. 865.

Faced with impending multi-million-dollar judgments against him in favor of the SEC and the Receiver, Armijo now grasps for leverage by filing *the only objection* to the several interrelated proposed settlements (collectively, “the Global Settlement”) pending final approval before this Court. ECF No. 760 (“Approval Mtn.”). When approved, the Global Settlement will resolve all claims asserted by the Receiver against Paul Wassgren, DLA Piper, and Fox Rothchild (collectively, “the Lawyer Defendants”) and against

some thirty former EquiAlt sales agents and their related entities (collectively, the “Settling Defendants”). Approval Mtn., at 28-29.

For their part of the Global Settlement (“the Lawyer Settlement”), the Lawyer Defendants have agreed to pay \$44 million into the Receivership Estate, in satisfaction of the claims of both the Receiver and a cooperating group of investors who simultaneously asserted potentially competing class claims against the Lawyer Defendants (“the Investor Plaintiffs”). Approval Mtn., at 9-10. The \$44 million Lawyer Settlement is an exceedingly favorable and well-nigh unprecedented result for the EquiAlt investors which, if approved, will greatly reduce their investment losses stemming from the EquiAlt Ponzi Scheme. Declaration of Burton W. Wiand (“Wiand Decl.”), ¶¶ 12-16, 35, attached as **Exhibit A**. As an essential condition to the Lawyer Settlement, the Lawyer Defendants are to receive a bar order protecting them against third-party claims (“the Bar Order”). *Id.* ¶ 15-16. Entry of the Bar Order is indisputably integral to the Lawyer Settlement, because that agreement terminates and is deemed automatically null and void if the Bar Order is not entered or is materially modified. *Id.* If sustained by the Court, Armijo’s objection would thus deprive the victimized EquiAlt investors from receiving the benefit of the \$44 million gross settlement fund. *Id.*

Notably, Armijo objects to *no aspect* of the Global Settlement *except* entry of the Bar Order. ECF No. 869 (“Objection”), at 2.¹ Armijo’s threshold argument – that the Court supposedly lacks jurisdiction in an SEC receivership action to enter a bar order precluding a third-party’s assertion of claims against a settling defendant – is refuted by controlling Eleventh Circuit precedent to the contrary, including *S.E.C. v. Quiros*, 966 F.3d 1195 (11th Cir. 2020) (“*Quiros*”). In *Quiros*, the Eleventh Circuit squarely held that a bar order entered in an SEC receivership like this one “can bar a third party’s claim,

¹ In particular, Armijo does not object to the entry of a bar order precluding the assertion of third-party claims against EquiAlt manager Brian Davison (“Davison”) or any of the other Settling Defendants. Approval Mtn. At 11 & 12-13. Nor have either of Armijo’s two related operating companies – Joseph Financial Investment Advisors, LLC and Joseph Financial, Inc. – filed any timely objection to any aspect of the Global Settlement.

even though the third party may not be part of the relevant lawsuit or settlement,” so long as the bar order is (a) “essential,” and (b) “fair and equitable.” 966 F.3d at 1199 (emphasis added; citation omitted).

Without any mention of *Quiros*’ holding on this precise issue, Armijo relies exclusively on the Sixth Circuit’s recent opinion in *Digital Media Solutions, LLC v. South University of Ohio, LLC*, 59 F.4th 772 (6th Cir. 2023) (“*Digital Media*”). Objection, at 7-9. But unlike Armijo, this Court may not simply ignore binding Eleventh Circuit precedent. And, as shown below, *Digital Media* is in any event readily distinguishable given the facts and circumstances of the present case.

Armijo devotes the balance of his objection to arguing that the Bar Order cannot extend to his own individual claims against the Lawyer Defendants, because (a) they are supposedly “independent” claims which cannot be barred, and (b) it would not be “fair or equitable” for the Court to bar them. Objection, at 9-16 & 16-20. Neither of these contentions has the slightest merit. Armijo’s claims are not truly independent, for they arise from the same nucleus of operative facts, acts, and omissions as those asserted in the actions brought against the Lawyer Defendants by the Receiver and the Investor Plaintiffs. They are instead integrally interrelated to the claims being resolved by the Lawyer Settlement.

Nor is it unfair or inequitable for the Court to bar Armijo’s factually interrelated claims, since the Bar Order amply satisfies the nonexclusive factors set forth in another controlling Eleventh Circuit precedent, *In re Munford, Inc.*, 97 F.3d 449, 455 (11th Cir. 1996). In particular, as shown below, Armijo’s claims against the Lawyer Defendants are exceedingly weak. Barring such claims is a small price to pay for a Lawyer Settlement which generates millions dollars of cash for the Receivership Estate, while freeing the Estate and the Investor Plaintiffs from the need to pursue complex and costly litigation that will otherwise surely and substantially deplete Receivership resources and assets. Wiand Decl., ¶¶ 31-34.

Finally, Armijo fails to acknowledge his *own voluntary submission* of his claims involving the Lawyer Defendants to this Court's *exclusive* legal and equitable jurisdiction through his submission of a "Proof of Claim" ("POC") in the Receiver's Claim Approval Process. Wiand Decl., **Exhibit 10**. The claims Armijo describes in his POC are precisely the same claims he now argues the Court supposedly lacks the jurisdiction and discretion to bar in the best interests of the Receivership Estate. As such, although the Bar Order will extinguish his ability to pursue those claims through litigation outside of the receivership process, Armijo is still able to pursue those claims through his pending POC. There is simply no inequity.

For each and all these reasons, Armijo's Objection to entry of the Bar Order is meritless, and should be overruled in its entirety.

B. Procedural Background

1. The Pending Actions against the Lawyer Defendants

On February 11, 2020, the SEC filed this Action against EquiAlt, LLC and numerous related entities, and its principals, Davison and Barry Rybicki ("Rybicki"). ECF No. 1. The SEC alleged that EquiAlt, Davison, and Rybicki "conducted a scheme to defraud, raising more than \$170 million . . . through fraudulent unregistered securities offerings." ECF No. 138, ¶ 1. On February 14, 2020, on the SEC's motion, this Court appointed Burton Wiand as Receiver of EquiAlt, the EquiAlt Funds, and the Relief Defendants ("the Receiver"). ECF No. 11. The Court explicitly authorized the Receiver to commence and, with Court approval in matters exceeding \$50,000, compromise and settle legal actions for the benefit of the Receivership Estate. *Id.*, at 3 & 4-5.

On July 21, 2020, the Investor Plaintiffs filed a class action complaint against the Lawyer Defendants alleging claims for aiding and abetting fraud, aiding and abetting breaches of fiduciary duties and violations of various state securities laws and other statutes in *Gleinn et al. vs. Paul Wassgren, et al.*, Case No. 8:20-cv-01677-MSS-CPT. (M.D. Fla.) (the "Investor Action"). The Investor Plaintiffs filed an amended complaint against the Lawyer Defendants on August 3, 2020. Wiand Decl., **Exhibit 1**. By its order dated

July 23, 2020, this Court designated the Investor Action as a related case to the above-captioned action in accordance with Local Rule 1.04(b). ECF No. 7.

On September 25, 2020, the Receiver filed a federal court action against the Lawyer Defendants alleging claims for breaches of fiduciary duties, professional negligence, aiding and abetting fraud, and aiding and abetting breaches of fiduciary duties. The Receiver's complaint was refiled in California Superior Court, styled *Burton Wiand, as Receiver on Behalf of EquiAlt Fund, LLC, et al. vs. Paul R. Wassgren, et al.* Case No. 20STCV49670 (Cal. Sup. Ct.) (the "Receiver Action"). Wiand Decl., **Exhibit 2**.

On October 6, 2022, Armijo filed his complaint against the Lawyer Defendants in California Superior Court, asserting claims that arise out of his alleged reliance on the assurances of the Lawyer Defendants that his offer and sale of the EquiAlt securities was lawful (the "Armijo Action"). Wiand Decl., **Exhibit 4**. Armijo attached copies of the complaint in the Investor Action (**Exhibit 1**) and the complaint in the Receiver Action (**Exhibit 2**) as exhibits to his complaint against the Lawyer Defendants in the Armijo Action (**Exhibit 4**). Wiand Decl., ¶ 8. The Lawyer Defendants have all challenged Armijo's claims against them by motion to dismiss. *Id.*, **Exhibits 5 & 6**. The Armijo Action has since been removed to federal court, and is now stayed per this Court's order. ECF No. 787, at 10.

2. The Receivership Claims Process

On July 8, 2021, the Court approved a claims process proposed by the Receiver providing for the orderly assertion of any and all claims against EquiAlt and any of EquiAlt's related entities (collectively, "the Receivership Estate"). ECF No. 347, at 3. In particular, the Court established a "Claims Bar Date" for all claims, and prescribed a "Proof of Claim" form to be filed with the Receiver on or before December 22, 2021. *Id.*; ECF No. 335-1.

Notice sent to all potential claimants included an explicit statement that the assertion of claims under the Receivership claims process constituted a voluntary submission by the claimant to the personal and subject matter jurisdiction of the Court:

Any person or entity submitting this Proof of Claim Form submits to the exclusive jurisdiction of the above-captioned Court for all purposes, including, without limitation, as to any claims, objections, defenses, or counterclaims that could be or have been asserted by the Receiver against such Claimant or the holder of such claim in connection with this Receivership, including, those arising out of (1) any dealing or business transacted by or with any Receivership Entity and/or (2) any dealing or business transacted that relates in any way to any Receivership property. Claimant further agrees by making this submission to waive any right to a jury trial with respect to such claims, objections, defenses, and counterclaims.

ECF No. 335-1, at 3.

Armijo through legal counsel submitted a completed and signed POC form. Wiand Decl., **Exhibit 10**. The second page of Armijo's submitted POC form reiterates Armijo's express consent to the jurisdiction of the Court "for all purposes," including "any dealing or business transacted that relates in any way to any Receivership property." **Exhibit 10**, at pdf page 2.

3. The Summary Judgment Rulings Against Armijo

On March 8, 2023, the SEC secured summary judgment on its claim against Armijo for the sale of unregistered securities in violation of two sections of the federal Securities Act, which "make it unlawful to offer or sell a security in interstate commerce if a registration statement has not been filed as to that security, unless the transaction qualifies for an exemption from registration." *SEC v. Robert Joseph Armijo*, No. 3:21-cv-01107 (S.D. Cal.) (the "SEC Enforcement Action"), ECF No. 865 (Wiand Decl., **Exhibit 9**), at 10-11 (quotation omitted). The court also ruled in the SEC's favor on its claim under Section 15(a) of the Exchange Act, which prohibits sales of securities by unregistered brokers. *Id.*, at 19-22.

More recently, on March 24, 2023, the Receiver obtained summary judgment on his claims against Armijo under the Florida Fraudulent Transfer Act to recover more than \$1.4 million in commissions received from his sale of more than \$10 million in EquiAlt debentures, plus interest. *Burton Wiand, et al. v. Family Tree Estate Planning, LLC, et al.*, Case No. 8:21-cv-361-SDM-AAS (M.D. Fla.) (the "Receiver Fraudulent Transfer

Action”), ECF No. 865. *See*, Wiand Decl., **Exhibits 3** (complaint), **Exhibit 5** (Receiver declaration in support the motion for summary judgment) & **Exhibit 6** (order granting summary judgment against Armijo).

C. Legal Argument

1. Armijo Ignores Binding Eleventh Circuit Precedent

In *Quiros*, the Eleventh Circuit squarely addressed the propriety of entering a bar order *in a SEC receivership proceeding*, explaining:

Often sought by a party to a settlement, a bar order extinguishes extraneous claims against the settling party, tying up the settling party’s loose ends and encouraging resolution in complex cases that could otherwise span years. But a bar order buys peace at a high price: It bars potentially valid claims that non-settling parties could assert against the settling party.

Because a bar order is a strong cure for the ills of complex litigation, a party seeking a bar order to facilitate a settlement faces a high bar. It must show, among other things, that the bar order is essential to the settling parties’ settlement.

966 F.3d at 1197. Reiterating that a district court has broad powers and wide discretion to determine relief, the Eleventh Circuit held that a bar order can bar a third party’s claim in an SEC equity receivership – “*even though the third party may not be part of the relevant lawsuit or settlement*” – so long as the bar order is (a) “essential,” and (b) “fair and equitable.” 966 F.3d at 1199 (emphasis added; citation omitted). Although *Quiros* was repeatedly cited throughout the Approval Motion, Armijo inexcusably fails to mention this controlling Eleventh Circuit precedent confirming the Receiver’s authority to seek and the Court’s power to issue the Bar Order.

Quiros stands on a solid foundation of earlier Eleventh Circuit precedent acknowledging the broad scope of the Court’s equitable discretion to the entry of a bar order like the one at issue here. *See, e.g., In re Superior Homes & Investments, LLC*, 521 F. App’x 895, 898 (11th Cir.2013); *In re Seaside Eng’g & Surveying, Inc.*, 780 F.3d 1070, 1076-79 (11th Cir. 2015); *Munford, Inc. v. Munford, Inc.*, 97 F.3d 449, 454-55 (11th Cir. 1996);

see also, In re U.S. Oil & Gas Litig., 967 F.2d 489, 496 (11th Cir. 1992) (“A district court may issue a settlement bar order against a nonsettling defendant after it makes a reasoned determination that it is fair and equitable to do so.”). Given this clear Eleventh Circuit authority, bar orders have since been entered in several receivership cases within the Eleventh Circuit, including the two cases cited in the Approval Motion but likewise ignored in the Armijo Objection. Approval Mtn. at 21 (citing *Wiand v. Stoel Rives LLP, et al.*, Case No: 8:16- cv-1133-T-36JSS (M.D. Fla.) and *SEC v. Nadel et al.*, Case No. 8:09-cv-87-T-26TBM (M.D. Fla.)). *See also, VC Macon GA, LLC v. Virginia Coll., LLC*, No. 5:18-CV-00388-TES, 2023 WL 22165, at *9 (M.D. Ga. Jan. 3, 2023) (likewise entering bar order that was integral to the receiver’s proposed settlement) (citing, *Quiros, Seaside & Munford*).²

Furthermore, although the Eleventh Circuit in *Quiros* remanded for lack of a sufficient record on whether the bar order at hand was “integral to settlement” to be deemed “essential,” it did so in a manner making clear that the equitable authority of an Article III court to enter a bar order in a receivership action (such as *Quiros*) was no less than that of an Article I court in a bankruptcy action. *Quiros*, 966 F.3d at 1199 (“Given the similarity between bankruptcy and receivership proceedings, we often apply bankruptcy principles to receivership cases because we have limited receivership precedent.”); *id.* at 1199-1200 (citing numerous bankruptcy authorities in support of its analysis in the receivership context, including *Munford*, 97 F.3d at 455 (approving a bar order in the bankruptcy context)); *see generally, Bendall v. Lancer Management Group, LLC*, 523 Fed. Appx. 554, 557 (11th Cir. 2013) (the Eleventh Circuit “will apply cases from

² *Quiros* was also cited in support of the entry of a bar order precluding claims against the settling parties in the receivership context in *SEC v. Alleca*, No. 1:12-CV-03261-ELR, 2021 WL 4843987, at *12 (N.D. Ga. Sept. 9, 2021), *vacated on other grounds and remanded*, No. 21-13486, 2022 WL 16631325 (11th Cir. Nov. 2, 2022). Although Armijo dismisses this authority as irrelevant by correctly noting the district court’s approval of the receiver’s settlement was vacated on appeal, he fails in turn to note that was done *on other grounds*, and without any doubt correctly reflected the Eleventh Circuit’s view as to the court’s underlying authority to issue a bar order in the receivership context.

the analogous context of bankruptcy law, where instructive, due to limited case law in the receivership context”).

Notably, Armijo in his Objection nowhere contests that entry of the Bar Order is “essential to settling the litigation” and thus “integral” to the Lawyer Settlement. Nor could he, because here (unlike in *Quiros*) the record is crystal clear that the Lawyer Settlement is completely dependent on the Court’s entry of the Bar Order. *See*, Approval Mtn. at 22-24 (citing Exhibit I, at § II.B.4 (“If the Claimant Settling Parties do not secure the Bar Order, or if the Respondent Settling Parties determine that any material modification of the Bar Order by the district court in the Action is unsatisfactory, invalid, or unenforceable, in whole or in part, then this Agreement will terminate and the entire Settlement will be null and void.”)); Wiand Decl. ¶¶ 13-16. The Lawyer Defendants specifically bargained for this condition precedent to their obligation to perform. *Id.*; *see also, e.g., In re Jiangbo Pharms., Inc.*, 520 B.R. 316, 323-24 (Bankr. S.D. Fla. 2014) (“The Bar Order directly impacts the Estate because the Estate will not receive the \$900,000 payment and other consideration absent the Court’s approval of the Bar Order.”), *aff’d, Brophy v. Salkin*, 550 B.R. 595, 599 (S.D. Fla. 2015).

Finally, the Sixth Circuit in *Digital Media* acknowledged the permissibility in the bankruptcy context of entering a bar order against the assertion of claims against a settling defendant (even citing the Eleventh Circuit’s *In re Seaside Engineering* case). 54 F.4th at 787-88. But the Sixth Circuit reasoned that such bankruptcy jurisprudence is inapplicable in the SEC receivership context – thus drawing exactly the *opposite* conclusion as the Eleventh Circuit, which has determined that the court’s equitable power in both contexts is equivalent. This Court is of course duty-bound to follow Eleventh Circuit precedent, rather than adopting the contrary reasoning from another circuit. *Springer v. Wal-Mart Assocs.’ Group Health Plan*, 908 F.2d 897, 900 n.1 (11th Cir. 1990) (“We need hardly add that even if there were a relevant circuit split, the district court is bound by controlling Eleventh Circuit precedent.”); *see, e.g., Biggs v. United States*, No. 1:18-CR-20719, 2021 WL 6062726, at *5 n.3 (S.D. Fla. Dec. 22, 2021) (same).

2. *Digital Media* Is Nevertheless Readily Distinguishable

In its recent *Digital Media* opinion – issued after the Court’s orders in this case preliminarily approving the Global Settlement (ECF No. 787, 788) – the Sixth Circuit parted ways with the Eleventh Circuit, by drawing a distinction between the authority of the court to enter a bar order in the bankruptcy and creditor-receivership contexts. As just noted, this is a distinction courts within the Eleventh Circuit have repeatedly spurned. But even if *Digital Media* were somehow pertinent – which it decidedly is not – it still would not undermine the Court’s authority to enter the Bar Order in this case.

The receivership in *Digital Media* was not an SEC receivership, but rather one secured by a creditor of the receivership entity. 59 F.4th at 775 & 779. And the objector to the bar order was not a former sales agent already adjudicated as having wrongfully participated in and benefited from the unlawful actions of the receivership entity (like Armijo), but rather a group of innocent art students. *Id.* Moreover, unlike Armijo here, the art students in *Digital Media* did not consent to *in personam* jurisdiction and did not file any proof of claim in the creditor receivership. Obj. at 16-17; *Digital Media* ECF No. 729, at 1617. As such, the students were strangers to the receivership proceedings with respect to their potential receivership claims. The animating concern in *Digital Media* was thus application of the bar order in a creditor-initiated receivership to claimants who were otherwise innocent strangers to the receivership proceedings.

Here, by contrast, the Receivership was secured by the SEC as a well-established equitable remedy available in civil enforcement proceedings for injunctive relief. *See, e.g., SEC v. First Financial Group of Texas*, 645 F.2d 429, 438 & n. 14 (5th Cir. 1981) (“The district court’s exercise of its equity power in this respect is particularly necessary in instances in which the corporate defendant, through its management, has defrauded members of the investing public; in such cases, it is likely that, in the absence of the appointment of a receiver to maintain the status quo, the corporate assets will be subject to diversion and waste to the detriment of those who were induced to invest in the corporate scheme and for whose benefit, in some measure, the SEC injunctive action

was brought”).³ Moreover, unlike the blameless students in *Digital Media*, Armijo was an active participant in the EquiAlt Ponzi scheme who, as an unlicensed sales agent, induced dozens of unsuspecting investors to purchase unregistered securities in direct contravention of the federal securities laws. Armijo has not only been adjudicated by two district courts to be liable to the SEC and the Receiver for his participation in EquiAlt’s wrongdoing, unlike the *Digital Media* students he has affirmatively submitted his claims to the exclusive and equitable jurisdiction of the Court in the SEC receivership proceedings through the filing of his POC. Wiand Decl., **Exhibit 10**, at pdf page 2.

Doing equity among all parties who have voluntarily submitted to the jurisdiction of the Court is hardly a remedy “unknown to equity jurisprudence.” Obj. at 8-9. To the contrary, a court’s authority to afford complete equitable relief among all parties before it has been a long-recognized “historical practice.” *Hecht Co. v. Bowles*, 321 U.S. 321, 329 (1944) (“The essence of equity jurisdiction has been the power ... to do equity and to mould each decree to the necessities of the particular case.”). As the equitable maxim goes, “One who seeks equity must do equity.” 1 Dan B. Dobbs, *Law of Remedies* § 2.3(4) n.7 (2d ed.1993).

3. Armijo’s Claims against the Lawyer Defendants Are Not “Truly Independent” Claims

Armijo next argues that his claims against the Lawyer Defendants are supposedly “independent” of those against the Lawyer Defendants being settled by the Receiver and the Investor Plaintiffs, seizing on a passing comment by the Eleventh Circuit that “a truly independent claim ... might be *per se* inappropriate to bar.” *In re HealthSouth Corp. Sec. Litig.*, 572 F.3d 854, 865 (11th Cir. 2009). But Armijo argues his claims are “independent” simply because the damages Armijo seeks from the Lawyer Defendants are not calculated based on Armijo’s actual or potential liability to the Movants. Obj. at

³ In addition, the Lawyer Settlement and Bar Order are not confined to the claims asserted in the Receiver Action. Rather, the Lawyer Settlement and Bar Order will also resolve the legal claims asserted in the Investor Class Action. Thus, the Bar Order is not entirely dependent on this Court’s *equitable* powers, as was the case in *Digital Media*, but also extends to the Court’s jurisdiction over the *legal* claims asserted in the Investor Class Action, which was deemed a related proceeding to this case under Local Rule 1.04.

9. This argument fails, for at least two reasons.

First, Armijo’s assertion is patently false. In his lawsuit against the Lawyer Defendants, Armijo seeks as damages the “expense and time defending against the actions filed against him by the ... EquiAlt investors and the Receiver.” Wiand Decl., **Exhibit 4**, ¶¶ 99, 106, 114, 122 & 127; *accord*, Declaration of Robert J. Armijo, ECF No. 869-1 (“Armijo Decl.”) ¶ 11 (“I have incurred hundreds of thousands in legals fees and costs in defending against the above-referenced lawsuits [brought by the SEC, Receiver and the Investor Plaintiffs].”). Armijo seeks the same types of damage in his POC submitted in the Receivership claims process, including specifically over \$12.5 million in liability to the Investor Plaintiffs. *See, id.*, **Exhibit 10**, at pdf page 16.

Not only that, Armijo in his complaint against the Lawyer Defendants expressly asserts a claim for equitable indemnity in which he alleges that if he “is held liable to the Receiver, any EquiAlt investors or the SEC ... [the Lawyer Defendants] are therefore bound ... to indemnify and save harmless Plaintiff [Armijo] not only for the amount of any judgments or settlements but also for costs of defense of such matters....” **Exhibit 4**, ¶119. Thus, contrary to the assertions of his objection, Armijo is in fact seeking to recover from the Lawyer Defendants damages based on his actual or potential liability to both the Receiver and the Investor Plaintiff (as well as to the SEC). As to this category of Armijo’s alleged damages, the \$44 million recovery and the entry of the required Bar Order will reduce Armijo’s exposure to the very damages for which he seeks recovery, thus further intertwining his Lawyer Defendant claims with the Receiver’s settlement with the Lawyer Defendants. A chart comparing the damages sought by Armijo in his POC to the damages he seeks in his complaint against the Lawyer Defendants is attached as Wiand Decl., **Exhibit 13**.

Second, even if Armijo is seeking additional damages that differ from those sought against the Lawyer Defendants in the Receiver Action and the Investor Action, the Eleventh Circuit test of interrelatedness is *not* identity of damages, but rather whether the causes of action arise out of the same common nucleus of operative facts and

circumstances and are based on similar, if not identical, acts, and omissions. *In re U.S. Oil & Gas Litig.*, 967 F.2d at 496 (“The propriety of the settlement bar order should turn upon the interrelatedness of the claims that it precludes, not upon the labels which parties attach to those claims.”); *id.* at 496 (if the claims extinguished by a bar order “arise out of the same facts as those underlying the litigation, then the district court may exercise its discretion to bar such claims in reaching a fair and equitable settlement”); *see, e.g., Brophy*, 550 B.R. at 600 (same); *Jiangbo Pharms.*, 520 B.R. at 324 (same); *Berman v. Smith*, 510 B.R. 387, 396-97 (S.D. Fla. 2014) (same).

Here, Armijo’s claims against the Lawyer Defendants undeniably arise from the same nucleus of operative facts, acts and omissions as those alleged in the Receiver Action and the Investor Action. Just like the Receiver and the Investor Plaintiffs, Armijo alleges, *inter alia*, that: (a) the EquiAlt offering documents were false and misleading for the very same reasons alleged in the Receiver Action and the Investor Action; (b) the Lawyer Defendants “knowingly aided and abetted” EquiAlt’s violations by “failing to alert the investors ... as to these ongoing activities,” and that if “what the SEC and the Receiver have uncovered is true” the Lawyer Defendants knew that “the EquiAlt Securities were [not] exempt from registration under the federal securities laws;” (c) EquiAlt “made payments to unlicensed sales agents;” (d) the Lawyer Defendants “drafted the subscription materials to be completed by potential investors to confirm the accredited or non-accredited status of potential investors;” (e) the Lawyer Defendants knew that non-accredited investors were not supplied with financial statements as required by the registration exemption claimed by EquiAlt; (f) the Lawyer Defendants knew the “sales agents ... did not possess the required licensing necessary to ... be deemed lawfully permitted” to sell the EquiAlt securities; and (g) Paul Wassgren advised “numerous sales agents ... that they were allowed to sell EquiAlt Securities without a Series 7 license.” Wiand Decl., **Exhibit 4**, ¶¶ 43-45, 48-49, 51 and 58.

All of these same acts and omissions are at the heart of the claims asserted by the Receiver in the Receiver Action and by the Investor Plaintiffs in the Investor Action –

the very same claims that are being resolved by the Law Firm Settlement. A chart comparing the allegations asserted by Armijo with the very same allegations asserted by the Receiver and the Investor Plaintiffs is attached as Wiand Decl. **Exhibit 12**. If that were not enough, in his complaint Armijo seeks to legitimize his allegations by expressly asserting that the same allegations are made in the Receiver Action and the Investor Action. **Exhibit 4**, ¶¶ 86-88. Armijo even attaches copies of the complaints filed in the Receiver Action and the Investor Action as exhibits to his own complaint in the Armijo Action. Wiand Decl., ¶8. The three actions could hardly share a closer common factual basis.

It is no surprise, then, that even in the Objection itself Armijo essentially admits that his claims arise from the same nucleus of operative facts as those alleged in the Receiver Action and the Investor Action, by arguing that he is likely to prevail on his claims against the Lawyer Defendants given the commonality of the allegations in (a) his Declaration and (b) the Investor Group's and the Receiver's complaints against the Lawyer Defendants. *See* Obj., at 18-20.

Given the overwhelming and undeniable evidence demonstrating that the Armijo Action arises from the same facts, acts and omissions that are asserted in the Receiver Action and the Investor Action, there is and can be no colorable contention that the Armijo claims are "truly independent" from the claims encompassed by the Law Firm Settlement and corresponding Bar Order.

4. Issuance of the Bar Order Is Indeed "Fair and Equitable"

In *Matter of Munford*, the Eleventh Circuit articulated a nonexclusive set of four factors to assess whether bar orders entered in receivership or bankruptcy settlements are "fair and equitable" to the party whose claims will be enjoined *See, e.g., In Re Centro Grp., LLC*, No. 21-11364, 2021 WL 5158001, at *3 (11th Cir. Nov. 5, 2021) (applying *Munford* in reviewing the propriety of a bar order that is an integral part of a proposed receivership

settlement); *Quiros*, 966 F.3d 1195, 1199–1200 (same).⁴ Here the *Munford* factors *confirm* the fairness and reasonableness of the Bar Order, because:

- (i) the claims which will be barred are interrelated with the estate’s claims;
- (ii) the parties opposed to the bar order have not presented sufficient evidence of the strength and existence of their claims against the beneficiary of the bar order;
- (iii) the estate’s litigation against the beneficiary of the bar order is complex; and
- (iv) the continued litigation by the estate and other parties against the beneficiary of the bar order will deplete resources.

97 F.3d at 455.⁵

a. Armijo’s Claims Are Interrelated with the Receiver’s Claims

As explained at length above, the Armijo claims and the claims being settled by the Receiver and the Investor Plaintiffs are undeniably based on the same nucleus of facts, acts, and omissions, thus easily satisfying *Munford*’s interrelatedness factor.

b. Armijo Has Not Presented Evidence that He Has Meritorious Claims Against the Lawyer Defendants

Under *Munford*, the non-settling party must demonstrate that it is likely to succeed on the merits if its claims are permitted to go forward. Armijo here has utterly failed to present sufficient evidence that he has meritorious claims against the Lawyer Defendants. To the contrary, the record before the Court shows that Armijo’s purported claims are weak and likely not viable at all.

First and foremost, Armijo’s claims against the Lawyer Defendants (however denominated) all essentially sound in indemnity. *See, e.g., Exhibit 4*, ¶¶ 116-119 (expressly asserting claim for equitable indemnity). Indeed, in his POC Armijo avows that as EquiAlt’s legal counsel Paul Wassgren (“Wassgren”) in 2017 and 2019 gave him

⁴ Notably, Armijo does not contend that entry of the Bar Order would be unfair or inequitable under any of the factors identified *In re Justice Oaks II, Ltd.*, 898 F.2d 1544, 1549 (11th Cir.1990), all of which are amply satisfied by the Movant’s showing in the Approval Motion. *See, Approval Mtn.*, at 15-18.

⁵ The Receiver and Investor Plaintiffs will if desired prepare findings and conclusions in support of the fairness and equitableness of the Bar Order, demonstrating sufficient justification for its entry under *AAL High Yield Bond Fund v. Deloitte & Touche LLP*, 361 F.3d 1305, 1311-1312 (11th Cir. 2004).

incorrect legal advice that allegedly caused him to incur his existing and potential future losses. **Exhibit 10**, at pdf page 8-14. And in his supporting declaration, Armijo contends that the actions by the SEC, the Receiver, and the Investor Plaintiffs would not have been brought against him “but for the Lawyer Defendants’ false advice and assurances” to him, which in turn allegedly caused Armijo to suffer “myriad damages that continue to increase.” Armijo Decl., ¶¶ 8-9. According to Armijo, all the forms of damages he has allegedly suffered are “attributable to the bad legal advice that the Lawyer Defendants gave me, the misrepresentations they made to me, and their false assurances that there was no legal risk in my involvement with EquiAlt.” *Id.*, ¶19.

Despite Armijo’s sundry damage theories, his purported claims against the Lawyer Defendants are premised entirely on his contention that they as EquiAlt’s counsel owed him a duty as a co-client or as the intended beneficiary of their rendition of legal services. Obj., at 20; Armijo Decl., ¶¶ 5-6. Distilled to its essence, Armijo demands that the Lawyer Defendants indemnify him and hold him harmless for all the consequences of their “bad advice” arising from Armijo’s unlawful offer and sale of the unregistered EquiAlt securities.

However, this form of indemnity is not actionable as a matter of federal securities law. *In re HealthSouth*, 572 F.3d at 860 & 862 (acknowledging long established federal public policy precluding indemnity for federal statutory securities violations); *see generally*, *Stowell v. Ted S. Finkel Investment Services, Inc.*, 641 F.2d 323, 325 (5th Cir. 1981) (holding, “the 1933 and 1934 Securities Acts ‘do not provide anywhere for indemnification under any circumstances,’” (quotation omitted)); *Lee v. Spicola*, No. 86-1808 CIV-T-10(C), 1988 WL 152013, at *3 (M.D. Fla. Dec. 9, 1988) (quoting same); *see generally*, *Eichenholtz v. Brennan*, 52 F.3d 478, 483 (3d Cir. 1995) (stating, “indemnification runs counter to the policies underlying the 1933 and 1934 Acts”); *In re Enron Corp. Sec., Derivative & ERISA Litig.*, No. CIV.A. H-01-3624, 2008 WL 2566867, at *10 (S.D. Tex. June 24, 2008) (stating, “the vast majority of courts have refused to imply indemnity rights into either statute or based on federal common law”). The Eleventh

Circuit has furthermore made clear that such claims are precluded as a matter of public policy *regardless* of the labels the claimant may use as his cause of action. *In re HealthSouth*, 572 F.3d at 864 (rejecting notion that purported breach of contract claim was a “truly independent” non-indemnity claim); *In re U.S. Oil and Gas Litigation*, 967 F.2d at 495-96 (purported claims for contribution, fraud and negligence likewise foreclosed as mere restatements of the precluded indemnity claim).⁶

Even assuming *arguendo* that they were actionable, as shown by the SEC’s summary judgment ruling against him Armijo’s claims are at best wafer-thin *on the merits*. **Exhibit 9**, at 10-15. What Armijo conveniently omits from his declaration and objection to this Court is that he was selling the EquiAlt securities as an unregistered broker for over three years *before* he ever spoke with Wassgren. Wiand Decl., **Exhibit 5**, at 8-10. In fact, and according to Armijo, he and another sales agent, Dale Tenhulzen, were soliciting and selling EquiAlt securities to investors as early as 2013. *Id.* Based on Armijo’s own account, his first conversation with Wassgren took place years later, in July 2017. *Id.*

Furthermore, Armijo’s “due diligence” contention rings hollow. As Judge Merryday found in his order granting summary judgment against Armijo in the Receiver Fraudulent Transfer Action:

Armijo and Joseph Financial claim that Armijo conducted ‘due diligence’ that ‘one would expect as a financial advisor.’ But Armijo admits that he reviewed the financial statements for only EquiAlt REIT and performed only cursory Google searches of Rybicki, Davison and EquiAlt’s lawyers. Although Armijo’s discussions with Rybicki, Davison and the lawyers demonstrate some suspicion or caution about the legality of Armijo’s selling debentures with only a Series 65 license, Armijo never demonstrates that he spoke with any independent person, much less counsel, about licensing, about the legality of the EquiAlt investments or

⁶ Because Armijo holds no actionable claim (however denominated) to recover indemnification from the Lawyer Defendants for the losses he allegedly incurred as a consequence of his unlawful offer and sale of unregistered securities based on their alleged assurances, he is not aggrieved by the Bar Order and thus lacks standing to object to its entry. *Collins v. Quincy Bioscience, LLC*, No. 19-22864-CIV, 2020 WL 7135528, at *3 (S.D. Fla. Nov. 16, 2020), *app’l dismissed*, 2020 WL 8770265 (11th Cir. Dec. 22, 2020); *Seacoast Nat. Bank v. Jordyn Holdings IV, LLC*, 392 B.R. 876, 881 (M.D. Fla. 2008).

about the EquiAlt Funds. Rather, Armijo's 'due diligence' comprises a basic online search and brief discussions with people working for the Ponzi scheme.

Exhibit 8, at 10-11.

The Lawyer Defendants' pending motions to dismiss the Armijo Action confirm the inherent, irreparable weakness of Armijo's claims. Wiand Decl., **Exhibits 5 & 6**. Among other defenses, the Lawyer Defendants argue that:

- Armijo has not plausibly pled that they owed any professional duties to Armijo because there was no attorney-client relationship and Armijo is not a third-party beneficiary of their relationship with EquiAlt;
- Armijo has not plausibly alleged that Wassgren's alleged advice caused Armijo's purported damages;
- Armijo's claims for negligent misrepresentation and aiding and abetting are not legally cognizable;
- Armijo fails to state a viable claim for equitable indemnity; and
- Armijo's claims are barred by the *in pari delicto* doctrine and unclean hands.

Id.; see also, *Xaphes v. Shearson, Hayden, Stone, Inc.*, 508 F.Supp. 882, 886 (S.D. Fla. 1981) ("where plaintiff violates some duty imposed on him by the Securities Code, thereby becoming a culpable party...the equitable doctrines of unclean hands and in pari delicto arise").

c. Continued Litigation of the Receiver's Complex Claims against the Lawyer Defendants Will Deplete Receivership Resources

Declining to enter the Bar Order will needlessly prolong the Receiver's litigation against the Lawyer Defendants. The Receiver Action asserts complex claims against the Lawyer Defendants for breaches of fiduciary duties, professional negligence, aiding and abetting common law fraud, and aiding and abetting breaches of fiduciary duties. See, Wiand Decl., **Exhibit 2**. These claims implicate hotly contested legal and factual issues including, among others, whether the Lawyer Defendants: (a) rendered negligent legal advice on a variety of securities *and* regulatory issues; (b) had non-waivable conflicts of interest; (c) knew or should have discovered that the EquiAlt funds were being illegally sold and marketed in violation of applicable securities laws; (d) prepared offering

documents for the EquiAlt securities containing misrepresentations and omissions of material facts; and (e) knew that the EquiAlt securities failed to comply with the requirements for exemptions from registration and that the securities were being offered for sale by unlicensed sales agents. *Id.* The Lawyer Defendants vehemently deny that they breached any duties owed to the EquiAlt entities in the Receivership Estate, and have asserted numerous affirmative defenses to the claims alleged in the Receiver Action. Wiand Decl., ¶ 11.

Continued litigation of the Receiver Action will entail very substantial costs for the Receivership estate. Wiand Decl., ¶¶ 31-34. Because discovery in the Receiver Action is in the incipient stages, prosecution of the Receiver's claims will require expansive and costly discovery, including numerous depositions, and the retention of multiple experts. *Id.* If required to proceed with their defenses in the Receiver Action, the Lawyer Defendants will undoubtedly propound their own discovery to the Receiver, including requests for the production of additional documents and depositions of the Receiver and other representatives of the Receivership Entities.

Absent entry of the Bar Order, these activities will result in substantial dissipation of Receivership assets, distraction of the Receiver from efforts on behalf of the Receivership Estate, and a drain on the Receivership's resources, all of which could take years to complete. *In re Superior Homes & Investments*, 521 F. App'x at 899; *see, e.g., Markland v. Centro Grp., LLC*, No. 18-BK-23155, 2021 WL 1705754, at *12 (S.D. Fla. Mar. 24, 2021), *aff'd sub nom. In Re Centro Grp., LLC*, No. 21-11364, 2021 WL 5158001 (11th Cir. Nov. 5, 2021); *United States v. Hartog, Tr. for Bankr. Est. of Exporther Bonded Corp.*, 597 B.R. 673, 682 (S.D. Fla. 2019), *app'l dismissed*, 2019 WL 4137769 (11th Cir. July 19, 2019); *In re Land Res., LLC*, 505 B.R. 571, 583-84 (M.D. Fla. 2014).

d. Armijo's Unclean Hands Further Warrant Denial of His Objection

Finally, Armijo comes before the Court with the dirtiest of hands as a direct participant in the EquiAlt scheme. Acting for his own personal profit as an unlicensed

sales agent, Armijo convinced dozens of elderly investors to invest their hard-earned retirement assets in illegally issued unregistered securities sold through misleading offering documents in furtherance of a Ponzi scheme. Wiand Decl., **Exhibits 3 & 7-9**. He now seeks to inflict yet further damage on the innocent investors by attempting to derail the extremely favorable \$44 million Lawyer Settlement.

The Eleventh Circuit has observed that “the equitable doctrine of unclean hands provides that one who has acted in bad faith, resorted to trickery and deception, or been guilty of fraud, injustice or unfairness will appeal in vain to a court of conscience.” *In re Kingsley*, 518 F.3d 874, 878 (11th Cir. 2008). As this Court has duly noted, “it is axiomatic that ‘[one] who seeks equity must do equity.’” *Alps South, LLC v. Ohio Willow Wood Company*, Case No. 8:08-cv-1893-T-35-MAP, 2013 WL 12164771 at *2 (M.D.Fla. March 19, 2013). In short, entry of the Bar Order is not only essential to the Lawyer Settlement, it is equally essential to achieving fairness and equity for the victimized investors who, unlike Armijo, are the rightful beneficiaries of the EquiAlt Receivership.

5. Armijo Is Not Entitled to Post-Objection Discovery

Armijo closes with the curious argument that, if the Court overrules his Objection, he then be permitted to engage in discovery in support of his opposition to the Bar Order. Obj. at 21. Armijo fails to justify such extraordinary relief; he must at least show that the information already available to him to be insufficient to make an intelligent decision on the proposed settlement agreement. *Newman v. Sun Capital, Inc.*, 2:09-CV-445-FTM-29, 2012 WL 3715150, at *15–16 (M.D. Fla. Aug. 28, 2012). The discovery he seeks is irrelevant to whether the entry of the Bar Order is “fair and equitable.”⁷

D. Conclusion

The Court should overrule Armijo’s objections in their entirety, and approve the entire Global Settlement, including issuance of the Bar Order.

⁷Armijo specifically seeks the Joint Prosecution Agreement (“JPA”) between the Receiver and Investor Plaintiffs, “so that this Court can evaluate the fairness and equity of the requested [Lawyer] Bar Order.” Obj. at 21. To moot any conceivable insinuation of impropriety, the Receiver and the Investor Plaintiffs are willing to submit the JPA to the Court *in camera*.

Dated: April 14, 2023.

Respectfully submitted,

/s/ Katherine C. Donlon

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Counsel for Investor Plaintiffs

CERTIFICATE OF SERVICE

I hereby certify that on April 14, 2023, I caused the foregoing to be electronically filed with the Clerk of the Court by using the CM/ECF system which will send notification of such filing to all attorneys of record.

By: /s/ Andrew S. Friedman
Andrew S. Friedman

EXHIBIT A

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA**

TAMPA DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Case No.: 8:20-cv-00325-T-35MRM

Plaintiff

v.

BRIAN DAVISON, et al.,

Defendants.

DECLARATION OF BURTON W. WIAND

1. My name is Burton W. Wiand. I am over the age of 18 and am otherwise competent to execute this Declaration.

2. I submit this Declaration in response to Non-Party Robert Joseph Armijo's Objection to Proposed Bar Order (the "Bar Order").

A. The Pending Actions

3. On February 11, 2020, the SEC filed this Action against EquiAlt, LLC and numerous related entities (collectively, "EquiAlt"), and its principals, Brian Davison ("Davison") and Barry Rybicki ("Rybicki"). ECF No. 1. The SEC alleged that EquiAlt, Davison, and Rybicki "conducted a scheme to defraud, raising more than

\$170 million . . . through fraudulent unregistered securities offerings.” ECF No. 138, ¶ 1.

4. On February 14, 2020, I was appointed by this Court as the Receiver for the persons and entities named in this action as the Corporate Defendants and the Relief Defendants (the “Order Appointing Receiver”). ECF No. 11.

5. On July 21, 2020, a group of EquiAlt investors (the “Investor Plaintiffs”) filed a class action complaint against Paul Wassgren, DLA Piper and Fox Rothschild (collectively, “the Lawyer Defendants”) in this Court, alleging claims for aiding and abetting fraud, aiding and abetting breaches of fiduciary duties and violations of various state securities laws and other statutes, and captioned *Gleinn et al. vs. Paul Wassgren, et al.*, Case No. 8:20-cv-01677-VMC-CPT. (M.D. Fla.) (the “Investor Action”). The Investor Plaintiffs filed an amended complaint against the Lawyer Defendants on August 3, 2020. A true and correct copy of the amended complaint filed in the Investor Action is attached as **Exhibit 1**.

6. In my capacity as Receiver, on September 25, 2020, I filed a federal court action the Lawyer Defendants alleging claims for breaches of fiduciary duties, professional negligence, aiding and abetting fraud, and aiding and abetting breaches of fiduciary duties. The complaint was later refiled in California Superior Court captioned as *Burton Wiand, as Receiver on Behalf of EquiAlt Fund, LLC, et al. vs. Paul R. Wassgren, et al.* Case No. 20STCV49670 (Cal. Sup. Ct.) (the “Receiver Action”). A true and correct copy of the complaint filed in the Receiver Action is attached as **Exhibit 2**.

7. As Receiver, I also filed an action against Defendants Robert Armijo and Joseph Financial Inc. (collectively “Armijo”) and other sales agents on February 13, 2021, captioned as *Burton Wiand, as receiver for EquiAlt LLC, et al. v. Family Tree Estate Planning, LLC, et al.*, Case No. 8:21-cv-361-SDM-AAS (M.D. Fla.) (the “Receiver Fraudulent Transfer Action”). A true and correct copy of the complaint filed in the Receiver Fraudulent Transfer Action is attached as **Exhibit 3**.

8. On October 6, 2022, Armijo filed a complaint against the Lawyer Defendants in California Superior Court (the “Armijo Action”), a true and correct copy of which is attached as **Exhibit 4**. In the Armijo Action, Armijo asserts claims arising out of his alleged reliance on the assurances of the Lawyer Defendants that his offer and sale of the EquiAlt securities was lawful. Armijo’s claims against the Lawyer Defendants in the Armijo Action are so factually intertwined with the claims asserted against the Lawyer Defendants by the Investor Plaintiffs in the Investor Action and with the claims asserted against the Lawyer Defendants in the Receiver Action that Armijo attached copies of the complaint in the Investor Action (attached **Exhibit 1**) and the complaint in the Receiver Action (attached **Exhibit 2**) as Exhibits B & C to his complaint in the Armijo Action. *See Exhibit 4, ¶¶ 86 & 88.*

9. On December 29, 2022, DLA filed a motion to dismiss the complaint in the Armijo Action. A true and correct copy of DLA’s Memorandum of Points and Authorities in Support of Motion to Dismiss is attached as **Exhibit 5**.

10. On January 4, 2023, Fox also filed a motion to dismiss the complaint in the Armijo Action. A true and correct copy of Fox's Memorandum of Points and Authorities in support of its motion to dismiss is attached as **Exhibit 6**.

B. The Settlement

11. The Lawyer Defendants vehemently deny that they breached any duties owed to the Corporate Defendants or the Relief Defendants, and have asserted numerous affirmative defenses to the claims alleged in the Receiver Action.

12. After months of negotiations conducted during and in furtherance of a mediation before JAMS mediator David Geronemus, the Investor Plaintiffs, the Lawyer Defendants and I, as the Receiver, agreed to settle the Receiver Action and the Investor Action (the "Settlement") and entered into a Settlement Agreement dated March 23, 2022 (the "Settlement Agreement") which is currently pending before this Court for final approval.¹

13. I am personally familiar with the terms of the Settlement Agreement and the requirements and conditions necessary for the Lawyer Defendants to enter into and proceed with the performance of the Settlement Agreement.

14. The Settlement Agreement, if finally approved by this Court, will resolve both the Receiver Action and the Investor Action in consideration for the payment by the Lawyer Defendants of \$44 million to be administered and disbursed through the Receivership Estate.

¹ Capitalized terms that are not otherwise defined in this declaration have the same meanings as those terms are defined in the Settlement Agreement.

15. As an essential condition for their willingness to enter into and proceed with the Settlement, the Lawyer Defendants required the inclusion in the Settlement Agreement and final approval by this Court the entry of a bar order (the “Bar Order”) precluding the commencement or continuation of any actions against them by numerous Barred Persons, including: (a) the EquiAlt Defendants; (b) owners, officers, directors, members, managers, partners, agents, representatives, employees, and independent contractors of the EquiAlt Defendants; (c) investors who purchased any EquiAlt Securities; (d) persons and entities who offered for sale or sold any EquiAlt Securities; (e) persons or entities who found prospective investors for or referred prospective investors to EquiAlt Securities, the EquiAlt Defendants, or BR Services; (f) the Receiver; and (g) any person or entity claiming by, through, or on behalf of the foregoing persons or entities, whether individually, directly, indirectly, through a third party, derivatively, on behalf of a class, as a member of a class, or in any other capacity whatsoever.

16. The Settlement Agreement and the Law Firms’ agreement to pay \$44 million to resolve the Receiver Action and the Investor Action are expressly conditioned upon entry of the Final Approval Order incorporating the Bar Order. The Settlement Agreement will terminate and the entire Settlement will be null and void if this Court does not enter the Bar Order.

C. The Summary Judgment Rulings Against Armijo

17. On August 3, 2022, as the Receiver I moved for summary judgment against Armijo in the Receiver Fraudulent Transfer Action. A true and correct copy of my

declaration in support of my motion for summary judgment against Armijo is attached hereto as **Exhibit 7** and incorporated herein by reference.

18. On March 24, 2023, the Receiver obtained summary judgment on its claims against Armijo under the Florida Fraudulent Transfer Act to recover more than \$1.4 million in commissions received from his sale of more than \$14 million in EquiAlt debentures and other securities, plus interest. The Court found that Armijo did not act in good faith and violated federal and state securities laws. A true and correct copy of the order granting my motion for summary judgment in the Receiver Fraudulent Transfer Action is attached as **Exhibit 8**.

19. On March 8, 2023, the SEC secured summary judgment on its claim against Armijo for the sale of unregistered securities in violation of two sections of the federal Securities Act, which “make it unlawful to offer or sell a security in interstate commerce if a registration statement has not been filed as to that security, unless the transaction qualifies for an exemption from registration.” *SEC v. Robert Joseph Armijo*, No. 3:21-cv-01107 (S.D. Cal.) (the “SEC Enforcement Action”). The Court also found that Armijo violated the Securities Exchange Act of 1934 by failing to register as an agent to sell securities. A true and correct copy of the summary judgment order in the SEC Enforcement Action is attached as **Exhibit 9**.

D. Armijo’s Proof of Claim in the Receivership

20. On July 8, 2021, the Court approved a claims process for the orderly assertion of any and all claims against EquiAlt (as collectively defined above). ECF No. 347, at

3. The Court established a “Claims Bar Date” for all claims, and prescribed a “Proof of Claim” form to be filed with the Receiver on or before December 22, 2021. *Id.*; ECF No. 335-1.

21. Armijo through legal counsel submitted a completed and signed proof of claim form (“POC”) on December 20, 2021, a true and accurate copy of which is attached as **Exhibit 10**. Armijo’s POC form affirms Armijo’s express consent to the jurisdiction of this Court “for all purposes,” including “any dealing or business transacted that relates in any way to any Receivership property.” *Id.* at pdf page 2.

22. In his POC, Armijo seeks to recover from the Receivership nearly \$15 million based on several purported causes of action, including intentional or negligent misrepresentation, fraudulent concealment, breach of contract, promissory fraud, and the “tort of another doctrine.” **Exhibit 10**, at pdf pages 8-14. Armijo bases these claims on the assurances he purportedly received from Paul Wassgren acting as EquiAlt’s counsel, that he could lawfully promote and sell unregistered EquiAlt securities without first obtaining the required Series 7 securities license. *Id.* Armijo further bases his claims on alleged misrepresentations or omissions in the EquiAlt offering documents. *Id.*

23. Armijo’s POC seeks to recover as damages indemnification against claims asserted against him by EquiAlt investors and for attorneys’ fees he purportedly incurred in connection with the SEC investigation and enforcement proceedings and the EquiAlt investors’ claims, destruction of his reputation among his clients, financial

damages to his business, lost time and “serious physical harm and pain and suffering, including heart problems and depression.” **Exhibit 10**, at pdf pages 15-17.

24. As the Receiver I have determined that Armijo’s claims should be denied as part of my pending Motion to (1) Approve Determination and Priority of Claims, (2) Approve Plan of Distribution, and (3) Establish Objection Procedure (the “Claim Determination Motion”). See ECF No. 781 at 18-29. A true and correct excerpt of the pertinent pages from my Claim Determination Motion is attached as **Exhibit 11**.

25. Under the procedures proposed in the Claim Determination Motion, Armijo may object to my recommended denial of his claim and present any such objections to the Court for determination.

E. Armijo’s Action Against the Lawyer Defendants

26. Armijo in the Armijo Action asserts legal claims against the Lawyer Defendants that are strikingly similar to those asserted in his POC and, as explained below, are likewise similar to the claims asserted against the Lawyer Defendants in both the Receiver Action and the Investor Action. **Exhibit 4**. In the Armijo Action, Armijo alleges claims for professional negligence, negligent misrepresentation, aiding and abetting fraud, equitable indemnity, tort of another and violations of the California Unfair Competition Law. *Id.*

27. Importantly, the claims asserted by Armijo in the Armijo Action (**Exhibit 4**) arise from the same nucleus of operative facts as those underlying his POC and those alleged in the Receiver Action (**Exhibit 2**) and the Investor Action (**Exhibit 1**). Those

common factual assertions include, *inter alia*, allegations that: (a) Paul Wassgren assured sales agents that they could lawfully offer and sell EquiAlt securities without obtaining the required securities license; (b) the Lawyer Defendants falsely advised sales agents and investors that the EquiAlt securities were exempt from registration under the federal and state securities laws; and (c) the Lawyer Defendants aided and abetted the EquiAlt principals and entities in preparing securities offering documents containing misrepresentations and omissions that: (i) 90% of investor funds would be used to acquire properties; (ii) the EquiAlt securities were exempt from registration and legally issued under the applicable federal and state securities laws; (iii) the funds would not be used to pay extraneous expenses; (iv) assets would not be transferred from one fund to another in furtherance of a Ponzi scheme; and (v) no commissions would be paid to sales agents.

28. Attached hereto as **Exhibit 12** is a chart demonstrating that the claims asserted by Armijo in the Armijo Action (**Exhibit 4**) are based on the same nucleus of operative facts, acts and omissions as those alleged in the Receiver Action (**Exhibit 2**) and in the Investor Action (**Exhibit 1**).

29. In addition, Armijo in his action against the Lawyer Defendants seeks the same primary categories of damages that are sought in his Receivership POC.

30. Attached as **Exhibit 13** is a chart comparing the damages claimed in Armijo's POC (**Exhibit 10**) with those alleged in his complaint against the Lawyer Defendants in the Armijo Action (**Exhibit 4**).

F. Complexity of Claims and Cost of Continued Litigation

31. The claims I assert against the Lawyer Defendants in the Receiver Action, as well as the claims of the Investor Plaintiffs, involve complex factual and legal issues, proof of which necessarily will require protracted document and deposition discovery, extensive motion practice and expensive expert analysis and testimony. Substantial motion practice already has occurred in the Receiver Action and certain motions remain pending before the California court. Because the Receiver Action was in its relatively incipient stage when the Settlement was reached, virtually all of that work will be necessary at great expense to the Receivership Estate if the Settlement is terminated because the Bar Order is not entered.

32. Continued litigation of the Receiver action will deplete or dissipate Receivership assets that would otherwise be available for disbursement to the investors. The Receivership has already paid hundreds of thousands of dollars to expert consultants, including forensic accountants, a securities law expert, document management vendors, and IT consultants. Those expenses will increase significantly if the litigation moves forward due to termination of the Settlement.

33. In addition, I and my attorneys will be required to expend substantial time in connection with continued litigation of the Receiver Action, imposing additional expenses on the Receivership. Although Special Counsel for the Receiver is advancing litigation costs under the engagement agreement approved by the Court, Special Counsel is entitled to reimbursement of those costs from any recoveries ultimately

obtained in the Receiver Action, an expense that will escalate greatly and thus ultimately burden the Receivership Estate if the litigation were to continue.

34. I am also aware that continued litigation of the Investor Action will likewise necessarily entail an enormous expenditure of time, resources and costs that will ultimately be borne by the Receivership Estate because the Joint Prosecution Agreement between me and counsel for the Investor Plaintiffs contemplates that any proceeds remaining after repayment of the litigation expenses advanced by counsel for the Investor Plaintiffs is to be disbursed to investors through the Receivership.

35. I have acted as Receiver in a number of failed businesses or investment vehicles operated as Ponzi schemes. In my capacity as Receiver, I have brought actions against law firms and vendors who assisted the perpetrators of these schemes. I can and do attest that, based on my experience, the Settlement recommended to the Court represents an extremely favorable result that will greatly benefit the Receivership Estate and thereby the victims and creditors of the EquiAlt Ponzi scheme.

Under penalties of perjury, I declare that I have read the foregoing document and that the facts stated therein are true.

Executed on this 14th day of April, 2023.



BURTON W. WIAND, RECEIVER

EXHIBIT 1

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION**

RICHARD GLEINN and PHYLLIS GLEINN,
CARY TOONE, JOHN CELLI and MARIA
CELLI, EVA MEIER, GEORGIA MURPHY,
STEVEN J. RUBINSTEIN and TRACEY F.
RUBINSTEIN, as trustees for THE
RUBINSTEIN FAMILY LIVING
TRUST DATED 6/25/2010, BERTRAM D.
GREENBERG, as trustee for the Greenberg
Family Trust, BRUCE R. AND GERALDINE
MARY HANNEN, ROBERT COBLEIGH,
RORY O’NEAL AND MARCIA O’NEAL,
and SEAN O’NEAL, as trustee for THE
O’NEAL FAMILY TRUST DATED
4/6/2004, individually and on behalf of others
similarly situated,

Plaintiffs,

vs.

PAUL WASSGREN, an individual; DLA
PIPER (US), a limited liability partnership; and
FOX ROTHSCHILD LLP, a limited liability
partnership,

Defendants.

Case No. **8:20-cv-01677-VMC-CPT**

JURY DEMANDED

AMENDED CLASS ACTION COMPLAINT

Plaintiffs Richard Gleinn; Phyllis Gleinn; Cary Toone, John Celli; Maria Celli; Eva Meier; Georgia Murphy; Steven J. Rubinstein and Tracey F. Rubinstein, as trustees for The Rubinstein Family Living Trust Dated 6/25/2010; Bertram D. Greenberg, as trustee for the Greenberg Family Trust; Bruce R. Hannen; Geraldine Mary Hannen; Robert Cobleigh; Rory O’Neal; Marcia O’Neal; and Sean O’Neal, as trustee for The O’Neal Family Trust Dated 4/6/2004, as amended (collectively, “Plaintiffs”) allege the following claims for their complaint against Defendants Paul Wassgren (“Wassgren”), DLA Piper (US) (“DLA Piper”) and Fox Rothschild LLP (“Fox

Rothschild”) (collectively, “Defendants”). Plaintiffs allege the following on information and belief, except as to those allegations that specifically pertain to the named Plaintiffs, which are alleged on personal knowledge.

INTRODUCTION

1. Plaintiffs bring this class action against the Defendants to obtain rescission, damages, and/or other relief on behalf of themselves and hundreds of other investors who collectively have lost millions of dollars in a Ponzi scheme orchestrated and perpetrated by the principals of EquiAlt, a private real estate investment firm based in Florida. The Ponzi scheme, which involved the unlawful sale of unregistered securities (“the EquiAlt Securities”) combined with fraudulent misrepresentations, was carried out by the managers of EquiAlt acting in concert with Wassgren, a partner at the Fox Rothschild law firm and, later, a partner at the DLA Piper law firm.

2. EquiAlt and its promoters could not have perpetuated the massive fraudulent Ponzi scheme without the active assistance and participation of their lawyers. This class action is brought on behalf of the EquiAlt investors in (1) Florida, (2) California, (3) Arizona, (4) Colorado, and (5) Nevada seeking to hold accountable Wassgren, Fox Rothschild, and DLA Piper—the lawyers who knowingly aided and abetted the fraudulent scheme.

3. Over time, EquiAlt and Wassgren, through integrated offerings of unregistered securities, raised more than \$170 million from at least 1,100 investors located in various states, including investors residing in Florida, California, Arizona, Colorado and Nevada. A large percentage of the EquiAlt investors are elderly and many of them invested their life savings in the unregistered EquiAlt Securities.

4. On February 11, 2020, the Securities and Exchange Commission (“SEC”) in the Middle District of Florida filed an enforcement action against EquiAlt, the EquiAlt investment funds, and the EquiAlt promoters, Brian Davison (Chief Executive Officer) and Barry Rybicki (Managing Director), seeking injunctive and other relief (the “SEC Action”). The complaint in the SEC Action charges that those defendants operated EquiAlt as a Ponzi scheme and committed multiple violations of the Federal securities laws:

The Commission brings this emergency action to halt an ongoing fraud conducted by EquiAlt LLC, a private real estate investment company. Beginning in 2011, to the present, Defendants EquiAlt, Brian Davison and Barry Rybicki conducted a Ponzi scheme raising more than \$170 million from over 1,000 investors nationwide, many of them elderly, through fraudulent unregistered securities offerings. Defendants promised investors that substantially all of their money would be used to purchase real estate in distressed markets in the United States and their investments would yield generous returns. Instead, EquiAlt, Davison and Rybicki misappropriated millions in investor funds for their own personal use and benefit.

Complaint for Injunctive and Other Relief and Demand for Jury Trial, ¶ 1, copy attached as **Exhibit**

A.

5. Three days after the SEC filed the SEC Action, EquiAlt was placed into a liquidating receivership. On May 8, 2020, the EquiAlt Receiver (“The Receiver”) filed its first quarterly report, a copy of which is attached as **Exhibit B** (“the Receiver’s Report”). The Receiver’s Report includes extensive findings regarding the operations of the EquiAlt Ponzi scheme. In particular, the Receiver reported:

These [EquiAlt] investments were sold without registration with either state or federal regulatory agencies. The offerings were purportedly made pursuant to federal exemptions from registration under the provisions of the Securities Act of 1933 provided in Regulation D. However, none of the first four [EquiAlt] Funds qualified for a Regulation D exemption or any other exemption from registration. The offerings appear to be one continuous fraudulent offering of unregistered securities. The lack of any exemption was clear to the perpetrators from the language contained in offering documents delivered to investors.

Ex. B at 14.

PARTIES AND NON-PARTY ACTORS

PLAINTIFFS

6. Plaintiffs Richard and Phyllis Gleinn are individuals and spouses, who reside and are domiciled in Sumter County, Florida. The Gleinns are investors in EquiAlt Securities.

7. Plaintiff Cary Toone is an individual who resides and is domiciled in the State of Arizona. Toone is an investor in EquiAlt Securities.

8. Plaintiffs John and Maria Celli are individuals and spouses who reside and are domiciled in the State of Arizona. The Cellis are investors in EquiAlt Securities.

9. Plaintiff Steven J. and Tracey F. Rubinstein are individuals and spouses who reside and are domiciled in the State of Arizona. The Rubinsteins are trustees of the Rubinstein Family Living Trust Dated 6/25/2010, which invested in EquiAlt. The Rubinsteins, via their trust, are investors in EquiAlt Securities.

10. Plaintiff Eva Meier is an individual who resides and is domiciled in San Diego, California. Meier is an investor in EquiAlt Securities.

11. Plaintiff Georgia Murphy is an individual who resides and is domiciled in San Diego, California. Meier is an investor in EquiAlt Securities.

12. Plaintiff Greenberg is the trustee of the Greenberg Family Trust, a revocable trust. Plaintiff Bert Greenberg is, and was at all material times, who resides and is domiciled in Santa Clara County, California. Greenberg is an investor in EquiAlt Securities.

13. Plaintiffs Bruce R. Hannen and Geraldine Mary Hannen are spouses and individuals who reside and are domiciled in the state of Colorado. The Hannens are investors in EquiAlt Securities.

14. Plaintiffs Rory and Marcia O’Neal are individuals and spouses who reside and are domiciled in the State of Nevada. The O’Neals are investors in EquiAlt Securities.

15. Plaintiff Sean O’Neal is the trustee of the O’Neal Family Trust. Plaintiff Sean O’Neal is an individual who resides and is domiciled in the State of Nevada. O’Neal is an investor in EquiAlt Securities.

16. Plaintiff Robert Cobleigh is an individual who resides and is domiciled in the State of California. Cobleigh is an investor in EquiAlt Securities.

DEFENDANTS

17. Defendant DLA Piper is a Maryland limited liability partnership operating as a law firm with its principal place of business at 6225 Smith Avenue, Baltimore, MD 21209. DLA Piper is thus a citizen of Maryland. DLA Piper does business in Florida at 200 South Biscayne Boulevard, Suite 2500, Miami, Florida.

18. Defendant Fox Rothschild is a Pennsylvania limited liability partnership operating as a law firm with its principal place of business located at 2000 Market St, 20th Floor, Philadelphia, PA, 19103. Fox Rothschild is thus a citizen of Pennsylvania. Fox Rothschild does business in Florida at One Biscayne Tower, 2 South Biscayne Blvd., Suite 2750, Miami Florida.

19. Fox Rothschild and DLA Piper served as EquiAlt’s legal counsel in connection with the offer and sale of the EquiAlt Securities

20. Defendant Wassgren is an individual who resides and is domiciled in the State of California. Wassgren is thus a citizen of California. Wassgren is an attorney who has been a partner at DLA Piper since 2017. Prior to his affiliation with DLA Piper, Wassgren was a partner at Fox Rothschild. At all times relevant to the allegations of this complaint, Wassgren was acting within

the course and scope of his employment with Fox Rothschild and his later employment with DLA Piper.

OTHER NON-PARTY ACTORS

21. Non-defendant EquiAlt LLC (“EquiAlt”) is a Nevada limited liability company that engaged in the offer and sale of the EquiAlt Securities to investors in several states, including Florida.

22. Non-defendant Brian Davison (“Davison”) is the former CEO of EquiAlt.

23. Non-defendant Barry Rybicki (“Rybicki”) is a Managing Director of EquiAlt.

24. Non-defendants EquiAlt Fund LLC (“Fund 1”); EquiAlt Fund II, LLC (“Fund 2”), EquiAlt Fund III, LLC (“Fund 3”) and EA SIP LLC (“Fund 4”) (collectively, the “Funds”) are investment funds formed by Non-Defendants Davison and Rybicki to raise monies from investors through the sale of the EquiAlt Securities.

25. Non-Defendants EquiAlt, the Funds, Davison, and Rybicki are hereinafter referred to collectively as the “Non-Defendant Promoters.”

JURISDICTION AND VENUE

26. This Court has subject matter jurisdiction pursuant to the Class Action Fairness Act of 2005 (“CAFA”) codified as 28 U.S.C. § 1332(d)(2). The matter in controversy exceeds \$5,000,000, in the aggregate, exclusive of interest and costs; each alleged class will have 100 or more members, and minimal diversity exists.

27. This Court has personal jurisdiction over each Defendant because each Defendant was involved in the marketing and sale of the EquiAlt Securities issued from EquiAlt headquarters in Tampa, Florida. Defendants have purposefully availed themselves of the laws of the State of Florida and have established minimum contacts with the State of Florida. The Court also has

personal jurisdiction under Fla. Stat. §§ 48.193(1)(a)(1) over the Defendants because they operate, conduct, engage in, or carrying on a business or business venture in this state or having an office or agency in this state. Both Fox Rothschild and DLA Piper transact substantial business in Florida, including from a DLA office in Miami, Florida, and Fox Rothschild offices in Miami and West Palm Beach, Florida. Defendants market, promote, distribute, and render their services in Florida, causing Defendants to incur both obligations and liabilities in Florida. Further, the Court has personal jurisdiction over Wassgren under Fla. Stat. § 48.193(1)(a)(2).

28. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391 because a substantial part of the events or omissions giving rise to the claim occurred in this judicial district. In addition, the SEC Action was filed in this district.

GENERAL ALLEGATIONS

A. Background of the EquiAlt Ponzi Scheme

29. EquiAlt was formed in 2011 by its Chief Executive Officer Davison and its Managing Director Rybicki (collectively, the “Managers”). EquiAlt represented to its investors in offering documents that substantially all of their invested funds would be used to purchase, rehabilitate and sell for profit single-family properties located in distressed markets throughout the United States, thereby generating generous returns of 8–12% for the investors. Instead, EquiAlt, Davison, and Rybicki with the active assistance of Defendants perpetrated an illegal Ponzi scheme by which they fraudulently misappropriated millions of dollars for their own personal benefit from the offer and sale of unregistered securities in violation of the federal and state securities laws, through a network of unlicensed sales agents located in Florida, California, Arizona, Colorado, and Nevada, and other states.

30. According to the Declaration of Mark Dee filed in the SEC action, EquiAlt morphed into a Ponzi scheme soon after its inception in 2011. A copy of the Declaration of Mark

Dee (the “Dee Declaration”) is attached as **Exhibit C**. Mr. Dee, a Senior Accountant for the SEC, attested that Davison and Rybicki misappropriated millions of dollars for their own personal benefit, misused investor funds for purposes inconsistent with the Private Placement Memorandums used to offer and sell the EquiAlt Securities (“PPMS”), and saddled the Funds with financial losses stemming from excessive fees, bonuses and payments to insiders and affiliated entities. These excessive misappropriated fees rendered EquiAlt insolvent and unable to pay the amounts due to investors other than by raising new investor funds as part of the resulting Ponzi scheme. In short order the proceeds received by the Funds from property sales and loan receipts were inadequate to pay the high payments due to investors under the unregistered EquiAlt Securities, which obligated the Funds to pay interest to investors at rates ranging from 8% to 12%. Consequently, EquiAlt systematically diverted monies from one Fund to another and used investment proceeds raised from new investors to make the interest payments due to existing investors.

31. EquiAlt conducted its business affairs and perpetrated an illegal and fraudulent Ponzi scheme through a series of limited liability companies (“LLCs”) controlled by Davison and Rybicki. EquiAlt itself was formed as a Nevada LLC to manage a series of real estate investment funds that issued and sold to investors unregistered securities styled as fixed-interest debentures. The unregistered EquiAlt Securities were issued by the Funds. Another LLC operated by Rybicki, BR Support Services LLC (“BR Services”), was formed in Arizona to recruit, oversee and pay commissions to the unlicensed sales agents who marketed and sold the unregistered EquiAlt Securities to unsuspecting investors.

32. Shortly after EquiAlt was formed in 2011, Davison and Rybicki began to aggressively promote sales of the EquiAlt Securities issued by Fund 1 through a network of

unlicensed sales agents located in Florida, California, Arizona, Nevada, and other states. Davison managed EquiAlt's financing and day-to-day operations, including the acquisition and development of properties owned by the Funds. Rybicki solicited and oversaw the activities of the unlicensed sales agents, communicated with investors and raised monies from investors.

33. Over time, Rybicki recruited approximately 19 sales agents through BR Services. Participating sales agents would submit to BR Services certain documentation and the investors' funds, which BR Services would transmit to EquiAlt. When the investors' funds were received, EquiAlt would disburse funds to BR Service equal to 12% of the invested amounts and BR Services in turn would pay commissions to the agents equal to 6% or more of the invested amounts. For example, the following chart from the Receiver's Report lists sales commissions paid to the sales agents recruited by Rybicki:

Sales Agent Name	Total Paid
Agents Insurance Sales / Barry Wilken	\$ (240,159.33)
American Financial Security / Ron Stevenson / Barbara Stevenson	(1,712,750.95)
Barry Neal	(119,037.20)
Ben Mohr	(113,578.00)
Bobby Armijo / Joseph Financial Inc.	(1,100,042.65)
Dale Tenhulzen / Live Wealthy Institute	(1,484,531.29)
Elliot Financial Group / Todd Elliot	(805,662.68)
Family Tree Estate Planning / Jason Wooten	(3,749,783.61)
GIA, LLC / Edgar Lozano	(278,807.24)
Greg Talbot	(260,941.89)
J. Prickett Agency / Joe Prickett	(187,374.57)
James Gray / Seek Insurance Services	(405,286.75)
John Friedrichsen	(327,681.69)
Lifeline Innovations / John Marques	(822,318.06)

Patrick Runninger	(293,599.53)
Sterling Group	(478,562.12)
The Bertucci Group LLC / Leonardo LLC / Leonardo Bertucci	(139,950.00)
Tony Spooner / Rokay Unlimited, LLC	(622,169.05)
Wellington Financial, LLC / Jason Jodway	(48,000.00)
TOTAL	\$ (13,190,236.61)

As the foregoing chart shows, the EquiAlt sales agents collected more than \$13 million in commissions from sales of the EquiAlt Securities to investors.

34. Rybicki selected agents who had existing clients with whom they had pre-existing confidential fiduciary relationships of trust and confidence. The sales agents, who were largely unlicensed insurance producers and financial advisors, provided investment advice concerning the EquiAlt Securities, counseling their clients that the debentures were conservative, safe investments providing healthy investment returns with little or no investment risk. The sales agents purported to conduct sufficient analysis to confirm that prospective investors possessed the knowledge and expertise in financial and business matters and the capability to evaluate the merits and risks associated with the EquiAlt Securities. Rather than doing so, however, the EquiAlt sales agents improperly endorsed the EquiAlt Securities as low risk investments and affirmatively encouraged and exhorted their largely unsophisticated clients to invest their life savings and retirement assets in the risky unregistered securities.

35. A majority of the investors who purchased the unregistered securities issued by the Funds were non-accredited, meaning that their net worth was less than \$1 million, their individual income was less than \$200,000 in each of the two most recent years (or \$300,000 in joint income with their spouse), or they failed to meet the other requirements of 17 CFR § 230.501. In addition,

to be accredited, purchasers must have sufficient knowledge and experience in financial and business matters to make them capable of evaluating the merits and risks of the prospective investment. Under Regulation D, the safe harbor exemption from registration is forfeited if the issuer sells its unregistered securities to more than 35 non-accredited purchasers. When the EquiAlt Securities offerings by the Funds are aggregated, it is clear that EquiAlt had more than 35 non-accredited purchasers because the Form D for the Fund I offering discloses 31 non-accredited purchasers and the Form D for Fund II discloses 10 non-accredited purchasers, for a total of at least 41 non-accredited purchasers of EquiAlt Securities.

B. Defendants’ Active Participation and Assistance in the Offer and Sale of the Unregistered EquiAlt Securities

36. As a partner at Fox Rothschild and later as a partner at DLA Piper, Wassgren served as legal counsel for EquiAlt who advised and assisted EquiAlt on numerous matters, including compliance with applicable Federal and State securities laws. In a recent podcast, Wassgren described EquiAlt as “a long-time client of mine.”¹ DLA Piper’s website notes that Wassgren represented EquiAlt in connection with “[f]und and REIT formations, including a series of private [securities] offerings.”² According to the DLA Piper website, Wassgren “practices at the intersection of corporate law, real estate and securities.”³ Despite his youthful age, therefore, Wassgren is a highly sophisticated securities lawyer, well-versed in the stringent federal and state law provisions regulating the offer and sale of securities to investors in California, Arizona, Florida, Colorado and Nevada including in particular the prohibitions against public offerings of unqualified or unregistered securities through unlicensed brokers and sales agents.

¹<https://podcasts.apple.com/kw/podcast/paul-wassgren-from-youngest-bond-trader-ever-to-oz/id1460212490?i=1000438104456> (last visited June 15, 2020)

² <https://www.dlapiper.com/en/us/people/w/wassgren-paul/> (last visited June 15, 2020).

³ *Id.*

37. Wassgren represented EquiAlt for several years as a partner at Fox Rothschild. Wassgren brought EquiAlt with him as a client when he joined DLA Piper as a partner in 2017. Wassgren had primary responsibility for the EquiAlt engagements of Fox Rothschild and DLA Piper. As recently as 2018, and after defending the Arizona investigation into EquiAlt’s operations described below, Wassgren led a team of DLA Piper attorneys assisting EquiAlt in the formation and offering of \$500 million fund to purchase and develop properties within Qualified Opportunity Zones.

38. Over the years, Fox Rothschild and DLA Piper collected hundreds of thousands of dollars in fees from EquiAlt and its affiliates from EquiAlt and the Funds.

39. Wassgren was deeply involved with EquiAlt and the Funds from their very inception. In his deposition taken in the SEC investigation leading up to the SEC Action, EquiAlt CEO Davison described Wassgren’s instrumental role as architect of the EquiAlt business organizations:

Q: The second full paragraph on page 3 states ... “As the CEO and founder, Mr. Davison ... actively works with EquiAlt outside legal and financial advisors to develop and implement strategic long-term planning for the company....” Is that an accurate description of your responsibilities at EquiAlt?

A: ... I just would like to clarify that my definition of financial advisors is directly related to my job position, which would be Denver, a staff CPA with great experience, *my legal counsel, Paul Wassgren, I deal with quite extensively when the companies interact with each other that he’s built for me*, to make sure I’m good on that. But other than that, I would say that paragraph is generally accurate, yes.

Deposition of Brian Davison, excerpt attached as **Exhibit D**, at 21 (emphasis added).

40. While a partner at Fox Rothschild and later, as a partner at DLA Piper, Wassgren prepared and filed with the Nevada Secretary of State the Articles of Organization for each of the

Funds, listing himself as the “Organizer” and “Registered Agent” for the Funds. Wassgren also drafted the PPMs used by EquiAlt to solicit sales of its unregistered and nonqualified securities.

As Davison testified to the SEC:

Q: And who developed the concept of raising money for these investment funds through private placement memorandums?

A: That’s me.

Q: Okay. So who contacted the law firm to help generate those private placement memorandums?

A: I do.

Q: Okay. It was you?

A: It was me.

Q: And which law firm, and which attorney, and when?

A: So the individual is Paul Wassgren.

Q: Fox Rothschild? Does that sound familiar?

A: He was at Fox Rothschild.

Q: Which firm is he at now?

A: I believe he’s with DLA Piper.

Ex. D at 26–27. Copies of PPMs drafted by Wassgren for each of the Funds are attached as **Composite Exhibit E**.

41. Indeed, Wassgren drafted the EquiAlt PPMs from the very beginning of its existence. As Davison testified in his deposition that “[g]enerally speaking, on a transactional basis, I created documents like these [PPMs] with counsel about the time period of 2000—I’m

sorry—2011, private placement memorandum generally.” Pl. Mot. for TRO, Exh. 4, Davison Tr. at 92. **Exhibit D** at 92.

42. Wassgren also drafted the Subscription Agreements, the EquiAlt Securities, and the Prospective Purchaser Questionnaires (“Investor Questionnaires”) used to attest that the investors were “accredited,” a requirement for the securities to be exempt from registration as a “private offering” under Rule 506(b) of SEC Regulation D (“Regulation D”). An exemplar Investor Questionnaire is attached as **Exhibit F**. As drafted, the Investor Questionnaires were addressed to Fox Rothschild or DLA Piper, such that prospective investor was directed to complete the questionnaire and send the signed document to the Defendants’ offices. Through their receipt of such Investor Questionnaires, and otherwise, Defendants kept themselves informed of the number and level of financial sophistication of the prospective investors to whom the EquiAlt Securities were being offered and sold.

43. The PPMs and other offering documents prepared by Wassgren contained numerous false and misleading statements and concealed or omitted material information about the use of investors’ funds and the risks associated with the Funds. Among other material misrepresentations, the PPMs prepared by Wassgren:

- Falsely stated that “[t]his Offering is being made pursuant to the private offering exemption of Section 4(2) of the [Securities] Act and/or Regulation D promulgated under the Act;”
- Falsely stated that “[t]his Offering is also being made in strict compliance with the applicable state securities laws;”
- Falsely stated that “[u]nder no circumstances will the Company admit more than thirty-five (35) non-accredited Investors as computed under Rule 501 of Regulation D promulgated under the [Securities] Act;”
- Falsely stated that “[t]he Company may utilize the services of one or more registered broker/dealers” to sell the unregistered securities;
- Falsely overstated the percentage of investor funds that would be used to invest

in properties;

- Misleadingly omitted to disclose that millions of dollars would be used to pay undisclosed fees and bonuses to EquiAlt and its principals;
- Misleadingly omitted to disclose that EquiAlt would pocket “discount fees” rather than passing on to the Funds purported savings from listed sale prices; and
- Misleadingly omitted to disclose that monies would be transferred from one Fund to another to pay interest due to investors and failed to adequately disclose that commissions would be paid to unlicensed sales agents.
- Misleadingly omitted to disclose that Davison and Rybicki had both filed bankruptcy proceedings during the years prior to the formation of EquiAlt

44. Although the PPMs made partial disclosures that Davison and Rybicki would be compensated through management fees and undefined “substantial compensation and benefits” these disclosures were misleading half-truths because the PPMs also assured the prospective investors that the Company “does not anticipate significant operating costs” and the projected sources and uses of cash failed to disclose the exorbitant amounts misappropriated and diverted by Davison and Rybicki. More importantly, the PPMs failed to disclose that, as Davison and Rybicki knew and intended, the exorbitant amounts that they stripped from the EquiAlt Funds quickly rendered the funds insolvent and incapable of paying the amounts due to investors other than with funds raised from new investors through the Ponzi platform.

45. In addition to drafting and providing information for the PPMs, Wassgren and the law firm Defendants consented to the inclusion of their names in the PPMs and the associated offering materials incorporated in the PPMs. As just noted, while Wassgren was a partner at Fox Rothschild, the Investor Questionnaires attached as exhibits to the PPMs named the law firm and directed the investors to mail the completed questionnaires to the law firm’s offices in Nevada. When Wassgren moved to DLA Piper in 2017, the Investor Questionnaires were changed to name DLA Piper and set forth the new law firm’s mailing address in California. The PPMs also stated

that: (a) the securities were offered “subject to ... [the] approval of counsel;” (b) the fund’s “counsel will review certain documents” used to effectuate the real estate transactions by which the Funds intended to acquire properties; (c) the Fund “will rely on the opinion of ... its legal counsel with respect to its classification as a limited liability company for Federal income tax purposes;” and (d) the securities could not be transferred unless, among other things, “in the opinion of counsel to the company, registration is not required....” These statements concerning the legal advice to be obtained from EquiAlt’s counsel all referred to Wassgren and the law firm Defendants.

46. Wassgren and the law firm Defendants furthermore prepared false and misleading marketing materials distributed to prospective investors and knowingly allowed EquiAlt to use their names and professional reputations in the marketing materials. While Wassgren was a partner at Fox Rothschild, EquiAlt marketing brochures (an example of which is attached as **Exhibit G**) prominently featured Wassgren and Fox Rothschild as the investment firm’s legal counsel, thereby providing comfort to prospective investors that EquiAlt was a legitimate, financially sound investment firm that complied with all applicable regulatory and legal requirements. When Wassgren subsequently became a partner at DLA Piper, the EquiAlt marketing brochure (an example of which is attached as **Exhibit H**) was changed to reflect that Wassgren and DLA Piper served as legal counsel for EquiAlt. Both EquiAlt marketing brochures invited prospective investors to contact Defendants directly, identifying them as “independent” professionals who offered to give the investors “insight into the fund and its activities.” *Id.*⁴

⁴ DLA Piper through numerous press releases also touted to the public the law firm’s involvement and major role in assisting EquiAlt, but has since removed these specific website announcements:

DLA Piper advises EquiAlt on the formation and offering of its
 ...www.dlapiper.com › news › 2018/11 › dla-piper-advises-EquiAlt-on-q...

47. Wassgren knew the representations in the PPMs that the EquiAlt Securities were exempt from registration under the federal securities laws pursuant to Regulation D and were made “in strict compliance with the applicable state securities laws” were false and misleading. Among other things, Wassgren knew that: (a) EquiAlt intended to sell and did in fact sell its securities to more than 35 non-accredited investors through the Funds, which were all part of a single integrated offering; (b) EquiAlt engaged directly and through its agents in general solicitations and advertising to market its unregistered securities; (c) EquiAlt made commission payments to its unlicensed sales agents not disclosed in its SEC filings claiming the Reg D exemption from registration; and (d) EquiAlt would and did fail to provide investors with information and disclosures required by Regulation D, including audited financial statements.

Nov 15, 2018 – DLA Piper represented EquiAlt LLC, in the formation and offering of their recently formed EquiAlt Qualified Opportunity Zone Fund, LP that ...

Paul Wassgren | People | DLA Piper Global Law Firm www.dlapiper.com › people › wassgren-paul

DLA Piper represented EquiAlt LLC, in the formation and offering of their recently formed EquiAlt Qualified Opportunity Zone Fund, LP that purchases and ...

<https://www.leopardsolutions.com/hotspot/ListSummaryDetails.aspx?categoryid=0&month=11&year=2018>

DLA Piper advises EquiAlt on the formation and offering of its US\$500 million Qualified Opportunity Zone fund

DLA Piper - @DLA_Piper Twitter Profile | Twipu www.twipu.com › DLA_piper
Explore @DLA_Piper Twitter Profile | DLA Piper, a global law firm operating through ... We advised EquiAlt on the formation and offering of its US\$500 million ...

48. Aware that EquiAlt failed to qualify for its claimed registration exemption yet was offering and selling the unregistered securities using unlicensed sales agents, Wassgren knew that his clients were engaged in multiple ongoing violations of the applicable federal and state securities laws.

49. Wassgren also actively assisted EquiAlt's ongoing securities law violations by developing a stratagem to mischaracterize the sales agents as mere "Consultants" being paid "finders fees" as a subterfuge to facilitate the offer and sale of the EquiAlt Securities by unlicensed dealers. In furtherance of this unlawful contrivance, Wassgren drafted a so-called "Finder's Fee Agreement" between the applicable investment fund and the unlicensed sales agents, a copy of which is attached as **Exhibit I**. The Finder's Fee Agreement drafted by Wassgren acknowledged that the fund would "compensate" the sales agents for "introducing the Company [fund] to Investors who may be interested in considering a potential investment in the Company." *Id.* at 1. Although Wassgren was well aware that the sales agents would be providing investment advice to their current and prospective clients (to whom they owed fiduciary duties), Wassgren drafted the Finder's Fee Agreement to falsely represent that each agent would not "make representations concerning the terms, conditions or provision of any possible investment" in the EquiAlt Funds. *Id.* at 2.

50. Recognizing that the contemplated activities of the EquiAlt sales agents contravened both Federal and State securities laws, Wassgren drafted the Finder's Fee Agreement to provide for indemnification of both the EquiAlt fund and the agent against losses incurred by either of them arising from the "Consultant's failure to register as a broker-dealer with the Securities and Exchange Act of 1934, or as required by applicable state law or Consultant's violation of state or federal securities laws and regulations." *Id.* at 3. Acknowledging Wassgren's

contemplated continued participation in the ongoing securities law violations, the Finder's Fee Agreement provided that any notices required under the agreement, including notice of claims arising from securities laws violations, were to be provided to Wassgren himself on behalf of the EquiAlt Funds. *Id.* at 5.

51. Rather than disclosing the ongoing securities violations or withdrawing from further representation (as required by the applicable ethical rules), Wassgren instead assisted EquiAlt in its attempt to conceal those violations. To that end, as alleged more fully below, Wassgren orchestrated the creation of multiple purportedly separate investment funds in an attempt to conceal the number of unaccredited investors to whom the unregistered securities were sold. Wassgren also assisted in the preparation of materially false SEC filings which—to conceal EquiAlt's ongoing securities law violations—intentionally understated the number of non-accredited EquiAlt Fund investors and misrepresented the nature and amount of commissions paid to the unlicensed sales agents.

52. The all-encompassing involvement of Wassgren and the law firm Defendants in the affairs and business operations of EquiAlt was recently described by Rybicki in filings with this Court. As Rybicki has avowed, attorney Wassgren provided advice and input on virtually all aspects of EquiAlt's operations, including preparation of the false and misleading PPMs and marketing materials used to induce investors into purchasing the EquiAlt securities, compliance with the applicable securities laws and the payment of commissions to unlicensed sales agents:

Mr. Davison and Mr. Wassgren ... drafted and had authority over the PPMs. EquiAlt retained the services of Paul Wassgren in virtually all aspects of EquiAlt's business operations and entrusted him with ensuring EquiAlt complied with securities laws ... Mr. Wassgren prepared EquiAlt's marketing materials to investors aware of the purpose for which these materials would be disseminated and used, vetted and participated in approving EquiAlt's PPMs; and provided legal advice to EquiAlt as to the legality of paying commissions to unregistered sales agents for the sale of debentures. ... Mr. Rybicki directed sales agents to speak

with Mr. Wassgren when they had questions regarding the legal requirements for selling EquiAlt Funds.

[ECF No. 152 at 19–20]

53. In sum, Wassgren (a) was knowing participant in the ongoing illegal sales of securities by the Non-Defendant Promoters, (b) played a substantial role in inducing the illegal sales, and (c) lent substantial assistance to an ongoing scheme to defraud. Wassgren knew or should have known that under the standards of the legal profession, “[A] lawyer has an obligation not knowingly to participate in any violation by the client of the securities laws.” ABA Statement of Policy on Lawyer Responses to Auditor Requests for Information.⁵ In these circumstances, Wassgren was professionally obligated to terminate its representation to avoid covering-up and assisting the ongoing (and past) fraud perpetrated by the Non-Defendant Promoters. He did not do so.

54. Not only that, but Wassgren’s actions in assistance to and in concert with the Non-Defendant Promoters went far beyond his role as legal counsel to EquiAlt. Wassgren even went so far as to affirmatively provide legal advice to potential and existing *sales agents*, falsely assuring them that EquiAlt complied with all applicable securities laws and that the unlicensed agents could lawfully sell the EquiAlt unregistered and unqualified securities.

55. Wassgren spoke directly with many of the unlicensed broker-dealer sales agents to provide them with false assurances that EquiAlt complied with all securities laws and that the agents could lawfully offer and sell the EquiAlt Securities, even though they were not registered.

⁵ See also *In re Am. Cont’l Corp./Lincoln Sav. and Loan Secur. Litig.*, 794 F. Supp. 1424, 1452 (D. Ariz. 1992) (“An attorney may not continue to provide services to corporate clients when the attorney knows the client is engaged in a course of conduct designed to deceive others, and where it is obvious that the attorney’s compliant legal services may be a substantial factor in permitting the deceit to continue.”).

For example, attorney Wassgren told sales agent Dale Tenhulzen that Wassgren “wrote the PPM” and explained how Tenhulzen would be compensated for selling EquiAlt Securities. Attorney Wassgren advised Tenhulzen that he did not need a license to legally sell and get paid for the sale of the EquiAlt Securities. [ECF No. 152-2 at 27-30]

56. Another EquiAlt sales agent, John Friedrichsen, received the same advice from attorney Wassgren. When he first began selling the EquiAlt Securities, Rybicki told him that Wassgren had advised that the sales agents did not need to be registered to sell EquiAlt Funds. [ECF No.152-4, ¶ 8]. After Davison and Wassgren created EquiAlt’s REIT Fund, Mr. Friedrichsen wondered whether he could receive commissions for selling the REIT Fund and, at Mr. Rybicki’s suggestion, called Mr. Wassgren to inquire. *Id.*, ¶ 10. During the call, Mr. Wassgren, who “knew I [Friedrichsen] was a sales agent for EquiAlt Funds... explained that financial agents needed to acquire a Series 7 license to sell debentures for the REIT Fund.” *Id.*, ¶ 11.

57. Yet Attorney Wassgren knew the EquiAlt Securities did not qualify for a public offering exemption under federal or state law. Wassgren also knew that the sales agents selling the EquiAlt Securities were not registered as dealers or salespersons under federal and state securities laws. Nonetheless, in furtherance of the ongoing Ponzi scheme, Wassgren personally, systematically, affirmatively, and falsely represented to the sales agents that they could lawfully sell the unregistered EquiAlt Securities—never disclosing that EquiAlt and the agents were violating the federal and state securities laws by selling unregistered securities and by selling investments for EquiAlt without registering as a securities dealer.

58. In addition to actively assisting EquiAlt and the Non-Defendant Promoters by drafting false offering documents, preparing organizational documents for the Funds and for other entities in which properties were held, advising and assisting EquiAlt’s efforts to avoid registration

under the applicable securities laws and providing false assurances to the sales agents, CEO Davison has testified that Wassgren actively assisted him in developing and implementing strategic long-term planning for EquiAlt, again assistance beyond the scope of the routine rendition of legal services.

C. The EquiAlt Securities Are Non-Exempt Unregistered/Unqualified Securities

59. The EquiAlt Securities are securities within the meaning of the Securities Act of 1933 (“the Federal Act”), which unless exempt must be registered before being offered or sold in the United States. 15 U.S.C. §77e.

60. The EquiAlt Securities are likewise securities under the Florida Securities and Investor Protection Act (the “FSIPA”), which unless exempt must be qualified before being offered or sold in Florida unless they are exempt from registration under the Federal Act. § 517.07, Fla. Stat.

61. The EquiAlt Securities are likewise securities under the California Securities Law of 1968 (“CSL”), which unless exempt must be qualified before being offered or sold in California unless they are exempt from registration under the Federal Act. Cal. Corp. Code §25102(o).

62. The EquiAlt Securities are likewise securities under the Arizona Securities Act (“ASA”), which unless exempt must be qualified before being offered or sold in Arizona unless they are exempt from registration under the Federal Act. § 44-1841, Ariz. Stat.

63. The EquiAlt Securities are likewise securities under the Colorado Securities Act (“CSA”), which unless exempt must be qualified before being offered or sold in Colorado unless they are exempt from registration under the Federal Act. C.R.S. § 11-51-201.

64. The EquiAlt Securities are likewise securities under the Nevada Securities Act (“NSA”), which unless exempt must be qualified before being offered or sold in Nevada unless they are exempt from registration under the Federal Act. NRS 90.295 and 90.460.

65. Defendants prepared the PPMs for the EquiAlt Securities, which acknowledged them as “securities,” and which described the raised funds as being used to purchase, improve, lease and sell single-family properties in distressed real estate markets in the U.S. and to participate in “opportunistic loan transactions” in the United States.

66. Recognizing that the EquiAlt Securities are securities within the meaning of the Federal Act and the FISPA, the CSL, the ASA, and the NSA, Defendants provided legal advice to, drafted documents for, and otherwise actively assisted EquiAlt in falsely claiming an exemption from registration as a “private offering” under Rule 506(b) of SEC Regulation D (“Rule 506”).

67. Rule 506(b) is considered a “safe harbor” under Section 4(a)(2) of the Federal Act. It provides objective standards that a company can rely on to meet the requirements of the Section 4(a)(2) exemption. Companies conducting an offering that qualifies under Rule 506(b) can raise an unlimited amount of money and can sell securities to an unlimited number of accredited investors.

68. An offering under Rule 506(b) is, however, subject to the following requirements:

- no general solicitation or advertising to market the securities may be conducted; and
- securities may not be sold to more than 35 non-accredited investors (all non-accredited investors, either alone or with a purchaser representative, must meet the legal standard of having sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of the prospective investment).

Furthermore, as a general condition to a Rule 506(b) exemption, all non-accredited investors must be given specific information relating to the offeror’s financial condition. 17 C.F.R. § 230.502(b).

69. Defendants advised EquiAlt with respect to the required filings with the SEC to claim an exemption from registration under Regulation D. Defendants therefore had actual knowledge of the requirements EquiAlt was required to follow in order to exempt the offer and

sale of the EquiAlt Securities from the registration requirements under the Federal and State securities statutes.

70. However, through their active involvement in the documentation, offering and sales of the EquiAlt Securities, their interactions with EquiAlt and its principals and its interactions with the EquiAlt sales agents and securities regulators, Defendants knew that the EquiAlt Securities were in fact offered and sold in non-compliance with the requirements of Regulation D.

71. First, Defendants knew that investments in the EquiAlt Securities were being solicited through general solicitations and advertisements, including: (a) newspaper ads such as in the attached **Exhibit J**, and (b) group presentations such as the slideshow attached as **Exhibit K**; and (c) sales brochures such as the attached **Exhibits G and H**. Defendants also knew that in-house employees at EquiAlt were soliciting investments from the general public through cold-calling campaigns, social media, websites, in-person meetings, and info-dinners.

72. Second, Defendants drafted the subscription materials to be completed by potential investors to confirm the accredited or non-accredited status of the potential investors. Defendants drafted those subscription materials for completion and return directly to their offices for review by Wassgren, and thereby received direct reports of the number, age, geographic location, and financial sophistication of the investors to whom the EquiAlt Securities were being offered and sold. Defendants thus knew that many of the investors had indicated they were unaccredited or unsophisticated in that they lacked knowledge and expertise in financial or business matters, were not capable of evaluating the merits and risks of the investment, and were not otherwise capable of bearing the economic risks of the investment. Defendants also knew that far more than the maximum permitted number of the unaccredited investors had been sold the EquiAlt Securities, a prohibition which they attempted to circumvent through the creation of purportedly distinct Funds.

73. Third, Defendants knew that EquiAlt has not satisfied the general condition that the offerors supply all non-accredited investors with the EquiAlt financial reports and information required under Rule 502(b).

74. Fourth, Defendants aware of, and knowingly permitted, EquiAlt's promotion of Wassgren, DLA Piper, and Fox Rothschild as legal counsel who could vouch for EquiAlt and the legality of the unregistered offer and sale of EquiAlt Securities. For example, EquiAlt's general solicitation materials not only identified DLA Piper or Fox Rothschild as its attorney in connection with EquiAlt's offering, but furthermore supplied the address and phone number for their California offices, and explicitly told investors that Defendants would vouch for the legality of EquiAlt's securities offering and its use of the funds raised through it:

- **Can I contact EquiAlt's CPA or Attorney?** Absolutely, both are independent from EquiAlt LLC and can give you some insight into the fund and its activities.

Ex. G; Ex. H.

75. Defendants continued to permit EquiAlt to promote Wassgren and DLA Piper as "independent" legal counsel who investors could contact to obtain information about the EquiAlt Funds and their activities as the Ponzi scheme unfolded, even during the SEC investigation in 2019. **Exhibit L.**

76. Defendants thus agreed to actively assist in the offer and sale of the EquiAlt Securities in order to generate fees and enhance their professional reputation. Indeed, DLA Piper specifically touted its relationship with EquiAlt in other online posts, press releases, and tweets. *See supra*, ¶ 41 n.4 (collectively, the "DLA-EquiAlt Posts").

77. Fifth, Defendants also knew that the EquiAlt Securities were being offered and sold in California, Arizona, Florida, Colorado, Nevada and elsewhere by unlicensed securities broker-

dealers and sales agents who were paid commissions by EquiAlt to do so. But Defendants further knew those commissions were not reported in EquiAlt's SEC filings.

78. Sixth, Defendants actively assisted the offer and sale of the EquiAlt Securities by unlicensed securities broker-dealers and sales agents by assuring them that such sales complied with the operative securities laws.

D. Defendants Intended to Deceive the EquiAlt Investors

79. In addition to their active participation in the fraudulent scheme by drafting misleading offering documents used to induce investors to purchase the EquiAlt Securities, forming the Funds used to perpetrate the Ponzi scheme, providing false assurances to sales agents and investors and assisting in the ongoing affairs of EquiAlt, Defendants actively assisted EquiAlt and its principals in concealing the ongoing securities law violations from the investors, the SEC and state regulators. These actions were all undertaken to deceive EquiAlt's existing and prospective investors into believing that the sale of unregistered securities by the Funds complied with the securities laws, which Defendants knew was an outright lie, and to conceal that the falsity of the representation in the PPMs that the offerings were "being made in strict compliance with the applicable state securities laws."

1. *Wassgren Orchestrates Formation of Multiple Funds and False SEC Filings to Conceal EquiAlt's Ongoing Securities Violations*

80. To qualify for an exemption from registration under Regulation D, issuers must file a submission known as a "Form D" electronically with the SEC no later than 15 days after they first sell securities to the investing public. Form D is a brief notice that includes certain specified details concerning the issuing company's promoters, the total offering amount, commissions paid to agents, the existence of non-accredited investors and similar information.

81. A person who willfully fails to file a Form D or who willfully makes a false statement in a registration statement is guilty of a felony under the Federal securities laws. *See* 15 USC § 77x. Also, under 17 CFR § 239.500(a)(3)(i), an issuer must file an amendment to a previously filed Form D to correct any material errors in any previously filed Form D.

82. In furtherance of the ongoing fraudulent scheme, Wassgren drafted, reviewed and/or approved numerous Form Ds signed by Davison and submitted to the SEC on behalf of the EquiAlt Funds in order to claim the benefit of an exemption from registration under Regulation D. See **Exhibit Y**. As alleged in the following paragraphs, Wassgren helped orchestrate a pattern of falsified Form D filings with the SEC calculated to paper over and conceal that the EquiAlt Securities did not qualify for an exemption under Regulation D and, accordingly, from its inception EquiAlt was illegally selling unregistered securities using unlicensed sales agents in violation of the federal and state securities laws.

83. Acting on behalf of EquiAlt, Attorney Wassgren filed the articles of organization for Fund 1 with the Nevada Secretary of State on May 23, 2011. Two months later, on July 19, 2011, EquiAlt Fund 1 filed its initial Form D with the SEC attesting that the securities to be issued by the fund were exempt from registration under Regulation D and that the total offering amount for Fund 1 was \$50 million. The initial Form D for Fund 1 also attested that: (a) the first sale of securities issued by the fund had yet to occur; (b) the fund paid no commissions or finders' fees associated with sales of its securities; (c) no amount of the gross proceeds of the offering has been or is proposed to be used for payments to executive officers, directors or promoters; and (d) Brian Davison was the sole related person associated with the fund. By signing the Form D, Davison attested that “[e]ach Issuer identified above has read this notice, knows the contents to be true, and has duly caused this notice to be signed on its behalf by the undersigned duly authorized person.”

84. The foregoing attestations in the Fund 1 Form D filing with the SEC were false when made. Contrary to those attestations, the first sale of securities issued by Fund 1 were made in January 2011, months before the Form D was filed with the SEC, Fund 1 had paid commissions to unlicensed sales agents, and, in addition to Davison, Rybicki was a related person associated with Fund 1. Furthermore, although the Fund 1 Form D (and all other subsequent Form D filings) attested that no portion of the offering proceeds would be paid to any related persons, in reality EquiAlt paid Davison and Rybicki tens of millions of dollars raised through the securities offerings through undisclosed due diligence fees, management fees, success fees, auction fees, underwriting fees purchase discount fees, bonuses and outright improper cash distributions.

85. Wassgren, who actively assisted in the preparation and filing of the Form D, knew that these attestations in the Fund 1 initial Form D filing were false. Among other things, Wassgren knew that proceeds from the sales of securities issued by Fund 1 were being paid as commissions to unlicensed sales agents in contravention of applicable state and federal securities laws. In fact, Wassgren advised the EquiAlt managers to mischaracterize the unlicensed sales agents as “consultants” and to likewise mischaracterize the commission payments as “finders fees.” Wassgren knew that the EquiAlt sales agents were unlicensed sales agents who could not possibly qualify as “finders” or mere “consultants” because, among other things, they received transaction-based compensation, provided financial and suitability advice to prospective investors, actively located and solicited prospective investors and distributed PPMs and Subscription Agreements to prospective investors. As a consequence, Wassgren knew that, from the inception of Fund 1, EquiAlt was operating in violation of federal and state securities laws, exposing EquiAlt to civil and criminal penalties, investor claims for rescission, and inexorable ineligibility to participate in further Regulation D exempt offerings.

86. The Form D also falsely attested that no portion of the offering proceeds would be paid to any of the executive officers or promoters of the fund when, in fact, the EquiAlt managers intended to and did divert millions of dollars of the offering proceeds to themselves.

87. As a result of its aggressive solicitation of elderly and unsophisticated investors with limited assets and modest income, EquiAlt soon sold fixed rate debentures issued by Fund 1 to far more than 35 unaccredited and unsophisticated investors, thereby forfeiting its claimed registration exemption under Regulation D. EquiAlt further forfeited its registration exemption by soliciting investments from the general public through cold call solicitations, seminar presentations, media advertisements, websites and social media campaigns. As alleged above, Wassgren knew that EquiAlt had exceeded the limit on sales of unregistered securities issued by Fund 1 to unaccredited investors because the Investor Questionnaires were addressed and sent to Fox Rothschild and to DLA Piper.

88. Knowing that the securities issued by Fund 1 were not exempt from registration because, among other things, the sales to unaccredited investors greatly exceeded the numerical limit permitted by Regulation D and other requirements for the claimed registration exemption, Wassgren hatched a scheme to paper over and conceal the ongoing securities law violations. Based on the advice and with the active and knowing assistance of Wassgren, EquiAlt formed a new investment fund known as EquiAlt Fund II LLC (Fund 2) on April 24, 2013. Wassgren prepared and filed the Articles of Organization for Fund 2 with the Nevada Secretary of State. Fund 2 began selling unregistered securities on May 2, 2013, approximately one week after Fund 2 was formed. However, Fund 2 did not file the required Form D with the SEC until March 31, 2016, nearly three years later. This late-filed Form D was untimely, as Regulation D requires that the necessary notice be filed no later than 15 days after the securities are first sold by the issuer. In the Form D for Fund

2, CEO Davison attested that the securities issued by Fund 2 were exempt from registration under Regulation D.

89. The Fund 2 Form D attested that the total offering amount for the fund was \$20 million and that, as of the filing date, Fund 2 had issued \$6 million of unregistered securities to 88 investors. The Form D notice also attested that securities in the offering had been sold to 10 unaccredited investors. The initial Form D for Fund 2 further attested that no sales commissions had been paid to any agents and estimated that \$250,000 in “Finders’ Fees” had been paid in connection with the unregistered securities issued by Fund 2. The Form D filing attested that no portion of the offering proceeds would be paid to Davison, who was identified as the only any executive officer, director and promotor of Fund 2.

90. The foregoing attestations in the initial Form D notice for Fund 2 were false in many material respects. Contrary to the representations in the Form D filing, Fund 2 already had sold unregistered securities to far more than 10 unaccredited investors, the fund had paid commissions to its sales agents, those commissions did not qualify as “Finders’ Fees,” the amount of those commissions was far greater than \$250,000 (as sales commissions ranged from 10–12% of the amounts paid by investors), and Davison was not the sole promoter of the fund. Wassgren knew that these attestations in the Form D notice were false and that accordingly the securities issued by Fund 2 were not exempt from registration under the applicable federal and state securities laws.

91. Moreover, as Wassgren knew, the scheme to split unaccredited investors between Fund 1 and Fund 2 was wholly ineffective to salvage the claimed registration exemption because the unregistered securities were being sold as part of an ongoing, integrated single offering. Among other things, the offerings were part of a single plan of financing, involved issuance of the same

class of security, were made at or about the same time, involved the same type of consideration and were made for the same general purpose. Furthermore, the safe harbor allowed by 17 CFR § 230.502 was not available because the offerings were not made more than six months apart with no offers of the same or similar securities being made in between. Thus, even if the number of unaccredited investors reported for Fund 1 and Fund 2 in the Form D filings were correct (which they were not), Wassgren knew there were at least 41 unaccredited investors in the single integrated offering (31 unaccredited investors in Fund 1 and 10 unaccredited investors in Fund 2), once again confirming that the funds were illegally selling unregistered securities using unlicensed sales agents in violation of the federal and state securities laws.

92. Wassgren was well aware that the integrated serial funds that he advised EquiAlt to form in an attempt to deceive investors into believing that the Funds complied with the federal and state securities laws exposed EquiAlt and its managers to criminal prosecution and civil actions by investors. As Wassgren himself wrote in a 2016 article:

[M]any developers may still need to turn to other forms of equity. In addition to crowdfunding, issuers may raise capital through more established exemptions such as Rule 506(b) and Rule 506(c). It is critical, however, that such developers or project sponsors seek the advice of securities counsel to ensure each offering complies fully with the associated rules and to prevent integration among multiple offerings, which could render each of them ineffective and, therefore, produce an illegal offering. As I have often counseled clients over the years, no one looks good in an orange jumpsuit. Even if criminal prosecutions for securities law violations are rare, they are best avoided, along with the associated civil actions brought by investors when securities laws have not been strictly followed.

P. Wassgren, “Thinking About Crowdfunding Your Next Syndicated Deal” (February 17, 2016) available at <https://dailyproperties.com/real-estate-crowdfunding-rules-regulations/>

93. The pattern of false Form D filings by CEO Davison, all made with the knowledge and active assistance of Wassgren, continued over the following years. Fund 2 filed an amended Form D notice on April 26, 2016, less than a month after its initial Form D was filed. The amended

Form D for Fund 2 contained the same false statements as its initial Form D, but eliminated the language contained in the initial notice disclosing that Fund 2 sales agents were actively soliciting sales from investors residing in Arizona, California, Colorado, Massachusetts, Nevada and Utah. Davison amended the Fund 2 Form D in an attempt to withdraw the issuer's admission that sales agents were actively soliciting investors in the fund, which was inconsistent with Wassgren's attempt to evade the securities law violations by falsely characterizing the unlicensed sales agents as "consultants" receiving only "finders' fees."

94. The Fund 2 Form D filing with the SEC was amended again on August 31, 2017 based on advice from attorney Wassgren. According to this new filing, since the prior amendment on April 26, 2017 Fund 2 had sold an additional \$15 million of unregistered securities to an additional 121 investors. Yet, according to the new amended Form D, none of these additional investors was non-accredited and Fund D had paid no additional "finder's fees" for any of the new sales. As Wassgren had to know, these representations in the new amended Form D were patently false. Nonetheless, Davison with the approval of Wassgren once again falsely attested when signing that the contents of the Form D notice were true and correct.

95. Wassgren arranged for the formation of another Nevada LLC, known as EquiAlt Fund III, on June 26, 2013. Although no Form D was ever filed for this short-lived fund, EquiAlt sold approximately \$2.6 million of unregistered securities in it between July 2013 and December 2015. EquiAlt began to wind down this fund during 2015, when it transferred its properties to Funds 1 and 2, in exchange for payments from Funds 1 and 2 of \$1.63 million. This fund was formally closed in June of 2016, using funds diverted from Funds 1 and 2 to redeem its obligations to remaining investors.

96. On January 20, 2016, EquiAlt formed another Nevada LLC, named EA SIP LLC (Fund 4). EquiAlt began raising capital through the issuance of unregistered EquiAlt Securities by Fund 4 in April 2016. With the knowledge and active assistance of Wassgren, Fund 4 filed an initial Form D on August 5, 2016 for an offering in the total amount of \$25 million. Like all the Funds' prior SEC filings, the Fund 4 Form D contained a series of false attestations. Although Fund 4 began selling EquiAlt Securities and paying sales agent commissions four or five months earlier, its Form D represented that the first sale of unregistered securities had yet to occur, that there were no Fund 4 investors and that no commissions or finder's fees had been paid to agents. And, as with the other Form D filings, the initial Form D filed with the SEC for Fund 4 failed to disclose that Rybicki was a related person. Nonetheless, Davison falsely attested when signing that the contents of the Form D notice were true and correct.

97. As alleged more fully below, in 2019 the SEC commenced an investigation of EquiAlt and its affiliated entities, including the Funds. DLA Piper attorneys, including Wassgren, represented EquiAlt and its managers in connection with the SEC investigation. Realizing that the jig was up, Wassgren assisted in the preparation of yet another amended Form D notice for Fund 1. By this point, according to the amended Form D, Fund 1 had raised funds from 1,089 investors totaling \$103 million. The newly amended Form D belatedly disclosed that Rybicki was a related person for Fund 1 (as he always had been), and now disclosed that Fund 1 had paid "finders' fees" totaling \$12,300,000.

2. *Wassgren Derails Arizona's Investigation into EquiAlt's Operations*

98. The SEC investigation was not the first fended off by Wassgren.

99. In early 2013, the Arizona Securities Division ("ASD") had commenced an investigation into potential securities law violations by EquiAlt and its managers, including EquiAlt's illegal sales of unregistered securities. The ASD was investigating whether the EquiAlt

Securities were investment contracts, and hence securities requiring registration, rather than mere fixed-interest promissory notes.

100. As part of the ASD investigation regulatory authorities sought documents and testimony from EquiAlt, Rybicki and various sales agents. EquiAlt and Rybicki were represented in the investigation by Fox Rothschild attorneys Wassgren and Ernest Badway. Thus, on January 30, 2013, attorney Ernest Badway informed the ASD that Fox Rothschild was “representing both Mr. Rybicki and EquiAlt Fund” and that documents would be produced in response to outstanding subpoenas on February 27, 2013. *See* Email from Badway to Millecam dated Jan. 30, 2013, attached as **Exhibit M**. Arrangements were thereafter made for Davison to be examined under oath on March 27, 2013 and for Rybicki to be examined by the ASD the following day.

101. On March 26, 2013, at 1:43 PM, Rybicki sent an email to Fox Rothschild attorneys Badway and Wassgren marked “**Importance: High.**” *See* March 26, 2013 Email Chain, attached as **Exhibit N**. Rybicki indicated that he had just spoken to a client and that Davison “wanted me to send the following information:”

[ASD] Securities officer (Dee Morin) stated to the client that “we (EquiAlt) should be giving the client a deed of trust on every investment” if not than [sic] ***this is a violation.***

My issue with this is that I am going to be taking a lot of client phone calls in regard to this question. Can you clarify that this is accurate for what we are doing and how to answer this? Also if this is incorrect is there any way of getting a hold of this officer and explaining how this line of questioning and subsequent accusation is not acceptable?

Id. (emphasis added). Thus, Wassgren and the other Fox Rothschild attorney representing EquiAlt were on actual notice that, in the view of the Arizona Securities Division, the EquiAlt “Debentures” were, in reality, unregistered securities rather than traditional debt instruments, given the lack of any deed of trust or other collateral arrangement; and, that the issuance or sale of the unregistered securities was a violation of the Arizona Securities Act. Wassgren already knew,

of course, that the EquiAlt “Debentures” qualified as unregistered securities; that the EquiAlt “Debentures” had been sold by unlicensed sales agents; and also knew that none of the investors had been offered or given deeds of trust to collateralize their investments.

102. Davison and Rybicki, concerned that Rybicki was “going to taking a lot of client phone calls in regard to this question” by the securities regulators, frantically asked Wassgren whether the ASD’s conclusion was “accurate” and sought advice concerning “how [they should] answer this” accusation. *Id.* Wassgren replied to Rybicki’s email within 30 minutes, stating that he had discussed Rybicki’s concerns with Ernest Badway, and that they had developed the following messaging for the investors:

Ernie and I spoke briefly, and ***suggest that you advise your investors that the State of Arizona does not understand the deal structure.*** Perhaps they will after we complete the examinations under oath.

To be clear, the offering that we set up is an unsecured debt or promissory note offering. The company is offering a fixed return to all investors. This debt obligation is not secured by a deed of trust.

If your investors are in doubt, please feel free to mention that the company is represented by a national law firm that timely filed the securities exemption required under Arizona law.

Id. (emphasis added). As Wassgren recommended, Rybicki passed the message crafted by Wassgren on to EquiAlt sales agents and as well to its investors.

103. Wassgren’s statements, made as part of his continuing, active assistance in EquiAlt’s ongoing securities laws violations, falsely represented that the EquiAlt Securities were mere fixed rate promissory notes, when he knew that the EquiAlt debentures in actuality were unregistered securities. Moreover, Wassgren’s representations that the EquiAlt Securities were exempt from registration based on timely filed securities exemptions were patently false for the reasons alleged above. Wassgren knew and intended that these false representations would be conveyed to the investors to assuage their concerns about the legality of the EquiAlt offerings, and

even encouraged Rybicki to comfort investors that EquiAlt was represented by the “national law firm” of Fox Rothschild.

104. Wassgren thereafter continued to assist EquiAlt in furtherance of the ongoing Ponzi scheme. From 2016, Wassgren prepared and filed Articles of Organization in Florida for no less than 15 different limited liability companies formed by EquiAlt to acquire and hold properties purchased using investor funds.

105. In addition, during 2018 Wassgren represented EquiAlt in the formation of a Real Estate Investment Trust known as the EquiAlt Secured Income Portfolio REIT (the “REIT”), a new entity into which EquiAlt intended to funnel existing investors holding EquiAlt Securities. DLA Piper was paid at nearly \$500,00 in legal fees to form the new REIT directly from the bank account containing funds raised from the investors in the other Funds. The draft promotional materials for the REIT, attached as **Exhibit O**, identified “DLA Piper a renowned global law firm as our counsel.”

106. EquiAlt intended to raise funds for the REIT using unlicensed sales agents who were to receive substantial commissions for locating and securing new and existing investors. The offering documents for the REIT, once again prepared by Wassgren, contained misrepresentations and omitted material facts, comparable to those infecting the offering documents Wassgren prepared for the Funds.

107. In reality, the REIT was formed with the active assistance and based on the advice of Wassgren, in an attempt to sanitize the securities laws violations associated with the prior offerings. Thus, \$4.8 million of the \$5.9 million raised for the REIT resulted from redemptions of EquiAlt Securities held by existing investors reinvesting in the REIT. And, as the SEC was closing

in on the EquiAlt Ponzi scheme, Wassgren and other DLA attorneys were counseling Davison to terminate and convert the REIT into a private partnership. [ECF No. 164-3, Ex. 2].

108. Also, in 2018, Wassgren assisted the EquiAlt managers in forming yet another entity in furtherance of the fraudulent Ponzi scheme. The new fund, organized as a Qualified Opportunity Zone (the “QOZ”) offering, purportedly would provide investors willing to hold for 10 years with a non-taxable compounded return of 6%. Once again, with the knowledge of Wassgren, Rybicki reached out to the network of unlicensed sales agents who were used to market and sell the EquiAlt unregistered securities. Also, like the REIT, the offering materials drafted by Wassgren for the QOZ were riddled with material misrepresentations and omissions concerning Davison and Rybicki, the ongoing securities laws violations (both the prior violations and those associated with the QOZ) and the financial failure of the EquiAlt Funds being operated as an ongoing Ponzi scheme.

109. Indeed, Wassgren and DLA Piper continued to assist EquiAlt in connection with the REIT and QOZ offerings, which were designed to raise additional funds from investors to allow Davison and Rybicki to perpetuate the ongoing Ponzi scheme, even as the SEC investigation was proceeding and at the same time the SEC was securing its injunction against EquiAlt. [ECF No. 164-3 at 2].

E. The SEC Finally Shuts Down EquiAlt’s Illegal Securities Sales

110. By the Spring of 2019, at the latest, the SEC commenced an investigation into the activities of EquiAlt, the Funds, Davison, and Rybicki styled as “In the Matter of Certain Unregistered Securities Transactions.” As part of the investigation, the SEC issued subpoenas to the EquiAlt entities, Davison, and Rybicki, conducted on-site inspections at the EquiAlt offices and, in August of 2019, the SEC issued subpoenas for documents and testimony to various sales agents.

111. Notwithstanding the fact that Wassgren and other DLA Piper lawyers were material witnesses to the underlying securities law violations, DLA Piper continued to represent EquiAlt, the EquiAlt Funds, Davison and Rybicki in the SEC investigation, with DLA Piper attorney Jessica Masella serving as lead counsel. In early September 2019, Rybicki sent emails to various sales agents who had received SEC subpoenas, recommending that they retain a single lawyer to represent them “so we don’t have any issues with multiple representatives while going through this” SEC investigation. *See* Email from Rybicki dated Sept. 6, 2019, attached as **Exhibit P**. Rybicki recommended, based on the advice of DLA Piper, that the agents retain attorney Amy Lester and told them that EquiAlt would “do our best to help with your cost for this but we really need to know how many Advisors have been or will be receiving a subpoena before we can commit to a dollar amount etc.” *Id.*

112. By November of 2019, the SEC had secured documents and other information through the ongoing investigation and was reaching out to investors. Davison and Rybicki were frantic that the SEC proceedings would cause a run on the bank as additional investors demanded redemptions. With input and advice from Wassgren, they considered closing Fund I and moving money into the REIT that Wassgren was forming for them. The following exchange of text messages between Davison and Rybicki confirms Wassgren’s deep involvement in the scheme to close the fund that was the subject of ongoing SEC scrutiny and use the REIT (which was to be a registered entity) as a mechanism to sanitize the rampant prior securities law violations and to perpetuate the Ponzi scheme:

+16027694266 11/1/2019 8:30:28 PM ✓
Sec is calling our investors now

briandavison@ymail.com 11/1/2019 8:30:35 PM ✓
TX for weds this weekend

briandavison@ymail.com 11/1/2019 8:30:40 PM ✓
I got it

briandavison@ymail.com 11/1/2019 8:30:43 PM ✓
Can't do anything about it

+16027694266 11/1/2019 8:30:53 PM ✓
Could be why we are getting redemptions.

briandavison@ymail.com 11/1/2019 8:30:57 PM ✓
We gave them everything

briandavison@ymail.com 11/1/2019 8:31:13 PM ✓
We will have to lock up the fund I guess

+16027694266 11/1/2019 8:31:14 PM ✓
Maybe we should think about freezing the fund and getting the new one open ASAP

+16027694266 11/1/2019 8:31:30 PM ✓
LOL same thoughts

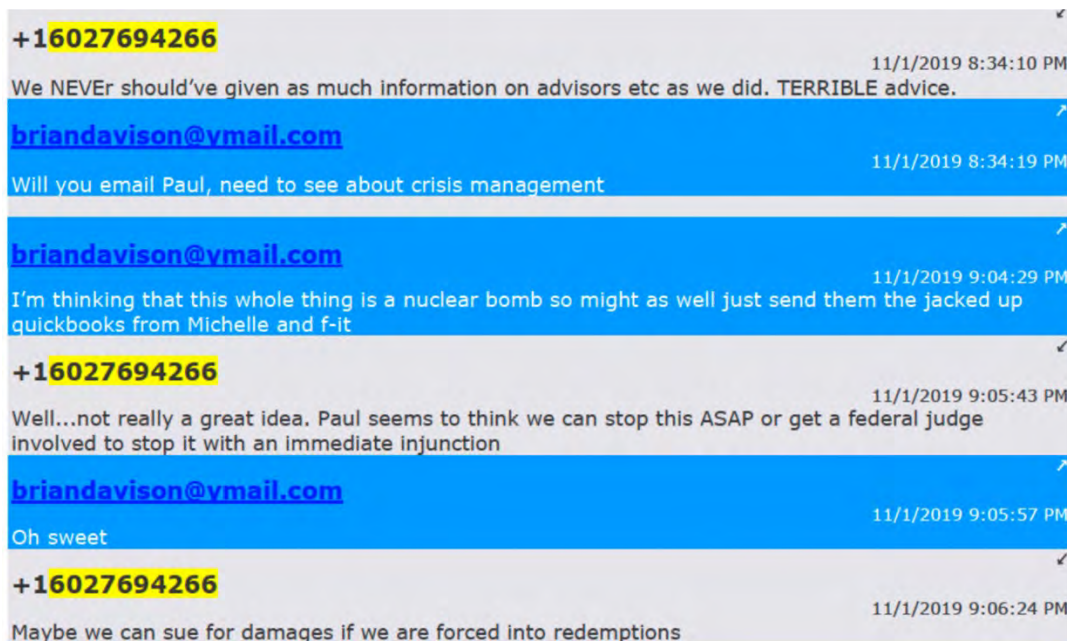
briandavison@ymail.com 11/1/2019 8:31:43 PM ✓
Yep

briandavison@ymail.com 11/1/2019 8:31:44 PM ✓
All we can do

+16027694266 11/1/2019 8:32:14 PM ✓
K. Let's see what Paul states in regards to the new fund and let's talk about it on Monday

[ECF No. 164-1 at 23-24]

113. Lamenting the fact that DLA Piper had turned over too much information to the SEC concerning EquiAlt's use of unlicensed sales agents, Davison and Rybicki turned to Wassgren for "crisis management" and with the hope that he could obtain an injunction to thwart the ongoing SEC investigation:



[ECF No. 164-1 at 24-25]

114. Davison and Rybicki further lamented that investors were “taking calls from the SEC and then blowing us or the advisors up!” [ECF No. 164-1 at 27]. Davison and Rybicki voiced their frustrations that DLA Piper “should have controlled this [the SEC investigation] better from the start.” Davison and Rybicki blamed EquiAlt’s registration violations on Wassgren and confirmed that the DLA lawyers had gained knowledge of EquiAlt’s accounting and finances. *Id.*

115. On February 11, 2020, the SEC commenced the SEC Action against EquiAlt and others to, among other things, halt the ongoing sale of the EquiAlt Securities, through which EquiAlt had by that time raised over \$170 million from Plaintiffs and some 1,100 other investors nationwide, through the efforts of numerous unlicensed sales agents. *See Ex. A.*

116. The EquiAlt Securities purchased by Plaintiffs are now worthless.

117. Shortly after the SEC complaint against EquiAlt was unsealed and the SEC’s allegations made public, DLA Piper scrubbed the DLA-EquiAlt Posts from its website.

F. The Non-Defendants Sales Agents Owed Plaintiffs Fiduciary Duties

118. Although the EquiAlt sales agents were not registered with the SEC or the Financial Regulatory Authority (FINRA) to sell securities, they have the same fiduciary duties as any FINRA registered financial advisor, broker or other SEC or state registered investment advisor.

119. EquiAlt solicited and sold EquiAlt unregistered securities through EquiAlt authorized sales agents, who acted as *de facto* investment advisors or brokers or financial advisors.

120. Each of the EquiAlt sales agents that sold EquiAlt Securities to the Plaintiffs were: (1) engaged in the business of effecting transactions in securities for the account of others, (2) received transaction-based commissions, (3) provided advice and recommendations as to investment in EquiAlt Securities, (4) actively solicited investments in EquiAlt Securities, and (5) held themselves out as investment advisors, so their mere failure to register as a “broker” or “investment advisor” does not excuse them from the fiduciary and other duties which attach to such activities. Indeed, under Fla. Stat. 517.021 (14(a)), it defines an “investment advisor” as “any person who receives compensation, ... and engages for all or part of her or his time, ... in the business of advising others as to the value of securities or as to the advisability of investments in, purchasing of, or selling of securities”), and similarly, under the SEC Act, 15 U.S.C. § 78c(a)(4), it defines “broker” to be “any person who engaged in the business of effecting transactions in securities for the account of others”.

121. Here, each of the EquiAlt sales agents who sold EquiAlt Securities received transaction based commissions.

122. Further, the EquiAlt sales agents actively found investors, provided advice or valuation as to the merit of the EquiAlt investment, and received a commission on each sale.

123. EquiAlt and its sales agents obtained the trust and confidence of the Plaintiffs by purporting to have superior knowledge and expertise in the EquiAlt investments, and, in each instance, in essence advised the Plaintiffs that their investment was backed by real estate, was a safe or secure fixed income investment, and that EquiAlt had a successful track record. The sales agents also gave out EquiAlt brochures to investors which stated that investors could contact EquiAlt’s attorney and that it is “independent from EquiAlt LLC and can give you some insight into the fund and its activities.” *See, e.g.*, Exs. G & H.

124. Based on the totality of above information that was disseminated by EquiAlt and its sales agents, their representations of expertise or superior knowledge in EquiAlt investments and the purported safety of the EquiAlt investments, EquiAlt and its financial advisors gained the trust and confidence from the Plaintiffs, and that trust and confidence was reposed in EquiAlt and its financial advisors. This trust and confidence obtained from the Plaintiffs by EquiAlt sales agents and EquiAlt employees created a fiduciary duty owed to the Plaintiffs.

125. EquiAlt and the EquiAlt financial advisors breached their fiduciary duty to the Plaintiffs via their misconduct, more particularly described throughout this complaint, including, but not limited to:

- a. Failing to disclose that the EquiAlt Securities were not exempt from registration;
- b. Failing to disclose that the EquiAlt Securities were being sold in violation of state and federal securities registration laws;
- c. Failing to disclose that EquiAlt Securities were sold via misrepresentations and omissions of material facts as described in this complaint;

d. Failing to disclose that the EquiAlt Securities were sold by unlicensed sales agents, aka investment advisors or brokers, who were required by law to be licensed in order to sell EquiAlt Securities;

e. Failing to disclose that EquiAlt was being operated as a Ponzi scheme, where later investors' monies were being used to pay interest returns and principal to earlier investors;

f. Failing to disclose that EquiAlt's net income, without new investor money, was insufficient to pay its obligations as they came due in the ordinary course of their business;

g. Failing to disclose that there were regulatory inquiries from regulators who were investigating the legality of the sale of EquiAlt Securities;

h. Failing to adequately investigate the EquiAlt operations and investments, such as failing to obtain audited financial statements to confirm the viability of the EquiAlt investments;

i. Failing to fully explain the risks of the EquiAlt Securities that were part of a Ponzi scheme;

j. Failing to study the EquiAlt investments so as to be adequately informed as to its nature, price and financial prognosis;

k. Failing to refrain from self-dealing in that the EquiAlt advisors knew that they did not have verifiable, audited financial information, but yet touted the EquiAlt investments as fully secured by real estate, in order to earn a large commission on each sale;

l. Failing to contact their state securities regulator, FINRA or the SEC to confirm whether they could legally sell EquiAlt Securities without a license;

m. Failing to contact their state securities regulator or the SEC to confirm whether EquiAlt Securities could be sold without registration or a proper exemption from registration; and

n. Failing to obtain a securities license or registration as a broker-dealer before selling EquiAlt Securities.

G. APPLICATION OF THE DISCOVERY RULE, THE FRAUDULENT CONCEALMENT DOCTRINE AND EQUITABLE TOLLING

126. Plaintiffs and the class members had no reason to suspect they had sustained injuries caused by Defendants' wrongful conduct alleged herein until the SEC filed its complaint on February 11, 2020, or later and, despite reasonable investigation, Plaintiffs were unaware until then of a factual basis for the causes of action alleged herein. Plaintiffs and the class members likewise did not and could not reasonably have discovered the alleged breaches of fiduciary duties, misrepresentations and corresponding securities violations and fraud until the SEC filed its complaint, at the earliest.

127. As alleged above, the EquiAlt marketing brochures, sales solicitation documents, PPMs and subscription agreements all made false representations and failed to disclose material information concerning the safety and liquidity of the EquiAlt Securities, the risks associated with investments in the EquiAlt Securities, EquiAlt's compliance with the securities laws, the experience and qualifications of EquiAlt management and the quality and values of the real estate previously acquired and to be acquired by the EquiAlt Funds.

128. EquiAlt and Defendants never disclosed or suggested to Plaintiffs and the class members that EquiAlt and the EquiAlt funds were being operated as part of a massive Ponzi scheme or that the EquiAlt managers were diverting millions of dollars in EquiAlt assets for their own personal gain. Nor did EquiAlt or Defendants disclose to the investors that properties and assets were being transferred between and among the EquiAlt Funds in furtherance of the ongoing Ponzi scheme and breaches of fiduciary duties.

129. Despite their periodic inquiries and efforts to monitor the status of their investments in the EquiAlt Securities, Plaintiffs and the class members lacked any ability to discover the true financial condition of the EquiAlt Funds or the profligate way EquiAlt was being managed and operated. EquiAlt provided no audited or unaudited financial statements to the investors, distributed no written reports describing or summarizing EquiAlt's operations or financial condition, nor did EquiAlt provide any specific information concerning the properties supposedly acquired, appraisals or appraised values of the properties, details concerning the acquisition or sales of the properties supposedly bought and sold by the EquiAlt Funds or any comparable information. To the contrary, all information concerning EquiAlt's operations, financial condition, profits and losses, intra-fund transfers, payments to management and the status of the properties acquired by the EquiAlt Funds and EquiAlt's securities law violations was and remained in the exclusive possession and control of EquiAlt management and/or Defendants.

130. There was simply no possible avenue for Plaintiffs or the class members to pursue or obtain the information necessary for them to discover the wrongdoing alleged herein until the SEC filed its complaint revealing the Ponzi scheme, at the earliest.

131. In addition, Plaintiffs and the class members could not reasonably have discovered the wrongdoing earlier due to the active, ongoing fraudulent concealment of the true facts by EquiAlt and the Defendants. Indeed, in addition to the fraudulent misrepresentations by EquiAlt management, Defendants made affirmative false representations to the investors in the PPMs and other documents drafted by Defendants concerning EquiAlt's compliance with the federal and state securities laws.

132. Under the fraudulent concealment and equitable tolling doctrines applicable to the claims alleged herein, the limitations periods applicable to the claims asserted in this action were

tollled through February 11, 2020, at the earliest, based on the active deception of EquiAlt and the Defendants in concealing Plaintiffs' causes of action.

PLAINTIFF-SPECIFIC ALLEGATIONS

Plaintiffs Richard and Phyllis Gleinn

133. Plaintiffs Richard and Phyllis Gleinn are husband and wife who reside in Sumter County, Florida. The Gleinns invested \$50,000 in 2016, which investment matured in 2019. On April 11, 2019, Andre Sears reached out to the Gleinns to solicit them to reinvest with EquiAlt. At or about that time, between April 11, 2019 and April 25, 2019, they were again solicited to "renew" and "add to" their EquiAlt investment. The Gleinns invested \$150,000 in EquiAlt Fund II on or about April 25, 2019 and sent their funds to EquiAlt on or about May 1, 2019. The Gleinn's EquiAlt investment contract is attached hereto as **Exhibit Q**.

Plaintiff Cary Toone

134. Plaintiff Cary Toone is a resident of Gilbert, Arizona. Following a solicitation by an unlicensed EquiAlt sales agent, Toone purchased \$30,000 of Fund 2 on September 26, 2019 and \$60,000 of EquiAlt Fund LLC for his IRA on April 8, 2019. Toone's EquiAlt investment contracts are appended hereto as **Exhibit R**. Toone is not an accredited investor.

Plaintiffs John and Maria Celli

135. Plaintiffs John and Maria Celli are husband and wife who reside in Prescott, Arizona and invested \$50,000 in EquiAlt Securities on August 7, 2019. The Celli's EquiAlt investment contract is appended hereto as **Exhibit S**.

Plaintiff Eva Meier

136. Plaintiff Eva Meier is a resident of San Diego County, California and initially solicited to invest \$100,000 from her IRA into EquiAlt Fund LLC and made the first investment

in or about September 29, 2017. In or about January 6, 2020, Meier invested additional monies with EquiAlt. On or about January 6, 2020, Meier invested \$73,229.81 in EquiAlt Fund II from her beneficiary IRA account, an additional \$74,716 in EquiAlt Fund II from her SEP IRA. Meier's EquiAlt investment contract is appended hereto as **Exhibit T**.

Plaintiff Georgia Murphy

137. Plaintiff Georgia Murphy funded that \$250,000 investment in or about December 21, 2016. Later, in or about January 30, 2018, Murphy was solicited by Armijo to transfer \$150,000 from her EquiAlt Fund LLC investment and roll that into the EquiAlt Secured Income Portfolio. Murphy's EquiAlt investment contract is appended hereto as **Exhibit U**.

Plaintiffs Steven and Tracey Rubinstein

138. Plaintiffs Steven and Tracey Rubinstein are husband and wife, and serve as co-trustees of the Rubinstein Family Trust dated 6/25/2010. On January 31, 2020, the Rubinsteins purchased a \$75,000 investment with Fund 2, at an annual rate of 8.00%, with a 48-month term. The Rubinstein's investment contract is appended hereto as **Exhibit V**.

Plaintiff Bertram D. Greenberg

139. Plaintiff Greenberg was on April 3, 2018, sold a \$50,000 investment in Fund 1 at his home in Santa Clara County, California. Plaintiff Greenberg was 89 years of age at the time of the offer and sale of the EquiAlt Debenture. Greenberg's EquiAlt investment contract is appended hereto as **Exhibit W**.

Plaintiffs Bruce R. and Geraldine Hannen

140. Plaintiffs Bruce R. and Geraldine Mary Hannen are spouses who were introduced to EquiAlt and the EquiAlt Debentures by unlicensed EquiAlt employees Andre Sears and Maria-Antonia Sears d/b/a The Picasso Group. On July 26, 2016, the Hannens purchased their first

EquiAlt Debenture, making a \$200,000 investment with EquiAlt Fund II, at an annual rate of 9.25%, with a 36-month term. On July 13, 2019, and at the end of the 36-month term, the Hannens renewed their EquiAlt investment, purchasing an EquiAlt Debentures for \$200,000 with EquiAlt Fund II, at an annual rate of 9.00%, with a 36-month term. The Hannens' investment contracts are appended hereto as **Exhibit X**.

Plaintiffs Rory O'Neal and Marcia O'Neal

141. Plaintiffs Rory and Marcia O'Neal are husband and wife who reside in Reno County, Nevada and who were introduced to EquiAlt and the EquiAlt Debentures by Bobby Armijo of Joseph Financial. On August 21, 2017, the O'Neals invested \$200,000 from Marcia O'Neal's IRA in EquiAlt Fund 1 through the acquisition of a debenture security with an annual interest rate of 12%, with a 36-month term. Then, on January 18, 2018, Marcia O'Neal transferred the \$200,000 investment from Fund 1 to Fund 4. In exchange, Marcia O'Neal received Stock Certificate Number 16, with a floor rate of 7% annually with bonus dividend paid in first quarter of the following year and quarterly payments to being in January 2019 and every quarter thereafter. On October 26, 2017, the O'Neals invested \$50,000 from Rory O'Neal's IRA in EquiAlt Fund 1 through the acquisition of a debenture security with a 12% interest rate and a 36-month term. On January 18, 2018, Rory O'Neal transferred the \$50,000 investment from Fund 1 to Fund 4. In exchange, Marcia O'Neal received Stock Certificate Number 17, with a floor rate of 7% annually with bonus dividend paid in first quarter of the following year and quarterly payments to being in January 2019 and every quarter thereafter. On The O'Neals' investment contracts are appended hereto as **Exhibit Z**.

Plaintiff Sean O'Neal

142. Plaintiff Sean O'Neal resides in Reno County, Nevada and was introduced to EquiAlt and the EquiAlt Debentures by Bobby Armijo of Joseph Financial.. On or about December 8, 2016, Sean O'Neal invested \$1,000,000 as trustee of The O'Neal Family Trust Dated April 6, 2004, as amended, in Fund 1, with a 10% annual interest rate and a 36-month term. On or about October 3, 2017, Sean O'Neal invested \$1,000,000 as trustee of The O'Neal Family Trust Dated April 6, 2004, as amended, in Fund 1, with a 12% annual interest rate and a 36-month term. On or about October 18, 2017, Sean O'Neal invested \$1,000,000 as trustee of The O'Neal Family Trust Dated April 6, 2004, as amended, in Fund 1, with a 12% annual interest rate and a 36-month term. On January 18, 2018, Sean O'Neal transferred a \$1,000,000 investment from Fund 1 to Fund 4. In exchange, Sean O'Neal received Stock certificate number 22, with a with a floor rate of 7% annually with bonus dividend paid in first quarter of the following year and quarterly payments to being in April 2019 and every quarter thereafter. On May 15, 2018, Sean O'Neal transferred a \$2,000,000 investment from Fund 1 to Fund 4. In exchange, Sean O'Neal received Stock certificates number 5, with a with a floor rate of 7% annually with bonus dividend paid in first quarter of the following year and quarterly payments to being in April 2019 and every quarter thereafter. O'Neal's investment contracts are appended hereto as **Exhibit AA**.

Plaintiff Robert Cobleigh

143. Plaintiff Robert Cobleigh resides in El Centro, California. On September 20, 2019, Robert Cobleigh invested \$270,000 of his savings in EquiAlt Fund 2, purchasing a debenture with a 48-month term and 8.00% interest. Two months later, Cobleigh invested another \$250,000 in EquiAlt Fund 1, purchasing a debenture with a 48-month term and 8.00% interest. Cobleigh's investment contracts are appended hereto as **Exhibit BB**.

CLASS ALLEGATIONS

144. Plaintiffs bring assert their claims on behalf of themselves and the following four classes of similarly situated investors in Florida, California, Arizona, Colorado, and Nevada:

The Florida Class: All persons who purchased an EquiAlt Security: (a) while they were a resident of Florida; or (b) from or through agent or other seller operating in or from Florida.

The California Class: All persons who purchased an EquiAlt Security: (a) while they were a resident of California; or (b) from or through agent or other seller operating in or from California.

The California Elder Subclass: All California residents who were at least 65 years of age when sold an EquiAlt Security.

The Arizona Class: All persons who purchased an EquiAlt Security: (a) while they were a resident of Arizona; or (b) from or through agent or other seller operating in or from Arizona.

The Colorado Class: All persons who purchased an EquiAlt Security: (a) while they were a resident of Colorado; or (b) from or through agent or other seller operating in or from Colorado.

The Nevada Class: All persons who purchased an EquiAlt Security: (a) while they were a resident of Nevada; or (b) from or through agent or other seller operating in or from Nevada.

(collectively, “the Classes”). Excluded from the Classes are Defendants and EquiAlt, their officers, directors and employees, any broker-dealer or sales agent who sold an EquiAlt Security to any member of the Classes, and any member of the Classes who has initiated individual litigation against the Defendants predicated on the same facts alleged herein.

145. ***Size of Classes:*** EquiAlt Securities were sold to approximately 1,100 investors nationwide, with hundreds of investors located in Florida, California, Arizona, Colorado, and Nevada. Because there are hundreds of members of each of the Classes described in the foregoing paragraph, joinder of all members is impracticable. The identities and addresses of the members of these Classes can be readily ascertained from business records maintained by EquiAlt.

146. ***Adequacy of Representation:*** Plaintiffs are willing and prepared to serve the Court and the proposed Classes in a representative capacity. Plaintiffs will fairly and adequately protect the interests of the Classes and have no interests that are adverse to, or which materially and irreconcilably conflict with, the interests of the other members of the Classes. The self-interests of Plaintiffs are co-extensive with and not antagonistic to those of absent Class members. Plaintiffs will undertake to represent and protect the interests of absent Class members. Plaintiffs have engaged the services of counsel indicated below who are experienced in complex class litigation and life insurance matters, will adequately prosecute this action, and will assert and protect the rights of and otherwise represent Plaintiffs and the putative Class members.

147. ***The Commonality of Questions of the Law and Fact:*** The claims of Plaintiffs and putative Class Members involve common questions of law and fact., including

- a. Whether the EquiAlt Securities constituted “securities” with the meaning of the Federal securities statutes;
- b. Whether the EquiAlt Securities were exempt from registration under the federal securities statutes;
- c. Whether the EquiAlt Securities constituted “securities” with the meaning of the pertinent State securities statutes;
- d. Whether the EquiAlt Securities were exempt from registration under the pertinent State securities statutes;
- e. Whether the sale of the EquiAlt Securities through the Funds constituted an integrated offering;
- f. Whether EquiAlt intended to sell and did in fact sell its securities to more than 35 non-accredited investors through the Funds;

- g. Whether EquiAlt engaged directly and through its agents in general solicitations and advertising to market its unregistered securities;
- h. Whether EquiAlt made commission payments to its unlicensed sales agents not disclosed in its SEC filings claiming the Reg D exemption from registration;
- i. Whether EquiAlt would and did fail to provide investors with information and disclosures required by Regulation D, including audited financial statements;
- j. Whether the EquiAlt PPMs contained materially false and misleading statements;
- k. Whether the EquiAlt Form D filings contained materially false and misleading statements;
- l. Whether Defendants were knowing participants in the ongoing illegal sales of securities by EquiAlt and the Non-Defendant Promoters;
- m. Whether Defendants played a substantial role in inducing the illegal sales of EquiAlt Securities;
- n. Whether Defendants lent substantial assistance to an ongoing scheme to defraud Plaintiffs and the other members of the Classes;
- o. Whether Defendants were professionally obligated to terminate their representation of EquiAlt to avoid covering-up and assisting the ongoing (and past) fraud perpetrated by it and the Non-Defendant Promoters;
- p. Whether Defendants' actions constitute primary violations of the pertinent State securities statutes;
- q. Whether Defendants' actions constitute secondary violations of the pertinent State securities statutes;

- r. Whether Defendants' actions constitute aiding and abetting of violations of the pertinent State securities statutes;
- s. Whether Defendants' actions constitute aiding and abetting fraud;
- t. Whether Defendants' actions constitute aiding and abetting breach of fiduciary duty;
- u. Whether Defendants' actions constitute civil conspiracy;
- v. Whether Defendants' actions constitute statutory Elder Abuse under California law;
- w. Whether Defendants' actions constitute a violation of any prong of California's unfair Competition Law;
- x. Whether Plaintiffs and members the Classes have been damaged, and if so, are eligible for and entitled to compensatory and punitive damages;
- y. Whether EquiAlt sales agents were required to be licensed under state or federal securities laws;
- z. Whether EquiAlt was operating as an unlicensed broker-dealer; and
- aa. Whether Plaintiffs and Members of the Classes are entitled to other, equitable relief.

148. ***Typicality of the Claims or Defenses of the Class Representatives:*** Plaintiffs' claims and defenses are typical of the claims and defenses of the putative Class Members.

149. ***Rule 23(b)(3):*** This action is appropriate as a class action pursuant to Federal Rule of Civil Procedure 23 (b)(3). The common questions of law and fact listed above predominate over any individualized questions. A class action is superior to other available methods for the fair and efficient adjudication of this controversy, for the following reasons:

- a. Given the age of Class Members, many of whom are elderly and have limited resources, the complexity of the issues involved in this action and the expense of litigating the claims, few, if any, Class Members could afford to seek legal redress individually for the wrongs that Defendants have committed against them, and absent Class Members have no substantial interest in individually controlling the prosecution of individual actions;
- b. Once Defendants' liability has been adjudicated respecting the EquiAlt Securities, claims of all Class Members can be determined by the Court;
- c. This action will ensure an orderly and expeditious administration of the Class's claims and foster economies of time, effort, and expense, and ensure uniformity of decisions; and
- d. This action does not present any undue difficulties that would impede its management by the Court as a class action.

A class action is thus superior to other available means for the fair and efficient adjudication of this controversy.

150. *Nature of Notice to the Proposed Classes.* The names and addresses of all Class Members are contained in the business records maintained by Defendant and are readily available to Defendant. The Class Members are readily and objectively identifiable. Plaintiffs contemplate that notice will be provided to Class Members by e-mail, mail, and published notice.

CLAIMS FOR RELIEF

THE FLORIDA CLAIMS

COUNT I

**Aiding and Abetting Fraud
(Individually and on behalf of the Florida Class)**

151. Plaintiffs Gleinn repeat and re-allege the allegations contained in paragraphs 1–150 above, as if fully set forth herein.

152. EquiAlt and its sales agents, consistent with the brochures, told Plaintiffs words to the effect that that their investment was backed by real estate, was a safe or secure fixed income investment, and that EquiAlt had a successful track record. The sales agents also gave out EquiAlt brochures to investors which stated that investors could contact EquiAlt’s attorney and that it is “independent from EquiAlt LLC and can give you some insight into the fund and its activities.

153. EquiAlt and the EquiAlt financial advisors made misrepresentations and omitted material facts to the Plaintiffs via their misconduct.

154. The Defendants substantially assisted or encouraged the wrongdoing that constituted the Ponzi scheme fraud conducted EquiAlt and its unlicensed sales agents; further, Defendants had knowledge of such fraud, because they actively participated in the making the sale by their actions or by stepping outside of their normal role as attorneys providing routine legal advice, under the totality of the events as more fully described in this complaint.

155. Defendants stepped out of their normal role as attorneys and participated in the fraud, by participating in the creation of documents which contain clear misstatements and omit material facts that should have been disclosed to the Plaintiffs, and by other actions described in this complaint.

156. Defendants’ aiding and abetting the EquiAlt fraud caused damages to the Plaintiffs in the amount of their lost investments, believed to be \$170 million dollars, less interest payments.

COUNT II

**Aiding and Abetting Breach of Fiduciary Duty
(Individually and on behalf of the Florida Class)**

157. Plaintiffs Gleinns repeat and re-allege the allegations contained in paragraphs 1–150 above, as if fully set forth herein.

158. As alleged above, EquiAlt and the EquiAlt sales agents breached their fiduciary duties to the Plaintiffs.

159. The Defendants substantially assisted or encouraged the wrongdoing that constituted the breach of fiduciary duty owed by the EquiAlt and its sales agents; further, Defendants had knowledge of such breach, because they actively participated in the making the sale by their actions or by stepping outside of their normal role as attorneys providing routine legal advice, under the totality of the events as more fully described in this complaint.

160. Defendants’ aiding and abetting the breach of fiduciary duty cannot be excused by a “see no evil, hear no evil” approach, as that would otherwise encourage attorneys to aid clients in fraud by willful blindness.

161. Defendants’ aiding and abetting the breach of fiduciary duty caused damages to the Plaintiffs in the amount of their lost investments, believed to be \$170 million dollars, less interest payments.

COUNT III

**Civil Conspiracy
(Individually and on behalf of the Florida Class)**

162. Plaintiffs Gleinn repeat and re-allege the allegations contained in paragraphs 1–150 above, as if fully set forth herein.

163. EquiAlt and its sales agents, consistent with the brochures, told Plaintiffs that their investment was backed by real estate, was a safe or secure fixed income investment, and that EquiAlt had a successful track record. The sales agents also gave out EquiAlt brochures to investors. The sales agents also gave out EquiAlt brochures to investors which stated that investors could contact EquiAlt’s attorney and that it is “independent from EquiAlt LLC and can give you some insight into the fund and its activities.”

164. EquiAlt’s CEO entered into one or more agreements with Defendants to create various private placements to raise money for EquiAlt. That agreement included the drafting of indentures, finder fee contracts, subscription agreements and Private Placement Memoranda for each of the offerings.

165. Defendants engaged in unlawful acts with EquiAlt, namely, the misrepresentation of EquiAlt private placements as properly exempt under the securities laws, and the use of unlicensed sales agents, which Defendants knew were not allowed to sell private placements without a proper securities license with state and federal regulators.

166. The Defendants’ conspiracy substantially assisted or encouraged the wrongdoing that constituted the Ponzi scheme fraud conducted by EquiAlt and its unlicensed sales agents; further, Defendants had knowledge of such fraud, because they actively participated in the making the sale by their actions or by stepping outside of their normal role as attorneys providing routine legal advice, under the totality of the events as more fully described in this complaint.

167. Defendants’ conspiracy with EquiAlt to evade the securities laws with respect to registration, exemption from registration and the use of unlicensed sales agents caused damages to the Plaintiffs.

168. Defendants conspiracy with EquiAlt to commit fraud cannot be excused by a “see no evil, hear no evil” approach, as that would otherwise encourage attorneys to aid clients in fraud by willful blindness. Plaintiffs allege that the Defendants had actual knowledge, which can be inferred from the totality of the circumstances of the events plead in this complaint. Plaintiffs lack access to the very discovery materials which would illuminate the Defendants’ state of mind. But participants in a fraud do not affirmatively declare to the world that they are engaged in the perpetration of a fraud. Intent to commit fraud is to be divined from surrounding circumstances, and in this case, the Plaintiffs plead that the Defendants stepped out of their normal role as attorneys and participated in the fraud, by participating in the creation of documents which contain clear misstatements and omit material facts that should have been disclosed to the Plaintiffs, and by other actions described in this complaint.

169. Defendants’ conspiracy with EquiAlt to commit fraud caused damages to the Plaintiffs in the amount of their lost investments, believed to be \$170 million dollars, less interest payments.

THE CALIFORNIA CLAIMS

COUNT IV

Violations of the CSL (Individually and on behalf of the California Class)

170. Plaintiffs Murphy, Meier, Greenberg, and Cobleigh repeat and re-allege the allegations contained in paragraphs 1–150 above, as if fully set forth herein.

171. California Corp. Code § 25110 prohibits the offer or sale by any person in California of securities that are not qualified through registration. California Corp. Code § 25503 affords a statutory cause of action to victimized investors for violations of Section 25110. Finally, California Corp. Code § 25504.1 extends liability under Section 25503 to any person who materially assists in a violation of Section 25110 and makes them jointly and severally liable with any other person liable under Section 25503.

172. EquiAlt with Defendants' material assistance offered and sold the EquiAlt Securities in California without being properly registered or qualified for offer or sale either with any federal or California regulator.

173. Plaintiffs contend that secondary liability for materially assisting a strict liability violation of the qualification requirements of Section 25110 does not require proof that Defendants intended "to deceive or defraud." However, Plaintiffs in the alternative contend that even if so, Defendants' knowledge of and participation in EquiAlt's non-compliance with the CSL establishes their intent to deceive investors regarding the purported exemption of the EquiAlt Securities from the qualification and licensing requirements of the CSL.

174. California Corp. Code § 25210(b) provides:

No person shall, ... on behalf of an issuer, effect any transaction in, or induce or attempt to induce the purchase or sale of, any security in this state unless [a licensed] broker-dealer and agent have complied with any rules as the commissioner may adopt for the qualification and employment of those agents.

175. Defendants breached Section 25210(b) by encouraging Lifeline and other broker-dealers and agents to offer and sell the EquiAlt Securities despite the fact that (a) such securities were not qualified under the CSL and (b) such broker-dealers and agents were not licensed under the CSL.

176. California Corp. Code § 25501.5 affords a statutory cause of action to victimized investors for violations of Section 25210(b).

177. California Corp. Code § 25401 prohibits fraud in the offer or sale by any person in California of securities. California Corp. Code § 25501 affords a statutory cause of action to victimized investors for violations of Section 25401. Finally, California Corp. Code § 25504.1 extends liability under Section 25503 to any person who materially assists in a violation of Section 25401 with the intent to deceive or defraud, and makes them jointly and severally liable with any other person liable under Section 25503.

178. EquiAlt, with Defendants' material assistance, offered and sold the EquiAlt Securities in California by means of any written or oral communication that includes an untrue statement of a material fact or omits to state a material fact necessary to make the statements made, in the light of the circumstances under which the statements were made, not misleading.

179. Defendants are accordingly joint and severally liable to Plaintiffs for rescissionary damages under Cal. Corp. Code. § 25504.1.

180. Plaintiffs hereby conditionally tender their EquiAlt Securities in accordance with Cal. Corp. Code § 25503.

COUNT V

Aiding and Abetting Breach of Fiduciary Duty (Individually and on behalf of the California Class)

181. Plaintiffs Murphy, Meier, Greenberg and Cobleigh repeat and re-allege the allegations contained paragraphs 1–150 above, as if fully set forth herein.

182. Based on (a) their respective sales agent's assumption of the role of a securities broker advising Plaintiffs about their retirement and investment decisions and (b) the confidential relationship the agent engendered in completing Plaintiffs' applications, transmitting them and

Plaintiffs' funds to EquiAlt for investment, those sales agents owed Plaintiffs fiduciary duties of loyalty and full disclosure, which were breached by their receipt of commissions in connection with the unlawful offer and sale to Plaintiffs of unqualified securities through unlicensed broker-dealers and sales agents.

183. Defendants had actual knowledge of the breaches of such fiduciary duties by the sales agent and the other unlicensed broker-dealers EquiAlt utilized to solicit investment in the EquiAlt Securities, rendered substantial assistance or encouragement to the breaches, and their conduct was a substantial factor in causing harm to Plaintiff.

184. Defendants acted with the specific intent to facilitate the wrongful conduct by EquiAlt and its broker-dealers and sales agents, particularly in connect with its efforts to deter regulatory investigations by the SEC and the State of Arizona.

185. Defendants are therefore liable for common law aiding and abetting the breach of fiduciary duties.

COUNT VI

Aiding and Abetting Fraud and Deceit (Individually and on behalf of the California Class)

186. Plaintiffs Murphy, Meier, Greenberg and Cobleigh repeat and re-allege the allegations contained paragraphs 1–150 above, as if fully set forth herein.

187. The Non-Defendant Promoters made uniform false representations and concealed or failed to disclose material facts concerning the Funds' compliance with the Federal and State securities laws, the safety and risks of the EquiAlt Securities and the financial performance and solvency of EquiAlt and the Funds, all with the intent to deceive prospective investors.

188. Plaintiffs and the members of the California Class justifiably relied on the foregoing false representations and material omissions, were unaware of the falsity of the representations or

the material omissions and would not have invested in the EquiAlt Securities had they known the true facts. As a consequence, Plaintiffs and the members of the California Class sustained damages.

189. Defendants had actual knowledge of some or all of the false statements and material omissions used to solicit investment in the EquiAlt Securities, rendered substantial assistance or encouragement to the fraudulent conduct, and their conduct was a substantial factor in causing harm to Plaintiffs and the members of the California Class.

190. Defendants acted with the specific intent to facilitate the foregoing wrongful conduct.

191. Defendants are therefore liable for common law aiding and abetting the fraud and deceit committed by the Non-Defendant Promoters.

192. The foregoing actions by Defendants were done maliciously, oppressively, and with intent to defraud, thereby entitling Plaintiffs and members of the California Class to punitive and exemplary damages.

COUNT VII

Financial Abuse under the Elder Abuse Act (Individually and on behalf of the California Subclass)

193. Plaintiffs Greenberg and Cobleigh repeat and re-allege the allegations contained paragraphs 1–150 above, as if fully set forth herein.

194. This cause of action is brought under California's Welfare and Institutions Code § 15610, et seq.

195. As alleged above, Plaintiff Greenberg was 89 years or older at all times relevant to this claim. Plaintiff Cobleigh was 80 years old at the time of this claim.

196. California's Elder Abuse Act, Cal. Welf. & Ins. Code § 15610.07, affords a cause of action to person over 65 years of age to recover for "financial abuse."

197. Financial abuse is in turn defined as follows:

“Financial abuse” of an elder or dependent adult occurs when a person or entity does any of the following:

1. Takes, secretes, appropriates, obtains, or retains real or personal property of an elder or dependent adult for a wrongful use or with intent to defraud, or both.
2. Assists in taking, secreting, appropriating, obtaining, or retaining real or personal property of an elder or dependent adult for a wrongful use or with intent to defraud, or both.

California Welf. & Ins. Code § 15610.30(a).

198. A person takes property “for a wrongful use” when he, she or it knew or should have known its conduct was likely to be harmful to the elder. Welf. & Ins. Code § 15610.30(b).

199. The sale of unregistered securities by unlicensed broker-dealers and agents is specifically prohibited in California, for the very reason that it is conduct likely to be harmful to the investor.

200. Through the sale to Plaintiffs Greenberg and Cobleigh of unqualified securities through unlicensed brokers and agents, Defendants engaged in conduct that took, appropriated, obtained and retained Plaintiffs Greenberg’s personal property (\$50,000 in cash) and Plaintiff Cobleigh’s personal property (\$520,000) for a wrongful use in violation of Section 15610.30(a)(1).

201. Alternatively, through their participation in the offer and sale to Plaintiffs Greenberg and Cobleigh of unqualified securities through unlicensed brokers and agents, Defendants at a minimum assisted in conduct that took, appropriated, obtained and retained Plaintiff Greenberg’s personal property (\$50,000 in cash) and Plaintiff Cobleigh’s personal property (\$520,000) for a wrongful use in violation of § 15610.30(a)(2).

202. Defendants are accordingly liable to Plaintiff for “compensatory damages and all other remedies otherwise provided by law,” including reasonable attorney fees and costs. Welf. & Ins. Code § 15657.5(a).

COUNT VIII

Violation of Unfair Competition Law Business & Professions Code § 17200, et seq. (Individually and on behalf of the California Class)

203. Plaintiffs Murphy, Meier, Greenberg and Cobleigh repeat and re-allege the allegations contained paragraphs 1–150 above, as if fully set forth herein.

204. California’s Unfair Competition Law, Business & Professions Code §§ 17200 *et seq.* (the “UCL”) prohibits acts of unlawful and unfair competition, including any “unlawful, unfair or fraudulent business act or practice,” any “unfair, deceptive, untrue or misleading advertising” and any act prohibited by Business & Profession Code §17500.

205. Defendants have committed business acts and practices that violate the UCL by aiding and abetting the breaches of fiduciary duties, fraudulent and unfair conduct and unlawful conduct. Defendants’ conduct as alleged above constitutes unlawful competition in that, for the reasons set forth above, said acts and practices violate the Corporations Code.

206. The conduct of Defendants as alleged above also constitutes unfair competition in that, for the reasons set forth above, the acts and practices offend public policy and are unethical, oppressive, and unscrupulous, and are substantially injurious to the public.

207. Defendants’ conduct was a proximate cause of the injuries to Plaintiffs and the California Class alleged herein, and it caused and continues to cause substantial injury to Plaintiffs and the members of the California Class. By reason of the foregoing, Defendants should be required to pay restitution to Plaintiffs and members of the California Class.

THE ARIZONA CLAIMS

COUNT IX

Violation of A.R.S. § 44-1841

(Individually and on behalf of the Arizona Class)

208. Plaintiffs Rubinstein, Toone, and Celli, repeat and re-allege the allegations contained paragraphs 1–150 above, as if fully set forth herein.

209. The investments sold by the Non-Promotor Defendants were securities as defined by the Arizona Securities Act (“the ASA”).

210. The sale of non-exempt unregistered securities in Arizona is prohibited by A.R.S. § 44-1841.

211. Section 44–2001(A) creates a private cause of action for rescission or damages for violations of § 44–1841.

212. The ASA extends civil liability beyond the immediate parties to the sale, to all persons “who made, participated in or induced the unlawful sale or purchase.” A.R.S. § 44–2003(A).

213. Defendants “participated in or induced” the unlawful sale of unregistered EquiAlt Securities, by encouraging their offer and sale, among other things preparing the offering documents designed to unlawfully solicit purchasers of the unregistered EquiAlt Securities knowing they were not exempt from registration under the federal and State securities laws, and deterring state regulators from terminating the offering in Arizona.

214. Defendants are thus jointly and severally liable to Plaintiffs under A.R.S. § 44–2003(A), to the same extent as the Non-Promoter Defendants for the unlawful sale and violations of A.R.S. § 44-1841.

215. Plaintiffs accordingly demand rescission with interest and attorneys' fees as provided in A.R.S. § 44-2001(A).

216. Subject to the recovery of full relief, Plaintiffs tender to Defendants all consideration received in connection with the securities that Plaintiffs purchased and offer to do any other acts necessary for rescission under the common law or A.R.S. § 44-2001(A).

COUNT X

Violation of A.R.S. §44-1842 (Individually and on behalf of the Arizona Class)

217. Plaintiffs Rubinstein, Toone, and Celli, repeat and re-allege the allegations contained paragraphs 1–150 above, as if fully set forth herein.

218. The investments sold by the Non-Promotor Defendants were securities as defined by the ASA.

219. The sale of securities in Arizona by an unregistered dealer is prohibited by A.R.S. § 44-1842.

220. Section 44–2001(A) creates a private cause of action for rescission or damages for violations of § 44–1842.

221. The ASA extends civil liability beyond the immediate parties to the sale, to all persons “who made, participated in or induced the unlawful sale or purchase.” A.R.S. § 44–2003(A).

222. Defendants “participated in or induced” the unlawful sale of EquiAlt Securities by unregistered dealers, by encouraging such sales in Arizona, by among other things covering for the Non-Defendant Promoters' use of the Non-Defendants sales agents to solicit purchasers of the EquiAlt Securities in Arizona.

223. Defendants are thus jointly and severally liable to Plaintiffs under A.R.S. § 44-2003(A), to the same extent as the Non-Promoter Defendants for the unlawful sale and violations of A.R.S. § 44-1842.

224. Plaintiffs accordingly demand rescission with interest and attorneys' fees as provided in A.R.S. § 44-2001(A).

225. Subject to the recovery of full relief, Plaintiffs tender to Defendants all consideration received in connection with the securities that Plaintiffs purchased and offer to do any other acts necessary for rescission under the common law or A.R.S. § 44-2001(A).

COUNT XI

Violation of A.R.S. §§ 44-1991(A) (Individually and on behalf of the Arizona Class)

226. Plaintiffs Rubinstein, Toone, and Celli, repeat and re-allege the allegations contained paragraphs 1–150 above, as if fully set forth herein.

227. The investments sold by the Non-Promoter Defendants were securities as defined by the ASA.

228. Under the ASA, it is unlawful to (1) “[e]mploy any device, scheme or artifice to defraud[;]” (2) “[m]ake any untrue statement of material fact, or omit to state any material act necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading[;]” or to (3) “[e]ngage in any transaction, practice or course of business which operates or would operate as a fraud or deceit.” A.R.S. § 44-1991(A).

229. Section 44–2001(A) creates a private cause of action for rescission or damages for violations of § 44–1991(A). The ASA extends civil liability beyond the immediate parties to the sale, to all persons “who made, participated in or induced the unlawful sale or purchase.” A.R.S. § 44–2003(A).

230. The Non-Promoter Defendants conducted a massive Ponzi scheme raising more than \$170 million from over 1,000 investors nationwide, many of them elderly, through the fraudulent sale of unregistered securities. The scheme was perpetuated through material misrepresentations and omissions concerning the Funds' compliance with the federal and State securities laws, the safety and risks of the EquiAlt Securities, and the financial performance and solvency of EquiAlt and the Funds, all with the intent to deceive prospective investors, causing Plaintiffs' damages. In particular, the Non-Defendant Promoters in the PPM made the following materially false misrepresentations and omissions, among others:

- a. Falsely stated that "[t]his Offering is being made pursuant to the private offering exemption of Section 4(2) of the [Securities] Act and/or Regulation D promulgated under the Act;"
- b. Falsely stated that "[t]his Offering is also being made in strict compliance with the applicable state securities laws;"
- c. Falsely stated that "[u]nder no circumstances will the Company admit more than thirty-five (35) non-accredited Investors as computed under Rule 501 of Regulation D promulgated under the [Securities] Act;"
- d. Falsely stated that "[t]he Company may utilize the services of one or more registered broker/dealers" to sell the unregistered EquiAlt Securities;
- e. Falsely overstated the percentage of investor funds that would be used to invest in properties;
- f. Misleadingly omitted to disclose that millions of dollars would be used to pay undisclosed fees and bonuses to EquiAlt and its principals;

- g. Misleadingly omitted to disclose that EquiAlt would pocket “discount fees” rather than passing on to the Funds purported savings from listed sale prices;
- h. Misleadingly omitted to disclose that monies would be transferred from one Fund to another to pay interest due to investors and failed to adequately disclose that commissions would be paid to unlicensed sales agents; and
- i. Misleadingly omitted to disclose that Davison and Rybicki had both filed bankruptcy proceedings during the years prior to the formation of EquiAlt.

231. Defendants “participated in or induced” the unlawful sale of EquiAlt Securities, by encouraging their offer and sale in Arizona, by among other things preparing the offering documents designed to unlawfully solicit purchasers of the unregistered EquiAlt Securities, by adding a patina of legitimacy to the otherwise unlawful operation, and by concealing the lack of any exemption to registration under either the federal or State securities laws, all of which enabled the scheme to unfold to the detriment of Plaintiffs and the Arizona Class.

232. Defendants acted with the specific intent to facilitate the Non-Defendant Promoters’ foregoing wrongful conduct, and knowingly or recklessly misrepresented or omitted facts regarding the need to register the securities that rendered their statements, representations, and documents materially false or misleading.

233. Defendants are thus jointly and severally liable to Plaintiffs within the meaning of A.R.S. § 44-2003(A), to the same extent as the Non-Promoter Defendants for the unlawful sale and violations of A.R.S. § 44-1991(A).

234. Plaintiffs accordingly demand rescission with interest and attorneys’ fees as provided in A.R.S. § 44-2001(A).

235. Subject to the recovery of full relief, Plaintiffs tender to Defendants all consideration received in connection with the securities that Plaintiffs purchased and offer to do any other acts necessary for rescission under the common law or A.R.S. § 44-2001(A).

COUNT XII

Aiding and Abetting Fraud (Individually and on behalf of the Arizona Class)

236. Plaintiffs Rubinstein, Toone, and Celli, repeat and re-allege the allegations contained paragraphs 1–150 above, as if fully set forth herein.

237. The Non-Defendant Promoters made uniform and materially false representations and concealed or failed to disclose material facts concerning the Funds’ compliance with the federal and State securities laws, the safety and risks of the EquiAlt Securities, the use of funds raised through the EquiAlt Securities, and the financial performance and solvency of EquiAlt and the Funds, all with the intent to deceive prospective investors, causing Plaintiffs’ damages.

238. In particular, the Non-Defendant Promoters in the PPM made the following materially false misrepresentations and omissions, among others:

- a. Falsely stated that “[t]his Offering is being made pursuant to the private offering exemption of Section 4(2) of the [Securities] Act and/or Regulation D promulgated under the Act;”
- b. Falsely stated that “[t]his Offering is also being made in strict compliance with the applicable state securities laws;”
- c. Falsely stated that “[u]nder no circumstances will the Company admit more than thirty-five (35) non-accredited Investors as computed under Rule 501 of Regulation D promulgated under the [Securities] Act;”

- d. Falsely stated that “[t]he Company may utilize the services of one or more registered broker/dealers” to sell the unregistered EquiAlt Securities;
- e. Falsely overstated the percentage of investor funds that would be used to invest in properties;
- f. Misleadingly omitted to disclose that millions of dollars would be used to pay undisclosed fees and bonuses to EquiAlt and its principals;
- g. Misleadingly omitted to disclose that EquiAlt would pocket “discount fees” rather than passing on to the Funds purported savings from listed sale prices;
- h. Misleadingly omitted to disclose that monies would be transferred from one Fund to another to pay interest due to investors and failed to adequately disclose that commissions would be paid to unlicensed sales agents; and
- i. Misleadingly omitted to disclose that Davison and Rybicki had both filed bankruptcy proceedings during the years prior to the formation of EquiAlt.

239. Defendants were for all times material hereto aware that the information being disseminated by the Non-Defendant Promoters was materially false.

240. Defendants nevertheless rendered substantial assistance and encouragement to the Non-Defendant Promoters’ fraudulent conduct, including but not limited to the drafting of the operative PPMs, Subscription Agreements, the EquiAlt Securities, and related organizational and operational agreements and other various regulatory filings, and their several corresponding acts to conceal, omit, and misrepresent material facts to cover up the illicit nature of the Ponzi scheme, all as alleged above with specificity.

241. Defendants thereby aided and abetting the fraud and deceit committed by the Non-Defendant Promoters.

242. Defendants are accordingly jointly and severally liable to Plaintiffs for the fraudulent actions of the Non-Defendant Promoters.

COUNT XIII

Aiding and Abetting Breach of Fiduciary Duty (Individually and on behalf of the Arizona Class)

243. Plaintiffs Rubinstein, Toone, and Celli, repeat and re-allege the allegations contained paragraphs 1–150 above, as if fully set forth herein.

244. The Non-Defendant EquiAlt sales agents who solicited Plaintiffs’ investments owed fiduciary duties to Plaintiffs, which derived from their confidential and principal-agent relationship.

245. Given the unbalance of knowledge, Plaintiffs relied heavily upon the Non-Defendant EquiAlt sales agents’ representations and advice, and reposed significant trust in the Non-Defendant EquiAlt sales agents.

246. As alleged above, the Non-Defendant EquiAlt sales agents breached their duties to Plaintiffs, including through their receipt of undisclosed and illegal commissions in connection with the unlawful offer and sale to Plaintiffs of unregistered securities through unlicensed broker-dealers and sales agents, causing Plaintiffs damages.

247. Defendants had actual knowledge of the Non-Defendant EquiAlt sales agents’ breaches of fiduciary duties.

248. Defendants rendered substantial assistance and encouragement to the Non-Defendant EquiAlt sales agents’ breaches and acted to conceal material facts attendant to those breaches, by encouraging them to offer and sell the EquiAlt Securities despite knowing of (a) the lack of registration under either federal or State law, and (b) the lack of any applicable exemption to registration under federal or State law.

249. Defendants are accordingly jointly and severally liable to Plaintiffs for the breach of fiduciary duties by the Non-Defendant Promoters' sales agents.

250. The Non-Defendant Promoters themselves owed fiduciary duties to Plaintiffs under Arizona law.

251. As alleged above, the Non-Defendant Promoters breached their fiduciary obligations to Plaintiffs, including the use through uniform and materially false representations and concealment of material facts concerning the Funds' compliance with the Federal and State securities laws, the safety and risks of the EquiAlt Securities, and the financial performance and solvency of EquiAlt and the Funds, all with the intent to deceive prospective investors, causing Plaintiffs damages.

252. The Non-Defendant Promoters' breaches of fiduciary duties caused Plaintiffs' damages.

253. Defendants had actual knowledge of the Non-Defendant Promoters' breaches of fiduciary duties and knew the misrepresentations and omissions were materially misleading and would result in harm.

254. Defendants rendered substantial assistance and encouragement to the Non-Defendant Promoters' breaches of fiduciary obligations, including but not limited to the drafting of the operative PPMs, Subscription Agreements, the EquiAlt Securities, and related operational agreements and regulatory filings, and their several corresponding acts to conceal, omit, and misrepresent material facts as set forth in those documents to cover up the illicit nature of the Ponzi scheme, all as alleged with specificity herein.

255. Defendants are accordingly jointly and severally liable to Plaintiffs for the breach of fiduciary duties by the Non-Defendant Promoters.

THE COLORADO CLAIMS

COUNT XIV

**Statutory Aiding and Abetting Anti-Fraud Violations under the CSA
(Individually and on behalf of the Colorado Class)**

256. Plaintiffs Hannen repeat and re-allege the allegations contained paragraphs 1–150 above, as if fully set forth herein.

257. The EquiAlt Securities are securities within as defined by C.R.S. § 11-51-201.

258. C.R.S. § 11-51-501 (“Section 501”) prohibits fraud in the offer or sale of securities in Colorado. C.R.S. § 11-51-604 (“Section 604”) affords a statutory cause of action to victimized investors for violations of Section 501. Finally, C.R.S. § 11-51-604(5)(c) extends liability under Section 501 to “[a]ny person who knows that another person liable under subsection (3) or (4) of this section is engaged in conduct which constitutes a violation of [Section 501] and who gives substantial assistance to such conduct is jointly and severally liable to the same extent as such other person.”

259. The Non-Defendant Promoters sold the EquiAlt Securities by employing devices, schemes, and/or artifices to defraud; by making untrue statements of material facts and/or omitting to state material facts; and/or by engaging in acts, practices, and/or courses of business which operated as a fraud or deceit upon Plaintiffs and the other members of the Colorado Class, in violation of Section 501. Accordingly, Plaintiffs were the purchasers of a “security” in Colorado, the Non-Promoters acted in violation of Section 501 with the requisite scienter in connection with the offer and sale of that security, and Plaintiffs relied upon their conduct to their detriment, causing the Plaintiffs’ injury.

260. Defendants encouraged EquiAlt and its broker-dealers and agents to offer and sell the EquiAlt Securities in Colorado despite the fact that (a) such securities were not registered under the CSA and (b) such broker-dealers and agents were not licensed under the CSA.

261. Defendants knew that the Non-Defendant Promoters were engaged in conduct which constituted a violation of Section 501, and gave substantial assistance to such conduct, and are therefore jointly and severally liable to Plaintiff Hannen and the Colorado Class.

262. *Respondeat superior* is proper basis for liability under the CSA.

263. Defendants are liable to Plaintiffs and the other members of the Colorado Class under Section 604(3) and (4) for rescission or rescissionary damages.

264. Plaintiffs hereby conditionally tender their EquiAlt Securities in accordance with Section 604(6).

COUNT XV

Aiding and Abetting Registration Violations under the CSA (Individually and on behalf of the Colorado Class)

265. Plaintiffs Hannens repeat and re-allege the allegations contained paragraphs 1–150 above, as if fully set forth herein.

266. C.R.S. § 11-51-301 (“Section 310”) prohibits the offer or sale by any person in Colorado of securities that are not registration in accordance with C.R.S. Art. 51. C.R.S. § 11-51-604 (“Section 604”) affords a statutory cause of action to victimized investors for violations of Section 301.

267. The EquiAlt Securities were required to be registered under Article 51 of Tile 11 of the Colorado revised Statute, pursuant to Section 301.

268. Neither the EquiAlt Securities nor the transactions were exempted under any pertinent Colorado statute.

269. The Non-Defendant Promoters with Defendants' material assistance offered and sold the EquiAlt Securities in Colorado without being properly registered for offer or sale either with any federal or Colorado regulator.

270. Defendants breached Section 301 by encouraging broker-dealers and agents to offer and sell the EquiAlt Securities in Colorado despite the fact that (a) such securities were not registered under the CSA, and (b) such broker-dealers and agents were not licensed under the CSA.

271. Section 604 specifically provides that statutory liability under that rights and remedies provided by the CSA are in addition to any other rights or remedies that may exist at law or in equity.

272. Respondeat superior is a proper basis for claim under the CSA.

273. Defendants are accordingly joint and severally liable to Plaintiffs and the other members of the Colorado Class for rescission or rescissionary damages.

274. Plaintiffs hereby conditionally tender their EquiAlt Securities in accordance with Section 604(6).

COUNT XVI

Aiding and Abetting Breach of Fiduciary Duty (Individually and on behalf of the Colorado Class)

275. Plaintiffs Hannen repeat and re-allege the allegations contained paragraphs 1–150 above, as if fully set forth herein.

276. As alleged above, based on (a) their respective sales agent's assumption of the role of a securities broker advising Plaintiffs about their retirement and investment decisions and (b) the confidential relationship the agent engendered in completing Plaintiffs' applications, transmitting them and Plaintiffs' funds to EquiAlt for investment, those sales agents owed Plaintiffs fiduciary duties, which were breached as alleged above, including by their receipt of

commissions in connection unlawful offer and sale to Plaintiffs of unqualified securities through unlicensed broker-dealers and sales agents.

277. Defendants had actual knowledge of the breaches of such fiduciary duties by the sales agent and the other unlicensed broker-dealers EquiAlt utilized to solicit investment in the EquiAlt Securities, rendered substantial assistance or encouragement to the breaches, and their conduct was a substantial factor in causing harm to Plaintiff.

278. Defendants acted with the specific intent to facilitate the wrongful conduct by EquiAlt and its broker-dealers and sales agents, particularly in connect with its efforts to deter regulatory investigations by the SEC and the State of Arizona.

279. Defendants are therefore liable for common law aiding and abetting the breach of fiduciary duties.

COUNT XVII

Aiding and Abetting Fraud and Deceit (Individually and on behalf of the Colorado Class)

280. Plaintiffs Hannen repeat and re-allege the allegations paragraphs 1–150 above, as if fully set forth herein.

281. The Non-Defendant Promoters made uniform false representations and concealed or failed to disclose material facts concerning the Funds’ compliance with the Federal and State securities laws, the safety and risks of the EquiAlt Securities and the financial performance and solvency of EquiAlt and the Funds, all with the intent to deceive prospective investors.

282. Plaintiffs and the members of the Colorado Class justifiably relied on the foregoing false representations and material omissions, were unaware of the falsity of the representations or the material omissions and would not have invested in the EquiAlt Securities had they known the true facts. As a consequence, Plaintiffs and the members of the Colorado Class sustained damages.

283. Defendants had actual knowledge of some or all of the false statements and material omissions used to solicit investment in the EquiAlt Securities, rendered substantial assistance or encouragement to the fraudulent conduct, and their conduct was a substantial factor in causing harm to Plaintiffs and the members of the Colorado Class.

284. Defendants acted with the specific intent to facilitate the foregoing wrongful conduct.

285. Defendants are therefore liable for common law aiding and abetting the fraud and deceit committed by the Non-Defendant Promoters.

286. The foregoing actions by Defendants were done maliciously, oppressively, and with intent to defraud, thereby entitling Plaintiffs and members of the Colorado Class to punitive and exemplary damages.

COUNT XVIII

Aiding and Abetting Intentional Misrepresentation (Individually and on behalf of the Colorado Class)

287. Plaintiffs Hannen repeat and re-allege the allegations contained paragraphs 1–150 above, as if fully set forth herein.

288. The Non-Defendant Promoters made uniform false representations and concealed or failed to disclose material facts concerning the Funds' compliance with the Federal and State securities laws, the safety and risks of the EquiAlt Securities and the financial performance and solvency of EquiAlt and the Funds.

289. The Non-Defendant Promoters knew the statements were false when made or were made recklessly and without regard to their truth, and intended that Plaintiffs and the members of the Colorado Class would rely on the representations.

290. Plaintiffs and the members of the Colorado Class justifiably relied on the false statements and sustained damages as a result.

291. Defendants had actual knowledge of some or all of the false statements and material omissions used to solicit investment in the EquiAlt Securities, rendered substantial assistance or encouragement to the fraudulent conduct, and their conduct was a substantial factor in causing harm to Plaintiffs and the members of the Colorado Class.

292. Defendants are therefore liable for common law aiding and abetting the intentional misrepresentations by the Non-Defendant Promoters.

293. The foregoing actions by Defendants were done maliciously, oppressively, and with intent to defraud, thereby entitling Plaintiffs and members of the Colorado Class to punitive and exemplary damages.

THE NEVADA CLAIMS

COUNT XIX

(Statutory Secondary Liability under the Nevada Securities Act, individually and on behalf of the Nevada Class)

294. Plaintiffs Rory and Marcia O’Neal and Sean O’Neal repeat and re-allege the allegations contained in paragraphs 1-150 as if fully set forth herein.

295. The EquiAlt Securities are securities as defined by NRS 90.295.

296. NRS 90.310 (“Section 301”) prohibits any person from transacting business in Nevada as a broker-dealer or sales representative unless licensed or exempt from licensing under the Nevada Securities Act (“NSA”).

297. NRS 90.460 (“Section 460”) prohibits any person from offering to sell or selling any security in Nevada unless the security is registered or the security or transaction is exempt under the NSA.

298. NRS 90.570 (“Section 570”) prohibits any person from, in connection with the offer to sell, sale, offer to purchase or purchase of a security in Nevada, directly or indirectly (1) employing any device, scheme or artifice to defraud; (2) making an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made not misleading in the light of the circumstances under which they are made; or (3) engaging in an act, practice or course of business which operates or would operate as a fraud or deceit upon a person.

299. NRS 90.660 (“Section 660”) affords a statutory cause of action to victimized investors for violations of Sections 301, 460 and 570. In addition, Section 660(4) extends joint and several liability under Section 660 to “any agent of the person liable.”

300. As alleged above, the Non-Defendant Promoters sold the EquiAlt Securities in violation of Sections 301, 460 and 570.

301. As a consequence of the forgoing statutory violations, Plaintiffs and the other members of the Nevada Class have suffered damages in an amount to be proven at trial, including the loss of money invested in the EquiAlt securities.

302. Defendants acted as the agent of the Non-Defendant Promoters in connection with the foregoing violations of the NSA, by among other things, drafting the PPMs and other offering materials containing the false statements and misrepresentations used to solicit sales of the unregistered EquiAlt Securities, receiving signed investor questionnaires on behalf of EquiAlt, authorizing EquiAlt to identify Defendants as “independent” legal counsel who would provide “insight into the fund and its activities” upon request from investors, drafting submissions to the SEC falsely claiming that the EquiAlt Securities were exempt from registration, authorizing the use of their names on brochures that were used to promote and make sales of EquiAlt Securities, preparing organizational and transactional documents used in furtherance of the EquiAlt Ponzi

scheme, formulating and drafting “Consulting Agreements” falsely characterizing agent commissions as “finder’s fees” to circumvent the securities laws, advising non-client unlicensed sales agents that they could lawfully sell the unregistered EquiAlt securities and responding to inquiries from the unlicensed sales agents concerning purported compliance with the applicable securities laws and encouraging the EquiAlt managers to invoke their names and professional standing to deflect inquiries by sales agents or investors about regulatory investigations of EquiAlt. . Through these acts, among others, Defendants intentionally stepped outside their normal role as attorneys providing routine legal advice and instead acted as the agent of the Non-Defendant Promoters.

303. Defendants are accordingly liable to Plaintiffs and the other members of the Nevada Class under Section 660 for rescission or rescissionary damages.

304. Plaintiffs hereby conditionally tender their EquiAlt Securities in accordance with the NSA.

COUNT XX

(Aiding and Abetting Breach of Fiduciary Duty, individually and on behalf of the Nevada Class)

305. Plaintiffs Rory and Marcia O’Neal and Sean O’Neal repeat and re-allege the allegations contained in the paragraphs 1-150 as if fully set forth herein.

306. NRS 90.575 provides: “A broker-dealer, sales representative, investment adviser or representative of an investment adviser shall not violate the fiduciary duty toward a client imposed by NRS 628A.020.” NRS 628A.020 in turn provides:

A financial planner has the duty of a fiduciary toward a client. A financial planner shall disclose to a client, at the time advice is given, any gain the financial planner may receive, such as profit or commission, if the advice is followed. A financial planner shall make diligent inquiry of each client to ascertain initially, and keep currently informed concerning, the client's financial circumstances and obligations and the client's present and anticipated obligations to and goals for his or her family.

307. The Non-Defendant Promoters and their sales agents in addition owed Plaintiffs and the other members of the Nevada Class fiduciary duties of loyalty and full disclosure, based on (a) their respective sales agent's assumption of the role of a securities broker and financial planner advising Plaintiffs about their retirement and investment decisions and (b) the confidential relationship the agent engendered in completing Plaintiffs' applications, transmitting them and Plaintiffs' funds to EquiAlt for investment. These fiduciary duties which were breached by, among other things, the payment and receipt of undisclosed commissions in connection unlawful offer and sale to Plaintiffs of unregistered securities through unlicensed broker-dealers and sales agents, the failure to exercise due diligence to confirm the representations in the EquiAlt sales solicitation materials or to investigate or evaluate EquiAlt's financial condition and purported business operations, the failure to independently evaluate or confirm EquiAlt's compliance with the securities laws or the need for the unlicensed broker-dealers and sales agents to procure required licensures and the other actions and inactions alleged above. .

308. As a consequence of the forgoing breaches of fiduciary duty, Plaintiffs and the other members of the Nevada Class have suffered damages in an amount to be proven at trial, including the loss of money invested in the EquiAlt securities.

309. Under Nevada law, "liability attaches for civil aiding and abetting if the defendant substantially assists or encourages another's conduct in breaching a duty to a third person." *Dow Chem. Co. v. Mahlum*, 970 P.2d 98, 112 (Nev. 1998), *overruled in part on other grounds by GES, Inc. v. Corbitt*, 21 P.3d 11, 15 (Nev. 2001).

310. The Defendants were aware at the time of their role in promoting the foregoing alleged primary breach of fiduciary duties by the Non-Defendant Promoters and their sales agents, and knowingly and substantially assisted the Non-Defendant Promoters and their sales agents in

committing the primary breaches through direct communications with them and with their sales agents.

311. Defendants acted with the specific intent to facilitate the wrongful conduct by EquiAlt and its sales agents, particularly in connect with its efforts to deter regulatory investigations by the SEC and the State of Arizona.

312. Defendants are therefore liable for common law aiding and abetting the breach of fiduciary duties.

COUNT XXI

(Aiding and Abetting Fraud/Fraudulent Concealment, Individually and on behalf of the Nevada Class)

313. Plaintiffs Rory and Marcia O’Neal and Sean O’Neal repeat and re-allege the allegations contained in the paragraphs 1-150 as if fully set forth herein.

314. The Non-Defendant Promoters knowingly made uniform false representations and concealed or failed to disclose material facts concerning the Funds’ compliance with the Federal and State securities laws, the safety and risks of the EquiAlt Securities and the financial performance and solvency of EquiAlt and the Funds, all with the intent to induce Plaintiff and the other members of the Nevada Class to act or to refrain from acting in reliance upon the misrepresentation and omission.

315. Plaintiffs and the members of the Nevada Class justifiably relied on the foregoing false representations and material omissions, were unaware of the falsity of the representations or the material omissions and would not have invested in the EquiAlt Securities had they known the true facts.

316. As a consequence of the forgoing acts of fraud and fraudulent omission, Plaintiffs and the other members of the Nevada Class have suffered damages in an amount to be proven at trial, including the loss of money invested in the EquiAlt securities.

317. Under Nevada law, “liability attaches for civil aiding and abetting if the defendant substantially assists or encourages another's conduct in breaching a duty to a third person.” *Dow Chem. Co. v. Mahlum*, 970 P.2d 98, 112 (Nev. 1998), *overruled in part on other grounds by GES, Inc. v. Corbitt*, 21 P.3d 11, 15 (Nev. 2001).

318. The Defendants were aware at the time of their role in promoting the foregoing alleged primary fraudulent conduct by the Non-Defendant Promoters and their sales agents, and knowingly and substantially assisted the Non-Defendant Promoters and their sales agents in committing the primary fraud through direct communications with them and with their sales agents.

319. Defendants acted with the specific intent to facilitate the foregoing wrongful conduct.

320. Defendants are therefore liable for common law aiding and abetting the fraud and deceit committed by the Non-Defendant Promoters.

COUNT XXII

(Violation of the Nevada Trade Practices Act, N.R.S. 41.600 Individually and on behalf of the Nevada Class)

321. Plaintiffs Rory and Marcia O’Neal and Sean O’Neal repeat and re-allege the allegations contained in the paragraphs 1-150 as if fully set forth herein.

322. NRS 41.600 (“Section 600”) provides a statutory cause of action by “any person who is a victim of consumer fraud,” which is in turn defined to include any deceptive trade practice as defined in NRS 598.092 (“Section 092”). *Holmquist v. Exotic Cars at Caesars Palace, LLC*,

No.: 2:07-cv-00298-RLH-GWF, 2009 WL 10692730 (D. Nev. Jan. 13, 2009) (finding plaintiffs stated claim for deceptive trade practices under Section 092 regarding the sale of securities).

323. Section 092(8) provides that “[a] person engages in a ‘deceptive trade practice’ when in the course of his or her business or occupation he or she ... [k]nowingly misrepresents the legal rights, obligations or remedies of a party to a transaction.”

324. As alleged above, Defendants knowingly misrepresented “the legal rights” and “remedies” to Plaintiffs when through their drafting of the PPM and their representations made to the sales agents that the EquiAlt Securities were exempt from registration under Federal and State securities laws and could be sold by unlicensed broker-dealers and sales representatives.

325. As a consequence of the forgoing deceptive trade practices, Plaintiffs and the other members of the Nevada Class have suffered damages in an amount to be proven at trial, including the loss of money invested in the EquiAlt securities.

COUNT XXIII

(Aiding and Abetting Violation of Nevada Trade Practices Act, NRS 41.600 Individually and on behalf of the Nevada Class)

326. Plaintiffs Rory and Marcia O’Neal and Sean O’Neal repeat and re-allege the allegations contained in the paragraphs 1-150 as if fully set forth herein.

327. Under NRS 41.600 (“Section 600”) a statutory cause of action may be brought by “any person who is a victim of consumer fraud,” which is in turn defined to include any deceptive trade practice as defined in NRS 598.092 (“Section 092”).

328. Section 092(5) provides that “[a] person engages in a ‘deceptive trade practice’ when in the course of his or her business or occupation he or she ... [a]dvertises or offers an opportunity for investment” and:

- (a) Represents that the investment is guaranteed, secured or protected in a manner which he or she knows or has reason to know is false or misleading;
- (b) Represents that the investment will earn a rate of return which he or she knows or has reason to know is false or misleading;
- (c) Makes any untrue statement of a material fact or omits to state a material fact which is necessary to make another statement, considering the circumstances under which it is made, not misleading;
- (d) Fails to maintain adequate records so that an investor may determine how his or her money is invested;
- (e) Fails to provide information to an investor after a reasonable request for information concerning his or her investment;
- (f) Fails to comply with any law or regulation for the marketing of securities or other investments; or
- (g) Represents that he or she is licensed by an agency of the State to sell or offer for sale investments or services for investments if he or she is not so licensed.

329. As alleged above, the Non-Defendant Promoters and their sales agents engaged in each of these “deceptive trade practices” with respect to the offer and sale of the EquiAlt Securities in Nevada, breaching a statutory duty that injured Plaintiffs and the other members of the Nevada Class.

330. As a consequence of the forgoing deceptive trade practices, Plaintiffs and the other members of the Nevada Class have suffered damages in an amount to be proven at trial, including the loss of money invested in the EquiAlt securities

331. Under Nevada law, “liability attaches for civil aiding and abetting if the defendant substantially assists or encourages another's conduct in breaching a duty to a third person.” *Dow Chem. Co. v. Mahlum*, 970 P.2d 98, 112 (Nev. 1998), *overruled in part on other grounds by GES, Inc. v. Corbitt*, 21 P.3d 11, 15 (Nev. 2001).

332. The Defendants were aware at the time of their role in promoting the foregoing alleged primary violations by the Non-Defendant Promoters and their sales agents, and knowingly and substantially assisted the Non-Defendant Promoters and their sales agents in committing the primary violations through direct communications with them and with their sales agents.

333. Defendants’ conduct was a substantial factor in causing harm to Plaintiffs and the members of the Nevada Class.

334. Defendants are therefore liable for common law aiding and abetting the statutory deceptive trade practices of the Non-Defendant Promoters.

PRAYER

Based on the foregoing, Plaintiffs request the Court enter a judgment:

- A. certifying the Classes;
- B. awarding such declaratory, injunctive and other equitable relief as warranted under the claims asserted;
- C. awarding compensatory damages and punitive damages to Plaintiffs and the Classes, in an amount to be determined at trial;
- D. awarding Plaintiffs and the Classes the costs of this action, including reasonable attorneys’ fees and expenses, including pursuant to the Elder Abuse Act; and
- E. awarding such further relief as may be just and proper.

RESPECTFULLY SUBMITTED this 3rd day of August, 2020.

By: *s/ Adam M. Moskowitz*

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EXHIBIT 2

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County of Los Angeles

DEC 30 2020

Sherri K. Carter, Clerk of Court
By [Signature], Deputy

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8 BURTON W. WIAND, as Receiver on behalf of
9 EQUIALT FUND, LLC; EQUIALT FUND II, LLC;
10 EQUIALT FUND III, LLC; EA SIP, LLC; EQUIALT QUALIFIED
11 OPPORTUNITY ZONE FUND, LP; EQUIALT SECURED INCOME
12 PORTFOLIO REIT, INC.; and their Investors

13 SUPERIOR COURT OF CALIFORNIA
14 COUNTY OF LOS ANGELES - CENTRAL DISTRICT

15 BURTON W. WIAND, as Receiver on behalf
16 of EQUIALT FUND, LLC;
17 EQUIALT FUND II, LLC;
18 EQUIALT FUND III, LLC;
19 EA SIP, LLC; EQUIALT QUALIFIED
20 OPPORTUNITY ZONE FUND, LP;
21 EQUIALT SECURED INCOME
22 PORTFOLIO REIT, INC.; and their investors,

23 Plaintiffs,

24 v.

25 PAUL R. WASSGREN;
26 FOX ROTHSCHILD LLP; and
27 DLA PIPER LLP (US),

28 Defendants.

Case No.

20STCV49670

COMPLAINT

(DEMAND FOR JURY TRIAL)

1 This Complaint is filed by BURTON W. WIAND (“the Receiver”) in his capacity as the
2 Court-appointed Receiver for EQUIALT FUND, LLC (“Fund 1”); EQUIALT FUND II, LLC
3 (“Fund 2”); EQUIALT FUND III, LLC (“Fund 3”); and EA SIP, LLC (“EA SIP Fund”); EQUIALT
4 QUALIFIED OPPORTUNITY ZONE FUND, LP (QOZ Fund); and EQUIALT SECURED
5 INCOME PORTFOLIO REIT, INC. (REIT) (collectively referred to as “The Investment Funds” or
6 “The Funds”).

7 The Receiver, on behalf of The Funds and their Investors, sues Defendants PAUL R.
8 WASSGREN (“Wassgren”); FOX ROTHSCHILD LLP (“Fox Rothschild”); and DLA PIPER LLP
9 (US) (“DLA Piper”) (collectively, “Defendants”), as set forth more fully below.

10 OVERVIEW

11 On February 14, 2020, the United States District Court for the Middle District of Florida
12 unsealed an emergency enforcement action filed by the Securities and Exchange Commission
13 (“S.E.C.”) against a Florida-based private real estate firm, EQUIALT LLC (“EquiAlt”). That action
14 (“the Enforcement Action”) is styled S.E.C. v. Davison et al., and is assigned Case No. 8:20-cv-
15 00325-T-35AEP. It is pending in the United States District Court for the Middle District of Florida,
16 Tampa Division (the “Court”) and the Court has appointed Mr. Wiand as the Receiver for various
17 EquiAlt Defendants.

18 The Defendants named in the Enforcement Action are EquiAlt’s CEO Brian Davison
19 (“Davison”), Managing Director Barry Rybicki (“Rybicki”), and the first four EquiAlt Investment
20 Funds listed above. On August 17, 2020, the Court expanded the Receivership to include the QOZ
21 Fund and the REIT.

22 The S.E.C. and the Receiver have found that Fund 1, Fund 2, Fund 3 and the EA SIP Fund
23 were operating as a classic “Ponzi scheme”, which continued with the establishment and operation
24 of the QOZ Fund and the REIT. On February 14, 2020, the Court in the Enforcement Action
25 appointed Burton W. Wiand as the Receiver and granted him broad authority to institute actions
26 and legal proceedings on behalf of the Funds and their Investors. On July 1, 2020, the Court
27 authorized the Receiver to retain the undersigned counsel to pursue claims against law firms that
28 provided services to EquiAlt and The Funds, resulting in this suit.

1 Wassgren, as an attorney working first at Fox Rothschild and later at DLA Piper, either was
2 grossly negligent or he knowingly aided, abetted and conspired with EquiAlt and the “EquiAlt
3 Insiders” (Davison, Rybicki and BR Support Services, LLC) in the creation and perpetration of the
4 fraudulent and illegal investment scheme, by preparing inadequate security disclosure and
5 compliance materials and other sales documents, and by aiding in the operation of an illegal sales
6 program and otherwise providing legal services to EquiAlt and its principals, in order to further
7 their Ponzi scheme.

8 EquiAlt and the EquiAlt Insiders raised more than \$170 million from at least 1,100
9 unsuspecting investors around the country, including numerous California residents, by selling
10 them fraudulent, unregistered securities, and then comingling and diverting Investors funds for
11 improper purposes. The Defendants knew or should have known that these unregistered securities
12 were being issued and sold in violation of applicable securities laws, and that the Fund’s assets were
13 being used for improper and fraudulent purposes. This operation was a classic “Ponzi scheme”
14 operation: the promised returns on investments were inadequate, so investors were paid with the
15 money of other, subsequent investors. Along the way, EquiAlt and the EquiAlt Insiders enriched
16 themselves by looting multi-millions of dollars from The Funds for things such as personal real
17 estate, luxury cars, jewelry, jets, and the like, and by charging fees, commissions and expenses that
18 were not disclosed and were not earned.

19 The Receiver now seeks relief against Wassgren, Fox Rothschild and DLA Piper for their
20 actions and participation in the fraudulent and illegal EquiAlt investment scheme.

21 **THE PARTIES, JURISDICTION, AND VENUE**

22 1. The Receiver is an attorney practicing in Tampa, Florida and as set forth above, was
23 appointed on February 14, 2020 pursuant to a Federal Court Order, giving the Receiver the full and
24 exclusive power, duty and authority to investigate all manner in which the affairs of the Funds were
25 conducted, and to institute actions and legal proceedings on behalf of the Funds and their Investors.

26 2. Fund 1 is a Nevada limited liability company formed by Wassgren on May 23, 2011.
27 Fund 1 raised approximately \$110 million from 733 Investors from January 2011 through
28 November 2019.

1 3. Fund 2 is a Nevada limited liability company formed by Wassgren on April 24, 2013.
2 Fund 2 raised approximately \$39 million from 266 Investors from 2013 through November 2019.

3 4. Fund 3 is a Nevada limited liability company formed by Wassgren on June 26, 2013.
4 Fund 3 raised approximately \$2.6 million from Investors from July 2013 through December 2015.

5 5. The EA SIP Fund is a Nevada limited liability company formed by Wassgren on May
6 23, 2016, and it raised 21.7 million from 138 Investors from April 2016 through November 2019.

7 6. The QOZ fund is a Delaware Limited Partnership formed by Wassgren on August 10,
8 2018 and it began raising money from Investors thereafter.

9 7. The REIT is a Maryland corporation formed by Wassgren on June 27, 2017 and it began
10 raising money from Investors immediately, including exchanging debentures in the earlier Funds
11 for shares of the REIT without any proper exchange valuations taking place.

12 8. Wassgren is an attorney licensed in California and Nevada, who worked at, and was an
13 agent of, Fox Rothschild from approximately July of 2010 through May of 2017, following which
14 he began work as an attorney and agent for DLA Piper, where he is still employed, as of the filing
15 of this Complaint.

16 9. During the period of July 2010 through May 2017, Fox Rothschild was responsible for
17 the supervision of Wassgren and for any improper, negligent or illegal actions taken by Wassgren.

18 10. During the period of May 2017 through the present, DLA Piper was responsible for the
19 supervision of Wassgren and for any improper, negligent or illegal actions taken by Wassgren.

20 11. Fox Rothschild is a 900 +/- attorney law firm headquartered in Philadelphia,
21 Pennsylvania, and it has partners in multiple offices throughout the United States, including Los
22 Angeles, California and Las Vegas, Nevada.

23 12. DLA Piper LLP (US) is a United States affiliate of a global law firm headquartered in
24 London, the United Kingdom with approximately 4,200 attorneys; DLA Piper LLP (US) is
25 headquartered in Baltimore, Maryland and it has partners in multiple offices, including offices
26 located in Los Angeles, California.

27 13. Wassgren acted as the attorney for The Investment Funds and also for both EquiAlt and
28 the EquiAlt Insiders during the time he was employed in California at both Fox Rothschild and

1 DLA Piper.

2 14. The actions of Wassgren as described in this Complaint emanated primarily from the
3 Los Angeles, California offices of Fox Rothschild and DLA Piper.

4 15. The Receiver has standing to bring this action pursuant to the Court Order described
5 above.

6 16. This Court has jurisdiction over this cause and over the parties, and venue is also proper
7 in this Court.

8 **ADDITIONAL ALLEGATIONS COMMON TO ALL COUNTS**

9 17. Beginning in 2011 and up through and including February of 2020, The Funds were
10 operated as a Ponzi scheme, raising more than \$170 million from over 1,100 Investors nationwide,
11 including Investors in California, through fraudulent and unregistered securities.

12 18. The primary operators of this Ponzi scheme were the EquiAlt Insiders, acting with the
13 aid and assistance of Defendants.

14 19. EquiAlt was the entity that issued debentures to Investors, and EquiAlt was used by
15 Davison and Rybicki as a management entity to further their fraudulent scheme.

16 20. While both Davison and Rybicki were listed as managers of EquiAlt, EquiAlt was
17 primarily under the direct day to day management of Davison, who was located in Tampa, Florida.

18 21. Davison took the lead concerning the day-to-day operation of EquiAlt and The Funds,
19 while Rybicki took the lead regarding sales and marketing efforts for the solicitation of investments
20 from the public, through BR Support Services, LLC (“BR Support”).

21 22. Rybicki managed BR Support, and he acted as the head of marketing and sales for The
22 Funds, with the aid and assistance of Defendants.

23 23. Wassgren, from his offices in Los Angeles County, California, regularly gave legal
24 advice to and helped structure the operation of both EquiAlt and BR Support, and Wassgren well
25 knew, or should have known, that both entities were operating illegally and in violation of
26 applicable securities laws and were operating as fraudulent enterprises.

27 24. Rybicki and BR Support were based in Arizona and the sales and marketing efforts for
28 The Funds were directed by Rybicki from his office in Arizona.

1 25. The sales of investments in The Funds were made to Investors in numerous states,
2 including California, through a network of unlicensed and unregistered selling agents.

3 26. In the Private Placement Memoranda that Wassgren drafted for The Investment Funds,
4 Investors were falsely promised that 90% of their money would be used to purchase real estate.
5 Instead, their money was systematically looted for the personal benefit and use of the EquiAlt
6 Insiders, and pay returns to previous investors, facts well known to Wassgren.

7 27. Selling compensation paid to Rybicki and/or BR Support at the rate of 12%, which
8 made the 90% representation of the amount to be invested in real estate a false statement. When
9 added to other administrative and operational costs, the 90% representation only becomes more
10 outlandish.

11 28. Wassgren also consulted directly with Rybicki and directly with the unlicensed and
12 unregistered sales agents who were selling investments in the Funds; Wassgren advised Rybicki
13 and these unlicensed agents in ways to attempt to disguise and mischaracterize the illegal selling
14 fees.

15 29. Wassgren, first at Fox Rothschild, and later at DLA Piper, from their Los Angeles
16 County offices, provided legal representation and acted as counsel to EquiAlt, the EquiAlt Insiders
17 and to the Funds for compensation; this included the drafting and revision of private placement
18 memoranda, other sales documents, and rendering advice on regulatory compliance, selling
19 practices, and numerous legal matters.

20 30. Wassgren, through his offices at Fox Rothschild and DLA Piper in Los Angeles County,
21 California, participated in the selling process by receiving and approving questionnaires and
22 subscription documents from Investors before they were issued investment securities, thus making
23 Wassgren the gatekeeper for the fraudulent scheme to admit new Investors.

24 31. The Defendants, as the attorneys for The Investment Funds, owed a duty to each of The
25 Funds to protect their respective legal interests and to assure the Funds operated in compliance with
26 applicable laws.

27 32. The interests of the EquiAlt Insiders and EquiAlt were in conflict with the interests of
28 The Investment Funds and their Investors, and Wassgren regularly counseled the EquiAlt Insiders

1 and EquiAlt regarding transactions that resulted in the improper payment or diversion of The Funds’
2 assets for the benefit of EquiAlt and the EquiAlt Insiders, and their affiliated entities.

3 33. The Defendants, in the course of their representation of The Investment Funds, failed
4 to conduct an adequate due diligence investigation into the EquiAlt Insiders, EquiAlt and/or the
5 operation of The Investment Funds.

6 34. Fox Rothschild and DLA Piper owed their Investment Fund clients a fiduciary duty to
7 provide competent legal representation and protect the interest of The Funds, and they failed in this
8 duty.

9 35. The conduct of Defendants as described in this Complaint was material and resulted in
10 a significant loss to The Investment Funds, and their Investors.

11 36. By their actions and inactions, the Defendants knowingly allowed and/or aided and
12 abetted the EquiAlt Insiders and EquiAlt in fraudulent, improper and illegal activities, thereby
13 defrauding the Funds and its Investors.

14 37. Davison and Rybicki improperly diverted money from The Investment Funds to
15 themselves, EquiAlt, BR Services and other affiliated entities, often with the knowledge, aid and
16 assistance of Wassgren.

17 38. A legitimate investment fund usually has an audit performed by an independent
18 certified public accounting firm in order to verify the accuracy of the books and accounts of the
19 fund; a legitimate fund also has other checks and balances in place. Many of these financial
20 verifications or normal checks, balances and safeguards were not in place for The Investment Funds,
21 a fact well known to Defendants.

22 39. In representing the interests of The Investment Funds, the Defendants should have
23 recommended and insisted on the establishment of these checks, balances and safeguards.

24 40. Defendants held themselves out as highly experienced attorneys who are experts and
25 specialists in the legal, regulatory and customary compliance aspects of the investment fund
26 business, and as such they should have recognized the lack of financial controls and checks and
27 balance to be a “red flag” for fraudulent activity.

28 41. The standard of care owed by and expected from expert, specialized counsel is greater

1 than that which would be expected from an attorney without such specialized expertise.

2 42. The Defendants never acquired any waivers of the multiple conflicts of interest existing
3 between The Investment Funds, EquiAlt and the EquiAlt Insiders, and in any event, the existing
4 conflicts of interest were unwaivable.

5 43. During the course of the representation of The Investment Funds, the Defendants knew,
6 or should have discovered, that The Funds were being illegally sold and marketed.

7 44. Both Fox Rothschild and DLA Piper failed in their respective duties to properly
8 supervise Wassgren, and otherwise provide quality and uncompromised legal advice and legal
9 services to The Investment Funds, in at least the following manner:

- 10 A. Fox Rothschild and DLA Piper failed to advise and protect The Investment
11 Funds by recommending or structuring proper checks and balances in the
12 operation of The Funds, and by allowing EquiAlt and the EquiAlt Insiders
13 to operate The Investment Funds without the customary checks, balances
14 and oversights routinely employed in the operation of an investment
15 company such as The Funds;
- 16 B. Fox Rothschild and DLA Piper failed to conduct an adequate review of the
17 controls and practices in place for The Investment Funds;
- 18 C. Fox Rothschild and DLA Piper were operating with irreconcilable conflicts
19 of interest;
- 20 D. Fox Rothschild and DLA Piper failed to have a system of supervision in
21 place to prevent Wassgren from undertaking representation that had
22 conflicts of interest.
- 23 E. Fox Rothschild and DLA Piper failed to have a system of supervision in
24 place to deter and prevent Wassgren from giving illegal advice and from
25 aiding and abetting the fraudulent scheme described in this Complaint.
- 26 F. Fox Rothschild and DLA Piper failed to exercise due diligence in their
27 preparation of investment disclosure materials prepared for and utilized by
28 EquiAlt and the EquiAlt Insiders in soliciting investments from the public;
these disclosure materials contain material misrepresentations as well as
omissions of material facts;
- G. Fox Rothschild and DLA Piper failed to advise The Investment Funds (and
their Investors) that Davison and Rybicki were selling and operating The
Funds illegally; and
- H. Fox Rothschild and DLA Piper failed to advise and protect The Investment
Funds from being sold through illegal solicitation and sales activities and
paying illegal compensation to unregistered brokers and dealers.

1 45. Additional conflicts and failings of Fox Rothschild and DLA Piper are likely to be
2 uncovered through discovery.

3 46. Fox Rothschild and DLA Piper, while failing to take proper actions to protect the
4 interests of The Investment Funds and make adequate and appropriate disclosures, charged
5 hundreds of thousands of dollars in legal fees that were paid from The Investment Funds' money.

6 47. Fox Rothschild and DLA Piper did not protect the interests of its clients, The
7 Investment Funds, but rather chose to favor the interests of EquiAlt, the EquiAlt Insiders and their
8 affiliated entities.

9 48. Theft and diversion of invested money from The Investment Funds by EquiAlt and the
10 EquiAlt Insiders could have been avoided had Defendants done an adequate job of properly
11 representing the interests of The Investment Funds, as they were paid to do.

12 49. The Investment Funds, through the appointment of the Receiver, have been cleansed of
13 any wrongdoing otherwise imputed to The Investment Funds through the doctrine of *in pari delicto*,
14 or any similar theory.

15 50. The delayed discovery doctrine, the continuing violations doctrine, and equitable
16 tolling apply to this cause of action.

17 51. The facts and details outlined in this Complaint were discovered upon and after the
18 S.E.C. filed its enforcement action in February 2020.

19 52. The activities and breaches of duty by Defendants have caused multi-millions of dollars
20 of damage to The Funds and their Investors, including money stolen, improperly diverted,
21 improperly charged as fees, commissions and in paying legal fees for which no value was received.

22 53. By December of 2020, Investors in The Funds will be owed approximately \$170 million
23 in principal, with interest accruing at over \$900,000 per month; however, The Funds have nowhere
24 near sufficient assets to meet the obligations owed to the Investors.

25 54. Damages in this dispute are expected to be in excess of \$100,000,000.

26 55. The Enforcement Action filed in the United States District Court for the Middle District
27 of Florida by the S.E.C. enumerates numerous entities designated as "Relief Defendants." These
28 Relief Defendants were all under the ownership and/or control of EquiAlt or one or more of the

1 EquiAlt Insiders and many of them improperly received funds and assets from The Investment
2 Funds to the detriment of their Investors. These Relief Defendant entities were established and
3 formed by Wassgren and he assisted, aided and abetted in many of the transactions by which money
4 was improperly diverted from The Investment Funds in favor of the Relief Defendants.

5 56. Wassgren, from the Defendants' offices in Los Angeles County, California, prepared
6 all of the offering documents used by The Investment Funds to improperly solicit investments.
7 These disclosure documents in the form of Private Placement Memoranda (the "PPMs") were
8 deficient in various and numerous respects.

9 57. The PPMs made misrepresentations of material fact and omitted facts which were
10 necessary in order to make an informed investment decision. Among the failure of the PPMs and
11 the sales of The Investment Funds, are the following:

- 12 A. Prior to starting The Funds, both Rybicki and Davison filed for personal
13 bankruptcy. The PPMs all describe Davison and Rybicki's business
14 experience in glowing terms, and their previously failed business careers
15 involving real estate and mortgage financing (the business of the Funds) but
16 the PPMs omitted from disclosure the facts that both Davison's and
17 Rybicki's prior real estate ventures ended in personal bankruptcy for each
18 of them.
- 19 B. The investments were improperly sold without either state or federal
20 securities registration. The Funds purportedly were sold under a Regulation
21 D ("Reg D") exemption from registration, however, none of The Funds
22 qualified for a Reg D exemption or any other exemption from registration.
- 23 C. The Funds were offered and sold as one continuous integrated offering such
24 that the offering of all The Funds are, under the securities laws, a single
25 offering, negating any attempt to construe or interpret the offerings as
26 separate and distinct.
- 27 D. The Offering Memoranda for The Funds failed to disclose the nature and
28 amount of commissions that would be paid for selling agents. The Offering
Memoranda for Fund 1 states "Securities are being offered directly through
the Company. No commissions of any kind will be paid to selling agents or
brokers." That representation drafted by Wassgren was false and was known
by Wassgren to be false. The Funds paid a 12% commission to Rybicki
and/or BR Support, who, in turn, paid a least one-half of that commission to
various unlicensed sales agents. All of this was known by Wassgren, who
was often in direct contact with these unlicensed sales agents.
- E. All of the PPMs use of proceeds charts show that at least 90% of the
Investor's money would be placed in real estate and investment assets. This
was a false representation and Wassgren, who was involved in monitoring
real estate transactions, knew that the acquisitions for real estate were no
where near 90% of the investment funds.

- 1 F. Wassgren regularly was in contact with selling agents for The Funds. None
2 of these selling agents were registered or licensed to sell securities and could
3 not legally engage in the transactions of selling these securities to the
4 Investors. This fact is well known to Wassgren.
- 5 G. Wassgren advised Rybicki, who was in charge of sales efforts, as well as
6 numerous selling agents, that they were allowed to sell these investments
7 without license or registration, in violation of securities laws.
- 8 H. Additionally, Wassgren advised Rybicki and selling agents as to methods and
9 manners in which they could operate in order to accept commissions as
10 “finder’s fees,” “seminar expenses” or other classifications that were
11 intended to falsely characterize selling compensation so as to improperly
12 avoid the securities laws licensing requirements.
- 13 I. Wassgren designed the investments to purportedly be exempt from
14 registration under Regulation D of the securities laws. Under Regulation D,
15 one of the requirements for qualification is that there be no more than 35
16 unaccredited investors. In addition, unaccredited investors, to the extent
17 admitted into the investment, are required to receive the heightened degree
18 of financial disclosure. All of the Investors submitted questionnaires and
19 subscription documents to Wassgren who would review them and advise the
20 company as to whether that investor should be accepted into The Funds. As
21 a result, Wassgren knew the integrated funds had well in excess of 35
22 unaccredited investors. This process placed Wassgren as an active
23 participant in this program to illegally sell unregulated securities through
24 unlicensed agents to unaccredited investors.
- 25 J. It appears that in each and every instance an Investor was accepted, and no
26 Investors were rejected. Well in excess of 35 Investors into this continuous
27 integrated offering were non-accredited Investors thereby violating the
28 Regulation D offering exemption. Because Wassgren was the gatekeeper for
the Subscription Agreements, he well knew that the number of accredited
Investors had been exceeded.
- K. Additionally, Wassgren well knew that there was virtually no financial
disclosure or performance track records given to Investors, including the
unaccredited Investors thereby omitting from disclosure material and
required information.
- L. Wassgren knew and omitted from any disclosures that funds would be
transferred from one fund to another to pay interest and expenses between
The Funds.
- M. Wassgren knew and failed to disclose that the amount of selling commission
compensation that was being paid by The Funds which, in and of itself,
prevented The Funds from allocating at least 90% of The Funds invested
money in real estate, and that other expenses would further reduce the funds
available for real estate investment.
- N. The Memoranda and disclosure documents prepared by Wassgren failed to
disclose that substantial assets in The Funds were in fact being improperly
diverted to, or were being used of the benefit of the EquiAlt Defendants and
the Relief Defendants and were not being used for legitimate fund purposes.

- 1 O. Defendants knew that the EquiAlt securities were being offered through a
- 2 pattern of general solicitation in violation of the applicable securities laws,
- 3 and they aided, abetted and participated in those general solicitations.
- 4 P. In addition to preparing and drafting the Private Placement Memoranda,
- 5 Wassgren consented to the inclusion of his name, along with the law firm
- 6 Defendants, in various offering materials utilized by Davison and Rybicki to
- 7 promote The Funds, and he assisted, aided and abetted the illegal sales
- 8 activities.

9 In 2018, the EquiAlt Insiders, with the assistance of Wassgren, established
10 two new Funds, the Qualified Opportunity Zone (“QOZ”) and the EquiAlt
11 Security Income Portfolio REIT (“REIT”). These funds were formed by
12 diverting investor’s money from the existing EquiAlt Funds into QOZ and
13 REIT. The redemption of certain Investors’ debentures from the existing
14 Funds at full value and then reinvesting the proceeds with QOZ and the REIT
15 constitute fraudulent transactions without sufficient disclosure and to the
16 detriment to the existing Funds and their Investors. This created a dramatic
17 conflict, because moving investors and their funds from old funds to new
18 ones defrauded the old funds and created liabilities for the new ones.

19 58. Each of the deficiencies listed above constitute violations of both Federal and State
20 securities laws and they also constitute a pattern of fraudulent activity perpetrated by EquiAlt and
21 the EquiAlt Insiders, all of which was aided and abetted by Defendants.

22 59. Disclosure materials prepared by Wassgren failed to disclose that the funds of new
23 investors were necessary to continue to pay interest to existing investors.

24 60. There are a myriad of federal and state laws and regulations involving the sale of
25 securities to the public and the rendering of investment advice for a fee. Strict compliance with
26 these laws is required, unless the transactions, persons or activities are specifically exempted.

27 61. The securities laws applicable to or implicated in the operations of The Investment
28 Funds and the activities of the managers of those Funds included, at least, the following:

- 29 A. The Securities Act of 1933 and Its Accompanying Rules and Regulations. Compliance with this law requires that securities offered to the public, unless
30 exempt from registration, be registered, and that there be no material
31 misstatements or omissions in the registration documents.
- 32 B. The Securities and Exchange Act of 1934 and Its Accompanying Rules and
33 Regulations. This law requires that all offerings made to the public,
34 including all ongoing disclosures made to the public regarding securities,
35 must be free of material misstatements or omissions whether or not such
36 securities are registered.
- 37 C. State Securities laws including those in California and the other states where
38 The Funds were sold also require full and complete disclosure of all material
39 facts and other material omissions.

1 62. These illegal securities were continuously sold from May, 2011 through November,
2 2019 – a period of 8½ years. As time went on, it is clear that the Defendants gained actual
3 knowledge of the illegal activities of Davison, and/or should have known of them, and by failing to
4 act, knowingly aided and abetted those fraudulent activities.

5 63. An exemption to the 1933 Securities Act’s registration requirements exists when an
6 issuer can satisfy the requirements of an exemption. In this case The Investment Funds were sold
7 under the purported exemption of the Act’s Regulation D (“Reg D”); however, under Reg D’s Rule
8 502.c. (codified at 17 C.F.R. §230.502), a “general solicitation” of the investment in question
9 destroys an otherwise valid 1933 Act exemption. “General solicitation” is defined under that Reg
10 D Rule to include any “communication published in any newspaper, magazine, or similar
11 media....”.

12 64. In order to qualify for Reg D exemption, the shares or units in The Investment Funds
13 could not be offered to the public under a general solicitation, but rather the solicitation had to be
14 targeted, by way of private placement, only to Investors who were known or believed to be
15 accredited Investors. An accredited investor is one with certain minimum levels of income and/or
16 net worth. Reg D allows up to 35 non-accredited investors, provided however that no general
17 solicitation of investors is made.

18 65. With Wassgren acting as the Investors’ gatekeeper, the Defendants knew or should have
19 known that The Investment Funds had been sold to more than the allowable 35 “unaccredited
20 investors.”

21 66. The sale of securities to unaccredited investors, even if such securities are otherwise
22 exempt from registration, triggers a requirement that investors be furnished with audited or other
23 full and complete financial statements. Even if a Reg D exemption had been available to The Funds,
24 the financial disclosure requirements of the 1933 Securities Act were required to be met, because
25 The Funds were being offered and sold to many non-accredited Investors.

26 67. The Investment Funds were sold as purported “private placements” but in fact the sale
27 of the securities was conducted as a general public solicitation with the use of advertisements and
28 solicitation practices prohibited in private placements, all of which was well known to Defendants.

1 78. Wassgren, Fox Rothschild and DLA Piper, as the attorneys for each of The Investment
2 Funds, owed a continuing fiduciary duty to each Fund.

3 79. This fiduciary duty required the Defendants to act in the best interest of The Funds.

4 80. The Defendants also represented EquiAlt and the EquiAlt Insiders, creating an ongoing
5 conflict of interest.

6 81. The Defendants breached the fiduciary duties they owed to The Investment Funds.

7 82. As a result of those fiduciary duty breaches, each of The Investment Funds and their
8 Investors have been damaged.

9 83. The actions of the Defendants in breaching their fiduciary duty to each of The
10 Investment Funds was intentional or grossly negligent.

11 WHEREFORE, the named Plaintiffs herein respectfully request judgment against the
12 Defendants for damages, punitive damages, prejudgment interest, attorneys' fees, the costs of this
13 action, and such other and further relief this Court deems appropriate.

14 **COUNT II**

15 **Negligence/Gross Negligence/Professional Malpractice**

16 84. All allegations prior to Count I are realleged and incorporated by reference.

17 85. Wassgren, Fox Rothschild and DLA Piper were attorneys employed by The Investment
18 Funds, for compensation.

19 86. The Defendants owed but neglected their reasonable professional duties and
20 responsibilities owed to The Investment Funds.

21 87. The Defendants, as attorneys for The Funds, had unavoidable conflicts of interest
22 because they also represented the EquiAlt Insiders and EquiAlt.

23 88. The conduct described above fell below the standard of care expected from independent
24 and experienced counsel.

25 89. The Defendants breached the duties they owed to The Investment Funds of Investors
26 and committed negligence, gross negligence and/or malpractice, and proximately caused damage
27
28

1 to The Investment Funds and its Investors.

2 90. The Defendants' actions constituted gross negligence.

3 WHEREFORE, the Plaintiffs request judgment against Defendants for damages, punitive
4 damages, prejudgment interest, attorneys' fees, the costs of this action, and such other and further
5 relief this Court deems appropriate.

6 **COUNT III**

7 **Common Law Aiding and Abetting of Fraud**

8 91. All allegations prior to Count I are realleged and are incorporated herein by reference.

9 92. There existed an underlying fraud in the sale of investments in The Funds, and in the
10 operation of The Funds.

11 93. The Defendants knew that EquiAlt and the EquiAlt Insiders actions, activities and
12 operations violated the securities laws.

13 94. The actions of EquiAlt and the EquiAlt Insiders constituted an ongoing fraudulent
14 investment scheme.

15 95. The Defendants knew they had irreconcilable conflicts of interest and intentionally
16 chose to ignore those conflicts and to render legal advice and assistance that knowingly aided and
17 abetted EquiAlt and the EquiAlt Insiders in continuing their fraudulent scheme.

18 96. The Defendants gave substantial assistance to EquiAlt and the EquiAlt Insiders in the
19 advancement and commission of their fraud relating to The Investment Funds.

20 97. In exchange for aiding and turning a blind eye to the fraudulent activities of EquiAlt
21 and the EquiAlt Insiders, the Defendants received hundreds of thousands of dollars in fees.

22 98. The Defendants' conduct allowed, and knowingly aided and abetted EquiAlt and the
23 EquiAlt Insiders in committing and continuing their fraudulent scheme, all to the detriment of The
24 Investment Funds and their Investors.

25 WHEREFORE, the Plaintiffs request judgment against Defendants for damages,
26 prejudgment interest, punitive damages, attorneys' fees, the costs of this action, and such other and
27 further relief this Court deems appropriate.

28

COUNT IV

Common Law Aiding and Abetting of Breach of Fiduciary Duty

99. All allegations prior to Count I are realleged and are incorporated by reference.

100. EquiAlt and each of the EquiAlt Insiders owed a fiduciary duty to The Investment Funds and their Investors.

101. EquiAlt and the EquiAlt Insiders breached their fiduciary duties to The Funds and their Investors.

102. The Defendants knew EquiAlt and the EquiAlt Insiders owed fiduciary duties to The Investment Funds and their Investors.

103. The Defendants knew or should have known that EquiAlt and the EquiAlt Insiders were operating in a manner that breached their fiduciary duties to The Investment Funds.

104. The Defendants gave substantial aid and assistance to EquiAlt and the EquiAlt Insiders in the furtherance of their continued breach of fiduciary duties.

105. The Defendants knew that it had conflicts of interest and intentionally chose to ignore those conflicts and to render legal advice and assistance that knowingly aided and abetted EquiAlt and the EquiAlt Insiders in continuing this fraudulent scheme, and in exchange for aiding and turning a blind eye to EquiAlt and the EquiAlt Insiders' activities, the Defendants received hundreds of thousands of dollars in legal fees.

106. The Defendants' substantial assistance to EquiAlt and the EquiAlt Insiders knowingly aided and abetted their fraudulent scheme, to the detriment of The Investment Funds and their Investors.

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1 WHEREFORE, the Plaintiffs request judgment against Defendants for damages,
2 prejudgment interest, attorneys' fees, the costs of this action, and such other and further relief this
3 Court deems appropriate.

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Dated: December 30, 2020

DIAMOND MCCARTHY LLP



Kathy Bazoian Phelps
Attorneys for Plaintiffs

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DEMAND FOR JURY TRIAL

Plaintiffs demand trial by jury on all issues so triable.

Dated: December 30, 2020

DIAMOND MCCARTHY LLP



Kathy Bazoian Phelps
Attorneys for Plaintiffs

SUM-100

**SUMMONS
(CITACION JUDICIAL)**

NOTICE TO DEFENDANT: PAUL R. WASSGREN; FOX ROTHSCHILD LLP;
(AVISO AL DEMANDADO): and DLA PIPER LLP (US)

FOR COURT USE ONLY
(SOLO PARA USO DE LA CORTE)

**CONFORMED COPY
ORIGINAL FILED**
Superior Court of California
County of Los Angeles

DEC 30 2020

Sherri K. Carter, Secretary/Clerk of Court
By *Steven Drew*, Deputy

YOU ARE BEING SUED BY PLAINTIFF: BURTON W. WIAND, as Receiver on
(LO ESTÁ DEMANDANDO EL DEMANDANTE): behalf of EQUIALT FUND,
LLC (SEE ADDITIONAL PARTIES ATTACHMENT)

NOTICE! You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (www.lawhelpcalifornia.org), the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), or by contacting your local court or county bar association. **NOTE:** The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case. **¡AVISO!** Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California, (www.sucorte.ca.gov) o poniéndose en contacto con la corte o el colegio de abogados locales. **AVISO:** Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.

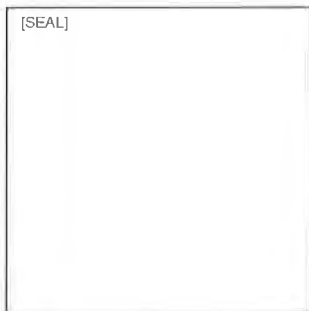
The name and address of the court is:
(El nombre y dirección de la corte es):
Superior Court of California, County of Los Angeles
111 North Hill Street
Los Angeles, California 90012

CASE NUMBER:
(Número de caso)
20STCV49670

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:
(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):

DIAMOND MCCARTHY LLP
1999 Avenue of the Stars, #1100, Los Angeles, CA 90067, (310) 651-2997
DATE: **DEC 30 2020** Sherri R. Carter, Clerk Clerk, by **STEVEN DREW**, Deputy
(Fecha) *(Secretario)* *(Adjunto)* 415-692-5200

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)
(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).



NOTICE TO THE PERSON SERVED: You are served

- as an individual defendant.
- as the person sued under the fictitious name of *(specify)*:
- on behalf of *(specify)*:
under: CCP 416.10 (corporation) CCP 416.60 (minor)
 CCP 416.20 (defunct corporation) CCP 416.70 (conservatee)
 CCP 416.40 (association or partnership) CCP 416.90 (authorized person)
 other *(specify)*:
- by personal delivery on *(date)*.

SHORT TITLE: Wiand, et al. v. Wassgren, et al.	CASE NUMBER:
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INSTRUCTIONS FOR USE

- This form may be used as an attachment to any summons if space does not permit the listing of all parties on the summons.
- If this attachment is used, insert the following statement in the plaintiff or defendant box on the summons: "Additional Parties Attachment form is attached."

List additional parties (Check only one box. Use a separate page for each type of party.):

Plaintiff Defendant Cross-Complainant Cross-Defendant

EQUALT FUND II, LLC;
EQUALT FUND III, LLC;
EA SIP, LLC;
EQUALT QUALIFIED OPPORTUNITY ZONE FUND, LP;
EQUALT SECURED INCOME PORTFOLIO REIT, INC.; and their Investors

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): Kathy Bazoian Phelps SBN: 155564 DIAMOND MCCARTHY LLP 1999 Avenue of the Stars, #1100, Los Angeles, CA 90067 TELEPHONE NO.: 310-651-2997 FAX NO.: 310-278-2339 ATTORNEY FOR (Name): EquiAlt		FOR COURT USE ONLY CONFORMED COPY ORIGINAL FILED Superior Court of California County of Los Angeles DEC 30 2020 Sherri R. Carter, CLERK OF COURT By <i>[Signature]</i> , Deputy
SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES STREET ADDRESS: 111 North Hill Street MAILING ADDRESS: 111 North Hill Street CITY AND ZIP CODE: Los Angeles, 90012 BRANCH NAME: Stanley Mosk Courthouse		CASE NUMBER: 20STCV49670 JUDGE: DEPT:
CASE NAME: Burton W. Wiand, et al. v. Paul R. Wassgren, et al.		
CIVIL CASE COVER SHEET <input checked="" type="checkbox"/> Unlimited (Amount demanded exceeds \$25,000) <input type="checkbox"/> Limited (Amount demanded is \$25,000 or less)	Complex Case Designation <input type="checkbox"/> Counter <input type="checkbox"/> Joinder Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)	

Items 1-6 below must be completed (see instructions on page 2).

1. Check **one** box below for the case type that best describes this case:

Auto Tort <input type="checkbox"/> Auto (22) <input type="checkbox"/> Uninsured motorist (46) Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other PI/PD/WD (23) Non-PI/PD/WD (Other) Tort <input checked="" type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input type="checkbox"/> Fraud (16) <input type="checkbox"/> Intellectual property (19) <input type="checkbox"/> Professional negligence (25) <input type="checkbox"/> Other non-PI/PD/WD tort (35) Employment <input type="checkbox"/> Wrongful termination (36) <input type="checkbox"/> Other employment (15)	Contract <input type="checkbox"/> Breach of contract/warranty (06) <input type="checkbox"/> Rule 3.740 collections (09) <input type="checkbox"/> Other collections (09) <input type="checkbox"/> Insurance coverage (18) <input type="checkbox"/> Other contract (37) Real Property <input type="checkbox"/> Eminent domain/Inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input type="checkbox"/> Other real property (26) Unlawful Detainer <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (38) Judicial Review <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re: arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39)	Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403) <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input type="checkbox"/> Securities litigation (28) <input type="checkbox"/> Environmental/Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41) Enforcement of Judgment <input type="checkbox"/> Enforcement of judgment (20) Miscellaneous Civil Complaint <input type="checkbox"/> RICO (27) <input type="checkbox"/> Other complaint (not specified above) (42) Miscellaneous Civil Petition <input type="checkbox"/> Partnership and corporate governance (21) <input type="checkbox"/> Other petition (not specified above) (43)
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2. This case is is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:

a. <input type="checkbox"/> Large number of separately represented parties	d. <input type="checkbox"/> Large number of witnesses
b. <input checked="" type="checkbox"/> Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve	e. <input checked="" type="checkbox"/> Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court
c. <input checked="" type="checkbox"/> Substantial amount of documentary evidence	f. <input type="checkbox"/> Substantial postjudgment judicial supervision

3. Remedies sought (check all that apply): a. monetary b. nonmonetary; declaratory or injunctive relief c. punitive

4. Number of causes of action (specify): Four (4)

5. This case is is not a class action suit.

6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date: 12/30/2020
 Kathy Bazoian Phelps (TYPE OR PRINT NAME) *[Signature]* (SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

INSTRUCTIONS ON HOW TO COMPLETE THE COVER SHEET

To Plaintiffs and Others Filing First Papers. If you are filing a first paper (for example, a complaint) in a civil case, you **must** complete and file, along with your first paper, the *Civil Case Cover Sheet* contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check **one** box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the **primary** cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

To Parties in Rule 3.740 Collections Cases. A "collections case" under rule 3.740 is defined as an action for recovery of money owed in a sum stated to be certain that is not more than \$25,000, exclusive of interest and attorney's fees, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: (1) tort damages, (2) punitive damages, (3) recovery of real property, (4) recovery of personal property, or (5) a prejudgment writ of attachment. The identification of a case as a rule 3.740 collections case on this form means that it will be exempt from the general time-for-service requirements and case management rules, unless a defendant files a responsive pleading. A rule 3.740 collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

To Parties in Complex Cases. In complex cases only, parties must also use the *Civil Case Cover Sheet* to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

CASE TYPES AND EXAMPLES

Auto Tort

- Auto (22)—Personal Injury/Property Damage/Wrongful Death
- Uninsured Motorist (46) (*if the case involves an uninsured motorist claim subject to arbitration, check this item instead of Auto*)

Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort

- Asbestos (04)
 - Asbestos Property Damage
 - Asbestos Personal Injury/Wrongful Death
- Product Liability (*not asbestos or toxic/environmental*) (24)
- Medical Malpractice (45)
 - Medical Malpractice—Physicians & Surgeons
 - Other Professional Health Care Malpractice
- Other PI/PD/WD (23)
 - Premises Liability (e.g., slip and fall)
 - Intentional Bodily Injury/PD/WD (e.g., assault, vandalism)
 - Intentional Infliction of Emotional Distress
 - Negligent Infliction of Emotional Distress
 - Other PI/PD/WD

Non-PI/PD/WD (Other) Tort

- Business Tort/Unfair Business Practice (07)
- Civil Rights (e.g., discrimination, false arrest) (*not civil harassment*) (08)
- Defamation (e.g., slander, libel) (13)
- Fraud (16)
- Intellectual Property (19)
- Professional Negligence (25)
 - Legal Malpractice
 - Other Professional Malpractice (*not medical or legal*)
- Other Non-PI/PD/WD Tort (35)

Employment

- Wrongful Termination (36)
- Other Employment (15)

Contract

- Breach of Contract/Warranty (06)
 - Breach of Rental/Lease
 - Contract (*not unlawful detainer or wrongful eviction*)
- Contract/Warranty Breach—Seller Plaintiff (*not fraud or negligence*)
- Negligent Breach of Contract/Warranty
- Other Breach of Contract/Warranty
- Collections (e.g., money owed, open book accounts) (09)
 - Collection Case—Seller Plaintiff
 - Other Promissory Note/Collections Case
- Insurance Coverage (*not provisionally complex*) (18)
 - Auto Subrogation
 - Other Coverage
- Other Contract (37)
 - Contractual Fraud
 - Other Contract Dispute

Real Property

- Eminent Domain/Inverse Condemnation (14)
- Wrongful Eviction (33)
- Other Real Property (e.g., quiet title) (26)
 - Writ of Possession of Real Property
 - Mortgage Foreclosure
 - Quiet Title
 - Other Real Property (*not eminent domain, landlord/tenant, or foreclosure*)

Unlawful Detainer

- Commercial (31)
- Residential (32)
- Drugs (38) (*if the case involves illegal drugs, check this item; otherwise, report as Commercial or Residential*)

Judicial Review

- Asset Forfeiture (05)
- Petition Re: Arbitration Award (11)
- Writ of Mandate (02)
 - Writ—Administrative Mandamus
 - Writ—Mandamus on Limited Court Case Matter
 - Writ—Other Limited Court Case Review
- Other Judicial Review (39)
 - Review of Health Officer Order
 - Notice of Appeal—Labor Commissioner Appeals

Provisionally Complex Civil Litigation (Cal. Rules of Court Rules 3.400–3.403)

- Antitrust/Trade Regulation (03)
- Construction Defect (10)
- Claims Involving Mass Tort (40)
- Securities Litigation (28)
- Environmental/Toxic Tort (30)
- Insurance Coverage Claims (*arising from provisionally complex case type listed above*) (41)

Enforcement of Judgment

- Enforcement of Judgment (20)
 - Abstract of Judgment (Out of County)
 - Confession of Judgment (*non-domestic relations*)
 - Sister State Judgment
 - Administrative Agency Award (*not unpaid taxes*)
 - Petition/Certification of Entry of Judgment on Unpaid Taxes
 - Other Enforcement of Judgment Case

Miscellaneous Civil Complaint

- RICO (27)
- Other Complaint (*not specified above*) (42)
 - Declaratory Relief Only
 - Injunctive Relief Only (*non-harassment*)
 - Mechanics Lien
 - Other Commercial Complaint Case (*non-tort/non-complex*)
 - Other Civil Complaint (*non-tort/non-complex*)

Miscellaneous Civil Petition

- Partnership and Corporate Governance (21)
- Other Petition (*not specified above*) (43)
 - Civil Harassment
 - Workplace Violence
 - Elder/Dependent Adult Abuse
 - Election Contest
 - Petition for Name Change
 - Petition for Relief From Late Claim
 - Other Civil Petition

SHORT TITLE Burton W. Wiand, et al. v. Paul R. Wassgren, et al.	CASE NUMBER 20STCV49670
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**CIVIL CASE COVER SHEET ADDENDUM AND
STATEMENT OF LOCATION
(CERTIFICATE OF GROUNDS FOR ASSIGNMENT TO COURTHOUSE LOCATION)**

This form is required pursuant to Local Rule 2.3 in all new civil case filings in the Los Angeles Superior Court.

Step 1: After completing the Civil Case Cover Sheet (Judicial Council form CM-010), find the exact case type in Column A that corresponds to the case type indicated in the Civil Case Cover Sheet.

Step 2: In Column B, check the box for the type of action that best describes the nature of the case.

Step 3: In Column C, circle the number which explains the reason for the court filing location you have chosen.

Applicable Reasons for Choosing Court Filing Location (Column C)

- | | |
|--|---|
| <ul style="list-style-type: none"> 1. Class actions must be filed in the Stanley Mosk Courthouse, Central District. 2. Permissive filing in central district. 3. Location where cause of action arose. 4. Mandatory personal injury filing in North District. 5. Location where performance required or defendant resides. 6. Location of property or permanently garaged vehicle. | <ul style="list-style-type: none"> 7. Location where petitioner resides. 8. Location wherein defendant/respondent functions wholly. 9. Location where one or more of the parties reside. 10. Location of Labor Commissioner Office. 11. Mandatory filing location (Hub Cases – unlawful detainer, limited non-collection, limited collection, or personal injury). |
|--|---|

	A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons - See Step 3 Above
Auto Tort	Auto (22)	<input type="checkbox"/> A7100 Motor Vehicle - Personal Injury/Property Damage/Wrongful Death	1, 4, 11
	Uninsured Motorist (46)	<input type="checkbox"/> A7110 Personal Injury/Property Damage/Wrongful Death – Uninsured Motorist	1, 4, 11
Other Personal Injury/Property Damage/Wrongful Death Tort	Asbestos (04)	<input type="checkbox"/> A6070 Asbestos Property Damage <input type="checkbox"/> A7221 Asbestos - Personal Injury/Wrongful Death	1, 11 1, 11
	Product Liability (24)	<input type="checkbox"/> A7260 Product Liability (not asbestos or toxic/environmental)	1, 4, 11
	Medical Malpractice (45)	<input type="checkbox"/> A7210 Medical Malpractice - Physicians & Surgeons <input type="checkbox"/> A7240 Other Professional Health Care Malpractice	1, 4, 11 1, 4, 11
	Other Personal Injury Property Damage Wrongful Death (23)	<input type="checkbox"/> A7250 Premises Liability (e.g., slip and fall) <input type="checkbox"/> A7230 Intentional Bodily Injury/Property Damage/Wrongful Death (e.g., assault, vandalism, etc.) <input type="checkbox"/> A7270 Intentional Infliction of Emotional Distress <input type="checkbox"/> A7220 Other Personal Injury/Property Damage/Wrongful Death	1, 4, 11 1, 4, 11 1, 4, 11 1, 4, 11

SHORT TITLE: Burton W. Wiand, et al. v. Paul R. Wassgren, et al.	CASE NUMBER
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	A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons - See Step 3 Above
Non-Personal Injury/Property Damage/Wrongful Death Tort	Business Tort (07)	<input checked="" type="checkbox"/> A6029 Other Commercial/Business Tort (not fraud/breach of contract)	1, 2, 3
	Civil Rights (08)	<input type="checkbox"/> A6005 Civil Rights/Discrimination	1, 2, 3
	Defamation (13)	<input type="checkbox"/> A6010 Defamation (slander/libel)	1, 2, 3
	Fraud (16)	<input type="checkbox"/> A6013 Fraud (no contract)	1, 2, 3
	Professional Negligence (25)	<input type="checkbox"/> A6017 Legal Malpractice	1, 2, 3
		<input type="checkbox"/> A6050 Other Professional Malpractice (not medical or legal)	1, 2, 3
	Other (35)	<input type="checkbox"/> A6025 Other Non-Personal Injury/Property Damage tort	1, 2, 3
Employment	Wrongful Termination (36)	<input type="checkbox"/> A6037 Wrongful Termination	1, 2, 3
	Other Employment (15)	<input type="checkbox"/> A6024 Other Employment Complaint Case	1, 2, 3
		<input type="checkbox"/> A6109 Labor Commissioner Appeals	10
Contract	Breach of Contract/ Warranty (06) (not insurance)	<input type="checkbox"/> A6004 Breach of Rental/Lease Contract (not unlawful detainer or wrongful eviction)	2, 5
		<input type="checkbox"/> A6008 Contract/Warranty Breach -Seller Plaintiff (no fraud/negligence)	2, 5
		<input type="checkbox"/> A6019 Negligent Breach of Contract/Warranty (no fraud)	1, 2, 5
		<input type="checkbox"/> A6028 Other Breach of Contract/Warranty (not fraud or negligence)	1, 2, 5
	Collections (09)	<input type="checkbox"/> A6002 Collections Case-Seller Plaintiff	5, 6, 11
		<input type="checkbox"/> A6012 Other Promissory Note/Collections Case	5, 11
	<input type="checkbox"/> A6034 Collections Case-Purchased Debt (Charged Off Consumer Debt Purchased on or after January 1, 2014)	5, 6, 11	
Insurance Coverage (18)	<input type="checkbox"/> A6015 Insurance Coverage (not complex)	1, 2, 5, 8	
Other Contract (37)	<input type="checkbox"/> A6009 Contractual Fraud	1, 2, 3, 5	
	<input type="checkbox"/> A6031 Tortious Interference	1, 2, 3, 5	
	<input type="checkbox"/> A6027 Other Contract Dispute(not breach/insurance/fraud/negligence)	1, 2, 3, 8, 9	
Real Property	Eminent Domain/Inverse Condemnation (14)	<input type="checkbox"/> A7300 Eminent Domain/Condemnation Number of parcels _____	2, 6
	Wrongful Eviction (33)	<input type="checkbox"/> A6023 Wrongful Eviction Case	2, 6
	Other Real Property (26)	<input type="checkbox"/> A6018 Mortgage Foreclosure	2, 6
<input type="checkbox"/> A6032 Quiet Title		2, 6	
<input type="checkbox"/> A6060 Other Real Property (not eminent domain, landlord/tenant, foreclosure)		2, 6	
Unlawful Detainer	Unlawful Detainer-Commercial (31)	<input type="checkbox"/> A6021 Unlawful Detainer-Commercial (not drugs or wrongful eviction)	6, 11
	Unlawful Detainer-Residential (32)	<input type="checkbox"/> A6020 Unlawful Detainer-Residential (not drugs or wrongful eviction)	6, 11
	Unlawful Detainer- Post-Foreclosure (34)	<input type="checkbox"/> A6020F Unlawful Detainer-Post-Foreclosure	2, 6, 11
	Unlawful Detainer-Drugs (38)	<input type="checkbox"/> A6022 Unlawful Detainer-Drugs	2, 6, 11

SHORT TITLE: Burton W. Wiand, et al. v. Paul R. Wassgren, et al.	CASE NUMBER
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	A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons - See Step 3 Above
Judicial Review	Asset Forfeiture (05)	<input type="checkbox"/> A6108 Asset Forfeiture Case	2, 3, 6
	Petition re Arbitration (11)	<input type="checkbox"/> A6115 Petition to Compel/Confirm/Vacate Arbitration	2, 5
	Writ of Mandate (02)	<input type="checkbox"/> A6151 Writ - Administrative Mandamus <input type="checkbox"/> A6152 Writ - Mandamus on Limited Court Case Matter <input type="checkbox"/> A6153 Writ - Other Limited Court Case Review	2, 8 2 2
	Other Judicial Review (39)	<input type="checkbox"/> A6150 Other Writ /Judicial Review	2, 8
Provisionally Complex Litigation	Antitrust/Trade Regulation (03)	<input type="checkbox"/> A6003 Antitrust/Trade Regulation	1, 2, 8
	Construction Defect (10)	<input type="checkbox"/> A6007 Construction Defect	1, 2, 3
	Claims Involving Mass Tort (40)	<input type="checkbox"/> A6006 Claims Involving Mass Tort	1, 2, 8
	Securities Litigation (28)	<input checked="" type="checkbox"/> A6035 Securities Litigation Case	1, 2, 8
	Toxic Tort Environmental (30)	<input type="checkbox"/> A6036 Toxic Tort/Environmental	1, 2, 3, 8
	Insurance Coverage Claims from Complex Case (41)	<input type="checkbox"/> A6014 Insurance Coverage/Subrogation (complex case only)	1, 2, 5, 8
Enforcement of Judgment	Enforcement of Judgment (20)	<input type="checkbox"/> A6141 Sister State Judgment	2, 5, 11
		<input type="checkbox"/> A6160 Abstract of Judgment	2, 6
		<input type="checkbox"/> A6107 Confession of Judgment (non-domestic relations)	2, 9
		<input type="checkbox"/> A6140 Administrative Agency Award (not unpaid taxes)	2, 8
		<input type="checkbox"/> A6114 Petition/Certificate for Entry of Judgment on Unpaid Tax	2, 8
		<input type="checkbox"/> A6112 Other Enforcement of Judgment Case	2, 8, 9
Miscellaneous Civil Complaints	RICO (27)	<input type="checkbox"/> A6033 Racketeering (RICO) Case	1, 2, 8
	Other Complaints (Not Specified Above) (42)	<input type="checkbox"/> A6030 Declaratory Relief Only	1, 2, 8
		<input type="checkbox"/> A6040 Injunctive Relief Only (not domestic/harassment)	2, 8
		<input type="checkbox"/> A6011 Other Commercial Complaint Case (non-tort/non-complex)	1, 2, 8
<input type="checkbox"/> A6000 Other Civil Complaint (non-tort/non-complex)	1, 2, 8		
Miscellaneous Civil Petitions	Partnership Corporation Governance (21)	<input type="checkbox"/> A6113 Partnership and Corporate Governance Case	2, 8
	Other Petitions (Not Specified Above) (43)	<input type="checkbox"/> A6121 Civil Harassment With Damages	2, 3, 9
		<input type="checkbox"/> A6123 Workplace Harassment With Damages	2, 3, 9
		<input type="checkbox"/> A6124 Elder/Dependent Adult Abuse Case With Damages	2, 3, 9
		<input type="checkbox"/> A6190 Election Contest	2
		<input type="checkbox"/> A6110 Petition for Change of Name/Change of Gender	2, 7
		<input type="checkbox"/> A6170 Petition for Relief from Late Claim Law	2, 3, 8
<input type="checkbox"/> A6100 Other Civil Petition		2, 9	

SHORT TITLE: Burton W. Wiand, et al. v. Paul R. Wassgren, et al.	CASE NUMBER
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Step 4: Statement of Reason and Address: Check the appropriate boxes for the numbers shown under Column C for the type of action that you have selected. Enter the address which is the basis for the filing location, including zip code. (No address required for class action cases).

REASON: <input type="checkbox"/> 1. <input checked="" type="checkbox"/> 2. <input type="checkbox"/> 3. <input type="checkbox"/> 4. <input type="checkbox"/> 5. <input type="checkbox"/> 6. <input type="checkbox"/> 7. <input type="checkbox"/> 8. <input type="checkbox"/> 9. <input type="checkbox"/> 10. <input type="checkbox"/> 11.	ADDRESS: 550 S. Hope St. Ste 2300			
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:33%; padding: 2px;">CITY: Los Angeles</td> <td style="width:33%; padding: 2px;">STATE: CA</td> <td style="width:33%; padding: 2px;">ZIP CODE: 90071</td> </tr> </table>	CITY: Los Angeles	STATE: CA	ZIP CODE: 90071	
CITY: Los Angeles	STATE: CA	ZIP CODE: 90071		

Step 5: Certification of Assignment: I certify that this case is properly filed in the Central District of the Superior Court of California, County of Los Angeles [Code Civ. Proc., §392 et seq., and Local Rule 2.3(a)(1)(E)].

Dated: 12/30/2020

(SIGNATURE OF ATTORNEY/FILING PARTY)

PLEASE HAVE THE FOLLOWING ITEMS COMPLETED AND READY TO BE FILED IN ORDER TO PROPERLY COMMENCE YOUR NEW COURT CASE:

1. Original Complaint or Petition.
2. If filing a Complaint, a completed Summons form for issuance by the Clerk.
3. Civil Case Cover Sheet, Judicial Council form CM-010.
4. Civil Case Cover Sheet Addendum and Statement of Location form, LACIV 109, LASC Approved 03-04 (Rev. 02/16).
5. Payment in full of the filing fee, unless there is court order for waiver, partial or scheduled payments.
6. A signed order appointing the Guardian ad Litem, Judicial Council form CIV-010, if the plaintiff or petitioner is a minor under 18 years of age will be required by Court in order to issue a summons.
7. Additional copies of documents to be conformed by the Clerk. Copies of the cover sheet and this addendum must be served along with the summons and complaint, or other initiating pleading in the case.

VOLUNTARY EFFICIENT LITIGATION STIPULATIONS

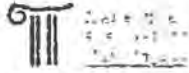


Superior Court of California
County of Los Angeles



Los Angeles County
Bar Association
Litigation Section

Los Angeles County
Bar Association Labor and
Employment Law Section



Consumer Attorneys
Association of Los Angeles



Southern California
Defense Counsel



Association of
Business Trial Lawyers



California Employment
Lawyers Association

The Early Organizational Meeting Stipulation, Discovery Resolution Stipulation, and Motions in Limine Stipulation are voluntary stipulations entered into by the parties. The parties may enter into one, two, or all three of the stipulations; however, they may not alter the stipulations as written, because the Court wants to ensure uniformity of application. These stipulations are meant to encourage cooperation between the parties and to assist in resolving issues in a manner that promotes economic case resolution and judicial efficiency.

The following organizations endorse the goal of promoting efficiency in litigation and ask that counsel consider using these stipulations as a voluntary way to promote communications and procedures among counsel and with the court to fairly resolve issues in their cases.

◆ Los Angeles County Bar Association Litigation Section ◆

◆ Los Angeles County Bar Association
Labor and Employment Law Section ◆

◆ Consumer Attorneys Association of Los Angeles ◆

◆ Southern California Defense Counsel ◆

◆ Association of Business Trial Lawyers ◆

◆ California Employment Lawyers Association ◆

NAME AND ADDRESS OF ATTORNEY OR PARTY WITHOUT ATTORNEY		STATE BAR NUMBER	Reserved for Clerk's File Stamp
TELEPHONE NO E-MAIL ADDRESS (Optional) ATTORNEY FOR (Name)		FAX NO (Optional)	
SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES			
COURTHOUSE ADDRESS			
PLAINTIFF			
DEFENDANT			
STIPULATION – EARLY ORGANIZATIONAL MEETING			CASE NUMBER

This stipulation is intended to encourage cooperation among the parties at an early stage in the litigation and to assist the parties in efficient case resolution.

The parties agree that:

1. The parties commit to conduct an initial conference (in-person or via teleconference or via videoconference) within 15 days from the date this stipulation is signed, *to discuss and consider whether there can be agreement on the following*
 - a Are motions to challenge the pleadings necessary? If the issue can be resolved by amendment as of right, or if the Court would allow leave to amend, could an amended complaint resolve most or all of the issues a demurrer might otherwise raise? If so, the parties agree to work through pleading issues so that a demurrer need only raise issues they cannot resolve. Is the issue that the defendant seeks to raise amenable to resolution on demurrer, or would some other type of motion be preferable? Could a voluntary targeted exchange of documents or information by any party cure an uncertainty in the pleadings?
 - b Initial mutual exchanges of documents at the "core" of the litigation. (For example, in an employment case, the employment records, personnel file and documents relating to the conduct in question could be considered "core." In a personal injury case, an incident or police report, medical records, and repair or maintenance records could be considered "core.");
 - c Exchange of names and contact information of witnesses;
 - d Any insurance agreement that may be available to satisfy part or all of a judgment, or to indemnify or reimburse for payments made to satisfy a judgment,
 - e Exchange of any other information that might be helpful to facilitate understanding, handling, or resolution of the case in a manner that preserves objections or privileges by agreement;
 - f. Controlling issues of law that, if resolved early, will promote efficiency and economy in other phases of the case. Also when and how such issues can be presented to the Court;
 - g Whether or when the case should be scheduled with a settlement officer, what discovery or court ruling on legal issues is reasonably required to make settlement discussions meaningful, and whether the parties wish to use a sitting judge or a private mediator or other options as

BPCOR* TITLE <div style="text-align: center; font-weight: bold; font-size: 1.2em;">18770</div>	CASE NUMBER
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discussed in the "Alternative Dispute Resolution (ADR) Information Package" served with the complaint;

- h. Computation of damages, including documents, not privileged or protected from disclosure, on which such computation is based;
 - i. Whether the case is suitable for the Expedited Jury Trial procedures (see information at www.lacourt.org under "Civil" and then under "General Information").
2. The time for a defending party to respond to a complaint or cross-complaint will be extended to _____ for the complaint, and _____ for the cross-complaint, which is comprised of the 30 days to respond under Government Code § 68616(b), and the 30 days permitted by Code of Civil Procedure section 1054(a), good cause having been found by the Civil Supervising Judge due to the case management benefits provided by this Stipulation. A copy of the General Order can be found at www.lacourt.org under "Civil", click on "General Information", then click on "Voluntary Efficient Litigation Stipulations".
- (INSERT DATE) (INSERT DATE)
3. The parties will prepare a joint report titled "Joint Status Report Pursuant to Initial Conference and Early Organizational Meeting Stipulation, and if desired, a proposed order summarizing results of their meet and confer and advising the Court of any way it may assist the parties' efficient conduct or resolution of the case. The parties shall attach the Joint Status Report to the Case Management Conference statement, and file the documents when the CMC statement is due
4. References to "days" mean calendar days, unless otherwise noted. If the date for performing any act pursuant to this stipulation falls on a Saturday, Sunday or Court holiday, then the time for performing that act shall be extended to the next Court day

The following parties stipulate:

Date

(TYPE OR PRINT NAME)

(ATTORNEY FOR PLAINTIFF)

Date

(TYPE OR PRINT NAME)

(ATTORNEY FOR DEFENDANT)

Date

(TYPE OR PRINT NAME)

(ATTORNEY FOR DEFENDANT)

Date

(TYPE OR PRINT NAME)

(ATTORNEY FOR DEFENDANT)

Date

(TYPE OR PRINT NAME)

(ATTORNEY FOR _____)

Date

(TYPE OR PRINT NAME)

(ATTORNEY FOR _____)

Date

(TYPE OR PRINT NAME)

(ATTORNEY FOR _____)

NAME AND ADDRESS OF ATTORNEY OR PARTY WITHOUT ATTORNEY		STATE BAR NUMBER	Reserved for Clerk's File Stamp
TELEPHONE NO E-MAIL ADDRESS (Optional) ATTORNEY FOR (Name)		FAX NO (Optional)	
SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES			
COURTHOUSE ADDRESS			
PLAINTIFF			
DEFENDANT			CASE NUMBER
STIPULATION – DISCOVERY RESOLUTION			

This stipulation is intended to provide a fast and informal resolution of discovery issues through limited paperwork and an informal conference with the Court to aid in the resolution of the issues.

The parties agree that:

1. Prior to the discovery cut-off in this action, no discovery motion shall be filed or heard unless the moving party first makes a written request for an Informal Discovery Conference pursuant to the terms of this stipulation.
2. At the Informal Discovery Conference the Court will consider the dispute presented by parties and determine whether it can be resolved informally. Nothing set forth herein will preclude a party from making a record at the conclusion of an Informal Discovery Conference, either orally or in writing.
3. Following a reasonable and good faith attempt at an informal resolution of each issue to be presented, a party may request an Informal Discovery Conference pursuant to the following procedures:
 - a. The party requesting the Informal Discovery Conference will:
 - i. File a Request for Informal Discovery Conference with the clerk's office on the approved form (copy attached) and deliver a courtesy, conformed copy to the assigned department,
 - ii. Include a brief summary of the dispute and specify the relief requested, and
 - iii. Serve the opposing party pursuant to any authorized or agreed method of service that ensures that the opposing party receives the Request for Informal Discovery Conference no later than the next court day following the filing
 - b. Any Answer to a Request for Informal Discovery Conference must
 - i. Also be filed on the approved form (copy attached);
 - ii. Include a brief summary of why the requested relief should be denied,

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- iii. Be filed within two (2) court days of receipt of the Request; and
 - iv. Be served on the opposing party pursuant to any authorized or agreed upon method of service that ensures that the opposing party receives the Answer no later than the next court day following the filing
- c. No other pleadings, including but not limited to exhibits, declarations, or attachments, will be accepted
- d. If the Court has not granted or denied the Request for Informal Discovery Conference within ten (10) days following the filing of the Request, then it shall be deemed to have been denied. If the Court acts on the Request, the parties will be notified whether the Request for Informal Discovery Conference has been granted or denied and, if granted, the date and time of the Informal Discovery Conference, which must be within twenty (20) days of the filing of the Request for Informal Discovery Conference.
- e. If the conference is not held within twenty (20) days of the filing of the Request for Informal Discovery Conference, unless extended by agreement of the parties and the Court, then the Request for the Informal Discovery Conference shall be deemed to have been denied at that time.
4. If (a) the Court has denied a conference or (b) one of the time deadlines above has expired without the Court having acted or (c) the Informal Discovery Conference is concluded without resolving the dispute, then a party may file a discovery motion to address unresolved issues.
5. The parties hereby further agree that the time for making a motion to compel or other discovery motion is tolled from the date of filing of the Request for Informal Discovery Conference until (a) the request is denied or deemed denied or (b) twenty (20) days after the filing of the Request for Informal Discovery Conference, whichever is earlier, unless extended by Order of the Court.

It is the understanding and intent of the parties that this stipulation shall, for each discovery dispute to which it applies, constitute a writing memorializing a "specific later date to which the propounding [or demanding or requesting] party and the responding party have agreed in writing," within the meaning of Code Civil Procedure sections 2030.300(c), 2031.320(c), and 2033.290(c).

6. Nothing herein will preclude any party from applying *ex parte* for appropriate relief, including an order shortening time for a motion to be heard concerning discovery
7. Any party may terminate this stipulation by giving twenty-one (21) days notice of intent to terminate the stipulation
8. References to "days" mean calendar days, unless otherwise noted. If the date for performing any act pursuant to this stipulation falls on a Saturday, Sunday or Court holiday, then the time for performing that act shall be extended to the next Court day.

SHORT TITLE	CASE NUMBER
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The following parties stipulate:

Date:

(TYPE OR PRINT NAME)

>

(ATTORNEY FOR PLAINTIFF)

Date:

(TYPE OR PRINT NAME)

>

(ATTORNEY FOR DEFENDANT)

Date:

(TYPE OR PRINT NAME)

>

(ATTORNEY FOR DEFENDANT)

Date:

(TYPE OR PRINT NAME)

>

(ATTORNEY FOR DEFENDANT)

Date:

(TYPE OR PRINT NAME)

>

(ATTORNEY FOR _____)

Date:

(TYPE OR PRINT NAME)

>

(ATTORNEY FOR _____)

Date:

(TYPE OR PRINT NAME)

>

(ATTORNEY FOR _____)

NAME AND ADDRESS OF ATTORNEY OR PARTY WITHOUT ATTORNEY TELEPHONE NO E-MAIL ADDRESS (Optional) ATTORNEY FOR (Name)	STATE BAR NUMBER	Reserved for Clerk's File Stamp
FAX NO (Optional)		
SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES		
COURTHOUSE ADDRESS		
PLAINTIFF		
DEFENDANT		
INFORMAL DISCOVERY CONFERENCE (pursuant to the Discovery Resolution Stipulation of the parties)		CASE NUMBER

1. This document relates to:
 - Request for Informal Discovery Conference
 - Answer to Request for Informal Discovery Conference
2. Deadline for Court to decide on Request. _____ (insert date 10 calendar days following filing of the Request).
3. Deadline for Court to hold Informal Discovery Conference. _____ (insert date 20 calendar days following filing of the Request)
4. For a Request for Informal Discovery Conference, briefly describe the nature of the discovery dispute, including the facts and legal arguments at issue. For an Answer to Request for Informal Discovery Conference, briefly describe why the Court should deny the requested discovery, including the facts and legal arguments at issue.

NAME AND ADDRESS OF ATTORNEY OR PARTY WITHOUT ATTORNEY		STATE BAR NUMBER	Reserved for Clerk's File Stamp
TELEPHONE NO E-MAIL ADDRESS (Optional) ATTORNEY FOR (Name)		FAX NO. (Optional)	
SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES			
COURTHOUSE ADDRESS			
PLAINTIFF			
DEFENDANT			
STIPULATION AND ORDER – MOTIONS IN LIMINE			CASE NUMBER

This stipulation is intended to provide fast and informal resolution of evidentiary issues through diligent efforts to define and discuss such issues and limit paperwork.

The parties agree that:

1. At least ____ days before the final status conference, each party will provide all other parties with a list containing a one paragraph explanation of each proposed motion in limine. Each one paragraph explanation must identify the substance of a single proposed motion in limine and the grounds for the proposed motion.
2. The parties thereafter will meet and confer, either in person or via teleconference or videoconference, concerning all proposed motions in limine. In that meet and confer, the parties will determine:
 - a. Whether the parties can stipulate to any of the proposed motions. If the parties so stipulate, they may file a stipulation and proposed order with the Court.
 - b. Whether any of the proposed motions can be briefed and submitted by means of a short joint statement of issues. For each motion which can be addressed by a short joint statement of issues, a short joint statement of issues must be filed with the Court 10 days prior to the final status conference. Each side's portion of the short joint statement of issues may not exceed three pages. The parties will meet and confer to agree on a date and manner for exchanging the parties' respective portions of the short joint statement of issues and the process for filing the short joint statement of issues.
3. All proposed motions in limine that are not either the subject of a stipulation or briefed via a short joint statement of issues will be briefed and filed in accordance with the California Rules of Court and the Los Angeles Superior Court Rules

SHORT TITLE 18776	CASE NUMBER
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The following parties stipulate:

Date:

(TYPE OR PRINT NAME)

Date

(TYPE OR PRINT NAME)

Date:

(TYPE OR PRINT NAME)

Date

(TYPE OR PRINT NAME)

Date.

(TYPE OR PRINT NAME)

Date:

(TYPE OR PRINT NAME)

Date:

(TYPE OR PRINT NAME)

> _____
(ATTORNEY FOR PLAINTIFF)

> _____
(ATTORNEY FOR DEFENDANT)

> _____
(ATTORNEY FOR DEFENDANT)

> _____
(ATTORNEY FOR DEFENDANT)

> _____
(ATTORNEY FOR _____)

> _____
(ATTORNEY FOR _____)

> _____
(ATTORNEY FOR _____)

THE COURT SO ORDERS.

Date: _____

JUDICIAL OFFICER



ALTERNATIVE DISPUTE RESOLUTION (ADR) INFORMATION PACKAGE

THE PLAINTIFF MUST SERVE THIS ADR INFORMATION PACKAGE ON EACH PARTY WITH THE COMPLAINT.

CROSS-COMPLAINANTS must serve this ADR Information Package on any new parties named to the action with the cross-complaint.

What is ADR?

ADR helps people find solutions to their legal disputes without going to trial. The main types of ADR are negotiation, mediation, arbitration, and settlement conferences. When ADR is done by phone, videoconference or computer, it may be called Online Dispute Resolution (ODR). These alternatives to litigation and trial are described below.

Advantages of ADR

- **Saves Time:** ADR is faster than going to trial.
- **Saves Money:** Parties can save on court costs, attorney's fees, and witness fees.
- **Keeps Control (with the parties):** Parties choose their ADR process and provider for voluntary ADR.
- **Reduces Stress/Protects Privacy:** ADR is done outside the courtroom, in private offices, by phone or online.

Disadvantages of ADR

- **Costs:** If the parties do not resolve their dispute, they may have to pay for ADR and litigation and trial.
- **No Public Trial:** ADR does not provide a public trial or a decision by a judge or jury.

Main Types of ADR:

1. **Negotiation:** Parties often talk with each other in person, or by phone or online about resolving their case with a settlement agreement instead of a trial. If the parties have lawyers, they will negotiate for their clients.
2. **Mediation:** In mediation, a neutral mediator listens to each person's concerns, helps them evaluate the strengths and weaknesses of their case, and works with them to try to create a settlement agreement that is acceptable to all. Mediators do not decide the outcome. Parties may go to trial if they decide not to settle.

Mediation may be appropriate when the parties

- want to work out a solution but need help from a neutral person
- have communication problems or strong emotions that interfere with resolution.

Mediation may not be appropriate when the parties

- want a public trial and want a judge or jury to decide the outcome.
- lack equal bargaining power or have a history of physical/emotional abuse.

Mediation for civil cases is voluntary and parties may select any mediator they wish. Options include:

a. **The Civil Mediation Vendor Resource List**

If all parties agree to mediation, they may contact these organizations to request a "Resource List Mediation" for mediation at reduced cost or no cost (for selected cases):

- ADR Services, Inc. Case Manager patricia@adrservices.com (310) 201-0010 (Ext. 261)
- JAMS, Inc. Senior Case Manager mbinder@jamsadr.com (310) 309-6204
- Mediation Center of Los Angeles (MCLA) Program Manager info@mediationLA.org (833) 476-9145
 - o Only MCLA provides mediation in person, by phone and by videoconference.

These organizations cannot accept every case and they may decline cases at their discretion.

Visit www.lacourt.org/ADR Res.List for important information and FAQs before contacting them.

NOTE: This program does not accept family law, probate, or small claims cases.

b. **Los Angeles County Dispute Resolution Programs**

<https://wdacs.lacounty.gov/programs/drp/>

- Small claims, unlawful detainers (evictions) and, at the Spring Street Courthouse, limited civil:
 - o Free, day-of-trial mediations at the courthouse. No appointment needed.
 - o Free or low-cost mediations before the day of trial.
 - o For free or low-cost Online Dispute Resolution (ODR) by phone or computer before the day of trial visit <http://www.lacourt.org/division/smallclaims/pdf/OnlineDisputeResolutionFlyer-EngSpan.pdf>

c. **Mediators and ADR and Bar organizations that provide mediation may be found on the internet.**

3. **Arbitration:** Arbitration is less formal than trial, but like trial, the parties present evidence and arguments to the person who decides the outcome. In "binding" arbitration, the arbitrator's decision is final; there is no right to trial. In "nonbinding" arbitration, any party can request a trial after the arbitrator's decision. For more information about arbitration, visit <http://www.courts.ca.gov/programs-adr.htm>
4. **Mandatory Settlement Conferences (MSC):** MSCs are ordered by the Court and are often held close to the trial date or on the day of trial. The parties and their attorneys meet with a judge or settlement officer who does not make a decision but assists the parties in evaluating the strengths and weaknesses of the case and in negotiating a settlement. For information about the Court's MSC programs for civil cases, visit <http://www.lacourt.org/division/civil/CI0047.aspx>

Los Angeles Superior Court ADR website: <http://www.lacourt.org/division/civil/CI0109.aspx>

For general information and videos about ADR, visit <http://www.courts.ca.gov/programs-adr.htm>

EXHIBIT 3

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

BURTON WIAND, as
Receiver for EquiAlt
LLC, EquiAlt Fund,
LLC, EquiAlt Fund II,
LLC, EquiAlt Fund III,
EA SIP, LLC, EquiAlt
Secured Income Portfolio
REIT,

Plaintiff,

Case No.:

v.

FAMILY TREE ESTATE
PLANNING, LLC, et al.,

Defendants.

_____ /

COMPLAINT

Burton W. Wiand (the “**Receiver**”), as Receiver for EquiAlt LLC, EquiAlt Fund, LLC, EquiAlt Fund II, LLC, EquiAlt Fund III, EA SIP, LLC, and EquiAlt Secured Income Portfolio REIT (collectively, the “**EquiAlt Entities**”), by and through his undersigned counsel, hereby files suit against the parties identified in paragraphs 11 through 47 of this complaint (collectively, the “**Defendants**”) and alleges as follows:

INTRODUCTION

1. On February 11, 2020, the Securities and Exchange Commission (“SEC”) filed a complaint (Doc. 1) against (1) defendants Brian Davison (“Davison”); Barry Rybicki (“Rybicki”); EquiAlt LLC; EquiAlt Fund, LLC; EquiAlt Fund II, LLC; EquiAlt Fund III, LLC; EA SIP, LLC (“collectively “**EquiAlt defendants**”) (collectively, the “**defendants**”) and (2) relief defendants 128 E. Davis Blvd, LLC; 310 78th Ave, LLC; 551 3rd Ave S, LLC; 604 West Azeele, LLC; 2101 W. Cypress, LLC; 2112 W. Kennedy Blvd, LLC; 5123 E. Broadway Ave, LLC; Blue Waters TI, LLC; BNAZ, LLC; BR Support Services, LLC; Bungalows TI, LLC; Capri Haven, LLC; EA NY, LLC; EquiAlt 519 3rd Ave S., LLC; McDonald Revocable Living Trust; Silver Sands TI, LLC; TB Oldest House Est. 1842, LLC. (collectively, the “**relief defendants**”). The foregoing corporate defendants and relief defendants are referred to as the “**Receivership Entities.**” See *S.E.C. v. Brian Davison, et al.*, Case No. 8:20-CV-325-T-35AEP (M.D. Fla.) (the “**SEC Action**”).

2. The SEC alleged that the defendants in the SEC Action have violated Sections 5(a) and 5(c) of the Securities Act of 1933, 15 U.S.C. §§77e(a) and 77e(c); Sections 17(a) of the Securities Act, 15 U.S.C. §77q(a); and Section 10(b) of the Securities Exchange Act of 1934, 15 U.S.C. §78j(b), and Exchange Act Rule 10b-5, 17 C.F. R. §240.10b-5 against all defendants in the SEC action. Additionally, the SEC alleged that Messrs. Davison and

Rybicki had violated Section 20(a) of the Exchange Act, 15 U.S.C. §78(t)(a). Finally, the SEC claimed that Davison, Rybicki and EquiAlt LLC had aided and abetted in the violation of Section 15(b) of the Exchange Act. 15 U.S.C. §78(o). Accordingly, the SEC brought the SEC Action seeking the following relief: temporary restraining order, preliminary injunctive relief, permanent injunction, asset freeze, appointment of a receiver, records preservation, sworn accounting, disgorgement, prejudgment interest, and civil money penalties.

3. On February 14, 2020, the Court entered an order appointing Burton W. Wiand as temporary Receiver for the Receivership Entities (Doc. 11) (the “**Order Appointing Receiver**”). The Court directed him, in relevant part, to “[t]ake immediate possession of all property, assets and estates of every kind of the Corporate Defendants and Relief Defendants . . . and to administer such assets as is required in order to comply with the directions contained in this Order.” *See id.* at ¶1.

4. On that same date, the Court also entered a Temporary Restraining Order (Doc. 10) imposing a temporary injunction against the defendants and relief defendants, freezing their assets, and required an accounting from Messrs. Davison and Rybicki related to monies they received from EquiAlt as well as an accounting of all assets and accounts for EquiAlt and the EquiAlt Funds.

5. On July 31, 2020, the Receivership Court held a show cause hearing on the SEC's Preliminary Injunction Motion. On August 18, 2020, the Court entered an order granting the SEC's motion for entry of a preliminary injunction. The Court's Order found that "the evidence shows that the Defendants most likely operated as a Ponzi scheme using new investor funds to pay old investor obligations while simultaneously siphoning funds for their own benefit." (Doc. 184 at 2) Additionally, the Court found that the "Defendants appear to have had equally shared responsibilities and acted in concert to successfully perpetrate the Ponzi scheme." *Id.* at 4.

6. In the Court's Order Appointing Receiver, the Court authorized the Receiver to "[i]nvestigate the manner in which the affairs of the Corporate Defendants and Relief Defendants were conducted and institute such actions and legal proceedings, for the benefit and on behalf of the Corporate Defendants and Relief Defendants and their investors and other creditors as the Receiver deems necessary against those individuals, corporations, partnerships, associations and/or unincorporated organizations which the Receiver may claim have wrongfully, illegally or otherwise improperly misappropriated or transferred money or other proceeds directly or indirectly traceable from investors in EquiAlt Fund, LLC, EquiAlt Fund II, LLC, EquiAlt Fund III, LLC, and EA SIP, LLC, their officers, directors, employees, affiliates, subsidiaries, or any persons acting in concert or

participation with them, or against any transfers of money or other proceeds directly or indirectly traceable from investors in EquiAlt Fund, LLC, EquiAlt Fund II, LLC, EquiAlt Fund III, LLC, and EA SIP, LLC; provided such actions may include, but not be limited to, seeking imposition of constructive trusts, disgorgement of profits, recovery and/or avoidance of fraudulent transfers, rescission and restitution, the collection of debts, and such orders from this Court as may be necessary to enforce this Order.” Doc. 11 at ¶2.

7. In an abundance of caution, on January 28, 2021, the Receiver moved the Receivership Court to authorize his filing of “clawback” litigation against sales agents and other former principals of EquiAlt. (Doc. 258) There has been no objection to the motion but the Court has not yet ruled on the motion. The Receiver files this complaint pursuant to the authority granted in the Order Appointing Receiver, the principles governing federal equity receiverships, and pertinent law, including the Florida Uniform Fraudulent Transfer Act, Fla. Stat. § 726.101, *et seq.* (“FUFTA”).

8. The Receiver brings this action to recover monies transferred to each Defendant by principals Insiders Brian Davison and Barry Rybicki (“**the Insiders**”) through or on behalf of the EquiAlt Entities for “commissions” and other “fees” for fraudulent debentures sold to investors. These sales agents and their organizations did not provide reasonably equivalent value for the transfer of these commissions as providing services

in furtherance of a Ponzi scheme does not confer reasonably equivalent value. These fraudulent transfers were not derived from legitimate activity but rather from money the Ponzi perpetrators stole from defrauded investors and made in furtherance of the EquiAlt scheme to defraud. The Receiver is entitled to recover the transfers under governing law.

JURISDICTION AND VENUE

9. This court has personal jurisdiction over the Defendants pursuant to 28 U.S.C. § 754 and 28 U.S.C. § 1692, which provide jurisdiction over receivership property, including money and the individuals in possession of that money, and authorize nationwide service of process. The Receiver has complied with the statutory requirements.

10. Schedules of the fraudulent transfers the Receiver seeks to recover from the Defendants are attached to this complaint as “**Exhibit 1.**” The Defendants are arranged by the amount of commissions they received in descending dollar amount, and as referenced in Exhibit 1.

11. Defendant Family Tree Estate Planning, LLC (“Family Tree”) is an Arizona limited liability company with a principal place of business in Scottsdale, Arizona.

12. Defendant Jason Wooten is, and was at all times mentioned herein, an individual citizen of the State of Arizona, and currently resides in that state. Defendant Wooten is the principal of Family Tree. The transfers

the Receiver seeks to recover from Family Tree and Wooten are set forth in Exhibit 1 at Page 1.

13. MASears LLC d/b/a Picasso Group (“Picasso”) is a Nevada limited liability company located with a principal place of business in Las Vegas, Nevada.

14. Defendant DeAndre P. Sears is, and was at all times mentioned herein, an individual citizen of the State of Nevada and currently resides in that state. Defendant Sears operated and controlled MASears and was identified in certain EquiAlt offering materials as President of Business Development and Marketing, Managing Director of Investors or Vice President of Investor Relations. The transfers the Receiver seeks to recover from Picasso and Sears are set forth in Exhibit 1 at Page 7.

15. Defendant American Financial Security, LLC (“American Security”) is an Arizona limited liability company with a principal place of business in Prescott, Arizona.

16. Defendant American Financial Investments, LLC (“American Financial”) is an Arizona limited liability company with a principal place of business in Prescott, Arizona.

17. Defendant Ronald F. Stevenson is, and was at all times mentioned herein, an individual citizen of the State of Arizona, and currently resides in that state. Defendant Stevenson and his deceased wife Barbara

were the sole members of and controlled the operations of American Financial and American Security. The transfers the Receiver seeks to recover from American Security, American Family and Stevenson are set forth in Exhibit 1 at Page 13.

18. Defendant Live Wealthy Institute, LLC (“Live Wealthy”) is a Wyoming limited liability company with offices in Huntington Beach, California.

19. Defendant Dale Tenhulzen is, and was at all times mentioned herein, an individual citizen of the State of Wyoming, and currently resides in that state. Defendant Tenhulzen solely owned and controlled Live Wealthy. The transfers the Receiver seeks to recover from Live Wealthy and Tenhulzen are set forth in Exhibit 1 at Page 21.

20. Defendant REIT Alliance Marketing, LLC (“REIT Alliance”) is a Wyoming limited liability company with a principal place of business in Scottsdale, AZ.

21. Defendant Ernest “Cal” Babbini is, and was at all times mentioned herein, an individual citizen of the State of Arizona, and currently resides in that state. Defendant Babbini controls REIT Alliance. Further, Babbini was involved with investor relations and customer communications for EquiAlt. The transfers the Receiver seeks to recover from REIT Alliance and Babbini are set forth in Exhibit 1 at Page 28. Babbini’s compensation

was based on sales of investments that he supervised, administered, directed and/or completed.

22. Defendant Joseph Financial Investment Advisors, LLC (“Joseph Financial”) is a California limited liability company with a principal place of business in San Diego, California.

23. Defendant Bobby Joseph Armijo is, and was at all times mentioned herein, an individual citizen of the State of California, and currently resides in that state. Defendant Armijo is the principal of Joseph Financial. The transfers the Receiver seeks to recover from Joseph Financial and Armijo are set forth in Exhibit 1 at Page 40.

24. Defendant Elliott Financial Group, Inc. (“Elliott Financial”) is an Arizona corporation with a principal place of business in Peoria, Arizona.

25. Defendant Todd Elliott is, and was at all times mentioned herein, an individual citizen of the State of Arizona, and currently resides in that state. Defendant Elliott is the principal of Elliott Financial. The transfers the Receiver seeks to recover from Elliott Financial and Elliott are set forth in Exhibit 1 at Page 43.

26. Defendant Lifeline Innovations & Insurance Solutions LLC (“Lifeline Innovations”) is a California limited liability company with a principal place of business in Pleasanton, California.

27. Defendant John Marques is, and was at all times mentioned herein, an individual citizen of the State of California, and currently resides in that state. Defendant Marques is the president of Lifeline Innovations. The transfers the Receiver seeks to recover from Lifeline and Marques are set forth in Exhibit 1 at Page 47.

28. Defendant Greg Talbot is, and was at all times mentioned herein, an individual citizen of the State of California, and currently resides in that state. Defendant Talbot is the vice-president of Lifeline Innovations. The transfers the Receiver seeks to recover from Talbot are set forth in Exhibit 1 at Page 51.

29. Defendant Rokay Unlimited, LLC (“Rokay”) is an Arizona limited liability company with a principal place of business in Peoria, Arizona.

30. Defendant Anthony R. Spooner is, and was at all times mentioned herein, an individual citizen of the State of Arizona, and currently resides in that state. Defendant Spooner is the principal of Rokay. The transfers the Receiver seeks to recover from Rokay and Spooner are set forth in Exhibit 1 at Page 53.

31. Defendant Seek Insurance Services, LLC (“Seek Insurance”) is an Arizona limited liability company with a principal place of business in Peoria, Arizona.

32. Defendant James D. Gray is, and was at all times mentioned herein, an individual citizen of the State of Arizona, and currently resides in that state. Defendant Gray is the principal of Seek Insurance. The transfers the Receiver seeks to recover from Seek Insurance and Gray are set forth in Exhibit 1 at Page 58.

33. Defendant John E. Friedrichsen is, and was at all times mentioned herein, an individual citizen of the State of California, and currently resides in that state. At certain times, Friedrichsen held the title of Vice President, Business Development for EquiAlt. He also worked through Bay Area Benefits Insurance Services, Inc. The transfers the Receiver seeks to recover from Freidrichsen are set forth in Exhibit 1 at Page 60.

34. Defendant The Financial Group, LLC (“Financial Group”) is an Arizona limited liability company with a principal place of business in Phoenix, Arizona.

35. Defendant Patrick J. Runniger is, and was at all times mentioned herein, an individual citizen of the State of Arizona, and currently resides in that state. Defendant Runniger is the principal of Financial Group. The transfers the Receiver seeks to recover from Financial Group and Runniger are set forth in Exhibit 1 at Page 62.

36. Defendant GIA, Inc. (“GIA”) is a California corporation with a principal place of business in Orange, California.

37. Defendant Edgar Lozano is, and was at all times mentioned herein, an individual citizen of the State of California, and currently resides in that state. Defendant Lozano is the principal of GIA. The transfers the Receiver seeks to recover from GIA and Lozano are set forth in Exhibit 1 at Page 64.

38. Defendant Agents Insurance Sales (“Agents Insurance”) is a California corporation with a principal place of business in San Diego, California.

39. Defendant Barry Wilken is, and was at all times mentioned herein, an individual citizen of the State of California, and currently resides in that state. Defendant Wilken is the principal of Agents Insurance. The transfers the Receiver seeks to recover from Agents Insurance and Wilken are set forth in Exhibit 1 at Page 65.

40. Defendant J. Prickett Agency (“Prickett Agency”) is a Kansas corporation with a principal place of business in Wichita, Kansas.

41. Defendant Joe Prickett is, and was at all times mentioned herein, an individual citizen of the State of Kansas, and currently resides in that state. Defendant Prickett is the principal of Prickett Agency. The transfers the Receiver seeks to recover from Prickett Agency and Prickett are set forth in Exhibit 1 at Page 66.

42. Defendant Barry Neal is, and was at all times mentioned herein, an individual citizen of the State of California, and currently resides in that state. The transfers the Receiver seeks to recover from Neal are set forth in Exhibit 1 at Page 68.

43. Defendant Ben Mohr is, and was at all times mentioned herein, an individual citizen of the State of California, and currently resides in that state. The transfers the Receiver seeks to recover from Mohr are set forth in Exhibit 1 at Page 69.

44. Defendant Marketing Dynamics Inc. (“Marketing Dynamics”) is an Arizona corporation with a principal place of business in Mesa, Arizona.

45. Defendant Tim Laduca is, and was at all times mentioned herein, an individual citizen of the State of Arizona, and currently resides in that state. Defendant Laduca controls Marketing Dynamics. The transfers the Receiver seeks to recover from Marketing Dynamics and Laduca are set forth in Exhibit 1 at Page 70.

46. Defendant J. Wellington Financial, LLC (“Wellington”) is a Michigan limited liability company with a principal place of business in Bloomfield Hills, Michigan.

47. Defendant Jason Jodway is, and was at all times mentioned herein, an individual citizen of the State of Michigan, and currently resides in that state. Defendant Jodway controls Wellington. The transfers the Receiver

seeks to recover from Wellington and Jodway are set forth in Exhibit 1 at Page 71.

48. The Court has subject matter jurisdiction over this case pursuant to 7 U.S.C. § 13a-1, 28 U.S.C. § 754, and principles of ancillary or supplemental jurisdiction under 28 U.S.C. § 1367. The Receiver brings this complaint to accomplish the objectives of the SEC Action and the Order Appointing Receiver, and thus this matter is ancillary to the Receivership Court's exclusive jurisdiction over the receivership estate.

49. Venue in this District and Division is proper under 28 U.S.C. § 754, as this proceeding is related to the SEC Action pending in this District, and the Receiver was appointed in this District.

OTHER PARTIES AND RELATED INDIVIDUALS AND ENTITIES

50. Burton W. Wiand is the duly appointed and acting Receiver for the EquiAlt Entities and other Corporate Defendants and Relief Defendants in the SEC Action. He is a citizen of Florida and a resident of Pinellas County, Florida.

51. EquiAlt, LLC ("**EquiAlt**") is a Nevada limited liability corporation based in Tampa, Florida. Its sole manager is EquiAlt Fund, LLC, also formed in Nevada. Brian Davison served as the owner and CEO of EquiAlt. EquiAlt's primary role was to manage the EquiAlt Funds – EquiAlt

Fund, EquiAlt Fund II, EquiAlt Fund III, EA SIP and EquiAlt Secured Income Portfolio REIT (“**EquiAlt Funds**”).

52. EquiAlt Fund (“**Fund I**”) is a Nevada limited liability corporation based in Tampa, Florida. Its sole manager is EquiAlt. Fund I was formed in May 2011. Fund I raised approximately \$132.9 million from at least 733 investors from January 2011 through November 2019.

53. EquiAlt Fund II (“**Fund II**”) is a Nevada limited liability corporation based in Tampa, Florida. Its sole manager is EquiAlt. Fund II was formed in April 2013. Fund II raised approximately \$48.9 million from at least 266 investors from 2013 to November 2019.

54. EquiAlt Fund III (“**Fund III**”) is a Nevada limited liability corporation based in Tampa, Florida. Its sole manager was EquiAlt. Fund III was formed in June 2013. Fund III raised approximately \$2.55 million from investors from 2013 to December 2015.

55. EA SIP Fund (“**EA SIP**”) is a Nevada limited liability corporation based in Tampa, Florida. Its sole manager is EquiAlt. EA SIP was formed in May 2016. EA SIP raised approximately \$19.5 million from 138 investors from 2016 to November 2019.

56. EquiAlt Secured Income Portfolio REIT, Inc. (“**REIT**”) is a Maryland corporation based in Tampa, Florida.

57. Fund I, Fund II, Fund III, EA SIP and REIT are creditors of, at minimum, the Insiders under pertinent fraudulent transfer law. The Order Appointing Receiver¹ transferred control of these entities to the Receiver. As such, the Receiver now controls Fund I, Fund II, Fund III EA SIP and REIT which have been cleansed of their former owners' wrongdoing and are thus entitled to the return of fraudulently transferred funds.

58. Brian Davison controlled the Tampa operations for EquiAlt and the EquiAlt Funds. Commission payments related to the debentures sold on behalf of EquiAlt Funds were paid from the EquiAlt Funds' bank accounts at Wells Fargo and/or Bank of America. These bank accounts were controlled by Mr. Davison or those who acted at his direction.

59. Barry Rybicki, resident in the Phoenix/Scottsdale area of Arizona, managed and coordinated the sales force which sold the debentures to the EquiAlt investors. Mr. Rybicki controlled BR Support Services ("BRSS") and its predecessor, NV Support Services. BRSS was an entity used by the Insiders in furtherance of their fraudulent scheme. BRSS made payments from its accounts at JPMorgan Chase to the Defendants.

¹ The Court in the SEC Action expanded the Receivership on August 17, 2020 to include EquiAlt Secured Income Portfolio REIT, Inc. and other entities related to EquiAlt's REIT and QOZ funds. (Doc. 184).

60. After one of the Defendants would sell an investment in one of the EquiAlt Funds, he would submit the file materials related to the sale (subscription agreement, questionnaire, debenture, etc.) directly to Rybicki.

61. Often times the Defendant would directly deposit the investment funds into the appropriate EquiAlt bank account.

62. Upon receipt of these materials, Rybicki would submit a Check Request Form to the Tampa office of the EquiAlt Entities. This form would note the investor name, amount invested, the debenture duration and interest rate, and the 12% amount of commission to be paid.

63. Thereafter, the Tampa office of the EquiAlt Entities, under Davison's direction and control, would pay the commission, typically through direct deposit to BRSS' account.

64. Rybicki, or those at his direction, would then distribute commission amounts to the Defendants (generally 6% of the invested amount) and BRSS (Rybicki) would retain the remaining funds.

65. Rybicki, and the operation in Arizona he managed, were responsible for recruiting the sales agents who dealt with the investors. Almost without exception, these agents were not registered to sell securities. Rybicki and others devised a plan to tell these persons various reasons that they did not have to be registered, for example, because they were finders or consultants. While this notion is notoriously inaccurate, on multiple

occasions Rybicki and those who worked with him were advised of this fact and chose to ignore the warnings and to continue to willfully and intentionally violate the broker-dealer registration laws.

66. One exception in these Defendants is Jason Jodway who is licensed through FINRA. However, the one investment that Jodway sold, the commission was paid to J. Wellington Financial, not his broker-dealer. He never disclosed to his broker-dealer that he was involved in selling away when he sold the EquiAlt investment.

67. Ron Stevenson and Todd Elliott are registered investment advisors in Arizona, while Bobby Armijo is a registered investment advisor in California. Such registration does not allow a person to sell securities and has no impact on the fraudulent sales made by these individuals.

68. On May 22, 2008, Mr. Davison filed a Chapter 7 petition in the United States Bankruptcy Court for the District of Nevada. He listed approximately \$563,000 in liabilities, almost \$600,000 in debt, including taxes and delinquent credit card payments. The bankruptcy was discharged on August 25, 2008.

69. Barry Rybicki filed a Chapter 7 petition in the United States Bankruptcy Court for the District of Arizona on October 15, 2008. He had a total of \$913,467 of non-priority unsecured debt. The bankruptcy was discharged on January 26, 2009.

70. Despite their bankruptcies, Davison formed EGPP, LLC in December 2009. Davison and Rybicki formed EquityAlt and EquityAlt Fund in May 2010, the precursor entities to EquiAlt and the EquiAlt Funds. Initially EquiAlt was a DBA of EGPP but was later formed as an LLC.

FACTS COMMON TO ALL CAUSES OF ACTION

71. The Insiders defrauded investors through their control of the EquiAlt Entities. No investor in the EquiAlt Entities received actual profits from the real estate development touted by the EquiAlt Funds. Many investors never received any interest payments from the EquiAlt Entities, or they received interest in an amount that was less than the amount they invested. As such, each of those investors suffered a net loss.

72. On the other hand, some investors received interest from the EquiAlt Entities and principal redemptions in an amount that exceeded the amount they invested. As such, each of those investors experienced a net gain – *i.e.*, false profits. Whether characterized as interest, growth or return of principal, all transfers to investors were funded exclusively with money stolen from other investors. As such, the Insiders operated the EquiAlt Entities as a classic Ponzi scheme. *See, e.g., Wiand v. Lee*, 753 F.3d 1194, 1201 (11th Cir. 2014) (“A Ponzi scheme uses the principal investments of newer investors, who are promised large returns, to pay older investors what

appear to be high returns, but which are in reality a return of their own principal or that of other investors.”).

73. Some of the offering materials used by the Defendants stated that commissions were not being paid on the sale of the debentures. None of the Defendants disclosed to their investor clients the amount of commissions they received.

74. Other offering materials used by the Defendants stated that the particular Fund may pay commissions of up to 10% or 12%. In fact, commissions of 10-14% were always paid on these investments and the Defendants did not disclose this fact to their investor clients. Nor did the Defendants disclose that their sales activities were illegal.

75. The Defendants received commissions for their sale of the EquiAlt Funds to the investors. Their sales activities were in furtherance of the fraudulent scheme to defraud investors. The Receiver seeks to avoid these transfers under FUFTA. In the alternative, the Receiver seeks disgorgement of the transfers pursuant to equitable claims of unjust enrichment.

A. Insiders Operated the EquiAlt Entities as a Common Enterprise

76. Although investors invested in certain of the EquiAlt Funds, there was no meaningful distinction between them. Each of the Funds was

managed by EquiAlt and controlled by the Insiders. The EquiAlt Funds were all part of the ongoing and continuous scheme to defraud.

77. The offering materials for each of the Funds were substantially similar. Further, the funds and assets of the EquiAlt Funds were commingled.

78. On September 25, 2018, Barry Rybicki sent the following email to certain EquiAlt employees and outside sales agents (including Defendants Stevenson, Neal, Mohr, Armijo, Lozano, Elliott, Wooten, Laduca, Talbot, Gray, Prickett and Marques).

We are happy to announce that our Fund 1 offering has been filled. We can no longer take investment into Fund 1 as a result of the investment threshold being met. We will however be moving forward with Fund 2 and I have attached the paperwork so please begin to use this paperwork moving forward, I have also attached the banking information just in case you want to use that to make the deposit yourself versus sending the checks in to the office. Just to clarify and answer any potential question, Fund 2 is an identical product to Fund 1 and has been in operation since 2013 so there is zero difference between the activities of both funds.

79. These investments were sold without registration with either state or federal regulatory agencies. The offerings were purportedly made pursuant to federal exemptions from registration under the provisions of the Securities Act of 1933 provided in Regulation D. However, none of the first four Receivership Funds qualified for a Regulation D exemption or any other exemption from registration. The offerings appear to be one continuous

fraudulent offering of unregistered securities. The lack of any exemption was clear to the perpetrators from the language contained in offering documents delivered to investors.

80. EquiAlt and the EquiAlt Funds shared the same offices and employees, commingled funds, and operated under one overarching name – “EquiAlt.”

B. The Insiders Operated the EquiAlt Entities as a Ponzi Scheme

81. From as early as 2011 through January 2020, the Insiders and others raised over \$168 million in 1686 distinct transactions on behalf of one or more of the EquiAlt Entities through the offer and sale of securities, in this case debentures, in the EquiAlt real estate development scheme, as part of a single, continuous Ponzi scheme (the “**scheme**”).

82. In relevant part, the Insiders and others represented to investors and potential investors that their money would be used to purchase and renovate revenue-generating real estate properties in distressed real estate markets.

83. The investments sold were three or four year debentures of the various EquiAlt Funds providing a fixed annual income of 8-12%. Later, EquiAlt offered a “growth” option, wherein no interest was paid but rather

the investment, on paper, was “growing” at the advertised rate. In fact, the investment was not growing at all.

84. Insiders and others fraudulently marketed investments in the EquiAlt Funds as “secure,” “safe,” “low risk,” and “conservative.”

85. Upon information and belief, investors transferred money to the EquiAlt Entities based on these representations.

86. Investors were never told that their interest payments were dependent upon funds raised from future investors.

87. EquiAlt did not disclose the personal bankruptcies of the Insiders.

88. Further, although the offering materials stated that commissions may be paid, in fact, commissions were always paid in the range of 10-14%.

89. The offering materials indicated that 90% of the investors’ funds would be invested in real estate when in fact that was factually impossible given the amount of commissions being paid on the investments. Over time, less than half of the money actually raised was invested in real estate.

90. The offering materials presented no financial information and did not accurately or fully describe the methods and fees that were used to bleed money from the Receivership Funds for the use by Rybicki and Davison. As an example, there was no disclosure of any loans or monies owed by the Funds to either Davison or Rybicki, yet:

- a. Fund I paid \$3,435,000 to Mr. Rybicki allegedly for “Principle [sic] Reduction.” He also received a \$250,000 bonus from Fund II.
- b. Mr. Davison received \$4,660,250 from Fund I for “Principle [sic] Return” or “Principle [sic] Reduction.” He received more than \$3,060,000 from Fund II for similar purposes.
- c. McDonald Revocable Living Trust of which Brian Davison was the trustee received \$2,100,000 from Fund I and \$1,800,000 from Fund II also for “Principle [sic] Return” or distributions.

91. Never during the life of these EquiAlt Funds were revenues from the rental of real properties or other sources (other than investor funds) sufficient to meet the overwhelming debt service obligations that were being created by the debentures that were being sold. This was not disclosed to the investors at the time they invested nor at any time through the operation of the EquiAlt Funds.

92. The representations made by EquiAlt, were patently false, and in fact (a) tens of millions of dollars raised were used for Ponzi payments and unauthorized personal and business expenses; (b) investor returns were completely fraudulent and funded by Ponzi payments of new investor money repaying older investors; (c) the EquiAlt Funds were never profitable and consistently operated in the red; (d) returns were not from rental income, but were, again, Ponzi payments of new investor money repaying older investors.

93. In truth, the EquiAlt Entities derived their assets from investors' principal investments, which were commingled on numerous occasions. Investors were never advised that the EquiAlt Funds were in fact insolvent.

94. Specifically, the Receiver's forensic accountants have conducted an analysis of the income generated from operations (i.e. rental income, etc.) compared to commissions and interest paid on the Fund's investments. From the outset of operations, the EquiAlt entities never generated enough operational revenue to cover the expenses of the EquiAlt scheme.

95. The overwhelming source of inflows to the accounts for the EquiAlt Funds appears to have been money, directly or indirectly, from defrauded investors.

96. The Insiders transferred millions of dollars from EquiAlt and the EquiAlt Funds to the Insiders or to others on behalf of the Insiders.

97. The Insiders transferred more than \$18 million dollars from the EquiAlt Entities through BRSS to the Defendants to pay undisclosed illegal commissions directly from the investors' investments.

98. These commissions were paid despite the lack of any profits generated from the EquiAlt scheme. In other words, the Insiders used investor money to make commission payments to the Defendants because the operational revenues of the EquiAlt properties were not sufficient to

make these payments or satisfy the funds' obligations to pay interest and/or principal to the investors.

99. The EquiAlt Entities' financial performance as represented to investors and potential investors from the inception of the scheme were false and were based on fabricated numbers created by the Insiders. The true financial results of the EquiAlt business was never reported to investors or potential investors.

100. From 2012 to 2019, the Insiders caused the EquiAlt Funds to pay \$20,824,767 in fees ("**Fees**") to EquiAlt. These fees were couched in various ways – management, commission, discount, due diligence, advertising/marketing, and placement fees. The Fees went to EquiAlt LLC, which was nothing but an ATM for Mr. Davison. From EquiAlt, Mr. Davison received \$1,702,000 in salary and \$2,617,388 in non-salary. Additionally, EquiAlt paid more than \$15 million on Mr. Davison's behalf, for cars, watches, property improvements and credit card payments to name a few.

101. These Fees were based on arbitrary valuations and percentages and were not reflective of services provided rather it allowed for the Insiders to improperly and wrongfully divert money from the EquiAlt Entities.

102. The Insiders were responsible for the EquiAlt Funds paying BRSS over \$24 million. Although BRSS paid commissions to Defendants and

other sales agents from this money, Mr. Rybicki still received \$2,031,944 directly from BRSS and BRSS paid \$6,749,644 on behalf of Mr. Rybicki.

103. Aside from paying Fees, the Insiders caused the EquiAlt Entities to make transfers to investors that the operations and performance of the EquiAlt Entities never supported. Through those transfers, the Insiders improperly and wrongfully diverted money from the EquiAlt Entities.

104. Similarly, following requests from investors for redemptions of their principal investments, the Insiders intentionally and wrongfully caused the EquiAlt Entities to pay relevant investors sums of money that were equivalent to all or part of the principal invested by those investors. The payment of these funds to investors and the payment of commissions to the Defendants were an integral part of the fraudulent scheme perpetrated by the Insiders.

105. For investors who did not request distributions, interest amounts were “credited” to the investors’ purported accounts with the EquiAlt Entities. These fictitious profits were likewise unsupported by the EquiAlt Entities’ investment performance and only served to further increase the EquiAlt Entities’ insolvency.

106. These (and all other) transfers that the Insiders caused the EquiAlt Entities to make to investors were paid from the fruits of the scheme. Specifically, they were largely paid from: (1) principal investment money

from new investors; (2) existing investors' principal investment money; and (3) additional principal investment money from existing investors.

107. These distributions were not distributions of earned revenues or of the investors' principal investments. Indeed, the ventures were not profitable. Distributions, withdrawals and redemptions were dependent on newly invested funds.

108. Because the "account statements" and investor website did not reflect the true nature of the Insiders' and the EquiAlt Entities' activities, by intentionally and wrongfully causing the EquiAlt Entities to pay those amounts to investors, the Insiders improperly diverted assets of the EquiAlt Entities to perpetuate the scheme.

109. The investors relied upon the fictitious interest and growth purportedly achieved by the Insiders and the purported payment of principal redemptions upon request to make additional investments with the Insiders and the EquiAlt Entities.

110. Defendant Sales Agents requested investors to refer friends, family, and business colleagues to invest in the fraudulent scheme.

111. The principal investment money from new investors, the existing investors' principal investment money, and the existing investors' additional principal investment money should have been used for the stated purpose of

the EquiAlt Entities' business, which was to purportedly conduct and manage the business of legitimate real estate investment funds.

112. The EquiAlt Entities were harmed by this unauthorized course of conduct, which was effectuated by the Insiders through the EquiAlt Entities in furtherance of the scheme. This conduct dissipated assets of the EquiAlt Entities.

113. The negative cash flow of the EquiAlt Entities made the eventual collapse of the scheme inevitable.

C. Transfers To The Defendants

114. The Defendants were sales agents whose sales activities help perpetrate the EquiAlt scheme by selling the unregistered securities to unwitting and often elderly investors. The Defendants received commissions, usually 6% of the invested amount, for their part in this fraudulent scheme.

115. Specifically, as detailed in Exhibit 1 attached hereto and incorporated herein, based on the records reviewed by the Receiver as of the filing of this complaint, between 2013 and 2020, the Insiders caused one or more of the EquiAlt Entities to pay, through BRSS, undisclosed commissions to each Defendant. These transfers are itemized in Exhibit 1, which details the date and amount of each such transfer and the bank account from which the transfer was paid.

116. Each Defendant's commissions or otherwise avoidable transfers (whatever the final amount is determined to be following discovery) is the amounts the Receiver seeks to recover in this suit.

117. To allow the Defendants to keep these fraudulent transfers would be inequitable and unjust, including to the investors in the EquiAlt Entities as a whole.

118. All money the Insiders wrongfully caused the EquiAlt Entities to transfer or pay to the Defendants was diverted and misappropriated by the Insiders in furtherance of the scheme. Thus, all the monies transferred or paid to the Defendants were improperly diverted assets of one or more of the EquiAlt Entities. These payments to Defendants were a necessary and important part of the Insiders' scheme and allowed them to create the façade that EquiAlt was a bona fide investment business.

COUNT I

Florida Statutes § 726: Uniform Fraudulent Transfer Act

119. The Receiver re-alleges each and every allegation contained in Paragraphs 1 through 117.

120. Because the Insiders intentionally and wrongfully caused the transfer to the Defendants of investors' commingled principal investment money in an amount equivalent to each Defendant's commissions from one or more of the EquiAlt Entities as identified in Exhibit 1 under the

circumstances alleged in this complaint, the EquiAlt Entities, through the Receiver, have a right to repayment of at least that amount from each Defendant.

121. In light of this right to repayment (and independently because the Insiders' conduct alleged in this complaint with respect to the EquiAlt Entities amounted to embezzlement, breach of fiduciary duty, breach of contract, fraud, and/or other violations of law), the EquiAlt Entities have a claim against the Insiders and consequently are creditors of the Insiders under FUFTA. Accordingly, the Insiders are debtors under that act.

122. The transfers of commissions that the Insiders caused the EquiAlt Entities to make to each Defendant were inherently fraudulent because the transfers were made as part of the scheme.

123. Those transfers were fraudulent under Florida Statutes § 726.105(1)(a) because the Insiders caused EquiAlt Entities to make the transfers with actual intent to hinder, delay, or defraud creditors of the Insiders and/or the EquiAlt Entities.

124. Those transfers also were fraudulent under Florida Statutes § 726.105(1)(b) because: (a) the Insiders caused EquiAlt Entities to make those transfers; and (b)(i) the Insiders and the EquiAlt Entities were engaged or were about to engage in a business or transaction for which their remaining assets were unreasonably small in relation to the business or

transaction; or (ii) the Insiders intended that they and/or the EquiAlt Entities incur, or believed or reasonably should have believed they would incur, debts beyond their ability to pay as they became due.

125. Those transfers also were fraudulent under Florida Statutes § 726.106(1) because neither the Insiders nor the EquiAlt Entities received a reasonably equivalent value in exchange for those transfers to each Defendant, and the Insiders and the EquiAlt Entities were insolvent at all relevant times.

126. On behalf of the EquiAlt Entities from which money was transferred to each Defendant as identified in Exhibit 1, the Receiver is entitled to avoid and recover transfers equal to the amount of commission that the Insiders caused those EquiAlt Entities to make to each Defendant (and to any other pertinent remedy, including those available under Florida Statutes § 726.108).

127. On behalf of the other EquiAlt Entities, the Receiver is entitled to avoid and recover those transfers because (i) money was commingled among the EquiAlt Entities and (ii) the Insiders used the EquiAlt Entities as a single, continuous scheme.

WHEREFORE, the Receiver asks this Court to enter judgment against each Defendant avoiding transfers from the EquiAlt Entities in the amount of each Defendant's commissions, together with interest and costs, and for such

other and further relief as the Court may deem just and proper.

COUNT II

Unjust Enrichment

128. The Receiver re-alleges each and every allegation contained in Paragraphs 1 through 117.

129. This unjust enrichment claim is asserted in the alternative, in the event the statutory remedy asserted in Count I does not provide an adequate remedy at law.

130. Each Defendant received a benefit when during the course of the scheme, the Insiders wrongfully caused EquiAlt Entities to transfer money to each Defendant in an amount equal to each Defendant's commissions.

131. Each Defendant knowingly and voluntarily accepted and retained a benefit in the form of those commissions to which they were not entitled.

132. The circumstances alleged in this complaint render each Defendant's retention of that benefit inequitable and unjust, including to the investors of the EquiAlt Entities as a whole, so each Defendant must pay the Receiver, acting on behalf of the EquiAlt Entities, the value of the benefit received.

133. Each Defendant has been unjustly enriched at the expense of the EquiAlt Entities (and, ultimately, their investors) in the amount of each

Defendant's commissions, and the EquiAlt Entities, through the Receiver, are entitled to judgments in the amount of those commissions.

134. The Receiver, on behalf of the EquiAlt Entities, is entitled to the return of that money through disgorgement or any other applicable remedy.

WHEREFORE, the Receiver asks this Court to enter judgment against each Defendant in the amount of each Defendant's commissions, together with interest and costs, and for such other and further relief as the Court may deem just and proper.

Dated: February 13, 2021

Respectfully submitted,

s/ **Katherine C. Donlon**

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EXHIBIT 1

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to Family Tree Estate Planning / Jason Wooten									
(Sorted Chronologically)									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	10/28/16	Check	1629	Family Tree Estate Planning	\$ (8,490.80)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/28/16	Check	1683	Family Tree Estate Planning	(8,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/29/16	Check	1688	Family Tree Estate Planning	(4,000.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	12/14/16	Check	1735	Family Tree Estate Planning	(4,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/16/16	Check	1738	Family Tree Estate Planning	(37,712.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	12/29/16	Check	1790	Family Tree Estate Planning	(11,816.00)		
						2016 Subtotal	\$ (74,018.80)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/03/17	Check	1803	Family Tree Estate Planning	\$ (4,000.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	01/09/17	Check	1815	Family Tree Estate Planning	(20,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/26/17	Check	1918	Family Tree Estate Planning	(8,048.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	02/17/17	Check	1863	Family Tree Estate Planning	(4,080.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/27/17	Check	1874	Family Tree Estate Planning	(10,800.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/03/17	Check	1896	Family Tree Estate Planning	(8,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/10/17	Check	1908	Family Tree Estate Planning	(1,200.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/20/17	Check	1928	Family Tree Estate Planning	(40,800.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/23/17	Check	1936	Family Tree Estate Planning	(2,000.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	03/27/17	Check	1939	Family Tree Estate Planning	(5,280.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/29/17	Check	1942	Family Tree Estate Planning	(8,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/03/17	Check	1954	Family Tree Estate Planning	(4,800.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/07/17	Check	1969	Family Tree Estate Planning	(4,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/11/17	Check	1970	Family Tree Estate Planning	(3,600.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/14/17	Check	1975	Family Tree Estate Planning	(2,251.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/19/17	Check	1983	Family Tree Estate Planning	(6,000.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	05/08/17	Check	2033	Family Tree Estate Planning	(2,880.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/18/17	Check	2047	Family Tree Estate Planning	(12,000.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	05/19/17	Check	2054	Family Tree Estate Planning	(2,400.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/26/17	Check	2067	Family Tree Estate Planning	(3,760.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	06/09/17	Check	2091	Family Tree Estate Planning	(4,465.65)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/09/17	Check	2092	Family Tree Estate Planning	(5,844.64)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/12/17	Check	2101	Family Tree Estate Planning	(2,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/16/17	Check	2103	Family Tree Estate Planning	(7,200.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/27/17	Check	2123	Family Tree Estate Planning	(4,480.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	07/12/17	Check	2132	Family Tree Estate Planning	(12,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/14/17	Check	2137	Family Tree Estate Planning	(36,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/26/17	Check	2177	Family Tree Estate Planning	(2,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/28/17	Check	2183	Family Tree Estate Planning	(11,273.31)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	08/03/17	Check	2191	Family Tree Estate Planning	(4,120.40)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/16/17	Check	2214	Family Tree Estate Planning	(4,051.60)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/30/17	Check	2225	Family Tree Estate Planning	(18,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/05/17	Check	2232	Family Tree Estate Planning	(4,478.24)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/11/17	Check	2240	Family Tree Estate Planning	(20,092.97)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	09/15/17	Check	2250	Family Tree Estate Planning	(3,600.00)		

Securities & Exchange Commission v. Equiatt, LLC, et al.									
Schedule of Payments to Family Tree Estate Planning / Jason Wooten									
(Sorted Chronologically)									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	09/20/17	Check	2258	Family Tree Estate Planning	(26,431.73)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	09/25/17	Check	2274	Family Tree Estate Planning	(2,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/27/17	Check	2277	Family Tree Estate Planning	(3,760.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/03/17	Check	2287	Family Tree Estate Planning	(4,714.43)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/11/17	Check	2297	Family Tree Estate Planning	(7,440.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	10/18/17	Check	2305	Family Tree Estate Planning	(8,240.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/23/17	Check	2314	Family Tree Estate Planning	(36,524.22)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	10/26/17	Check	2316	Family Tree Estate Planning	(7,643.92)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/30/17	Check	2326	Family Tree Estate Planning	(24,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/02/17	Check	2337	Family Tree Estate Planning	(1,978.40)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	11/06/17	Check	2344	Family Tree Estate Planning	(12,480.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/16/17	Check	2358	Family Tree Estate Planning	(64,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/17/17	Check	2360	Family Tree Estate Planning	(13,999.76)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	11/29/17	Check	2369	Family Tree Estate Planning	(2,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/04/17	Check	2375	Family Tree Estate Planning	(8,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/13/17	Check	2384	Family Tree Estate Planning	(2,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/20/17	Check	2392	Family Tree Estate Planning	(29,934.82)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/28/17	Check	2396	Family Tree Estate Planning	(29,736.00)		
						2017 Subtotal	\$ (578,889.09)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/02/18	Check	2400	Family Tree Estate Planning	\$ (31,632.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	01/18/18	Check	2412	Family Tree Estate Planning	(1,122.59)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/18/18	Check	2417	Family Tree Estate Planning	(16,000.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	02/01/18	Check	2430	Family Tree Estate Planning	(6,215.28)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/06/18	Check	2434	Family Tree Estate Planning	(12,944.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/07/18	Check	2439	Family Tree Estate Planning	(5,913.38)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/22/18	Check	2458	Family Tree Estate Planning	(19,186.16)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/01/18	Check	2467	Family Tree Estate Planning	(7,532.24)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/01/18	Check	2469	Family Tree Estate Planning	(2,400.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/13/18	Check	2482	Family Tree Estate Planning	(3,286.86)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	03/14/18	Check	2485	Family Tree Estate Planning	(13,506.16)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/19/18	Check	2490	Family Tree Estate Planning	(19,355.69)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/19/18	Check	2493	Family Tree Estate Planning	(4,838.92)	Bonus	
JPMorgan Chase	BR Support Services, LLC	x9906	03/28/18	Check	2498	Family Tree Estate Planning	(3,544.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	03/30/18	Check	2503	Family Tree Estate Planning	(10,132.64)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/02/18	Check	2506	Family Tree Estate Planning	(16,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/03/18	Check	2507	Family Tree Estate Planning	(17,200.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/05/18	Check	2512	Family Tree Estate Planning	(19,200.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/06/18	Check	2514	Family Tree Estate Planning	(5,920.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/09/18	Check	2515	Family Tree Estate Planning	(4,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/11/18	Check	2516	Family Tree Estate Planning	(24,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/16/18	Check	2517	Family Tree Estate Planning	(5,174.32)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/18/18	Check	2518	Family Tree Estate Planning	(11,245.76)		

Securities & Exchange Commission v. Equiatt, LLC, et al.									
Schedule of Payments to Family Tree Estate Planning / Jason Wooten									
(Sorted Chronologically)									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	04/18/18	Check	2519	Family Tree Estate Planning	(8,000.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	04/26/18	Check	2533	Family Tree Estate Planning	(19,440.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/30/18	Check	2535	Family Tree Estate Planning	(11,466.56)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/04/18	Check	2540	Family Tree Estate Planning	(4,024.08)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/10/18	Check	2546	Family Tree Estate Planning	(5,800.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/11/18	Check	2550	Family Tree Estate Planning	(4,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/15/18	Check	2558	Family Tree Estate Planning	(6,953.81)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	05/16/18	Check	2559	Family Tree Estate Planning	(6,216.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/17/18	Check	2567	Family Tree Estate Planning	(49,600.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/18/18	Check	2568	Family Tree Estate Planning	(16,789.60)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/21/18	Check	2570	Family Tree Estate Planning	(10,909.36)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/24/18	Check	2576	Family Tree Estate Planning	(8,000.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	05/31/18	Check	2591	Family Tree Estate Planning	(13,440.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/01/18	Check	2595	Family Tree Estate Planning	(17,600.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/04/18	Check	2597	Family Tree Estate Planning	(4,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/05/18	Check	2600	Family Tree Estate Planning	(7,600.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/06/18	Check	2605	Family Tree Estate Planning	(27,556.64)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/08/18	Check	2607	Family Tree Estate Planning	(11,200.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/14/18	Check	2616	Family Tree Estate Planning	(4,140.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	06/20/18	Check	2621	Family Tree Estate Planning	(30,305.20)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/21/18	Check	2625	Family Tree Estate Planning	(2,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/22/18	Check	2629	Family Tree Estate Planning	(2,000.24)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	06/26/18	Check	2631	Family Tree Estate Planning	(12,372.40)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/27/18	Check	2635	Family Tree Estate Planning	(7,341.84)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/28/18	Check	2638	Family Tree Estate Planning	(28,732.24)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/29/18	Check	2641	Family Tree Estate Planning	(44,271.92)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	07/09/18	Check	2647	Family Tree Estate Planning	(61,295.50)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/12/18	Check	2663	Family Tree Estate Planning	(6,231.49)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/13/18	Check	2667	Family Tree Estate Planning	(3,562.38)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/20/18	Check	2676	Family Tree Estate Planning	(21,428.48)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	07/31/18	Check	2686	Family Tree Estate Planning	(6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/02/18	Check	2690	Family Tree Estate Planning	(67,858.48)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/02/18	Check	2693	Family Tree Estate Planning	(4,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/09/18	Check	2702	Family Tree Estate Planning	(7,538.91)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/10/18	Check	2705	Family Tree Estate Planning	(10,704.46)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/21/18	Check	2714	Family Tree Estate Planning	(122.76)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/28/18	Check	2719	Family Tree Estate Planning	(35,721.60)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	09/04/18	Check	2732	Family Tree Estate Planning	(11,694.96)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/06/18	Check	2738	Family Tree Estate Planning	(7,264.32)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	09/07/18	Check	2743	Family Tree Estate Planning	(5,150.40)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/10/18	Check	2747	Family Tree Estate Planning	(2,393.60)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/12/18	Check	2754	Family Tree Estate Planning	(10,179.92)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/18/18	Check	2764	Family Tree Estate Planning	(2,700.00)		

Securities & Exchange Commission v. Equiatt, LLC, et al.							
Schedule of Payments to Family Tree Estate Planning / Jason Wooten							
(Sorted Chronologically)							
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Memo / Transaction Info
JPMorgan Chase	BR Support Services, LLC	x9906	09/19/18	Check	2765	Family Tree Estate Planning	(5,810.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/28/18	Check	2778	Family Tree Estate Planning	(28,813.44)
JPMorgan Chase	BR Support Services, LLC	x9906	10/02/18	Check	2786	Family Tree Estate Planning	(2,224.80)
JPMorgan Chase	BR Support Services, LLC	x9906	10/04/18	Check	2791	Family Tree Estate Planning	(3,564.72) REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	10/05/18	Check	2795	Family Tree Estate Planning	(30,299.44)
JPMorgan Chase	BR Support Services, LLC	x9906	10/11/18	Check	2805	Family Tree Estate Planning	(15,244.59)
JPMorgan Chase	BR Support Services, LLC	x9906	10/12/18	Check	2809	Family Tree Estate Planning	(3,600.00) REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	10/18/18	Check	2819	Family Tree Estate Planning	(3,957.68)
JPMorgan Chase	BR Support Services, LLC	x9906	10/19/18	Check	2828	Family Tree Estate Planning	(6,400.00)
JPMorgan Chase	BR Support Services, LLC	x9906	10/24/18	Check	2833	Family Tree Estate Planning	(10,400.00) REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	10/26/18	Check	2845	Family Tree Estate Planning	(21,600.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/02/18	Check	2859	Family Tree Estate Planning	(2,774.56)
JPMorgan Chase	BR Support Services, LLC	x9906	11/06/18	Check	2865	Family Tree Estate Planning	(2,190.32)
JPMorgan Chase	BR Support Services, LLC	x9906	11/19/18	Check	2881	Family Tree Estate Planning	(6,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/27/18	Check	2889	Family Tree Estate Planning	(16,580.56) REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	12/03/18	Check	2899	Family Tree Estate Planning	(15,140.28)
JPMorgan Chase	BR Support Services, LLC	x9906	12/04/18	Check	2906	Family Tree Estate Planning	(15,600.00) Illegible
JPMorgan Chase	BR Support Services, LLC	x9906	12/04/18	Check	2908	Family Tree Estate Planning	(4,059.72) REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	12/07/18	Check	2914	Family Tree Estate Planning	(76,721.92)
JPMorgan Chase	BR Support Services, LLC	x9906	12/10/18	Check	2919	Family Tree Estate Planning	(6,636.32)
JPMorgan Chase	BR Support Services, LLC	x9906	12/11/18	Check	2923	Family Tree Estate Planning	(32,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	12/13/18	Check	2928	Family Tree Estate Planning	(18,155.04)
JPMorgan Chase	BR Support Services, LLC	x9906	12/14/18	Check	2939	Family Tree Estate Planning	(23,635.12)
JPMorgan Chase	BR Support Services, LLC	x9906	12/27/18	Check	2958	Family Tree Estate Planning	(28,024.40) REDACTED
						2018 Subtotal	\$ (1,267,390.06)
JPMorgan Chase	BR Support Services, LLC	x9906	01/02/19	Check	2966	Family Tree Estate Planning	(5,012.48) REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	01/07/19	Check	2972	Family Tree Estate Planning	(6,640.00)
JPMorgan Chase	BR Support Services, LLC	x9906	01/07/19	Check	2976	Family Tree Estate Planning	(68,962.00)
JPMorgan Chase	BR Support Services, LLC	x9906	01/08/19	Check	2980	Family Tree Estate Planning	(6,953.12) REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	01/09/19	Check	2984	Family Tree Estate Planning	(30,108.16)
JPMorgan Chase	BR Support Services, LLC	x9906	01/11/19	Check	2997	Family Tree Estate Planning	(21,321.84)
JPMorgan Chase	BR Support Services, LLC	x9906	01/16/19	Check	3003	Family Tree Estate Planning	(16,079.28)
JPMorgan Chase	BR Support Services, LLC	x9906	01/22/19	Check	3007	Family Tree Estate Planning	(20,721.20)
JPMorgan Chase	BR Support Services, LLC	x9906	01/22/19	Check	3012	Family Tree Estate Planning	(7,203.36) Bonus
JPMorgan Chase	BR Support Services, LLC	x9906	01/28/19	Check	3025	Family Tree Estate Planning	(2,400.00) REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	02/01/19	Check	3036	Family Tree Estate Planning	(33,946.24) Illegible
JPMorgan Chase	BR Support Services, LLC	x9906	02/06/19	Check	3048	Family Tree Estate Planning	(12,369.04) REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	02/15/19	Check	3072	Family Tree Estate Planning	(7,522.88)
JPMorgan Chase	BR Support Services, LLC	x9906	02/20/19	Check	3081	Family Tree Estate Planning	(908.00)
JPMorgan Chase	BR Support Services, LLC	x9906	02/27/19	Check	3095	Family Tree Estate Planning	(2,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	03/01/19	Check	3100	Family Tree Estate Planning	(15,273.20) Illegible
JPMorgan Chase	BR Support Services, LLC	x9906	03/07/19	Check	3111	Family Tree Estate Planning	(2,009.00) REDACTED

Securities & Exchange Commission v. Equiatt, LLC, et al.									
Schedule of Payments to Family Tree Estate Planning / Jason Wooten									
(Sorted Chronologically)									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	03/07/19	Check	3116	Family Tree Estate Planning	(6,000.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	03/18/19	Check	3143	Family Tree Estate Planning	(6,804.72)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/21/19	Check	3151	Family Tree Estate Planning	(3,214.08)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/25/19	Check	3159	Family Tree Estate Planning	(18,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/28/19	Check	3171	Family Tree Estate Planning	(22,085.04)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/01/19	Check	3174	Family Tree Estate Planning	(23,230.72)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/08/19	Check	3188	Family Tree Estate Planning	(1,802.64)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	04/15/19	Check	3198	Family Tree Estate Planning	(5,100.24)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/17/19	Check	3204	Family Tree Estate Planning	(15,362.48)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/19/19	Check	3213	Family Tree Estate Planning	(17,136.64)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/19/19	Check	3214	Family Tree Estate Planning	(27,674.40)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/29/19	Check	3227	Family Tree Estate Planning	(2,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/06/19	Check	3239	Family Tree Estate Planning	(2,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/06/19	Check	3241	Family Tree Estate Planning	(2,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/08/19	Check	3245	Family Tree Estate Planning	(18,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/10/19	Check	3249	Family Tree Estate Planning	(13,007.52)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/14/19	Check	3254	Family Tree Estate Planning	(10,149.76)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/17/19	Check	3264	Family Tree Estate Planning	(46,601.28)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/22/19	Check	3273	Family Tree Estate Planning	(7,759.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/22/19	Check	3275	Family Tree Estate Planning	(7,610.48)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/24/19	Check	3283	Family Tree Estate Planning	(12,561.44)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/24/19	Check	3284	Family Tree Estate Planning	(3,139.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/24/19	Check	3297	Family Tree Estate Planning	(23,356.90)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/29/19	Check	3309	Family Tree Estate Planning	(9,575.80)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/31/19	Check	3310	Family Tree Estate Planning	(30,830.30)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/06/19	Check	3319	Family Tree Estate Planning	(13,390.96)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/06/19	Check	3320	Family Tree Estate Planning	(3,347.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/06/19	Check	3324	Family Tree Estate Planning	(1,902.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/07/19	Check	3330	Family Tree Estate Planning	(45,257.92)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/07/19	Check	3331	Family Tree Estate Planning	(11,314.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/12/19	Check	3343	Family Tree Estate Planning	(5,227.28)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/14/19	Check	3365	Family Tree Estate Planning	(14,996.60)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/28/19	Check	3379	Family Tree Estate Planning	(33,262.25)	See Breakdown	
JPMorgan Chase	BR Support Services, LLC	x9906	06/28/19	Check	3392	Family Tree Estate Planning	(12,225.08)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	07/02/19	Check	3397	Family Tree Estate Planning	(18,127.92)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/02/19	Check	3398	Family Tree Estate Planning	(4,531.98)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/11/19	Check	3402	Family Tree Estate Planning	(15,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/16/19	Check	3413	Family Tree Estate Planning	(20,887.40)	Illegible	
JPMorgan Chase	BR Support Services, LLC	x9906	07/19/19	Check	3416	Family Tree Estate Planning	(38,074.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	07/23/19	Check	3420	Family Tree Estate Planning	(30,044.90)	Illegible	
JPMorgan Chase	BR Support Services, LLC	x9906	08/05/19	Check	3445	Family Tree Estate Planning	(16,589.00)	Illegible	
JPMorgan Chase	BR Support Services, LLC	x9906	08/13/19	Check	3476	Family Tree Estate Planning	(117,045.00)	See email	
JPMorgan Chase	BR Support Services, LLC	x9906	08/15/19	Check	3478	Family Tree Estate Planning	(4,373.90)	REDACTED	

Securities & Exchange Commission v. Equiatt, LLC, et al.									
Schedule of Payments to Family Tree Estate Planning / Jason Wooten									
(Sorted Chronologically)									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	08/15/19	Check	3479	Family Tree Estate Planning	(2,500.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	08/16/19	Check	3482	Family Tree Estate Planning	(10,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/20/19	Check	3494	Family Tree Estate Planning	(18,549.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/27/19	Check	3509	Family Tree Estate Planning	(15,856.30)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/30/19	Check	3513	Family Tree Estate Planning	(19,947.20)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/04/19	Check	3528	Family Tree Estate Planning	(53,589.70)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/09/19	Check	3539	Family Tree Estate Planning	(36,342.16)	Illegible	
JPMorgan Chase	BR Support Services, LLC	x9906	09/20/19	Check	3563	Family Tree Estate Planning	(24,000.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	09/25/19	Check	3573	Family Tree Estate Planning	(15,663.04)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/27/19	Check	3583	Family Tree Estate Planning	(7,122.48)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/02/19	Check	3589	Family Tree Estate Planning	(4,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/07/19	Check	3597	Family Tree Estate Planning	(8,000.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	10/11/19	Check	3607	Family Tree Estate Planning	(74,400.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/28/19	Check	3636	Family Tree Estate Planning	(21,546.00)	Illegible	
JPMorgan Chase	BR Support Services, LLC	x9906	10/30/19	Check	3644	Family Tree Estate Planning	(28,158.30)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	10/30/19	Check	3645	Family Tree Estate Planning	(7,904.66)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/06/19	Check	3651	Family Tree Estate Planning	(9,227.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/08/19	Check	3661	Family Tree Estate Planning	(28,826.70)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/21/19	Check	3678	Family Tree Estate Planning	(17,775.30)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/26/19	Check	3687	Family Tree Estate Planning	(8,012.80)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/03/19	Check	3692	Family Tree Estate Planning	(19,015.20)	Illegible	
JPMorgan Chase	BR Support Services, LLC	x9906	12/03/19	Check	3693	Family Tree Estate Planning	(4,500.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	12/06/19	Check	3708	Family Tree Estate Planning	(18,831.35)	Illegible	
JPMorgan Chase	BR Support Services, LLC	x9906	12/13/19	Check	3718	Family Tree Estate Planning	(180,839.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/17/19	Check	3725	Family Tree Estate Planning	(37,018.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	12/17/19	Check	3726	Family Tree Estate Planning	(18,405.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/23/19	Check	3736	Family Tree Estate Planning	(42,008.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/23/19	Check	3739	Family Tree Estate Planning	(15,000.00)		
						2019 Subtotal	\$ (1,747,066.62)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/08/20	Check	3745	Family Tree Estate Planning	\$ (40,763.36)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	01/10/20	Check	3754	Family Tree Estate Planning	(3,408.08)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/29/20	Check	3779	Family Tree Estate Planning	(26,054.80)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/04/20	Check	3793	Family Tree Estate Planning	(6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/06/20	Check	3798	Family Tree Estate Planning	(22,982.40)		
						2020 Subtotal	\$ (99,208.64)		
						TOTAL	\$ (3,766,573.21)		
Source(s):									
Bank statements and cancelled checks for JPMorgan Chase bank account ending x9906, held in the name of BR Support Services, LLC (February 9, 2015 through February 28, 2020). QuickBooks file maintained for BR Support Services, LLC.									

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to Deandre P. Sears / MASears, LLC d/b/a Picasso Group									
(Sorted Chronologically)									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
Wells Fargo	Equialt Fund LLC	x1045	03/20/13	Check	2258	Andre Sears	\$ (10,725.00)	Commission/ Finder Fee	
Wells Fargo	Equialt Fund LLC	x1045	05/03/13	Check	2963	Andre Sears	(11,770.00)	Commission	
						2013 Subtotal	\$ (22,495.00)		
Wells Fargo	Equialt Fund II LLC	x1717	10/23/14	Check	Check	MASears, LLC d/b/a Picasso Group	\$ (2,400.00)	REDACTED	
						2014 Subtotal	\$ (2,400.00)		
Wells Fargo	Equialt Fund II LLC	x1717	05/15/15	EFT	N/A	MASears, LLC d/b/a Picasso Group	\$ (1,620.00)	REDACTED	
Wells Fargo	Equialt Fund II LLC	x1045	05/29/15	EFT	N/A	MASears, LLC d/b/a Picasso Group	(6,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	06/11/15	EFT	N/A	MASears, LLC d/b/a Picasso Group	(12,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	06/15/15	EFT	N/A	MASears, LLC d/b/a Picasso Group	(13,754.26)		
Wells Fargo	Equialt Fund II LLC	x1717	06/15/15	EFT	N/A	MASears, LLC d/b/a Picasso Group	(12,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	06/15/15	EFT	N/A	MASears, LLC d/b/a Picasso Group	(3,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	07/06/15	EFT	N/A	MASears, LLC d/b/a Picasso Group	(12,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	07/06/15	EFT	N/A	MASears, LLC d/b/a Picasso Group	(12,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	08/03/15	EFT	N/A	MASears, LLC d/b/a Picasso Group	(8,640.00)		
Wells Fargo	Equialt Fund II LLC	x1717	08/14/15	EFT	N/A	MASears, LLC d/b/a Picasso Group	(10,266.42)		
Wells Fargo	Equialt Fund II LLC	x1717	09/02/15	EFT	N/A	MASears, LLC d/b/a Picasso Group	(3,060.00)		
Wells Fargo	Equialt Fund II LLC	x1717	09/02/15	EFT	N/A	MASears, LLC d/b/a Picasso Group	(3,060.00)		
Wells Fargo	Equialt Fund II LLC	x1717	09/16/15	EFT	N/A	MASears, LLC d/b/a Picasso Group	(12,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	09/23/15	EFT	N/A	MASears, LLC d/b/a Picasso Group	(6,000.00)		
Wells Fargo	Equialt Fund LLC	x1045	10/13/15	EFT	N/A	MASears, LLC d/b/a Picasso Group	(600.00)		
Wells Fargo	Equialt Fund LLC	x1045	10/20/15	EFT	N/A	MASears, LLC d/b/a Picasso Group	(10,200.00)		
Wells Fargo	Equialt Fund LLC	x1045	10/20/15	EFT	N/A	MASears, LLC d/b/a Picasso Group	(3,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	10/29/15	EFT	N/A	MASears, LLC d/b/a Picasso Group	(24,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	10/29/15	EFT	N/A	MASears, LLC d/b/a Picasso Group	(6,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	11/18/15	EFT	N/A	MASears, LLC d/b/a Picasso Group	(12,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	11/24/15	EFT	N/A	MASears, LLC d/b/a Picasso Group	(10,080.00)		
Wells Fargo	Equialt Fund LLC	x1045	12/02/15	EFT	N/A	MASears, LLC d/b/a Picasso Group	(10,800.00)		
Wells Fargo	Equialt Fund II LLC	x1717	12/04/15	EFT	N/A	MASears, LLC d/b/a Picasso Group	(57,720.00)		
Wells Fargo	Equialt Fund II LLC	x1717	12/09/15	EFT	N/A	MASears, LLC d/b/a Picasso Group	(57,720.00)		
Wells Fargo	Equialt Fund II LLC	x1717	12/29/15	EFT	N/A	MASears, LLC d/b/a Picasso Group	(15,600.00)		
Wells Fargo	Equialt Fund II LLC	x1717	12/29/15	EFT	N/A	MASears, LLC d/b/a Picasso Group	(7,200.00)		
						2015 Subtotal	\$ (330,320.68)		
Wells Fargo	Equialt Fund II LLC	x1717	01/25/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	\$ (12,000.00)	REDACTED	
Wells Fargo	Equialt Fund II LLC	x1717	02/01/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(12,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	02/01/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(7,418.28)		
Wells Fargo	Equialt Fund II LLC	x1717	02/02/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(44,760.00)		
Wells Fargo	Equialt Fund II LLC	x1717	02/02/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(26,520.00)		
Wells Fargo	Equialt Fund II LLC	x1717	02/09/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(12,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	02/12/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(18,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	02/12/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(12,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	02/12/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(10,200.00)		
Wells Fargo	Equialt Fund II LLC	x1717	02/19/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(18,600.00)		

Securities & Exchange Commission v. Equialt, LLC, et al.

Schedule of Payments to Deandre P. Sears /MASears, LLC d/b/a Picasso Group

(Sorted Chronologically)

Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info
Wells Fargo	Equialt Fund II LLC	x1717	02/25/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(6,000.00)	REDACTED
Wells Fargo	Equialt Fund II LLC	x1717	02/29/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(13,920.00)	
Wells Fargo	Equialt Fund II LLC	x1717	03/10/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(12,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	03/10/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(6,828.00)	
Wells Fargo	Equialt Fund II LLC	x1717	03/10/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(6,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	03/17/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(3,072.00)	
Wells Fargo	Equialt Fund II LLC	x1717	03/18/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(2,160.00)	
Wells Fargo	Equialt Fund II LLC	x1717	03/21/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(9,840.00)	
Wells Fargo	Equialt Fund II LLC	x1717	04/06/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(12,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	04/07/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(24,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	04/11/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(36,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	05/02/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(24,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	05/03/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(6,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	05/09/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(12,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	05/12/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(54,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	05/18/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(42,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	05/19/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(12,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	05/27/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(12,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	06/01/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(12,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	06/06/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(12,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	06/09/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(6,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	06/15/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(12,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	07/25/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(49,350.00)	
Wells Fargo	Equialt Fund II LLC	x1717	07/25/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(10,500.00)	
Wells Fargo	Equialt Fund II LLC	x1717	07/27/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(2,972.25)	
Wells Fargo	Equialt Fund II LLC	x1717	07/28/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(2,974.00)	
Wells Fargo	Equialt Fund II LLC	x1717	08/10/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(1,687.50)	
Wells Fargo	Equialt Fund II LLC	x1717	08/10/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(1,687.50)	
Wells Fargo	Equialt Fund II LLC	x1717	08/12/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(52,500.00)	
Wells Fargo	Equialt Fund II LLC	x1717	08/12/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(11,250.00)	
Wells Fargo	Equialt Fund II LLC	x1717	08/19/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(9,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	08/29/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(6,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	08/31/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(39,375.00)	
Wells Fargo	Equialt Fund II LLC	x1717	08/31/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(16,875.00)	
Wells Fargo	Equialt Fund II LLC	x1717	09/06/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(33,750.00)	
Wells Fargo	Equialt Fund II LLC	x1717	09/14/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(6,958.35)	
Wells Fargo	Equialt Fund II LLC	x1717	09/21/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(3,007.91)	
Wells Fargo	Equialt Fund II LLC	x1717	09/23/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(12,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	09/29/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(11,250.00)	
Wells Fargo	Equialt Fund II LLC	x1717	10/04/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(22,500.00)	
Wells Fargo	Equialt Fund II LLC	x1717	10/14/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(48,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	11/28/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(26,250.00)	
Wells Fargo	Equialt Fund II LLC	x1717	12/08/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(6,840.00)	
Wells Fargo	Equialt Fund II LLC	x1717	12/12/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(12,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	12/14/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(4,800.00)	

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to Deandre P. Sears /MASears, LLC d/b/a Picasso Group									
(Sorted Chronologically)									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
Wells Fargo	Equialt Fund II LLC	x1717	12/20/16	EFT	N/A	MASears, LLC d/b/a Picasso Group	(1,920.00)	REDACTED	
						2016 Subtotal	\$ (902,765.79)		
Wells Fargo	Equialt Fund II LLC	x1717	01/19/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	\$ (33,750.00)	REDACTED	
Wells Fargo	Equialt Fund II LLC	x1717	02/08/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(12,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	02/14/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(12,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	03/01/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(18,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	03/13/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(9,460.08)		
Wells Fargo	Equialt Fund II LLC	x1717	03/14/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(6,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	03/24/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(24,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	04/03/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(22,500.00)		
Wells Fargo	Equialt Fund II LLC	x1717	04/04/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(18,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	04/05/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(13,500.00)		
Wells Fargo	Equialt Fund II LLC	x1717	04/06/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(12,618.00)		
Wells Fargo	Equialt Fund II LLC	x1717	04/10/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(6,750.00)		
Wells Fargo	Equialt Fund II LLC	x1717	04/11/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(9,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	04/12/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(1,332.00)		
Wells Fargo	Equialt Fund II LLC	x1717	04/14/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(9,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	04/14/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(576.00)		
Wells Fargo	Equialt Fund II LLC	x1717	04/17/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(27,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	04/17/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(9,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	04/17/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(9,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	04/19/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(9,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	04/19/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(9,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	04/19/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(9,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	04/24/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(10,800.00)		
Wells Fargo	Equialt Fund II LLC	x1717	04/24/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(9,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	04/24/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(9,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	04/24/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(4,500.00)		
Wells Fargo	Equialt Fund II LLC	x1717	04/25/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(45,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	04/25/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(9,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	04/25/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(4,500.00)		
Wells Fargo	Equialt Fund II LLC	x1717	04/25/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(4,500.00)		
Wells Fargo	Equialt Fund II LLC	x1717	04/27/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(13,500.00)		
Wells Fargo	Equialt Fund II LLC	x1717	04/27/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(6,750.00)		
Wells Fargo	Equialt Fund II LLC	x1717	04/27/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(6,750.00)		
Wells Fargo	Equialt Fund II LLC	x1717	04/27/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(4,500.00)		
Wells Fargo	Equialt Fund II LLC	x1717	04/28/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(9,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	04/28/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(4,500.00)		
Wells Fargo	Equialt Fund II LLC	x1717	04/28/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(4,500.00)		
Wells Fargo	Equialt Fund II LLC	x1717	05/01/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(4,500.00)		
Wells Fargo	Equialt Fund II LLC	x1717	05/02/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(7,200.00)		
Wells Fargo	Equialt Fund II LLC	x1717	05/02/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(4,500.00)		
Wells Fargo	Equialt Fund II LLC	x1717	05/02/17	EFT	N/A	MASears, LLC d/b/a Picasso Group	(4,500.00)		

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to Deandre P. Sears / MASEars, LLC d/b/a Picasso Group									
(Sorted Chronologically)									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
Wells Fargo	Equialt Fund II LLC	x1717	05/03/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(9,000.00)	REDACTED	
Wells Fargo	Equialt Fund II LLC	x1717	05/03/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(4,500.00)		
Wells Fargo	Equialt Fund II LLC	x1717	05/04/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(15,300.00)		
Wells Fargo	Equialt Fund II LLC	x1717	05/05/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(4,500.00)		
Wells Fargo	Equialt Fund II LLC	x1717	05/05/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(4,500.00)		
Wells Fargo	Equialt Fund II LLC	x1717	05/10/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(4,500.00)		
Wells Fargo	Equialt Fund II LLC	x1717	05/16/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(4,500.00)		
Wells Fargo	Equialt Fund II LLC	x1717	05/17/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(18,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	05/17/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(4,500.00)		
Wells Fargo	Equialt Fund II LLC	x1717	05/18/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(2,880.00)		
Wells Fargo	Equialt Fund II LLC	x1717	05/23/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(4,500.00)		
Wells Fargo	Equialt Fund II LLC	x1717	05/26/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(9,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	06/01/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(9,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	06/13/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(3,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	06/19/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(12,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	06/19/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(4,800.00)		
Wells Fargo	Equialt Fund II LLC	x1717	06/19/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(4,140.00)		
Wells Fargo	Equialt Fund II LLC	x1717	06/21/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(13,500.00)		
Wells Fargo	Equialt Fund II LLC	x1717	06/22/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(24,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	06/22/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(7,605.00)		
Wells Fargo	Equialt Fund II LLC	x1717	06/27/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(3,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	07/12/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(10,800.00)		
Wells Fargo	Equialt Fund II LLC	x1717	07/26/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(12,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	07/26/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(6,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	08/02/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(6,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	08/11/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(3,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	08/29/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(12,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	08/29/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(8,729.52)		
Wells Fargo	Equialt Fund II LLC	x1717	08/29/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(6,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	08/29/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(2,400.00)		
Wells Fargo	Equialt Fund II LLC	x1717	09/20/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(10,373.04)		
Wells Fargo	Equialt Fund II LLC	x1717	09/28/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(19,200.00)		
Wells Fargo	Equialt Fund II LLC	x1717	10/10/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(24,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	10/12/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(15,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	10/12/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(6,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	10/12/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(3,447.96)		
Wells Fargo	Equialt Fund II LLC	x1717	10/18/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(12,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	10/27/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(3,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	10/30/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(24,000.00)		
Wells Fargo	Equialt Fund II LLC	x1717	11/02/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(2,500.00)		
Wells Fargo	Equialt Fund II LLC	x1717	11/02/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(2,500.00)		
Wells Fargo	Equialt Fund II LLC	x1717	11/16/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(16,440.00)		
Wells Fargo	Equialt Fund II LLC	x1717	12/06/17	EFT	N/A	MASEars, LLC d/b/a Picasso Group	(15,000.00)		
						2017 Subtotal	\$ (838,601.60)		

Securities & Exchange Commission v. Equialt, LLC, et al.
 Schedule of Payments to Deandre P. Sears /MASears, LLC d/b/a Picasso Group
 (Sorted Chronologically)

Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info
Wells Fargo	Equialt Fund II LLC	x1717	01/05/18	EFT	N/A	MASears, LLC d/b/a Picasso Group	\$ (30,000.00)	REDACTED
Wells Fargo	Equialt Fund II LLC	x1717	01/22/18	EFT	N/A	MASears, LLC d/b/a Picasso Group	(250,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	01/23/18	EFT	N/A	MASears, LLC d/b/a Picasso Group	(62,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	02/07/18	EFT	N/A	MASears, LLC d/b/a Picasso Group	(8,004.00)	
Wells Fargo	Equialt Fund II LLC	x1717	02/07/18	EFT	N/A	MASears, LLC d/b/a Picasso Group	(3,550.00)	
Wells Fargo	Equialt Fund II LLC	x1717	02/07/18	EFT	N/A	MASears, LLC d/b/a Picasso Group	(3,550.00)	
Wells Fargo	Equialt Fund II LLC	x1717	02/13/18	EFT	N/A	MASears, LLC d/b/a Picasso Group	(24,921.84)	
Wells Fargo	Equialt Fund II LLC	x1717	02/28/18	EFT	N/A	MASears, LLC d/b/a Picasso Group	(6,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	03/09/18	EFT	N/A	MASears, LLC d/b/a Picasso Group	(6,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	03/13/18	EFT	N/A	MASears, LLC d/b/a Picasso Group	(60,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	03/13/18	EFT	N/A	MASears, LLC d/b/a Picasso Group	(24,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	03/14/18	EFT	N/A	MASears, LLC d/b/a Picasso Group	(12,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	04/23/18	EFT	N/A	MASears, LLC d/b/a Picasso Group	(6,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	05/08/18	EFT	N/A	MASears, LLC d/b/a Picasso Group	(42,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	05/31/18	EFT	N/A	MASears, LLC d/b/a Picasso Group	(13,754.52)	
Wells Fargo	Equialt Fund II LLC	x1717	06/26/18	EFT	N/A	MASears, LLC d/b/a Picasso Group	(57,720.00)	
Wells Fargo	Equialt Fund II LLC	x1717	07/13/18	EFT	N/A	MASears, LLC d/b/a Picasso Group	(852.00)	
Wells Fargo	Equialt Fund II LLC	x1717	08/15/18	EFT	N/A	MASears, LLC d/b/a Picasso Group	(7,700.00)	
Wells Fargo	Equialt Fund II LLC	x1717	08/27/18	EFT	N/A	MASears, LLC d/b/a Picasso Group	(5,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	08/28/18	EFT	N/A	MASears, LLC d/b/a Picasso Group	(12,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	10/02/18	EFT	N/A	MASears, LLC d/b/a Picasso Group	(5,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	10/09/18	EFT	N/A	MASears, LLC d/b/a Picasso Group	(20,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	10/29/18	EFT	N/A	MASears, LLC d/b/a Picasso Group	(10,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	10/30/18	EFT	N/A	MASears, LLC d/b/a Picasso Group	(6,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	11/08/18	EFT	N/A	MASears, LLC d/b/a Picasso Group	(1,800.00)	
Wells Fargo	Equialt Fund II LLC	x1717	11/14/18	EFT	N/A	MASears, LLC d/b/a Picasso Group	(36,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	11/15/18	EFT	N/A	MASears, LLC d/b/a Picasso Group	(18,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	11/26/18	EFT	N/A	MASears, LLC d/b/a Picasso Group	(8,400.00)	
Wells Fargo	Equialt Fund II LLC	x1717	11/28/18	EFT	N/A	MASears, LLC d/b/a Picasso Group	(15,000.00)	
Wells Fargo	Equialt Fund II LLC	x1717	12/03/18	EFT	N/A	MASears, LLC d/b/a Picasso Group	(12,000.00)	
						2018 Subtotal	\$ (767,252.36)	
Bank of America	Equialt Fund II LLC	x3284	01/02/19	Check	1014	MASears, LLC d/b/a Picasso Group	\$ (5,000.00)	REDACTED
Bank of America	Equialt Fund II LLC	x3284	01/16/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(10,000.00)	Commission
Bank of America	Equialt Fund II LLC	x3284	01/22/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(22,100.00)	Renewal Commission
Bank of America	Equialt Fund II LLC	x3284	02/12/19	ACH	N/A	Deandre P. Sears	(37,300.00)	REDACTED
Bank of America	Equialt Fund II LLC	x3284	02/12/19	ACH	N/A	Deandre P. Sears	(15,000.00)	
Bank of America	Equialt Fund II LLC	x3284	03/20/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(20,000.00)	Commissions
Bank of America	Equialt Fund II LLC	x3284	03/29/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(10,000.00)	REDACTED
Bank of America	Equialt Fund II LLC	x3284	03/29/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(10,000.00)	
Bank of America	Equialt Fund II LLC	x3284	03/29/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(4,560.00)	
Bank of America	Equialt Fund II LLC	x3284	04/02/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(30,000.00)	
Bank of America	Equialt Fund II LLC	x3284	04/02/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(20,000.00)	
Bank of America	Equialt Fund II LLC	x3284	04/03/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(6,000.00)	Commission
Bank of America	Equialt Fund II LLC	x3284	04/05/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(12,000.00)	Commission

Securities & Exchange Commission v. Equialt, LLC, et al.										
Schedule of Payments to Deandre P. Sears / MASears, LLC d/b/a Picasso Group										
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Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info		
Bank of America	Equialt Fund II LLC	x3284	04/26/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(5,000.00)	Commission		
Bank of America	Equialt Fund II LLC	x3284	05/01/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(45,000.00)	Commission		
Bank of America	Equialt Fund II LLC	x3284	05/03/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(18,000.00)	Commission		
Bank of America	Equialt Fund II LLC	x3284	05/13/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(10,000.00)	Commission		
Bank of America	Equialt Fund II LLC	x3284	05/23/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(48,000.00)	Commission		
Bank of America	Equialt Fund II LLC	x3284	06/24/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(32,000.00)	REDACTED		
Bank of America	Equialt Fund II LLC	x3284	07/10/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(4,000.00)			
Bank of America	Equialt Fund II LLC	x3284	07/10/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(1,440.00)			
Bank of America	Equialt Fund II LLC	x3284	07/18/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(20,000.00)	Commission		
Bank of America	Equialt Fund II LLC	x3284	07/30/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(47,000.00)	Commission		
Bank of America	Equialt Fund II LLC	x3284	08/02/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(7,500.00)	REDACTED		
Bank of America	Equialt Fund II LLC	x3284	08/02/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(5,000.00)			
Bank of America	Equialt Fund II LLC	x3284	08/07/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(7,500.00)			
Bank of America	Equialt Fund II LLC	x3284	08/07/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(5,000.00)			
Bank of America	Equialt Fund II LLC	x3284	08/15/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(50,000.00)	Commission		
Bank of America	Equialt Fund II LLC	x3284	08/19/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(35,000.00)	REDACTED		
Bank of America	Equialt Fund II LLC	x3284	08/19/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(30,000.00)			
Bank of America	Equialt Fund II LLC	x3284	08/19/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(14,400.00)			
Bank of America	Equialt Fund II LLC	x3284	08/19/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(10,000.00)			
Bank of America	Equialt Fund II LLC	x3284	08/19/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(10,000.00)			
Bank of America	Equialt Fund II LLC	x3284	08/19/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(6,185.20)			
Bank of America	Equialt Fund II LLC	x3284	08/19/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(2,673.70)			
Bank of America	Equialt Fund II LLC	x3284	08/22/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(7,800.00)	Commission		
Bank of America	Equialt Fund II LLC	x3284	09/03/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(15,600.00)	Commission		
Bank of America	Equialt Fund II LLC	x3284	09/06/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(13,500.00)	Commission		
Bank of America	Equialt Fund II LLC	x3284	10/03/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(6,000.00)	Commission		
Bank of America	Equialt Fund II LLC	x3284	12/06/19	ACH	N/A	MASears, LLC d/b/a Picasso Group	(4,000.00)	Commission		
						2019 Subtotal	\$ (662,558.90)			
						TOTAL	(3,526,394.33)			
Source(s)										
Bank records for Wells Fargo bank account ending x1045, held in the name of Equialt Fund LLC.										
Bank records for Wells Fargo bank account ending x1717, held in the name of Equialt Fund II LLC.										
Bank records for Bank of America bank account ending x3284, held in the name of Equialt Fund II LLC.										
QuickBooks files maintained by Equialt Fund, LLC and Equialt Fund II, LLC.										
"Check Request Forms" and related documentation maintained by Equialt personnel.										

Securities & Exchange Commission v. Equiart, LLC, et al.										
Schedule of Payments to American Financial Security / Ron Stevenson / Barbara Stevenson										
(Sorted Chronologically)										
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info		
JPMorgan Chase	NV Support Services	x7513	03/04/13	Check	1132	American Financial Security	\$ (600.00)	REDACTED		
JPMorgan Chase	NV Support Services	x7513	03/15/13	Check	1136	American Financial Security	(4,000.00)			
JPMorgan Chase	NV Support Services	x7513	03/22/13	Check	1141	American Financial Security	(70.00)	REDACTED		
JPMorgan Chase	NV Support Services	x7513	03/22/13	Check	1140	American Financial Security	(2,000.00)			
JPMorgan Chase	NV Support Services	x7513	03/25/13	Check	1142	American Financial Security	(1,200.00)	REDACTED		
JPMorgan Chase	NV Support Services	x7513	04/02/13	Check	1066	American Financial Security	(1,500.00)			
JPMorgan Chase	NV Support Services	x7513	04/05/13	Check	1070	American Financial Security	(10,150.00)			
JPMorgan Chase	NV Support Services	x7513	04/12/13	Check	1071	American Financial Security	(800.00)			
JPMorgan Chase	NV Support Services	x7513	04/17/13	Check	1074	American Financial Security	(400.00)			
JPMorgan Chase	NV Support Services	x7513	04/25/13	Check	1077	American Financial Security	(1,200.00)			
JPMorgan Chase	NV Support Services	x7513	04/25/13	Check	1078	American Financial Security	(9,770.00)			
JPMorgan Chase	NV Support Services	x7513	05/07/13	Check	1084	American Financial Security	(1,600.00)			
JPMorgan Chase	NV Support Services	x7513	06/07/13	Check	1096	American Financial Security	(5,600.00)			
JPMorgan Chase	NV Support Services	x7513	06/12/13	Check	1097	American Financial Security	(400.00)			
JPMorgan Chase	NV Support Services	x7513	06/18/13	Check	1102	American Financial Security	(250.00)			
JPMorgan Chase	NV Support Services	x7513	06/18/13	Check	1103	American Financial Security	(6,200.00)			
JPMorgan Chase	NV Support Services	x7513	06/27/13	Check	1173	American Financial Security	(800.00)			
JPMorgan Chase	NV Support Services	x7513	07/23/13	Check	1183	American Financial Security	(3,000.00)	REDACTED		
JPMorgan Chase	NV Support Services	x7513	08/07/13	Check	1116	American Financial Security	(250.00)			
JPMorgan Chase	NV Support Services	x7513	08/07/13	Check	1115	American Financial Security	(4,500.00)			
JPMorgan Chase	NV Support Services	x7513	10/28/13	Check	1226	American Financial Security	(2,000.00)			
JPMorgan Chase	NV Support Services	x7513	10/28/13	Check	1225	American Financial Security	(8,000.00)			
JPMorgan Chase	NV Support Services	x7513	11/19/13	Check	1312	American Financial Security	(1,600.00)			
JPMorgan Chase	NV Support Services	x7513	11/26/13	Check	1318	American Financial Security	(4,240.00)			
2013 Subtotal							\$ (70,130.00)			
JPMorgan Chase	NV Support Services	x7513	02/12/14	Check	1357	American Financial Security	\$ (800.00)			
JPMorgan Chase	NV Support Services	x7513	02/28/14	Check	1365	American Financial Security	(1,600.00)			
JPMorgan Chase	NV Support Services	x7513	03/24/14	Check	1376	American Financial Security	(4,000.00)			
JPMorgan Chase	NV Support Services	x7513	03/26/14	Check	1378	American Financial Security	(4,000.00)			
JPMorgan Chase	NV Support Services	x7513	04/01/14	Check	1383	American Financial Security	(2,400.00)			
JPMorgan Chase	NV Support Services	x7513	04/04/14	Check	1388	American Financial Security	(32,000.00)			
JPMorgan Chase	NV Support Services	x7513	04/16/14	Check	1399	American Financial Security	(1,840.00)			
JPMorgan Chase	NV Support Services	x7513	04/22/14	Check	1402	American Financial Security	(9,600.00)			
JPMorgan Chase	NV Support Services	x7513	04/29/14	Check	1409	American Financial Security	(8,000.00)			
JPMorgan Chase	NV Support Services	x7513	05/02/14	Check	1412	American Financial Security	(4,000.00)			
JPMorgan Chase	NV Support Services	x7513	05/16/14	Check	1419	American Financial Security	(1,440.00)			
JPMorgan Chase	NV Support Services	x7513	05/27/14	Check	1423	American Financial Security	(1,200.00)			
JPMorgan Chase	NV Support Services	x7513	06/03/14	Check	1427	American Financial Security	(3,600.00)			
JPMorgan Chase	NV Support Services	x7513	06/03/14	Check	1426	American Financial Security	(36,000.00)			
JPMorgan Chase	NV Support Services	x7513	06/23/14	Check	1438	American Financial Security	(1,800.00)			
JPMorgan Chase	NV Support Services	x7513	07/01/14	Check	1445	American Financial Security	(800.00)			
JPMorgan Chase	NV Support Services	x7513	07/16/14	Check	1458	American Financial Security	(4,365.60)			
JPMorgan Chase	NV Support Services	x7513	07/30/14	Check	1463	American Financial Security	(8,800.00)			
JPMorgan Chase	NV Support Services	x7513	08/01/14	Check	1466	American Financial Security	(8,800.00)			
JPMorgan Chase	NV Support Services	x7513	08/06/14	Check	1468	American Financial Security	(2,480.00)			
JPMorgan Chase	NV Support Services	x7513	08/14/14	Check	1471	American Financial Security	(4,000.00)			

Securities & Exchange Commission v. Equialt, LLC, et al.											
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Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info			
JPMorgan Chase	NV Support Services	x7513	09/04/14	Check	1480	American Financial Security	(4,120.00)				
JPMorgan Chase	NV Support Services	x7513	09/15/14	Check	1484	American Financial Security	(2,000.00)				
JPMorgan Chase	NV Support Services	x7513	09/29/14	Check	1491	American Financial Security	(8,000.00)				
JPMorgan Chase	NV Support Services	x7513	10/01/14	Check	1494	American Financial Security	(4,000.00)				
JPMorgan Chase	NV Support Services	x7513	10/16/14	Check	1504	American Financial Security	(2,240.00)				
JPMorgan Chase	NV Support Services	x7513	11/04/14	Check	1515	American Financial Security	(1,200.00)				
JPMorgan Chase	NV Support Services	x7513	11/06/14	Check	1516	American Financial Security	(1,295.48)				
JPMorgan Chase	NV Support Services	x7513	11/10/14	Check	1518	American Financial Security	(7,200.00)				
JPMorgan Chase	NV Support Services	x7513	11/17/14	Check	1521	American Financial Security	(400.00)				
JPMorgan Chase	NV Support Services	x7513	12/12/14	Check	1530	American Financial Security	(7,600.00)				
JPMorgan Chase	NV Support Services	x7513	12/17/14	Check	1533	American Financial Security	(4,000.00)				
JPMorgan Chase	NV Support Services	x7513	12/30/14	Check	1534	American Financial Security	(862.13)				
2014 Subtotal							\$ (184,443.21)				
JPMorgan Chase	NV Support Services	x7513	01/06/15	Transfer	N/A	American Financial Security	(4,000.00)	Chase x0727			
JPMorgan Chase	NV Support Services	x7513	01/07/15	Check	1574	American Financial Security	(4,000.00)				
JPMorgan Chase	Barry M Rybicki dba NV Support Services	x0318	01/21/15	Check	9461	American Financial Security	(5,600.00)	REDACTED			
JPMorgan Chase	Barry M Rybicki dba NV Support Services	x0318	01/23/15	Check	9464	American Financial Security	(1,200.00)				
JPMorgan Chase	Barry M Rybicki dba NV Support Services	x0318	01/28/15	Check	9468	American Financial Security	(4,400.00)				
JPMorgan Chase	Barry M Rybicki dba NV Support Services	x0318	01/30/15	Check	9471	American Financial Security	(5,400.00)				
JPMorgan Chase	Barry M Rybicki dba NV Support Services	x0318	02/02/15	Check	98	American Financial Security	(4,000.00)				
JPMorgan Chase	BR Support Services, LLC	x9906	02/20/15	Check	9755	American Financial Security	(8,000.00)				
JPMorgan Chase	BR Support Services, LLC	x9906	02/27/15	Check	1006	American Financial Security	(1,580.00)				
JPMorgan Chase	BR Support Services, LLC	x9906	02/27/15	Check	1007	American Financial Security	(2,000.00)				
JPMorgan Chase	BR Support Services, LLC	x9906	03/03/15	Check	1009	American Financial Security	(13,992.74)				
JPMorgan Chase	BR Support Services, LLC	x9906	03/13/15	Check	1012	American Financial Security	(1,200.00)				
JPMorgan Chase	BR Support Services, LLC	x9906	03/17/15	Check	1014	American Financial Security	(14,000.00)				
JPMorgan Chase	BR Support Services, LLC	x9906	03/24/15	Check	1017	American Financial Security	(1,289.00)				
JPMorgan Chase	BR Support Services, LLC	x9906	04/02/15	Check	1020	American Financial Security	(2,080.00)				
JPMorgan Chase	BR Support Services, LLC	x9906	04/20/15	Check	1030	American Financial Security	(3,200.00)				
JPMorgan Chase	BR Support Services, LLC	x9906	05/05/15	Check	1038	American Financial Security	(4,000.00)				
JPMorgan Chase	BR Support Services, LLC	x9906	05/07/15	Check	1041	American Financial Security	(6,400.00)				
JPMorgan Chase	BR Support Services, LLC	x9906	05/13/15	Check	1044	American Financial Security	(8,000.00)				
JPMorgan Chase	BR Support Services, LLC	x9906	05/14/15	Check	1049	American Financial Security	(8,000.00)				
JPMorgan Chase	BR Support Services, LLC	x9906	05/27/15	Check	1058	American Financial Security	(4,000.00)				
JPMorgan Chase	BR Support Services, LLC	x9906	05/28/15	Check	1062	American Financial Security	(908.00)				
JPMorgan Chase	BR Support Services, LLC	x9906	06/15/15	Check	1068	American Financial Security	(8,000.00)				
JPMorgan Chase	BR Support Services, LLC	x9906	06/19/15	Check	1071	American Financial Security	(1,600.00)				
JPMorgan Chase	BR Support Services, LLC	x9906	06/19/15	Check	1070	American Financial Security	(8,000.00)				
JPMorgan Chase	BR Support Services, LLC	x9906	06/30/15	Check	1076	American Financial Security	(3,136.00)				
JPMorgan Chase	BR Support Services, LLC	x9906	07/08/15	Check	1080	American Financial Security	(1,600.00)				
JPMorgan Chase	BR Support Services, LLC	x9906	07/10/15	Check	1082	American Financial Security	(8,000.00)				
JPMorgan Chase	BR Support Services, LLC	x9906	07/10/15	Check	1083	American Financial Security	(2,920.00)				
JPMorgan Chase	BR Support Services, LLC	x9906	07/15/15	Check	1087	American Financial Security	(2,400.00)				
JPMorgan Chase	BR Support Services, LLC	x9906	07/17/15	Check	1094	American Financial Security	(2,400.00)				

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JPMorgan Chase	BR Support Services, LLC	x9906	07/23/15	Check	1098	American Financial ²	(4,960.00)	REDACTED		
JPMorgan Chase	BR Support Services, LLC	x9906	07/30/15	Check	1101	American Financial Security	(846.72)			
JPMorgan Chase	BR Support Services, LLC	x9906	08/07/15	Check	1106	American Financial Security	(1,200.00)			
JPMorgan Chase	BR Support Services, LLC	x9906	08/17/15	Check	1113	American Financial Security	(909.68)			
JPMorgan Chase	BR Support Services, LLC	x9906	08/21/15	Check	1123	American Financial Security	(2,000.00)			
JPMorgan Chase	BR Support Services, LLC	x9906	09/01/15	Check	1138	American Financial Security	(800.00)			
JPMorgan Chase	BR Support Services, LLC	x9906	09/08/15	Check	1146	American Financial Security	(4,160.00)			
JPMorgan Chase	BR Support Services, LLC	x9906	09/18/15	Check	1156	American Financial Security	(1,421.72)			
JPMorgan Chase	BR Support Services, LLC	x9906	09/22/15	Check	1166	American Financial Security	(5,680.00)			
JPMorgan Chase	BR Support Services, LLC	x9906	10/07/15	Check	1179	American Financial Security	(1,200.00)			
JPMorgan Chase	BR Support Services, LLC	x9906	10/13/15	Check	1181	American Financial Security	(5,600.00)			
JPMorgan Chase	BR Support Services, LLC	x9906	10/16/15	Check	1185	American Financial Security	(3,200.00)			
JPMorgan Chase	BR Support Services, LLC	x9906	10/28/15	Check	1189	American Financial Security	(4,000.00)			
JPMorgan Chase	BR Support Services, LLC	x9906	11/19/15	Check	1215	American Financial Security	(2,000.00)			
JPMorgan Chase	BR Support Services, LLC	x9906	12/01/15	Check	1228	American Financial Security	(16,000.00)			
JPMorgan Chase	BR Support Services, LLC	x9906	12/02/15	Check	1231	American Financial Security	(3,631.50)			
JPMorgan Chase	BR Support Services, LLC	x9906	12/03/15	Check	1234	American Financial Security	(3,297.44)			
JPMorgan Chase	BR Support Services, LLC	x9906	12/14/15	Check	1245	American Financial Security	(2,000.00)			
						2015 Subtotal	\$ (210,052.80)			
JPMorgan Chase	BR Support Services, LLC	x9906	01/04/16	Check	1266	American Financial Security	(16,000.00)	REDACTED		
JPMorgan Chase	BR Support Services, LLC	x9906	01/14/16	Check	1273	American Financial Security	(4,475.00)			
JPMorgan Chase	BR Support Services, LLC	x9906	01/21/16	Check	1281	American Financial Security	(690.46)			
JPMorgan Chase	BR Support Services, LLC	x9906	01/21/16	Check	1282	American Financial Security	(8,500.00)			
JPMorgan Chase	BR Support Services, LLC	x9906	01/21/16	Check	1283	American Financial Security	(2,550.00)			
JPMorgan Chase	BR Support Services, LLC	x9906	01/26/16	Check	1291	American Financial Security	(3,311.60)			
JPMorgan Chase	BR Support Services, LLC	x9906	01/29/16	Check	1294	American Financial Security	(8,500.00)			
JPMorgan Chase	BR Support Services, LLC	x9906	02/03/16	Check	1299	American Financial Security	(850.00)			
JPMorgan Chase	BR Support Services, LLC	x9906	02/25/16	Check	1314	American Financial Security	(2,099.50)			
JPMorgan Chase	BR Support Services, LLC	x9906	02/25/16	Check	1315	American Financial Security	(4,445.50)			
JPMorgan Chase	BR Support Services, LLC	x9906	03/01/16	Check	1319	American Financial Security	(8,500.00)			
JPMorgan Chase	BR Support Services, LLC	x9906	03/04/16	Check	1327	American Financial Security	(850.00)			
JPMorgan Chase	BR Support Services, LLC	x9906	03/04/16	Check	1328	American Financial Security	(3,400.00)			
JPMorgan Chase	BR Support Services, LLC	x9906	03/09/16	Check	1335	American Financial Security	(4,960.00)			
JPMorgan Chase	BR Support Services, LLC	x9906	03/11/16	Check	1341	American Financial Security	(21,210.00)			
JPMorgan Chase	BR Support Services, LLC	x9906	03/16/16	Check	1347	American Financial Security	(3,710.00)			
JPMorgan Chase	BR Support Services, LLC	x9906	03/25/16	Check	1354	American Financial Security	(10,752.50)			
JPMorgan Chase	BR Support Services, LLC	x9906	03/29/16	Check	1356	American Financial Security	(4,250.00)			
JPMorgan Chase	BR Support Services, LLC	x9906	04/04/16	Check	1363	American Financial Security	(1,954.82)			
JPMorgan Chase	BR Support Services, LLC	x9906	04/11/16	Check	1369	American Financial Security	(2,000.00)			
JPMorgan Chase	BR Support Services, LLC	x9906	04/12/16	Check	1370	American Financial Security	(4,250.00)			
JPMorgan Chase	BR Support Services, LLC	x9906	04/13/16	Check	1373	American Financial Security	(1,488.00)			
JPMorgan Chase	BR Support Services, LLC	x9906	04/21/16	Check	1378	American Financial Security	(11,475.00)			
JPMorgan Chase	BR Support Services, LLC	x9906	04/28/16	Check	1385	American Financial Security	(4,250.00)			
JPMorgan Chase	BR Support Services, LLC	x9906	05/02/16	Wire	N/A	American Financial Security	(19,975.00)			

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Schedule of Payments to American Financial Security / Ron Stevenson / Barbara Stevenson									
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Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	05/17/16	Check	1397	American Financial Security	(6,375.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	05/19/16	Check	1400	American Financial Security	(4,760.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/25/16	Check	1404	American Financial Security	(3,676.25)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/01/16	Check	1418	American Financial Security	(2,125.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/01/16	Check	1419	American Financial Security	(850.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/16/16	Wire	N/A	American Financial Security	(5,805.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/20/16	Check	1438	American Financial Security	(4,854.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/24/16	Check	1446	American Financial Security	(1,525.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/24/16	Check	1447	American Financial Security	(16,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/06/16	Check	1456	American Financial Security	(4,250.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/12/16	Check	1463	American Financial Security	(903.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/15/16	Check	1471	American Financial Security	(3,467.66)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/18/16	Check	1474	American Financial Security	(14,798.50)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/27/16	Check	1486	American Financial Security	(10,115.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/01/16	Check	1489	American Financial Security	(4,250.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/01/16	Check	1490	American Financial Security	(3,845.50)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/03/16	Check	1494	American Financial Security	(1,482.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/10/16	Check	1505	American Financial Security	(2,125.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/16/16	Check	1513	American Financial Security	(1,275.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/24/16	Check	1524	American Financial Security	(2,550.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/25/16	Check	1525	American Financial Security	(10,625.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/12/16	Check	1552	American Financial Security	(20,349.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/13/16	Check	1555	American Financial Security	(4,682.13)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/19/16	Check	1562	American Financial Security	(1,445.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/23/16	Check	1570	American Financial Security	(1,700.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/26/16	Check	1572	American Financial Security	(4,505.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/28/16	Check	1574	American Financial Security	(5,100.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/04/16	Check	1585	American Financial Security	(8,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/07/16	Check	1594	American Financial Security	(1,609.72)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/26/16	Check	1617	American Financial Security	(2,125.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/28/16	Check	1631	American Financial Security	(5,807.88)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/04/16	Check	1651	American Financial Security	(2,508.50)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/04/16	Check	1652	American Financial Security	(2,125.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/23/16	Check	1679	American Financial Security	(3,459.50)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/29/16	Check	1689	American Financial Security	(7,543.75)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/07/16	Check	1709	American Financial Security	(4,250.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/08/16	Check	1714	American Financial Security	(13,642.50)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/20/16	Check	1741	American Financial Security	(399.50)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/20/16	Check	1747	American Financial Security	(8,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/20/16	Check	1748	American Financial Security	(2,125.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/22/16	Check	1762	American Financial Security	(3,825.00)		
						2016 Subtotal	\$ (381,306.77)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/05/17	Check	1809	American Financial Security	\$ (10,625.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	01/09/17	Check	1816	American Financial Security	(42,398.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/11/17	Check	1824	American Financial Security	(2,975.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/19/17	Check	1825	American Financial Security	(799.00)		

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Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	01/19/17	Check	1828	American Financial Security	(4,250.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	01/19/17	Check	1830	American Financial Security	(14,501.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/01/17	Check	1926	American Financial Security	(8,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/21/17	Check	1867	American Financial Security	(3,108.84)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/28/17	Check	1881	American Financial Security	(935.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/03/17	Check	1897	American Financial Security	(1,275.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/10/17	Check	1915	American Financial Security	(5,100.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/15/17	Check	1918	American Financial Security	(2,125.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/04/17	Check	1962	American Financial Security	(4,250.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/06/17	Check	1966	American Financial Security	(2,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/20/17	Check	1988	American Financial Security	(1,632.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/26/17	Check	1999	American Financial Security	(6,868.29)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/17/17	Check	2042	American Financial Security	(8,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/19/17	Check	2051	American Financial Security	(3,105.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/23/17	Check	2062	American Financial Security	(2,125.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/24/17	Check	2064	American Financial Security	(20,550.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/26/17	Check	2066	American Financial Security	(37,125.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/01/17	Check	2072	American Financial Security	(2,105.03)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/01/17	Check	2073	American Financial Security	(18,724.23)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/08/17	Check	2087	American Financial Security	(14,450.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/12/17	Check	2098	American Financial Security	(3,825.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/20/17	Check	2107	American Financial Security	(2,860.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/22/17	Check	2112	American Financial Security	(2,125.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/27/17	Check	2122	American Financial Security	(1,082.68)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/07/17	Check	2127	American Financial Security	(15,278.75)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/10/17	Check	2130	American Financial Security	(1,275.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/13/17	Check	2136	American Financial Security	(11,475.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/18/17	Check	2141	American Financial Security	(2,206.60)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/09/17	Check	2201	American Financial Security	(27,370.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	08/11/17	Check	2207	American Financial Security	(12,500.00)	Illegible	
JPMorgan Chase	BR Support Services, LLC	x9906	08/16/17	Check	2212	American Financial Security	(24,650.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	08/16/17	Check	2213	American Financial Security	(5,032.92)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/30/17	Check	2223	American Financial Security	(16,168.22)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/31/17	Check	2229	American Financial Security	(12,750.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/21/17	Check	2263	American Financial Security	(2,125.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/21/17	Check	2264	American Financial Security	(2,528.50)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/25/17	Check	2268	American Financial Security	(15,300.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/06/17	Check	2290	American Financial Security	(4,876.92)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/26/17	Check	2320	American Financial Security	(2,800.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/01/17	Check	2374	American Financial Security	(3,200.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/19/17	Check	2391	American Financial Security	(2,125.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/28/17	Check	2397	American Financial Security	(21,000.00)		
2017 Subtotal							\$ (410,580.98)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/12/18	Check	2405	American Financial Security	(8,036.23)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	01/17/18	Check	2408	American Financial Security	(6,800.00)		

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Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info
JPMorgan Chase	BR Support Services, LLC	x9906	01/25/18	Check	2423	American Financial Security	(2,125.00)	REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	02/06/18	Check	2433	American Financial Security	(4,250.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	02/08/18	Check	2442	American Financial Security	(12,750.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	02/08/18	Check	2443	American Financial Security	(1,709.03)	
JPMorgan Chase	BR Support Services, LLC	x9906	02/16/18	Check	2453	American Financial Security	(7,637.48)	
JPMorgan Chase	BR Support Services, LLC	x9906	02/26/18	Check	2464	American Financial Security	(5,347.22)	
JPMorgan Chase	BR Support Services, LLC	x9906	03/02/18	Check	2471	American Financial Security	(7,225.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	03/02/18	Check	2472	American Financial Security	(9,600.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	03/05/18	Check	2473	American Financial Security	(25,500.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	03/12/18	Check	2476	American Financial Security	(6,320.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	03/13/18	Check	2479	American Financial Security	(4,675.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	03/16/18	Check	2486	American Financial Security	(2,125.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	03/16/18	Check	2487	American Financial Security	(2,685.88)	
JPMorgan Chase	BR Support Services, LLC	x9906	03/29/18	Check	2499	American Financial Security	(8,500.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	04/05/18	Check	2511	American Financial Security	(8,075.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	04/18/18	Check	2520	American Financial Security	(2,125.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	04/19/18	Check	2523	American Financial Security	(19,125.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	04/19/18	Check	2525	American Financial Security	(3,161.84)	
JPMorgan Chase	BR Support Services, LLC	x9906	04/25/18	Check	2530	American Financial Security	(2,125.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	05/02/18	Check	2538	American Financial Security	(14,705.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	05/02/18	Check	2539	American Financial Security	(3,468.85)	
JPMorgan Chase	BR Support Services, LLC	x9906	05/11/18	Check	2549	American Financial Security	(4,250.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	05/15/18	Check	2555	American Financial Security	(9,835.78)	
JPMorgan Chase	BR Support Services, LLC	x9906	05/17/18	Check	2565	American Financial Security	(16,150.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	05/21/18	Check	2571	American Financial Security	(4,250.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	06/06/18	Check	2606	American Financial Security	(2,126.13)	
JPMorgan Chase	BR Support Services, LLC	x9906	06/19/18	Check	2620	American Financial Security	(4,250.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	06/21/18	Check	2624	American Financial Security	(2,125.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	06/27/18	Check	2636	American Financial Security	(2,975.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	07/09/18	Check	2646	American Financial Security	(2,125.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	07/12/18	Check	2664	American Financial Security	(960.56)	
JPMorgan Chase	BR Support Services, LLC	x9906	07/18/18	Check	2673	American Financial Security	(8,500.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	07/27/18	Check	2684	American Financial Security	(1,875.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	08/06/18	Check	2696	American Financial Security	(11,305.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	08/17/18	Check	2708	American Financial Security	(5,199.88)	
JPMorgan Chase	BR Support Services, LLC	x9906	08/23/18	Check	2717	American Financial Security	(35,936.77)	
JPMorgan Chase	BR Support Services, LLC	x9906	09/04/18	Check	2730	American Financial Security	(2,007.38)	
JPMorgan Chase	BR Support Services, LLC	x9906	09/04/18	Check	2737	American Financial Security	(17,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	09/12/18	Check	2752	American Financial Security	(9,300.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	09/17/18	Check	2760	American Financial Security	(46,750.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	09/17/18	Check	2761	American Financial Security	(4,800.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	09/18/18	Check	2762	American Financial Security	(1,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	09/28/18	Check	2779	American Financial Security	(1,147.50)	
JPMorgan Chase	BR Support Services, LLC	x9906	10/12/18	Check	2807	American Financial Security	(12,750.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	11/01/18	Check	2856	American Financial Security	(2,125.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	11/02/18	Check	2860	American Financial Security	(17,963.73)	
JPMorgan Chase	BR Support Services, LLC	x9906	11/06/18	Check	2863	American Financial Security	(10,111.64)	

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Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	11/13/18	Check	2873	American Financial Security	(11,120.57)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	11/14/18	Check	2875	American Financial Security	(6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/29/18	Check	2892	American Financial Security	(29,750.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/04/18	Check	2907	American Financial Security	(2,081.52)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/18/18	Check	2941	American Financial Security	(7,418.36)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/26/18	Check	2950	American Financial Security	(1,173.18)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/27/18	Check	2953	American Financial Security	(3,825.00)		
						2018 Subtotal	\$ (466,259.53)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/02/19	Check	2964	American Financial Security	(2,125.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	01/07/19	Check	2975	American Financial Security	(4,185.00)	Bonus	
JPMorgan Chase	BR Support Services, LLC	x9906	01/09/19	Check	2986	American Financial Security	(4,250.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	01/16/19	Check	3002	American Financial Security	(1,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/22/19	Check	3008	American Financial Security	(8,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/25/19	Check	3019	American Financial Security	(9,350.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/29/19	Check	3027	American Financial Security	(13,600.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/30/19	Check	3029	American Financial Security	(10,200.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/01/19	Check	3034	American Financial Security	(1,275.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/20/19	Check	3085	American Financial Security	(1,275.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/25/19	Check	3090	American Financial Security	(2,169.54)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/08/19	Check	3122	American Financial Security	(4,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/11/19	Check	3124	American Financial Security	(12,750.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/18/19	Check	3139	American Financial Security	(4,250.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/25/19	Check	3158	American Financial Security	(95.20)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/04/19	Check	3179	American Financial Security	(1,685.04)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/08/19	Check	3189	American Financial Security	(6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/08/19	Check	3242	American Financial Security	(2,493.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/14/19	Check	3253	American Financial Security	(21,930.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/17/19	Check	3269	American Financial Security	(776.80)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/22/19	Check	3276	American Financial Security	(1,405.22)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/24/19	Check	3288	American Financial Security	(12,629.39)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/24/19	Check	3289	American Financial Security	(2,971.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/24/19	Check	3290	American Financial Security	(8,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/24/19	Check	3291	American Financial Security	(2,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/06/19	Check	3326	American Financial Security	(331.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/12/19	Check	3337	American Financial Security	(2,800.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/12/19	Check	3342	American Financial Security	(10,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/18/19	Check	3353	American Financial Security	(17,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/18/19	Check	3354	American Financial Security	(4,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/18/19	Check	3361	American Financial Security	(5,540.04)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/18/19	Check	3366	American Financial Security	(10,458.96)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/28/19	Check	3378	American Financial Security	(16,859.04)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/11/19	Check	3403	American Financial Security	(3,381.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/12/19	Check	3408	American Financial Security	(4,250.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/19/19	Check	3418	American Financial Security	(1,200.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/19/19	Check	3419	American Financial Security	(4,250.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/05/19	Check	3449	American Financial Security	(2,527.82)		

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to American Financial Security / Ron Stevenson / Barbara Stevenson									
(Sorted Chronologically)									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	08/08/19	Check	3461	American Financial Security	(3,619.72)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	08/13/19	Check	3475	American Financial Security	(13,125.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/16/19	Check	3481	American Financial Security	(5,619.85)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/17/19	Check	3556	American Financial Security	(883.20)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/20/19	Check	3562	American Financial Security	(2,975.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/16/19	Check	3615	American Financial Security	(3,214.80)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/22/19	Check	3622	American Financial Security	(5,554.00)	Illegible	
JPMorgan Chase	BR Support Services, LLC	x9906	10/28/19	Check	3637	American Financial Security	(5,156.25)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	11/08/19	Check	3662	American Financial Security	(1,275.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/18/19	Check	3674	American Financial Security	(2,550.00)		
						2019 Subtotal	\$ (266,485.87)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/21/20	Check	3767	American Financial Security	(425.00)	REDACTED	
						2020 Subtotal	\$ (425.00)		
						TOTAL	\$ (1,989,684.16)		
Notes:									
*Payee is assumed to be the same as American Financial Security based on deposit account number shown on the check endorsement.									
*Payee is assumed to be the same as American Financial Security based on deposit account number shown on the check endorsement.									
Source(s):									
Bank statements and cancelled checks for JPMorgan Chase bank account ending x7513, held in the name of NV Support Services (March 1, 2013 through February 27, 2015).									
Bank statements and cancelled checks for JPMorgan Chase bank account ending x0318, held in the name of Barry M Rybicki DBA NV Support Services (January 8, 2015 through May 29, 2015).									
Bank statements and cancelled checks for JPMorgan Chase bank account ending x9906, held in the name of BR Support Services, LLC (February 9, 2015 through February 28, 2020).									
QuickBooks file maintained for BR Support Services, LLC.									

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to Dale Tenhulzen / Live Wealthy Die Wealthy Institute									
<i>(Sorted Chronologically)</i>									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	NV Support Services	x7513	04/02/13	Check	1065	Live Wealthy Die Wealthy	\$ (7,500.00)		
JPMorgan Chase	NV Support Services	x7513	09/25/13	Check	1235	Dale Tenhulzen	(4,000.00)		
JPMorgan Chase	NV Support Services	x7513	10/21/13	Check	1216	Dale Tenhulzen	(400.00)		
JPMorgan Chase	NV Support Services	x7513	11/06/13	Check	1304	Live Wealthy Die Wealthy	(5,800.00)		
						2013 Subtotal	\$ (17,700.00)		
JPMorgan Chase	NV Support Services	x7513	01/28/14	Check	1349	Live Wealthy Die Wealthy	\$ (36,000.00)		
JPMorgan Chase	NV Support Services	x7513	02/11/14	Check	1356	Live Wealthy Die Wealthy	(12,000.00)		
JPMorgan Chase	NV Support Services	x7513	02/20/14	Check	1362	Live Wealthy Die Wealthy	(36,000.00)		
JPMorgan Chase	NV Support Services	x7513	03/17/14	Check	1371	Live Wealthy Die Wealthy	(11,800.00)		
JPMorgan Chase	NV Support Services	x7513	03/18/14	Check	1373	Live Wealthy Die Wealthy	(21,920.00)		
JPMorgan Chase	NV Support Services	x7513	04/03/14	Check	1386	Live Wealthy Die Wealthy	(18,000.00)		
JPMorgan Chase	NV Support Services	x7513	04/07/14	Check	1391	Live Wealthy Die Wealthy	(10,500.00)		
JPMorgan Chase	NV Support Services	x7513	04/08/14	Check	1392	Live Wealthy Die Wealthy	(18,200.00)		
JPMorgan Chase	NV Support Services	x7513	04/22/14	Check	1403	Live Wealthy Die Wealthy	(5,400.00)		
JPMorgan Chase	NV Support Services	x7513	06/13/14	Check	1432	Live Wealthy Die Wealthy	(33,600.00)		
JPMorgan Chase	NV Support Services	x7513	06/18/14	Check	1435	Live Wealthy Die Wealthy	(50,000.00)		
JPMorgan Chase	NV Support Services	x7513	06/20/14	Check	1436	Live Wealthy Die Wealthy	(4,600.00)		
JPMorgan Chase	NV Support Services	x7513	06/23/14	Check	1439	Live Wealthy Die Wealthy	(7,560.00)		
JPMorgan Chase	NV Support Services	x7513	07/07/14	Check	1453	Live Wealthy Die Wealthy	(30,000.00)		
JPMorgan Chase	NV Support Services	x7513	07/09/14	Check	1454	Dale Tenhulzen	(2,400.00)		
JPMorgan Chase	NV Support Services	x7513	07/14/14	Check	1456	Live Wealthy Die Wealthy	(9,180.00)		
JPMorgan Chase	NV Support Services	x7513	08/25/14	Check	1474	Dale Tenhulzen	(10,000.00)		
JPMorgan Chase	NV Support Services	x7513	09/22/14	Check	1488	Live Wealthy Die Wealthy	(10,000.00)		
JPMorgan Chase	NV Support Services	x7513	11/03/14	Check	1514	Live Wealthy Die Wealthy	(9,325.00)		
JPMorgan Chase	NV Support Services	x7513	11/17/14	Check	1520	Dale Tenhulzen	(2,500.00)		
						2014 Subtotal	\$ (338,985.00)		
JPMorgan Chase	Barry M Rybicki dba NV Support Services	x0318	01/23/15	Check	9463	Dale Tenhulzen	\$ (16,000.00)	REDACTED	
JPMorgan Chase	Barry M Rybicki dba NV Support Services	x0318	01/28/15	Check	9467	Dale Tenhulzen	(19,000.00)		
JPMorgan Chase	Barry M Rybicki dba NV Support Services	x0318	02/03/15	Check	9751	Dale Tenhulzen	(14,000.00)	REDACTED	
JPMorgan Chase	Barry M Rybicki dba NV Support Services	x0318	02/09/15	Check	9753	Dale Tenhulzen	(9,800.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/02/15	Check	1019	Dale Tenhulzen	(5,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/30/15	Check	1035	Dale Tenhulzen	(8,760.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/14/15	Check	1047	Dale Tenhulzen	(25,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/01/15	Check	1063	Dale Tenhulzen	(6,752.06)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/01/15	Check	1064	Dale Tenhulzen	(10,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/20/15	Check	1089	Dale Tenhulzen	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/23/15	Check	1090	Dale Tenhulzen	(6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/03/15	Check	1100	Dale Tenhulzen	(7,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/12/15	Check	1104	Dale Tenhulzen	(8,200.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/20/15	Check	1116	Dale Tenhulzen	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/24/15	Check	1117	Dale Tenhulzen	(9,000.00)		

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to Dale Tenhulzen / Live Wealthy Die Wealthy Institute									
(Sorted Chronologically)									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	08/26/15	Check	1115	Dale Tenhulzen	(8,273.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/28/15	Check	1128	Dale Tenhulzen	(4,800.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/28/15	Check	1119	Dale Tenhulzen	(5,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/28/15	Check	1120	Dale Tenhulzen	(5,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/28/15	Check	1118	Dale Tenhulzen	(8,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/08/15	Check	1137	Dale Tenhulzen	(4,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/08/15	Check	1136	Dale Tenhulzen	(8,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/10/15	Check	1148	Dale Tenhulzen	(2,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/24/15	Check	1161	Dale Tenhulzen	(8,250.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/25/15	Check	1162	Dale Tenhulzen	(8,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/29/15	Check	1169	Dale Tenhulzen	(5,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/29/15	Check	1164	Dale Tenhulzen	(6,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/29/15	Check	1163	Dale Tenhulzen	(7,250.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/08/15	Check	1170	Dale Tenhulzen	(5,516.57)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/03/15	Check	1195	Dale Tenhulzen	(8,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/06/15	Check	1196	Dale Tenhulzen	(8,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/09/15	Check	1197	Dale Tenhulzen	(8,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/09/15	Check	1198	Dale Tenhulzen	(8,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/10/15	Check	1199	Dale Tenhulzen	(8,863.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/17/15	Check	1208	Dale Tenhulzen	(6,671.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/17/15	Check	1207	Dale Tenhulzen	(8,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/23/15	Check	1212	Dale Tenhulzen	(10,000.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	12/01/15	Check	1223	Dale Tenhulzen	(4,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/03/15	Check	1222	Dale Tenhulzen	(8,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/07/15	Check	1229	Dale Tenhulzen	(6,000.00)		
						2015 Subtotal	\$ (330,635.63)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/04/16	Check	1257	Dale Tenhulzen	\$ (2,170.80)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/12/16	Check	1267	Dale Tenhulzen	(6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/12/16	Check	1270	Dale Tenhulzen	(1,800.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/15/16	Check	1269	Dale Tenhulzen	(8,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/20/16	Check	1272	Dale Tenhulzen	(1,960.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/08/16	Check	1295	Dale Tenhulzen	(4,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/14/16	Check	1337	Dale Tenhulzen	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/15/16	Check	1336	Dale Tenhulzen	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/15/16	Check	1338	Dale Tenhulzen	(3,563.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/31/16	Check	1407	Dale Tenhulzen	(6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/03/16	Check	1414	Dale Tenhulzen	(5,450.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/06/16	Check	1408	Dale Tenhulzen	(6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/06/16	Check	1413	Dale Tenhulzen	(5,450.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/06/16	Check	1415	Dale Tenhulzen	(6,469.90)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/06/16	Check	1416	Dale Tenhulzen	(6,469.90)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/16/16	Check	1431	Dale Tenhulzen	(6,000.00)		

Securities & Exchange Commission v. Equialt, LLC, et al.							
Schedule of Payments to Dale Tenhulzen / Live Wealthy Die Wealthy Institute							
(Sorted Chronologically)							
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Memo / Transaction Info
JPMorgan Chase	BR Support Services, LLC	x9906	06/27/16	Check	1436	Dale Tenhulzen	(6,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	07/08/16	Check	1453	Dale Tenhulzen	(2,700.00)
JPMorgan Chase	BR Support Services, LLC	x9906	07/15/16	Check	1464	Dale Tenhulzen	(8,500.00)
JPMorgan Chase	BR Support Services, LLC	x9906	07/18/16	Check	1465	Dale Tenhulzen	(8,500.00)
JPMorgan Chase	BR Support Services, LLC	x9906	07/18/16	Check	1466	Dale Tenhulzen	(8,500.00)
JPMorgan Chase	BR Support Services, LLC	x9906	07/18/16	Check	1467	Dale Tenhulzen	(8,500.00)
JPMorgan Chase	BR Support Services, LLC	x9906	07/19/16	Check	1469	Dale Tenhulzen	(4,860.00)
JPMorgan Chase	BR Support Services, LLC	x9906	07/21/16	Check	1468	Dale Tenhulzen	(5,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	07/29/16	Check	1483	Dale Tenhulzen	(2,880.00)
JPMorgan Chase	BR Support Services, LLC	x9906	08/01/16	Check	1485	Dale Tenhulzen	(960.00)
JPMorgan Chase	BR Support Services, LLC	x9906	08/24/16	Check	1514	Dale Tenhulzen	(3,100.00)
JPMorgan Chase	BR Support Services, LLC	x9906	08/29/16	Check	1522	Dale Tenhulzen	(5,040.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/02/16	Check	1531	Dale Tenhulzen	(6,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/02/16	Check	1532	Dale Tenhulzen	(4,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/06/16	Check	1537	Dale Tenhulzen	(8,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/06/16	Check	1538	Dale Tenhulzen	(7,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/06/16	Check	1539	Dale Tenhulzen	(5,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/13/16	Check	1548	Dale Tenhulzen	(3,440.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/14/16	Check	1550	Dale Tenhulzen	(3,900.00)
JPMorgan Chase	BR Support Services, LLC	x9906	10/24/16	Check	1608	Dale Tenhulzen	(8,812.95)
JPMorgan Chase	BR Support Services, LLC	x9906	10/24/16	Check	1609	Dale Tenhulzen	(8,812.95)
JPMorgan Chase	BR Support Services, LLC	x9906	10/27/16	Check	1611	Dale Tenhulzen	(8,10.00) #2
JPMorgan Chase	BR Support Services, LLC	x9906	10/31/16	Check	1618	Dale Tenhulzen	(9,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/01/16	Check	1619	Dale Tenhulzen	(9,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/01/16	Check	1625	Dale Tenhulzen	(8,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/02/16	Check	1626	Dale Tenhulzen	(8,500.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/03/16	Check	1627	Dale Tenhulzen	(8,500.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/03/16	Check	1639	Dale Tenhulzen	(8,687.18)
JPMorgan Chase	BR Support Services, LLC	x9906	11/04/16	Check	1640	Dale Tenhulzen	(9,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/04/16	Check	1643	Dale Tenhulzen	(9,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/04/16	Check	1644	Dale Tenhulzen	(9,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/04/16	Check	1645	Dale Tenhulzen	(9,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/04/16	Check	1646	Dale Tenhulzen	(9,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/07/16	Check	1641	Dale Tenhulzen	(9,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/08/16	Check	1642	Dale Tenhulzen	(9,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/08/16	Check	1653	Dale Tenhulzen	(2,500.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/15/16	Check	1664	Dale Tenhulzen	(9,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/18/16	Check	1665	Dale Tenhulzen	(9,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/18/16	Check	1666	Dale Tenhulzen	(7,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/18/16	Check	1667	Dale Tenhulzen	(6,868.90)
JPMorgan Chase	BR Support Services, LLC	x9906	12/01/16	Check	1669	Dale Tenhulzen	(3,658.70)
JPMorgan Chase	BR Support Services, LLC	x9906	12/08/16	Check	1695	Dale Tenhulzen	(4,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	12/12/16	Check	1700	Dale Tenhulzen	(3,500.00)

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to Dale Tenhulzen / Live Wealthy Die Wealthy Institute									
(Sorted Chronologically)									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	12/12/16	Check	1706	Dale Tenhulzen	(5,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/13/16	Check	1705	Dale Tenhulzen	(9,603.78)	Bonus	
JPMorgan Chase	BR Support Services, LLC	x9906	12/16/16	Check	1732	Dale Tenhulzen	(4,876.80)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/16/16	Check	1733	Dale Tenhulzen	(8,400.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/19/16	Check	1730	Dale Tenhulzen	(3,911.74)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/19/16	Check	1731	Dale Tenhulzen	(1,950.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/23/16	Check	1742	Dale Tenhulzen	(2,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/23/16	Check	1745	Dale Tenhulzen	(2,304.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/23/16	Check	1755	Dale Tenhulzen	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/23/16	Check	1756	Dale Tenhulzen	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/23/16	Check	1757	Dale Tenhulzen	(6,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/29/16	Check	1763	Dale Tenhulzen	(6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/29/16	Check	1765	Dale Tenhulzen	(6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/30/16	Check	1764	Dale Tenhulzen	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/30/16	Check	1766	Dale Tenhulzen	(2,500.00)		
						2016 Subtotal	\$ (453,910.60)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/04/17	Check	1785	Dale Tenhulzen	\$ (3,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/04/17	Check	1789	Dale Tenhulzen	(1,080.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/04/17	Check	1795	Dale Tenhulzen	(8,780.00)	Bonus	
JPMorgan Chase	BR Support Services, LLC	x9906	01/09/17	Check	1805	Dale Tenhulzen	(7,200.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/11/17	Check	1812	Dale Tenhulzen	(8,490.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/12/17	Check	1806	Dale Tenhulzen	(5,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/23/17	Check	1827	Dale Tenhulzen	(9,436.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/24/17	Check	1826	Dale Tenhulzen	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/06/17	Check	1841	Dale Tenhulzen	(6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/07/17	Check	1842	Dale Tenhulzen	(6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/16/17	Check	1849	Dale Tenhulzen	(6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/27/17	Check	1865	Dale Tenhulzen	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/27/17	Check	1866	Dale Tenhulzen	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/07/17	Check	1883	Dale Tenhulzen	(5,400.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/13/17	Check	1909	Dale Tenhulzen	(9,600.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/14/17	Check	1910	Dale Tenhulzen	(9,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/14/17	Check	1911	Dale Tenhulzen	(9,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/16/17	Check	1912	Dale Tenhulzen	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/16/17	Check	1913	Dale Tenhulzen	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/21/17	Check	1921	Dale Tenhulzen	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/21/17	Check	1922	Dale Tenhulzen	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/22/17	Check	1923	Dale Tenhulzen	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/22/17	Check	1924	Dale Tenhulzen	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/22/17	Check	1925	Dale Tenhulzen	(4,200.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/28/17	Check	1934	Dale Tenhulzen	(3,000.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	04/07/17	Check	1964	Dale Tenhulzen	(6,000.00)		

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to Dale Tenhulzen / Live Wealthy Die Wealthy Institute									
(Sorted Chronologically)									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	04/21/17	Check	1984	Dale Tenhulzen	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/24/17	Check	1985	Dale Tenhulzen	(4,250.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/24/17	Check	1986	Dale Tenhulzen	(7,150.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/01/17	Check	2001	Dale Tenhulzen	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/02/17	Check	2004	Dale Tenhulzen	(3,800.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/05/17	Check	2002	Dale Tenhulzen	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/05/17	Check	2003	Dale Tenhulzen	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/08/17	Check	2018	Dale Tenhulzen	(5,640.00)	Bonus 1 of 2	
JPMorgan Chase	BR Support Services, LLC	x9906	05/09/17	Check	2019	Dale Tenhulzen	(5,640.00)	Bonus 2 of 2	
JPMorgan Chase	BR Support Services, LLC	x9906	05/10/17	Check	2016	Dale Tenhulzen	(5,000.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	05/10/17	Check	2017	Dale Tenhulzen	(5,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/15/17	Check	2037	Dale Tenhulzen	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/16/17	Check	2035	Dale Tenhulzen	(7,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/16/17	Check	2038	Dale Tenhulzen	(1,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/23/17	Check	2050	Dale Tenhulzen	(6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/30/17	Check	2068	Dale Tenhulzen	(7,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/31/17	Check	2069	Dale Tenhulzen	(5,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/12/17	Check	2090	Dale Tenhulzen	(8,400.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/13/17	Check	2089	Dale Tenhulzen	(8,400.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/26/17	Check	2117	Dale Tenhulzen	(5,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/28/17	Check	2118	Dale Tenhulzen	(5,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/20/17	Check	2131	Dale Tenhulzen	(2,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/31/17	Check	2142	Dale Tenhulzen	(7,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/01/17	Check	2143	Dale Tenhulzen	(3,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/11/17	Check	2236	Dale Tenhulzen	(6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/18/17	Check	2241	Dale Tenhulzen	(6,400.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/26/17	Check	2265	Dale Tenhulzen	(5,100.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	09/28/17	Check	2272	Dale Tenhulzen	(6,600.00)	Illegible	
JPMorgan Chase	BR Support Services, LLC	x9906	10/05/17	Check	2283	Dale Tenhulzen	(6,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/07/17	Check	2329	Dale Tenhulzen	(5,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/07/17	Check	2330	Dale Tenhulzen	(5,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/07/17	Check	2336	Dale Tenhulzen	(1,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/13/17	Check	2343	Dale Tenhulzen	(1,892.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/14/17	Check	2351	Dale Tenhulzen	(8,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/15/17	Check	2352	Dale Tenhulzen	(8,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/15/17	Check	2355	Dale Tenhulzen	(8,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/16/17	Check	2353	Dale Tenhulzen	(8,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/17/17	Check	2354	Dale Tenhulzen	(8,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/04/17	Check	2365	Dale Tenhulzen	(8,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/12/17	Check	2377	Dale Tenhulzen	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/13/17	Check	2376	Dale Tenhulzen	(1,500.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	12/13/17	Check	2378	Dale Tenhulzen	(2,600.00)		
						2017 Subtotal	\$ (441,558.00)		

Securities & Exchange Commission v. Equialt, LLC, et al.								
Schedule of Payments to Dale Tenhalzen / Live Wealthy Die Wealthy Institute								
(Sorted Chronologically)								
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info
JPMorgan Chase	BR Support Services, LLC	x9906	01/09/18	Check	2399	Dale Tenhalzen	\$ (500.00)	REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	01/09/18	Check	2401	Dale Tenhalzen	(500.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	01/22/18	Check	2411	Dale Tenhalzen	(3,900.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	02/09/18	Check	2431	Dale Tenhalzen	(3,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	02/12/18	Check	2437	Dale Tenhalzen	(6,725.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	02/12/18	Check	2438	Dale Tenhalzen	(6,725.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	03/01/18	Check	2463	Dale Tenhalzen	(1,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	05/15/18	Check	2543	Dale Tenhalzen	(9,900.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	05/15/18	Check	2544	Dale Tenhalzen	(9,900.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	09/05/18	Check	2720	Dale Tenhalzen	(4,500.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	09/17/18	Check	2753	Dale Tenhalzen	(1,500.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	10/03/18	Check	2774	Dale Tenhalzen	(10,104.72)	REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	10/03/18	Check	2777	Dale Tenhalzen	(5,052.36)	
JPMorgan Chase	BR Support Services, LLC	x9906	10/03/18	Check	2782	Dale Tenhalzen	(3,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	10/22/18	Check	2821	Dale Tenhalzen	(1,162.80)	
JPMorgan Chase	BR Support Services, LLC	x9906	10/22/18	Check	2822	Dale Tenhalzen	(9,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	10/22/18	Check	2827	Dale Tenhalzen	(9,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	10/24/18	Check	2825	Dale Tenhalzen	(9,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	10/26/18	Check	2823	Dale Tenhalzen	(9,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	10/26/18	Check	2824	Dale Tenhalzen	(9,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	10/26/18	Check	2826	Dale Tenhalzen	(9,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	11/01/18	Check	2841	Dale Tenhalzen	(9,313.80)	
JPMorgan Chase	BR Support Services, LLC	x9906	11/02/18	Check	2840	Dale Tenhalzen	(9,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	11/09/18	Check	2850	Dale Tenhalzen	(2,500.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	12/12/18	Check	2912	Dale Tenhalzen	(6,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	12/13/18	Check	2898	Dale Tenhalzen	(7,200.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	12/31/18	Check	2956	Dale Tenhalzen	(3,505.60)	
						2018 Subtotal	\$ (158,989.28)	
JPMorgan Chase	BR Support Services, LLC	x9906	01/28/19	Check	3018	Dale Tenhalzen	\$ (9,383.24)	
JPMorgan Chase	BR Support Services, LLC	x9906	02/11/19	Check	3037	Dale Tenhalzen	(2,700.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	02/19/19	Check	3051	Dale Tenhalzen	(4,500.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	02/19/19	Check	3064	Dale Tenhalzen	(3,000.00)	REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	02/27/19	Check	3076	Dale Tenhalzen	(600.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	03/11/19	Check	3107	Dale Tenhalzen	(9,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	03/11/19	Check	3108	Dale Tenhalzen	(6,321.60)	
JPMorgan Chase	BR Support Services, LLC	x9906	03/14/19	Check	3129	Dale Tenhalzen	(20,400.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	04/19/19	Check	3194	Dale Tenhalzen	(1,539.60)	
JPMorgan Chase	BR Support Services, LLC	x9906	04/23/19	Check	3208	Dale Tenhalzen	(3,600.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	04/23/19	Check	3209	Dale Tenhalzen	(3,600.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	05/01/19	Check	3230	Dale Tenhalzen	(11,879.40)	
JPMorgan Chase	BR Support Services, LLC	x9906	05/13/19	Check	3243	Dale Tenhalzen	(6,000.00)	

Securities & Exchange Commission v. Equialt, LLC, et al.							
Schedule of Payments to Dale Tenhulzen / Live Wealthy Die Wealthy Institute							
(Sorted Chronologically)							
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Memo / Transaction Info
JPMorgan Chase	BR Support Services, LLC	x9906	05/13/19	Check	3244	Dale Tenhulzen	(7,200.00)
JPMorgan Chase	BR Support Services, LLC	x9906	05/31/19	Check	3308	Dale Tenhulzen	(3,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	06/18/19	Check	3351	Dale Tenhulzen	(7,500.00) REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	07/16/19	Check	3406	Dale Tenhulzen	(19,680.00)
JPMorgan Chase	BR Support Services, LLC	x9906	08/09/19	Check	3459	Dale Tenhulzen	(1,440.00)
JPMorgan Chase	BR Support Services, LLC	x9906	08/19/19	Check	3469	Dale Tenhulzen	(1,500.00) REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	08/27/19	Check	3501	Dale Tenhulzen	(5,520.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/04/19	Check	3517	Dale Tenhulzen	(4,860.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/16/19	Check	3546	Dale Tenhulzen	(4,014.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/16/19	Check	3548	Dale Tenhulzen	(21,000.00)
						2019 Subtotal	\$ (158,237.84)
						TOTAL	\$ (1,900,016.35)
Source(s):							
Bank statements and cancelled checks for JPMorgan Chase bank account ending x9906, held in the name of BR Support Services, LLC (February 9, 2015 through February 28, 2020).							
Bank statements and cancelled checks for JPMorgan Chase bank account ending x0318, held in the name of Barry M Rybicki DBA NV Support Services (January 8, 2015 through May 29, 2015).							
Bank statements and cancelled checks for JPMorgan Chase bank account ending x7513, held in the name of NV Support Services (March 1, 2013 through February 27, 2015).							
QuickBooks file maintained for BR Support Services, LLC.							

Securities & Exchange Commission v. Equialt, LLC, et al.

Schedule of Payments to Ernest C. Babbini / REIT Alliance Marketing, LLC

(Sorted Chronologically)

Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info
JPMorgan Chase	BR Support Services, LLC	x9906	02/25/15	Check	1005	Ernest Babbini	\$ (1,500.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	04/13/15	Check	1028	Ernest Babbini	(1,500.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	05/05/15	Check	1039	Ernest Babbini	(1,500.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	05/22/15	Check	1056	Ernest Babbini	(2,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	06/15/15	Check	1067	Ernest Babbini	(1,200.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	07/09/15	Check	1081	Ernest Babbini	(1,480.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	08/21/15	Check	1124	Cal Babbini	(2,000.00)	5th - 20th August
JPMorgan Chase	BR Support Services, LLC	x9906	09/02/15	Check	1144	Ernest Babbini	(2,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	09/18/15	Check	1157	Cal Babbini	(2,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	10/06/15	Check	1178	Cal Babbini	(2,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	10/21/15	Check	1187	Ernest Babbini	(2,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	11/05/15	Check	1204	Ernest Babbini	(2,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	11/20/15	Check	1218	Ernest Babbini	(2,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	12/04/15	Check	1239	Ernest Babbini	(816.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	12/04/15	Check	1238	Ernest Babbini	(2,200.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	12/21/15	Check	1254	Ernest Babbini	(1,600.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	12/21/15	Check	1252	Ernest Babbini	(2,000.00)	
						2015 Subtotal	\$ (29,796.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	01/06/16	Transfer	N/A	Ernest Babbini	\$ (2,000.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	01/21/16	Transfer	N/A	Ernest Babbini	(2,000.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	02/05/16	Transfer	N/A	Ernest Babbini	(2,000.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	02/22/16	Transfer	N/A	Ernest Babbini	(2,000.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	03/04/16	Transfer	N/A	Ernest Babbini	(2,000.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	03/21/16	Transfer	N/A	Ernest Babbini	(4,400.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	04/05/16	Transfer	N/A	Ernest Babbini	(2,000.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	04/21/16	Transfer	N/A	Ernest Babbini	(2,000.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	05/04/16	Transfer	N/A	Ernest Babbini	(2,400.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	05/05/16	Transfer	N/A	Ernest Babbini	(2,000.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	05/12/16	Transfer	N/A	Ernest Babbini	(1,200.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	05/12/16	Transfer	N/A	Ernest Babbini	(5,000.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	05/20/16	Transfer	N/A	Ernest Babbini	(2,000.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	06/03/16	Transfer	N/A	Ernest Babbini	(2,000.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	06/08/16	Transfer	N/A	Ernest Babbini	(90.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	06/15/16	Transfer	N/A	Ernest Babbini	(80.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	06/20/16	Transfer	N/A	Ernest Babbini	(1,520.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	06/21/16	Transfer	N/A	Ernest Babbini	(2,000.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	06/23/16	Check	1443	Cal Babbini	(4,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	07/06/16	Transfer	N/A	Ernest Babbini	(1,480.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	07/21/16	Transfer	N/A	Ernest Babbini	(3,000.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	08/11/16	Transfer	N/A	Ernest Babbini	(1,000.00)	Chase Quickpay Electronic Transfer

Securities & Exchange Commission v. Equialt, LLC, et al.								
Schedule of Payments to Ernest C. Babbini / REIT Alliance Marketing, LLC								
<i>(Sorted Chronologically)</i>								
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info
JPMorgan Chase	BR Support Services, LLC	x9906	08/24/16	Transfer	N/A	Ernest Babbini	(2,000.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	08/26/16	Transfer	N/A	Ernest Babbini	(2,000.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	09/14/16	Transfer	N/A	Ernest Babbini	(500.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	09/15/16	Transfer	N/A	Ernest Babbini	(600.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	09/15/16	Transfer	N/A	Ernest Babbini	(1,200.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	09/30/16	Transfer	N/A	Ernest Babbini	(2,000.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	10/03/16	Transfer	N/A	Ernest Babbini	(1,310.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	10/05/16	Transfer	N/A	Ernest Babbini	(1,500.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	10/07/16	Transfer	N/A	Ernest Babbini	(3,000.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	10/14/16	Transfer	N/A	Ernest Babbini	(400.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	10/26/16	Check	1614	Ernest Babbini	(10,668.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	10/27/16	Transfer	N/A	Ernest Babbini	(500.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	11/01/16	Check	1635	Ernest Babbini	(5,640.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	11/02/16	Check	1634	Ernest Babbini	(8,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	11/07/16	Transfer	N/A	Ernest Babbini	(250.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	11/07/16	Transfer	N/A	Ernest Babbini	(1,188.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	11/07/16	Transfer	N/A	Ernest Babbini	(3,430.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	11/10/16	Transfer	N/A	Ernest Babbini	(1,800.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	11/14/16	Check	1632	Ernest Babbini	(7,894.96)	
JPMorgan Chase	BR Support Services, LLC	x9906	11/16/16	Transfer	N/A	Ernest Babbini	(2,340.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	11/22/16	Transfer	N/A	Ernest Babbini	(700.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	11/28/16	Transfer	N/A	Ernest Babbini	(1,540.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	11/30/16	Transfer	N/A	Ernest Babbini	(1,280.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	12/01/16	Transfer	N/A	Ernest Babbini	(1,242.70)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	12/05/16	Check	1633	Ernest Babbini	(9,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	12/07/16	Transfer	N/A	Ernest Babbini	(400.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	12/09/16	Transfer	N/A	Ernest Babbini	(300.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	12/09/16	Transfer	N/A	Ernest Babbini	(900.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	12/09/16	Transfer	N/A	Ernest Babbini	(900.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	12/13/16	Transfer	N/A	Ernest Babbini	(600.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	12/15/16	Transfer	N/A	Ernest Babbini	(2,000.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	12/20/16	Transfer	N/A	Ernest Babbini	(2,340.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	12/22/16	Check	1767	Ernest Babbini	(9,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	12/23/16	Transfer	N/A	Ernest Babbini	(1,600.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	12/29/16	Transfer	N/A	Ernest Babbini	(500.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	12/30/16	Check	1769	Ernest Babbini	(4,100.00)	
						2016 Subtotal	\$ (138,793.66)	
JPMorgan Chase	BR Support Services, LLC	x9906	01/06/17	Transfer	N/A	Ernest Babbini	\$ (867.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	01/09/17	Transfer	N/A	Ernest Babbini	(200.00)	Chase Quickpay Electronic Transfer
JPMorgan Chase	BR Support Services, LLC	x9906	01/11/17	Transfer	N/A	Ernest Babbini	(500.00)	Chase Quickpay Electronic Transfer

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to Ernest C. Babbini / REIT Alliance Marketing, LLC									
<i>(Sorted Chronologically)</i>									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	01/18/17	Check	1768	Ernest Babbini	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/23/17	Transfer	N/A	Ernest Babbini	(480.00)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	01/23/17	Transfer	N/A	Ernest Babbini	(5,000.00)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	01/24/17	Transfer	N/A	Ernest Babbini	(783.94)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	01/31/17	Transfer	N/A	Ernest Babbini	(210.00)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	02/14/17	Transfer	N/A	Ernest Babbini	(5,000.00)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	02/15/17	Transfer	N/A	Ernest Babbini	(951.64)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	02/23/17	Transfer	N/A	Ernest Babbini	(1,019.00)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	02/28/17	Transfer	N/A	Ernest Babbini	(681.00)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	03/01/17	Transfer	N/A	Ernest Babbini	(900.00)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	03/07/17	Transfer	N/A	Ernest Babbini	(2,000.00)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	03/08/17	Transfer	N/A	Ernest Babbini	(265.26)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	03/08/17	Transfer	N/A	Ernest Babbini	(943.00)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	03/15/17	Transfer	N/A	Ernest Babbini	(1,505.00)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	03/20/17	Transfer	N/A	Ernest Babbini	(1,900.00)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	03/20/17	Transfer	N/A	Ernest Babbini	(2,380.00)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	03/27/17	Transfer	N/A	Ernest Babbini	(380.00)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	03/27/17	Transfer	N/A	Ernest Babbini	(515.00)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	04/10/17	Transfer	N/A	Ernest Babbini	(335.18)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	04/12/17	Transfer	N/A	Ernest Babbini	(900.00)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	04/19/17	Transfer	N/A	Ernest Babbini	(159.37)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	04/25/17	Transfer	N/A	Ernest Babbini	(2,000.00)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	04/28/17	Transfer	N/A	Ernest Babbini	(1,200.00)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	05/03/17	Transfer	N/A	Ernest Babbini	(4,500.00)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	05/17/17	Transfer	N/A	Ernest Babbini	(1,940.00)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	06/06/17	Transfer	N/A	Ernest Babbini	(587.00)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	06/06/17	Transfer	N/A	Ernest Babbini	(2,800.00)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	06/07/17	Transfer	N/A	Ernest Babbini	(1,400.00)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	06/22/17	Transfer	N/A	Ernest Babbini	(4,500.00)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	06/26/17	Check	2115	Ernest Babbini	(7,196.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/14/17	Transfer	N/A	Ernest Babbini	(4,000.00)	Chase Quickpay Electronic Transfer	
Wells Fargo	Equialt Fund LLC	x1045	07/20/17	Check	7242	Cal Babbini	(2,500.00)	Balance owed	
JPMorgan Chase	BR Support Services, LLC	x9906	07/26/17	Check	2176	Ernest Babbini	(3,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/01/17	Check	2174	Ernest Babbini	(6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/02/17	Transfer	N/A	Ernest Babbini	(4,080.00)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	08/03/17	Transfer	N/A	Ernest Babbini	(2,520.00)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	08/14/17	Transfer	N/A	Ernest Babbini	(856.00)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	08/15/17	Transfer	N/A	Ernest Babbini	(1,500.00)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	08/17/17	Transfer	N/A	Ernest Babbini	(4,000.00)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	08/18/17	Transfer	N/A	Ernest Babbini	(1,080.00)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	08/31/17	Debit	N/A	Ernest Babbini	(4,000.00)	Quickpay With Zelle	

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to Ernest C. Babbini / REIT Alliance Marketing, LLC									
<i>(Sorted Chronologically)</i>									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	09/11/17	Debit	N/A	Ernest Babbini	(2,250.00)	Quickpay With Zelle	
JPMorgan Chase	BR Support Services, LLC	x9906	09/11/17	Check	2247	Ernest Babbini	(2,911.69)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/11/17	Check	2242	Ernest Babbini	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/18/17	Check	2253	Ernest Babbini	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/20/17	Debit	N/A	Ernest Babbini	(560.00)	Quickpay With Zelle	
JPMorgan Chase	BR Support Services, LLC	x9906	09/27/17	Debit	N/A	Ernest Babbini	(2,250.00)	Quickpay With Zelle	
JPMorgan Chase	BR Support Services, LLC	x9906	09/29/17	Debit	N/A	Ernest Babbini	(540.00)	Quickpay With Zelle	
JPMorgan Chase	BR Support Services, LLC	x9906	10/03/17	Check	2286	Ernest Babbini	(8,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/03/17	Check	2255	Ernest Babbini	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/10/17	Check	2254	Ernest Babbini	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/12/17	Debit	N/A	Ernest Babbini	(1,260.00)	Quickpay With Zelle	
JPMorgan Chase	BR Support Services, LLC	x9906	10/13/17	Debit	N/A	Ernest Babbini	(1,710.00)	Quickpay With Zelle	
JPMorgan Chase	BR Support Services, LLC	x9906	10/20/17	Debit	N/A	Ernest Babbini	(5,000.00)	Quickpay With Zelle	
JPMorgan Chase	BR Support Services, LLC	x9906	11/02/17	Debit	N/A	Ernest Babbini	(750.00)	Quickpay With Zelle	
JPMorgan Chase	BR Support Services, LLC	x9906	11/03/17	Check	2256	Ernest Babbini	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/30/17	Check	2363	Ernest Babbini	(800.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/30/17	Check	2371	Ernest Babbini	(2,841.44)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	12/05/17	Debit	N/A	Ernest Babbini	(1,500.00)	Quickpay With Zelle	
JPMorgan Chase	BR Support Services, LLC	x9906	12/11/17	Debit	N/A	Ernest Babbini	(750.00)	Quickpay With Zelle	
JPMorgan Chase	BR Support Services, LLC	x9906	12/11/17	Check	2366	Ernest Babbini	(3,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/13/17	Check	2386	Ernest Babbini	(7,200.00)		
						2017 Subtotal	\$ (183,357.52)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/02/18	Debit	N/A	Ernest Babbini	\$ (1,600.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	01/03/18	Debit	N/A	Ernest Babbini	(875.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	01/12/18	Debit	N/A	Ernest Babbini	(392.38)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	01/16/18	Debit	N/A	Ernest Babbini	(641.30)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	01/17/18	Debit	N/A	Ernest Babbini	(400.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	01/18/18	Debit	N/A	Ernest Babbini	(500.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	01/18/18	Debit	N/A	Ernest Babbini	(750.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	01/18/18	Debit	N/A	Ernest Babbini	(1,750.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	01/18/18	Debit	N/A	Ernest Babbini	(1,832.66)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	01/23/18	Debit	N/A	Ernest Babbini	(384.19)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	01/24/18	Debit	N/A	Ernest Babbini	(625.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	01/25/18	Debit	N/A	Ernest Babbini	(390.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	01/26/18	Debit	N/A	Ernest Babbini	(133.04)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	01/26/18	Debit	N/A	Ernest Babbini	(1,120.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	01/30/18	Debit	N/A	Ernest Babbini	(1,165.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	02/02/18	Debit	N/A	Ernest Babbini	(788.46)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	02/05/18	Debit	N/A	Ernest Babbini	(809.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	02/07/18	Debit	N/A	Ernest Babbini	(1,542.09)	Zelle Payment	

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to Ernest C. Babbini / REIT Alliance Marketing, LLC									
<i>(Sorted Chronologically)</i>									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	02/08/18	Debit	N/A	Ernest Babbini	(2,156.13)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	02/09/18	Debit	N/A	Ernest Babbini	(1,080.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	02/13/18	Debit	N/A	Ernest Babbini	(232.90)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	02/13/18	Check	2448	Ernest Babbini	(6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/13/18	Check	2449	Ernest Babbini	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/16/18	Debit	N/A	Ernest Babbini	(954.69)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	02/21/18	Debit	N/A	Ernest Babbini	(675.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	02/22/18	Debit	N/A	Ernest Babbini	(309.68)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	02/22/18	Debit	N/A	Ernest Babbini	(1,199.13)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	02/26/18	Debit	N/A	Ernest Babbini	(125.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	02/26/18	Debit	N/A	Ernest Babbini	(640.34)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	02/28/18	Debit	N/A	Ernest Babbini	(470.77)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	03/01/18	Debit	N/A	Ernest Babbini	(494.64)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	03/02/18	Debit	N/A	Ernest Babbini	(1,625.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	03/05/18	Debit	N/A	Ernest Babbini	(1,500.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	03/12/18	Debit	N/A	Ernest Babbini	(1,190.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	03/13/18	Debit	N/A	Ernest Babbini	(1,598.91)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	03/13/18	Check	2484	Ernest Babbini	(8,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/14/18	Debit	N/A	Ernest Babbini	(844.12)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	03/16/18	Debit	N/A	Ernest Babbini	(460.74)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	03/19/18	Debit	N/A	Ernest Babbini	(173.10)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	03/19/18	Debit	N/A	Ernest Babbini	(1,209.73)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	03/20/18	Check	2492	Ernest Babbini	(4,497.03)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/26/18	Debit	N/A	Ernest Babbini	(675.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	03/28/18	Debit	N/A	Ernest Babbini	(221.50)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	03/29/18	Debit	N/A	Ernest Babbini	(500.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	03/30/18	Debit	N/A	Ernest Babbini	(1,129.05)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	03/30/18	Debit	N/A	Ernest Babbini	(2,766.08)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	04/02/18	Debit	N/A	Ernest Babbini	(1,000.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	04/03/18	Debit	N/A	Ernest Babbini	(1,075.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	04/04/18	Debit	N/A	Ernest Babbini	(575.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	04/05/18	Debit	N/A	Ernest Babbini	(1,715.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	04/06/18	Debit	N/A	Ernest Babbini	(370.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	04/09/18	Debit	N/A	Ernest Babbini	(250.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	04/09/18	Debit	N/A	Ernest Babbini	(1,000.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	04/11/18	Debit	N/A	Ernest Babbini	(2,355.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	04/16/18	Debit	N/A	Ernest Babbini	(323.39)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	04/18/18	Debit	N/A	Ernest Babbini	(2,167.86)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	04/19/18	Debit	N/A	Ernest Babbini	(1,322.62)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	04/20/18	Debit	N/A	Ernest Babbini	(250.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	04/23/18	Debit	N/A	Ernest Babbini	(500.00)	Zelle Payment	

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to Ernest C. Babbini / REIT Alliance Marketing, LLC									
<i>(Sorted Chronologically)</i>									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	04/23/18	Debit	N/A	Ernest Babbini	(783.97)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	04/25/18	Debit	N/A	Ernest Babbini	(625.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	04/26/18	Debit	N/A	Ernest Babbini	(1,215.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	04/30/18	Debit	N/A	Ernest Babbini	(787.46)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	05/02/18	Debit	N/A	Ernest Babbini	(1,069.05)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	05/04/18	Debit	N/A	Ernest Babbini	(251.51)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	05/07/18	Debit	N/A	Ernest Babbini	(1,650.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	05/10/18	Debit	N/A	Ernest Babbini	(362.50)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	05/10/18	Debit	N/A	Ernest Babbini	(3,731.82)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	05/14/18	Debit	N/A	Ernest Babbini	(5,000.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	05/15/18	Debit	N/A	Ernest Babbini	(434.67)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	05/16/18	Debit	N/A	Ernest Babbini	(388.50)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	05/16/18	Debit	N/A	Ernest Babbini	(500.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	05/17/18	Debit	N/A	Ernest Babbini	(4,175.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	05/18/18	Debit	N/A	Ernest Babbini	(1,049.35)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	05/18/18	Check	2556	Ernest Babbini	(4,578.57)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	05/18/18	Check	2560	Ernest Babbini	(9,000.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	05/21/18	Debit	N/A	Ernest Babbini	(931.99)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	05/22/18	Debit	N/A	Ernest Babbini	(1,300.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	05/24/18	Check	2577	Ernest Babbini	(3,750.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	05/24/18	Check	2580	Ernest Babbini	(8,000.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	05/25/18	Debit	N/A	Ernest Babbini	(625.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	05/25/18	Debit	N/A	Ernest Babbini	(1,300.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	06/01/18	Check	2593	Ernest Babbini	(2,350.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	06/04/18	Debit	N/A	Ernest Babbini	(250.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	06/05/18	Debit	N/A	Ernest Babbini	(860.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	06/06/18	Debit	N/A	Ernest Babbini	(2,150.05)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	06/07/18	Check	2578	Ernest Babbini	(9,000.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	06/08/18	Debit	N/A	Ernest Babbini	(1,075.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	06/11/18	Debit	N/A	Ernest Babbini	(1,375.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	06/12/18	Debit	N/A	Ernest Babbini	(240.91)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	06/12/18	Check	2579	Ernest Babbini	(9,000.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	06/14/18	Debit	N/A	Ernest Babbini	(483.75)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	06/19/18	Debit	N/A	Ernest Babbini	(375.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	06/20/18	Debit	N/A	Ernest Babbini	(1,894.08)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	06/21/18	Debit	N/A	Ernest Babbini	(250.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	06/22/18	Debit	N/A	Ernest Babbini	(300.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	06/25/18	Debit	N/A	Ernest Babbini	(175.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	06/26/18	Debit	N/A	Ernest Babbini	(773.27)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	06/27/18	Debit	N/A	Ernest Babbini	(633.87)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	06/28/18	Debit	N/A	Ernest Babbini	(2,190.18)	Zelle Payment	

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to Ernest C. Babbini / REIT Alliance Marketing, LLC									
<i>(Sorted Chronologically)</i>									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	06/29/18	Debit	N/A	Ernest Babbini	(750.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	06/29/18	Debit	N/A	Ernest Babbini	(1,892.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	07/02/18	Debit	N/A	Ernest Babbini	(652.94)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	07/03/18	Debit	N/A	Ernest Babbini	(325.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	07/03/18	Debit	N/A	Ernest Babbini	(1,000.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	07/03/18	Debit	N/A	Ernest Babbini	(1,600.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	07/05/18	Debit	N/A	Ernest Babbini	(2,500.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	07/05/18	Debit	N/A	Ernest Babbini	(4,000.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	07/06/18	Debit	N/A	Ernest Babbini	(150.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	07/09/18	Debit	N/A	Ernest Babbini	(1,753.56)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	07/09/18	Check	2649	Ernest Babbini	(10,849.71)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/10/18	Check	2657	Ernest Babbini	(3,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/11/18	Debit	N/A	Ernest Babbini	(115.82)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	07/12/18	Debit	N/A	Ernest Babbini	(820.97)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	07/13/18	Debit	N/A	Ernest Babbini	(222.65)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	07/16/18	Debit	N/A	Ernest Babbini	(718.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	07/18/18	Debit	N/A	Ernest Babbini	(1,375.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	07/18/18	Check	2670	Ernest Babbini	(6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/20/18	Debit	N/A	Ernest Babbini	(1,339.28)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	07/23/18	Debit	N/A	Ernest Babbini	(231.09)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	07/25/18	Debit	N/A	Ernest Babbini	(750.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	07/26/18	Debit	N/A	Ernest Babbini	(575.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	07/26/18	Debit	N/A	Ernest Babbini	(2,000.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	07/27/18	Debit	N/A	Ernest Babbini	(1,355.02)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	08/01/18	Check	2688	Ernest Babbini	(1,874.68)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/02/18	Debit	N/A	Ernest Babbini	(4,439.66)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	08/06/18	Debit	N/A	Ernest Babbini	(665.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	08/07/18	Debit	N/A	Ernest Babbini	(572.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	08/08/18	Debit	N/A	Ernest Babbini	(150.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	08/09/18	Debit	N/A	Ernest Babbini	(443.47)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	08/10/18	Debit	N/A	Ernest Babbini	(877.53)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	08/10/18	Debit	N/A	Ernest Babbini	(1,080.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	08/15/18	Debit	N/A	Ernest Babbini	(800.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	08/17/18	Debit	N/A	Ernest Babbini	(1,031.10)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	08/17/18	Debit	N/A	Ernest Babbini	(3,049.74)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	08/20/18	Debit	N/A	Ernest Babbini	(321.19)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	08/20/18	Debit	N/A	Ernest Babbini	(525.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	08/21/18	Debit	N/A	Ernest Babbini	(250.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	08/23/18	Debit	N/A	Ernest Babbini	(2,113.93)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	08/28/18	Debit	N/A	Ernest Babbini	(375.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	08/28/18	Debit	N/A	Ernest Babbini	(3,627.60)	Zelle Payment	

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to Ernest C. Babbini / REIT Alliance Marketing, LLC									
<i>(Sorted Chronologically)</i>									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	08/29/18	Debit	N/A	Ernest Babbini	(3,111.52)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	09/04/18	Debit	N/A	Ernest Babbini	(514.30)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	09/04/18	Check	2728	Ernest Babbini	(8,760.61)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/06/18	Debit	N/A	Ernest Babbini	(1,426.52)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	09/06/18	Check	2739	Ernest Babbini	(3,780.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/07/18	Debit	N/A	Ernest Babbini	(921.90)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	09/10/18	Debit	N/A	Ernest Babbini	(1,649.60)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	09/11/18	Debit	N/A	Ernest Babbini	(725.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	09/12/18	Debit	N/A	Ernest Babbini	(1,436.25)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	09/12/18	Check	2729	Ernest Babbini	(8,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/13/18	Debit	N/A	Ernest Babbini	(1,000.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	09/13/18	Debit	N/A	Ernest Babbini	(2,120.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	09/18/18	Debit	N/A	Ernest Babbini	(450.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	09/19/18	Debit	N/A	Ernest Babbini	(363.13)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	09/19/18	Check	2758	Ernest Babbini	(5,055.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/24/18	Debit	N/A	Ernest Babbini	(200.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	09/24/18	Debit	N/A	Ernest Babbini	(1,311.10)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	09/26/18	Debit	N/A	Ernest Babbini	(2,096.62)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	09/26/18	Debit	N/A	Ernest Babbini	(2,468.23)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	09/28/18	Debit	N/A	Ernest Babbini	(4,818.34)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	10/02/18	Debit	N/A	Ernest Babbini	(399.05)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	10/04/18	Debit	N/A	Ernest Babbini	(222.79)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	10/04/18	Debit	N/A	Ernest Babbini	(921.71)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	10/05/18	Debit	N/A	Ernest Babbini	(1,893.72)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	10/09/18	Check	2800	Ernest Babbini	(3,665.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/11/18	Debit	N/A	Ernest Babbini	(952.79)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	10/12/18	Check	2810	Ernest Babbini	(3,738.94)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/18/18	Debit	N/A	Ernest Babbini	(4,869.26)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	10/19/18	Debit	N/A	Ernest Babbini	(400.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	10/22/18	Check	2832	Ernest Babbini	(500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/24/18	Debit	N/A	Ernest Babbini	(650.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	10/29/18	Check	2852	Ernest Babbini	(840.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/29/18	Check	2839	Ernest Babbini	(4,250.90)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/29/18	Check	2842	Ernest Babbini	(7,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/01/18	Check	2854	Ernest Babbini	(9,275.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/02/18	Check	2861	Ernest Babbini	(1,183.75)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/05/18	Debit	N/A	Ernest Babbini	(543.36)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	11/08/18	Check	2867	Ernest Babbini	(5,008.85)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/13/18	Debit	N/A	Ernest Babbini	(1,992.92)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	11/14/18	Check	2836	Ernest Babbini	(5,202.86)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/15/18	Debit	N/A	Ernest Babbini	(165.00)	Zelle Payment	

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to Ernest C. Babbini / REIT Alliance Marketing, LLC									
<i>(Sorted Chronologically)</i>									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	11/28/18	Check	2891	Ernest Babbini	(7,109.84)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/29/18	Debit	N/A	Ernest Babbini	(5,000.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	11/30/18	Check	2895	Ernest Babbini	(2,725.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/03/18	Debit	N/A	Ernest Babbini	(2,661.69)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	12/04/18	Debit	N/A	Ernest Babbini	(1,235.79)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	12/06/18	Debit	N/A	Ernest Babbini	(52.08)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	12/07/18	Debit	N/A	Ernest Babbini	(4,795.12)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	12/10/18	Check	2920	Ernest Babbini	(914.77)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/10/18	Check	2917	Ernest Babbini	(10,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/11/18	Debit	N/A	Ernest Babbini	(2,000.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	12/13/18	Check	2936	Ernest Babbini	(500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/13/18	Check	2935	Ernest Babbini	(2,386.04)	Expenses	
JPMorgan Chase	BR Support Services, LLC	x9906	12/13/18	Check	2930	Ernest Babbini	(5,164.44)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/14/18	Debit	N/A	Ernest Babbini	(1,477.20)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	12/17/18	Debit	N/A	Ernest Babbini	(659.04)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	12/20/18	Check	2943	Ernest Babbini	(1,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/21/18	Check	2949	Ernest Babbini	(3,555.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/26/18	Check	2909	Ernest Babbini	(9,250.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/27/18	Debit	N/A	Ernest Babbini	(225.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	12/27/18	Debit	N/A	Ernest Babbini	(350.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	12/27/18	Debit	N/A	Ernest Babbini	(3,526.81)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	12/31/18	Debit	N/A	Ernest Babbini	(125.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	12/31/18	Debit	N/A	Ernest Babbini	(1,325.00)	Zelle Payment	
						2018 Subtotal	\$ (400,309.81)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/02/19	Debit	N/A	Ernest Babbini	(313.28)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	01/04/19	Check	2977	Ernest Babbini	(4,951.17)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/04/19	Check	2910	Ernest Babbini	(9,250.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/08/19	Debit	N/A	Ernest Babbini	(634.27)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	01/09/19	Debit	N/A	Ernest Babbini	(2,131.75)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	01/10/19	Check	2991	Ernest Babbini	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/11/19	Check	2990	Ernest Babbini	(940.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/11/19	Debit	N/A	Ernest Babbini	(1,332.62)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	01/18/19	Check	2992	Ernest Babbini	(6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/22/19	Debit	N/A	Ernest Babbini	(200.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	01/22/19	Debit	N/A	Ernest Babbini	(534.82)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	01/22/19	Debit	N/A	Ernest Babbini	(2,960.55)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	01/25/19	Check	3021	Ernest Babbini	(5,186.64)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/28/19	Check	3015	Ernest Babbini	(8,800.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/29/19	Debit	N/A	Ernest Babbini	(1,775.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	01/30/19	Debit	N/A	Ernest Babbini	(600.00)	Zelle Payment	

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to Ernest C. Babbini / REIT Alliance Marketing, LLC									
<i>(Sorted Chronologically)</i>									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	02/01/19	Check	3043	Ernest Babbini	(1,145.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/01/19	Check	3039	Ernest Babbini	(3,131.64)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/01/19	Check	3040	Ernest Babbini	(5,400.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/08/19	Debit	N/A	Ernest Babbini	(1,315.75)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	02/08/19	Debit	N/A	Ernest Babbini	(3,254.84)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	02/14/19	Debit	N/A	Ernest Babbini	(4,720.24)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	02/15/19	Check	3067	Ernest Babbini	(10,094.84)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/20/19	Check	3084	Ernest Babbini	(3,225.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/20/19	Check	3082	Ernest Babbini	(3,926.48)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/25/19	Debit	N/A	Ernest Babbini	(2,719.47)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	02/27/19	Debit	N/A	Ernest Babbini	(894.07)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	03/04/19	Check	3102	Ernest Babbini	(7,704.58)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/05/19	Check	3104	Ernest Babbini	(5,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/07/19	Debit	N/A	Ernest Babbini	(375.00)	Quickpay With Zelle	
JPMorgan Chase	BR Support Services, LLC	x9906	03/07/19	Debit	N/A	Ernest Babbini	(3,596.00)	Quickpay With Zelle	
JPMorgan Chase	BR Support Services, LLC	x9906	03/08/19	Debit	N/A	Ernest Babbini	(2,783.94)	Quickpay With Zelle	
JPMorgan Chase	BR Support Services, LLC	x9906	03/11/19	Debit	N/A	Ernest Babbini	(2,673.98)	Quickpay With Zelle	
JPMorgan Chase	BR Support Services, LLC	x9906	03/12/19	Debit	N/A	Ernest Babbini	(1,700.00)	Quickpay With Zelle	
JPMorgan Chase	BR Support Services, LLC	x9906	03/13/19	Check	3132	Ernest Babbini	(7,754.55)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/19/19	Check	3147	Ernest Babbini	(2,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/19/19	Check	3145	Ernest Babbini	(5,666.41)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/21/19	Debit	N/A	Ernest Babbini	(1,325.88)	Quickpay With Zelle	
JPMorgan Chase	BR Support Services, LLC	x9906	03/22/19	Check	3156	Ernest Babbini	(8,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/26/19	Check	3162	Ernest Babbini	(2,636.47)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/28/19	Check	3163	Ernest Babbini	(11,791.72)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/28/19	Check	3169	Ernest Babbini	(6,616.23)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/01/19	Debit	N/A	Ernest Babbini	(1,451.92)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	04/04/19	Debit	N/A	Ernest Babbini	(1,338.80)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	04/04/19	Debit	N/A	Ernest Babbini	(1,487.79)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	04/08/19	Debit	N/A	Ernest Babbini	(2,213.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	04/08/19	Debit	N/A	Ernest Babbini	(2,362.12)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	04/11/19	Debit	N/A	Ernest Babbini	(4,328.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	04/15/19	Debit	N/A	Ernest Babbini	(368.77)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	04/16/19	Debit	N/A	Ernest Babbini	(4,791.31)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	04/19/19	Check	3215	Ernest Babbini	(8,690.19)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/25/19	Check	3224	Ernest Babbini	(4,850.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/29/19	Debit	N/A	Ernest Babbini	(775.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	05/02/19	Check	3235	Ernest Babbini	(6,622.70)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/06/19	Debit	N/A	Ernest Babbini	(1,340.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	05/08/19	Debit	N/A	Ernest Babbini	(3,384.88)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	05/10/19	Debit	N/A	Ernest Babbini	(1,072.91)	Zelle Payment	

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to Ernest C. Babbini / REIT Alliance Marketing, LLC									
<i>(Sorted Chronologically)</i>									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	05/14/19	Check	3256	Ernest Babbini	(8,575.95)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/16/19	Check	3262	Ernest Babbini	(9,432.16)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/17/19	Check	3270	Ernest Babbini	(4,737.18)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/22/19	Check	3280	Ernest Babbini	(12,979.57)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/24/19	Check	3298	Ernest Babbini	(3,135.82)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/24/19	Check	3285	Ernest Babbini	(10,116.47)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/31/19	Check	3306	Ernest Babbini	(1,425.40)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/31/19	Check	3311	Ernest Babbini	(1,541.52)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/06/19	Check	3322	Ernest Babbini	(6,707.84)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/11/19	Check	3332	Ernest Babbini	(7,328.62)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/12/19	Check	3345	Ernest Babbini	(445.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/12/19	Check	3344	Ernest Babbini	(2,585.11)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/18/19	Check	3368	Ernest Babbini	(15,494.38)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/26/19	Check	3376	Ernest Babbini	(6,374.81)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/26/19	Check	3384	Ernest Babbini	(10,904.40)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/28/19	Debit	N/A	Ernest Babbini	(5,000.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	07/01/19	Debit	N/A	Ernest Babbini	(1,317.71)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	07/01/19	Debit	N/A	Ernest Babbini	(5,000.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	07/02/19	Debit	N/A	Ernest Babbini	(5,000.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	07/03/19	Debit	N/A	Ernest Babbini	(5,000.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	07/05/19	Debit	N/A	Ernest Babbini	(5,000.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	07/08/19	Debit	N/A	Ernest Babbini	(4,000.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	07/09/19	Debit	N/A	Ernest Babbini	(1,283.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	07/23/19	Check	3423	Ernest Babbini	(41,700.96)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/26/19	Check	3434	Ernest Babbini	(44,762.17)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/01/19	Check	3439	Ernest Babbini	(3,340.43)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/01/19	Check	3438	Ernest Babbini	(17,815.64)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/06/19	Debit	N/A	Ernest Babbini	(4,203.75)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	08/13/19	Check	3472	Ernest Babbini	(1,904.37)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/13/19	Check	3474	Ernest Babbini	(18,896.97)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/15/19	Check	3452	Ernest Babbini	(217.50)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	08/15/19	Check	3450	Ernest Babbini	(7,180.58)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/16/19	Check	3487	Ernest Babbini	(10,138.28)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	08/23/19	Debit	N/A	Ernest Babbini	(487.50)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	08/23/19	Debit	N/A	Ernest Babbini	(2,600.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	08/30/19	Check	3521	Ernest Babbini	(352.67)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	08/30/19	Check	3515	Ernest Babbini	(6,880.92)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/04/19	Check	3531	Ernest Babbini	(9,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/05/19	Debit	N/A	Ernest Babbini	(225.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	09/09/19	Debit	N/A	Ernest Babbini	(3,230.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	09/10/19	Debit	N/A	Ernest Babbini	(1,187.50)	Zelle Payment	

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to Ernest C. Babbini / REIT Alliance Marketing, LLC									
<i>(Sorted Chronologically)</i>									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	09/13/19	Debit	N/A	Ernest Babbini	(2,964.57)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	09/20/19	Debit	N/A	Ernest Babbini	(1,020.50)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	09/20/19	Debit	N/A	Ernest Babbini	(3,001.76)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	09/25/19	Debit	N/A	Ernest Babbini	(1,695.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	09/26/19	Debit	N/A	Ernest Babbini	(2,040.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	10/02/19	Check	3591	Ernest Babbini	(3,696.78)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/11/19	Check	3606	Ernest Babbini	(1,072.14)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/11/19	Check	3604	Ernest Babbini	(9,609.73)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/18/19	Check	3620	Ernest Babbini	(13,343.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/22/19	Check	3628	Ernest Babbini	(14,175.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/28/19	Debit	N/A	Ernest Babbini	(445.50)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	10/28/19	Debit	N/A	Ernest Babbini	(945.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	10/28/19	Debit	N/A	Ernest Babbini	(1,687.50)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	11/06/19	Debit	N/A	Ernest Babbini	(381.76)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	11/08/19	Debit	N/A	Ernest Babbini	(2,915.74)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	11/12/19	Debit	N/A	Ernest Babbini	(4,750.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	11/21/19	Debit	N/A	Ernest Babbini	(1,187.50)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	11/26/19	Debit	N/A	Ernest Babbini	(1,554.96)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	12/03/19	Check	3698	Ernest Babbini	(2,897.50)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/03/19	Check	3702	Ernest Babbini	(3,166.03)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/03/19	Check	3696	Ernest Babbini	(3,600.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/06/19	Debit	N/A	Ernest Babbini	(2,947.50)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	12/13/19	Debit	N/A	Ernest Babbini	(607.50)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	12/19/19	Check	3729	Ernest Babbini	(2,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/23/19	Debit	N/A	Ernest Babbini	(1,757.50)	Zelle Payment	
						2019 Subtotal	\$ (600,611.23)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/08/20	Debit	N/A	Ernest Babbini	\$ (2,356.00)	Quickpay With Zelle	
JPMorgan Chase	BR Support Services, LLC	x9906	01/10/20	Debit	N/A	Ernest Babbini	(4,840.00)	Quickpay With Zelle	
JPMorgan Chase	BR Support Services, LLC	x9906	01/13/20	Debit	N/A	Ernest Babbini	(907.50)	Quickpay With Zelle	
JPMorgan Chase	BR Support Services, LLC	x9906	01/21/20	Debit	N/A	Ernest Babbini	(1,187.50)	Quickpay With Zelle	
JPMorgan Chase	BR Support Services, LLC	x9906	01/29/20	Debit	N/A	Ernest Babbini	(500.00)	Quickpay With Zelle	
JPMorgan Chase	BR Support Services, LLC	x9906	01/29/20	Debit	N/A	Ernest Babbini	(2,633.59)	Quickpay With Zelle	
JPMorgan Chase	BR Support Services, LLC	x9906	02/04/20	Debit	N/A	Ernest Babbini	(2,000.00)	Zelle Payment	
JPMorgan Chase	BR Support Services, LLC	x9906	02/10/20	Debit	N/A	Ernest Babbini	(392.78)	Zelle Payment	
						2020 Subtotal	\$ (14,817.37)		
						TOTAL	\$ (1,367,685.59)		
Source:									
Bank statements and cancelled checks for JPMorgan Chase bank account ending x9906, held in the name of BR Support Services, LLC (February 9, 2015 through February 28, 2020).									
Bank statements and cancelled checks for Wells Fargo bank account ending x1045, held in the name of Equialt Fund, LLC (August 1, 2011 through January 31, 2019).									

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to Bobby Armijo / Joseph Financial Inc.									
(Sorted Chronologically)									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	02/05/16	Check	1296	Joseph Financial Inc.	\$ (9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/09/16	Check	1305	Joseph Financial Inc.	(17,718.70)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/06/16	Wire	N/A	Joseph Financial Inc.	(2,825.00)		REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	05/31/16	Check	1412	Joseph Financial Inc.	(5,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/07/16	Check	1457	Joseph Financial Inc.	(3,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/18/16	Check	1473	Joseph Financial Inc.	(9,850.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/08/16	Check	1496	Joseph Financial Inc.	(2,350.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/03/16	Check	1581	Joseph Financial Inc.	(5,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/13/16	Check	1599	Joseph Financial Inc.	(5,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/18/16	Check	1607	Joseph Financial Inc.	(2,083.33)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/19/16	Wire	N/A	Joseph Financial Inc.	(10,035.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/26/16	Check	1616	Joseph Financial Inc.	(3,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/27/16	Check	1624	Joseph Financial Inc.	(2,100.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/02/16	Check	1647	Joseph Financial Inc.	(51,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/15/16	Check	1670	Joseph Financial Inc.	(4,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/21/16	Check	1675	Joseph Financial Inc.	(4,440.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/02/16	Check	1698	Joseph Financial Inc.	(92,520.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/08/16	Check	1707	Joseph Financial Inc.	(5,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/12/16	Check	1717	Joseph Financial Inc.	(6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/13/16	Check	1724	Joseph Financial Inc.	(121,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/20/16	Check	1749	Joseph Financial Inc.	(12,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/27/16	Check	1772	Joseph Financial Inc.	(30,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/27/16	Check	1784	Joseph Financial Inc.	(8,400.00)		
						2016 Subtotal	\$ (412,822.03)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/03/17	Check	1798	Joseph Financial Inc.	\$ (60,000.00)		REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	01/03/17	Check	1799	Joseph Financial Inc.	(20,220.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/05/17	Check	1807	Joseph Financial Inc.	(1,200.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/10/17	Check	1853	Joseph Financial Inc.	(1,000.00)		REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	02/14/17	Check	1857	Joseph Financial Inc.	(20,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/16/17	Check	1861	Joseph Financial Inc.	(4,850.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/01/17	Check	1888	Joseph Financial Inc.	(5,170.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/08/17	Check	1905	Joseph Financial Inc.	(2,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/22/17	Check	1932	Joseph Financial Inc.	(5,400.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/29/17	Check	1945	Joseph Financial Inc.	(11,600.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/03/17	Check	1960	Joseph Financial Inc.	(3,320.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/04/17	Check	1963	Joseph Financial Inc.	(1,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/04/17	Check	2025	Joseph Financial Inc.	(8,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/19/17	Check	2057	Joseph Financial Inc.	(3,150.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/12/17	Check	2097	Joseph Financial Inc.	(3,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/16/17	Check	2102	Joseph Financial Inc.	(100,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/26/17	Check	2121	Joseph Financial Inc.	(20,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/13/17	Check	2135	Joseph Financial Inc.	(5,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/03/17	Check	2189	Joseph Financial Inc.	(25,500.00)		REDACTED

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to Bobby Armijo / Joseph Financial Inc.									
(Sorted Chronologically)									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	08/30/17	Check	2224	Joseph Financial Inc.	(20,000.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	09/20/17	Check	2259	Joseph Financial Inc.	(5,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/21/17	Check	2262	Joseph Financial Inc.	(5,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/06/17	Check	2289	Joseph Financial Inc.	(100,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/13/17	Check	2302	Joseph Financial Inc.	(5,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/20/17	Check	2311	Joseph Financial Inc.	(100,000.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	10/26/17	Check	2317	Joseph Financial Inc.	(1,560.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/26/17	Check	2319	Joseph Financial Inc.	(3,030.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/31/17	Check	2325	Joseph Financial Inc.	(5,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/02/17	Check	2334	Joseph Financial Inc.	(5,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/10/17	Check	2349	Joseph Financial Inc.	(5,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/01/17	Check	2372	Joseph Financial Inc.	(5,100.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/06/17	Check	2379	Joseph Financial Inc.	(20,000.00)		
						2017 Subtotal	\$ (580,100.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/10/18	Check	2547	Joseph Financial Inc.	\$ (5,200.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	05/21/18	Check	2572	Joseph Financial Inc.	(22,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/12/18	Check	2615	Joseph Financial Inc.	(4,818.10)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/28/18	Check	2721	Joseph Financial Inc.	(2,000.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	09/10/18	Check	2746	Joseph Financial Inc.	(30,000.00)		
						2018 Subtotal	\$ (64,018.10)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/07/19	Check	3109	Joseph Financial Inc.	\$ (9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/08/19	Check	3119	Joseph Financial Inc.	(10,631.22)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/26/19	Check	3430	Joseph Financial Inc.	(6,120.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	08/05/19	Check	3447	Joseph Financial Inc.	(3,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/08/19	Check	3460	Joseph Financial Inc.	(4,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/27/19	Check	3582	Joseph Financial Inc.	(2,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/12/19	Check	3669	Joseph Financial Inc.	(2,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/06/19	Check	3707	Joseph Financial Inc.	(5,300.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/13/19	Check	3720	Joseph Financial Inc.	(12,000.00)		
						2019 Subtotal	\$ (55,551.22)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/10/20	Check	3755	Joseph Financial Inc.	\$ (6,000.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	01/21/20	Check	3763	Joseph Financial Inc.	(2,991.30)		
						2020 Subtotal	\$ (8,991.30)		
						TOTAL	\$ (1,121,482.65)		

Sources:

Bank statements and cancelled checks for JPMorgan Chase bank account ending x9906, held in the name of BR Support Services, LLC (February 9, 2015 through February 28, 2020). QuickBooks file maintained for BR Support Services, LLC.

Securities & Exchange Commission v. Equialt, LLC, et al.						
Schedule of Payments to Bobby Armijo / Joseph Financial Inc.						
(Sorted Chronologically)						
Bank Name	Account Name	Account No.	Date	Type	Check No.	Amount
Bank of America	Equialt Secured Income Portfolio REIT, Inc.	x4079	05/23/18	Transfer	N/A	\$ (152,945.00)
Bank of America	Equialt Secured Income Portfolio REIT, Inc.	x4079	08/22/18	ACH	N/A	(58,500.00)
Bank of America	Equialt Secured Income Portfolio REIT, Inc.	x4079	09/26/18	ACH	N/A	(650.00)
Bank of America	Equialt Secured Income Portfolio REIT, Inc.	x4079	12/05/18	ACH	N/A	(32,870.70)
					2018 Subtotal	\$ (244,965.70)
Bank of America	Equialt Secured Income Portfolio REIT, Inc.	x4079	02/22/19	ACH	N/A	\$ (2,500.00)
Bank of America	Equialt Secured Income Portfolio REIT, Inc.	x4079	02/22/19	ACH	N/A	(50,000.00)
Bank of America	Equialt Secured Income Portfolio REIT, Inc.	x4079	02/22/19	ACH	N/A	(50,000.00)
Bank of America	Equialt Secured Income Portfolio REIT, Inc.	x4079	03/14/19	ACH	N/A	(1,625.00)
Bank of America	Equialt Secured Income Portfolio REIT, Inc.	x4079	03/15/19	ACH	N/A	(1,885.00)
					2019 Subtotal	\$ (106,010.00)
					TOTAL	\$ (350,975.70)
Source(s):						
Bank activity for Bank of America bank account ending x4079 held in the name of Equialt Secured Income Portfolio REIT, Inc.						
QuickBooks file maintained for Equialt Secured Income Portfolio REIT, Inc.						

Securities & Exchange Commission v. Equialt, LLC, et al.							
Schedule of Payments to Elliott Financial Group / Todd Elliott							
<i>(Sorted Chronologically)</i>							
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Memo / Transaction Info
JPMorgan Chase	BR Support Services, LLC	x9906	05/27/15	Check	1059	Elliott Financial Group	\$ (2,100.00) REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	05/28/15	Check	1061	Elliott Financial Group	(6,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	06/10/15	Check	1065	Elliott Financial Group	(1,500.00)
JPMorgan Chase	BR Support Services, LLC	x9906	06/30/15	Check	1075	Elliott Financial Group	(4,080.00)
JPMorgan Chase	BR Support Services, LLC	x9906	07/07/15	Check	1078	Elliott Financial Group	(2,940.00)
JPMorgan Chase	BR Support Services, LLC	x9906	07/14/15	Check	1086	Elliott Financial Group	(6,000.00) REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	07/20/15	Check	1092	Elliott Financial Group	(1,080.00)
JPMorgan Chase	BR Support Services, LLC	x9906	08/03/15	Check	1102	Elliott Financial Group	(6,000.00) REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	08/13/15	Check	1112	Elliott Financial Group	(900.00)
JPMorgan Chase	BR Support Services, LLC	x9906	08/26/15	Check	1129	Elliott Financial Group	(16,380.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/15/15	Check	1150	Elliott Financial Group	(6,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/16/15	Check	1152	Elliott Financial Group	(1,110.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/16/15	Check	1153	Elliott Financial Group	(6,600.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/17/15	Check	1155	Elliott Financial Group	(1,123.17)
JPMorgan Chase	BR Support Services, LLC	x9906	09/24/15	Check	1167	Elliott Financial Group	(1,500.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/03/15	Check	1200	Elliott Financial Group	(3,720.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/10/15	Check	1209	Elliott Financial Group	(3,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/17/15	Check	1211	Elliott Financial Group	(4,620.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/25/15	Check	1221	Elliott Financial Group	(17,400.00)
JPMorgan Chase	BR Support Services, LLC	x9906	12/03/15	Check	1232	Elliott Financial Group	(5,712.00)
JPMorgan Chase	BR Support Services, LLC	x9906	12/29/15	Check	1259	Elliott Financial Group	(2,400.00)
						2015 Subtotal	\$ (100,165.17)
JPMorgan Chase	BR Support Services, LLC	x9906	01/21/16	Check	1286	Elliott Financial Group	\$ (9,600.00)
JPMorgan Chase	BR Support Services, LLC	x9906	01/28/16	Check	1290	Elliott Financial Group	(1,740.00)
JPMorgan Chase	BR Support Services, LLC	x9906	03/04/16	Check	1330	Elliott Financial Group	(3,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	04/04/16	Check	1357	Elliott Financial Group	(1,800.00)
JPMorgan Chase	BR Support Services, LLC	x9906	04/14/16	Check	1372	Elliott Financial Group	(1,500.00)
JPMorgan Chase	BR Support Services, LLC	x9906	04/18/16	Check	1376	Elliott Financial Group	(500.00)
JPMorgan Chase	BR Support Services, LLC	x9906	04/25/16	Check	1379	Elliott Financial Group	(654.00)
JPMorgan Chase	BR Support Services, LLC	x9906	04/25/16	Check	1381	Elliott Financial Group	(9,720.00)
JPMorgan Chase	BR Support Services, LLC	x9906	05/02/16	Wire	N/A	Elliott Financial Group	(7,225.00) Marketing Fee Plus Wire Fee
JPMorgan Chase	BR Support Services, LLC	x9906	05/03/16	Wire	N/A	Elliott Financial Group	(8,275.00)
JPMorgan Chase	BR Support Services, LLC	x9906	05/06/16	Wire	N/A	Elliott Financial Group	(1,795.00)
JPMorgan Chase	BR Support Services, LLC	x9906	05/13/16	Wire	N/A	Elliott Financial Group	(11,755.00)
JPMorgan Chase	BR Support Services, LLC	x9906	05/19/16	Check	1401	Elliott Financial Group	(3,600.00)
JPMorgan Chase	BR Support Services, LLC	x9906	06/07/16	Wire	N/A	Elliott Financial Group	(8,365.00)
JPMorgan Chase	BR Support Services, LLC	x9906	06/14/16	Wire	N/A	Elliott Financial Group	(3,160.00)
JPMorgan Chase	BR Support Services, LLC	x9906	06/16/16	Wire	N/A	Elliott Financial Group	(6,025.00)

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Schedule of Payments to Elliott Financial Group / Todd Elliott							
<i>(Sorted Chronologically)</i>							
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount
JPMorgan Chase	BR Support Services, LLC	x9906	06/22/16	Check	1442	Elliott Financial Group	(8,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	07/26/16	Check	1481	Elliott Financial Group	(1,500.00)
JPMorgan Chase	BR Support Services, LLC	x9906	08/02/16	Check	1492	Elliott Financial Group	(3,660.00)
JPMorgan Chase	BR Support Services, LLC	x9906	08/03/16	Check	1493	Elliott Financial Group	(600.00)
JPMorgan Chase	BR Support Services, LLC	x9906	08/12/16	Check	1509	Elliott Financial Group	(960.00)
JPMorgan Chase	BR Support Services, LLC	x9906	08/31/16	Check	1535	Elliott Financial Group	(2,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/26/16	Check	1567	Elliott Financial Group	(4,300.00)
JPMorgan Chase	BR Support Services, LLC	x9906	10/06/16	Check	1592	Elliott Financial Group	(3,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	10/13/16	Check	1598	Elliott Financial Group	(6,184.00)
JPMorgan Chase	BR Support Services, LLC	x9906	10/27/16	Check	1622	Elliott Financial Group	(1,460.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/07/16	Check	1649	Elliott Financial Group	(4,600.00)
JPMorgan Chase	BR Support Services, LLC	x9906	12/15/16	Check	1736	Elliott Financial Group	(1,176.00)
JPMorgan Chase	BR Support Services, LLC	x9906	12/20/16	Check	1743	Elliott Financial Group	(1,100.00)
JPMorgan Chase	BR Support Services, LLC	x9906	12/21/16	Check	1761	Elliott Financial Group	(7,200.00)
JPMorgan Chase	BR Support Services, LLC	x9906	12/27/16	Check	1774	Elliott Financial Group	(10,800.00)
						2016 Subtotal	\$ (135,254.00)
JPMorgan Chase	BR Support Services, LLC	x9906	01/09/17	Check	1818	Elliott Financial Group	\$ (2,340.00)
JPMorgan Chase	BR Support Services, LLC	x9906	02/01/17	Check	1927	Elliott Financial Group	(1,152.00)
JPMorgan Chase	BR Support Services, LLC	x9906	02/28/17	Check	1880	Elliott Financial Group	(854.00)
JPMorgan Chase	BR Support Services, LLC	x9906	06/22/17	Check	2113	Elliott Financial Group	(7,544.00)
JPMorgan Chase	BR Support Services, LLC	x9906	07/26/17	Check	2179	Elliott Financial Group	(704.00)
JPMorgan Chase	BR Support Services, LLC	x9906	08/02/17	Check	2188	Elliott Financial Group	(6,120.00)
JPMorgan Chase	BR Support Services, LLC	x9906	08/14/17	Check	2209	Elliott Financial Group	(1,284.00)
JPMorgan Chase	BR Support Services, LLC	x9906	08/31/17	Check	2228	Elliott Financial Group	(6,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/20/17	Check	2260	Elliott Financial Group	(1,440.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/29/17	Check	2279	Elliott Financial Group	(810.00)
JPMorgan Chase	BR Support Services, LLC	x9906	10/20/17	Check	2312	Elliott Financial Group	(7,500.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/21/17	Check	2362	Elliott Financial Group	(1,200.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/28/17	Check	2367	Elliott Financial Group	(4,500.00)
JPMorgan Chase	BR Support Services, LLC	x9906	12/13/17	Check	2385	Elliott Financial Group	(10,800.00)
						2017 Subtotal	\$ (52,248.00)
JPMorgan Chase	BR Support Services, LLC	x9906	02/09/18	Check	2444	Elliott Financial Group	\$ (1,440.00)
JPMorgan Chase	BR Support Services, LLC	x9906	03/13/18	Check	2481	Elliott Financial Group	(3,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	03/19/18	Check	2491	Elliott Financial Group	(5,996.10)
JPMorgan Chase	BR Support Services, LLC	x9906	03/30/18	Check	2505	Elliott Financial Group	(4,149.12)
JPMorgan Chase	BR Support Services, LLC	x9906	05/25/18	Check	2585	Elliott Financial Group	(5,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	06/05/18	Check	2602	Elliott Financial Group	(8,200.00)

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Schedule of Payments to Elliott Financial Group / Todd Elliott								
<i>(Sorted Chronologically)</i>								
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info
JPMorgan Chase	BR Support Services, LLC	x9906	06/07/18	Check	2603	Elliott Financial Group	(10,800.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	06/26/18	Check	2632	Elliott Financial Group	(9,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	07/05/18	Check	2633	Elliott Financial Group	(7,400.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	07/12/18	Check	2645	Elliott Financial Group	(2,400.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	07/12/18	Check	2648	Elliott Financial Group	(1,800.00)	REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	07/12/18	Check	2634	Elliott Financial Group	(9,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	07/31/18	Check	2678	Elliott Financial Group	(3,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	08/07/18	Check	2698	Elliott Financial Group	(5,964.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	08/21/18	Check	2715	Elliott Financial Group	(600.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	08/28/18	Check	2722	Elliott Financial Group	(15,540.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	09/04/18	Check	2731	Elliott Financial Group	(3,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	09/06/18	Check	2742	Elliott Financial Group	(1,170.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	09/13/18	Check	2756	Elliott Financial Group	(5,940.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	09/18/18	Check	2763	Elliott Financial Group	(6,600.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	09/24/18	Check	2769	Elliott Financial Group	(2,233.20)	
JPMorgan Chase	BR Support Services, LLC	x9906	09/26/18	Check	2775	Elliott Financial Group	(1,500.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	09/26/18	Check	2776	Elliott Financial Group	(3,702.35)	
JPMorgan Chase	BR Support Services, LLC	x9906	10/25/18	Check	2835	Elliott Financial Group	(6,937.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	11/01/18	Check	2853	Elliott Financial Group	(12,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	11/13/18	Check	2872	Elliott Financial Group	(6,060.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	11/27/18	Check	2887	Elliott Financial Group	(10,620.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	11/29/18	Check	2893	Elliott Financial Group	(23,700.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	12/27/18	Check	2957	Elliott Financial Group	(300.00)	
						2018 Subtotal	\$ (177,051.77)	
JPMorgan Chase	BR Support Services, LLC	x9906	01/08/19	Check	2979	Elliott Financial Group	\$ (2,400.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	02/01/19	Check	3042	Elliott Financial Group	(13,740.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	02/13/19	Check	3060	Elliott Financial Group	(1,587.90)	
JPMorgan Chase	BR Support Services, LLC	x9906	02/13/19	Check	3061	Elliott Financial Group	(3,360.00)	Illegible
JPMorgan Chase	BR Support Services, LLC	x9906	02/21/19	Check	3077	Elliott Financial Group	(3,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	03/07/19	Check	3113	Elliott Financial Group	(3,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	03/25/19	Check	3160	Elliott Financial Group	(14,739.65)	REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	04/05/19	Check	3184	Elliott Financial Group	(5,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	04/17/19	Check	3201	Elliott Financial Group	(2,200.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	04/24/19	Check	3223	Elliott Financial Group	(6,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	05/06/19	Check	3240	Elliott Financial Group	(9,720.00)	REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	05/14/19	Check	3252	Elliott Financial Group	(6,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	05/17/19	Check	3268	Elliott Financial Group	(11,730.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	05/22/19	Check	3277	Elliott Financial Group	(675.00)	REDACTED

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Schedule of Payments to Elliott Financial Group / Todd Elliott									
(Sorted Chronologically)									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	05/29/19	Check	3305	Elliott Financial Group	(5,959.20)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/06/19	Check	3325	Elliott Financial Group	(225.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	06/12/19	Check	3341	Elliott Financial Group	(8,340.00)	Sale renewal	
JPMorgan Chase	BR Support Services, LLC	x9906	06/18/19	Check	3359	Elliott Financial Group	(3,135.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	06/18/19	Check	3360	Elliott Financial Group	(7,560.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/18/19	Check	3364	Elliott Financial Group	(5,488.08)	Illegible	
JPMorgan Chase	BR Support Services, LLC	x9906	06/28/19	Check	3393	Elliott Financial Group	(30,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/15/19	Check	3383	Elliott Financial Group	(10,000.00)	Illegible	
JPMorgan Chase	BR Support Services, LLC	x9906	07/16/19	Check	3411	Elliott Financial Group	(47,250.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	07/23/19	Check	3421	Elliott Financial Group	(6,742.82)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/26/19	Check	3432	Elliott Financial Group	(7,139.44)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/01/19	Check	3437	Elliott Financial Group	(31,177.37)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/01/19	Check	3441	Elliott Financial Group	(750.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/05/19	Check	3448	Elliott Financial Group	(5,220.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/13/19	Check	3473	Elliott Financial Group	(27,848.24)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/30/19	Check	3514	Elliott Financial Group	(3,761.84)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/06/19	Check	3530	Elliott Financial Group	(16,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/20/19	Check	3561	Elliott Financial Group	(11,214.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/11/19	Check	3605	Elliott Financial Group	(8,577.10)	renewal referrals	
JPMorgan Chase	BR Support Services, LLC	x9906	10/28/19	Check	3634	Elliott Financial Group	(7,560.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/06/19	Check	3652	Elliott Financial Group	(3,054.10)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	11/08/19	Check	3660	Elliott Financial Group	(3,683.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/12/19	Check	3668	Elliott Financial Group	(6,000.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	12/03/19	Check	3695	Elliott Financial Group	(28,800.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/23/19	Check	3737	Elliott Financial Group	(2,220.00)		
						2019 Subtotal	(370,857.74)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/10/20	Check	3752	Elliott Financial Group	\$ (7,260.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/29/20	Check	3777	Elliott Financial Group	(1,826.00)	REDACTED	
						2020 Subtotal	\$ (9,086.00)		
						TOTAL	\$ (844,662.68)		
Source(s):									
Bank statements and cancelled checks for JPMorgan Chase bank account ending x9906, held in the name of BR Support Services, LLC (February 9, 2015 through February 28, 2020). QuickBooks file maintained for BR Support Services, LLC.									

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Schedule of Payments to Lifeline Innovations / John Marques							
<i>(Sorted Chronologically)</i>							
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Memo / Transaction Info
JPMorgan Chase	BR Support Services, LLC	x9906	08/09/16	Check	1503	Lifeline Innovations + Insurance	\$ (6,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	08/25/16	Check	1526	Lifeline Innovations	(3,600.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/02/16	Check	1542	Lifeline Innovations	(1,800.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/06/16	Check	1544	Lifeline Innovations	(3,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/13/16	Check	1554	Lifeline Innovations	(3,600.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/29/16	Check	1576	Lifeline Innovations	(12,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/30/16	Check	1579	Lifeline Innovations	(4,200.00)
JPMorgan Chase	BR Support Services, LLC	x9906	10/19/16	Wire	N/A	Lifeline Innovations And Insurance	(18,035.00)
JPMorgan Chase	BR Support Services, LLC	x9906	10/20/16	Wire	N/A	Lifeline Innovations And Insurance	(13,535.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/04/16	Check	1656	Lifeline Innovations	(14,700.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/08/16	Check	1661	Lifeline Innovations	(3,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/15/16	Check	1671	Lifeline Innovations	(6,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/29/16	Check	1687	Lifeline Innovations	(11,700.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/30/16	Check	1692	Lifeline Innovations	(5,964.00)
JPMorgan Chase	BR Support Services, LLC	x9906	12/07/16	Check	1711	John Marques	Bonus (2,500.00)
JPMorgan Chase	BR Support Services, LLC	x9906	12/23/16	Check	1773	Lifeline Innovations	(12,000.00) REDACTED
						2016 Subtotal	\$ (121,634.00)
JPMorgan Chase	BR Support Services, LLC	x9906	01/03/17	Check	1800	Lifeline Innovations	\$ (15,600.00)
JPMorgan Chase	BR Support Services, LLC	x9906	01/30/17	Check	1922	John Marques	(6,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	02/07/17	Check	1847	Lifeline Innovations	(15,600.00)
JPMorgan Chase	BR Support Services, LLC	x9906	02/24/17	Check	1871	Lifeline Innovations	(12,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	02/28/17	Check	1882	Lifeline Innovations	(2,100.00)
JPMorgan Chase	BR Support Services, LLC	x9906	03/03/17	Check	1894	Lifeline Innovations	(5,250.00)
JPMorgan Chase	BR Support Services, LLC	x9906	03/06/17	Check	1889	Lifeline Innovations	(1,800.00) REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	03/06/17	Check	1890	Lifeline Innovations	(5,293.50) Bonus
JPMorgan Chase	BR Support Services, LLC	x9906	03/08/17	Check	1903	Lifeline Innovations	(9,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	03/10/17	Check	1916	Lifeline Innovations	(6,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	03/20/17	Check	1927	Lifeline Innovations	(3,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	03/20/17	Check	1931	Lifeline Innovations	(4,500.00)
JPMorgan Chase	BR Support Services, LLC	x9906	03/23/17	Check	1935	Lifeline Innovations	(11,863.50)
JPMorgan Chase	BR Support Services, LLC	x9906	03/27/17	Check	1938	Lifeline Innovations	(8,400.00) REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	03/29/17	Check	1944	Lifeline Innovations	(7,717.50)
JPMorgan Chase	BR Support Services, LLC	x9906	03/30/17	Check	1947	Lifeline Innovations	(7,933.92)
JPMorgan Chase	BR Support Services, LLC	x9906	04/03/17	Check	1955	Lifeline Innovations	(3,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	04/03/17	Check	1957	Lifeline Innovations	(11,834.82)
JPMorgan Chase	BR Support Services, LLC	x9906	04/04/17	Check	1961	Lifeline Innovations	(9,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	04/11/17	Check	1971	Lifeline Innovations	(2,400.00)
JPMorgan Chase	BR Support Services, LLC	x9906	04/14/17	Check	1976	Lifeline Innovations	(6,153.00)
JPMorgan Chase	BR Support Services, LLC	x9906	04/20/17	Check	1987	Lifeline Innovations	(10,200.00) REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	04/26/17	Check	1998	Lifeline Innovations	(10,557.24)
JPMorgan Chase	BR Support Services, LLC	x9906	05/03/17	Check	2020	Lifeline Innovations	(1,410.00)
JPMorgan Chase	BR Support Services, LLC	x9906	05/05/17	Check	2027	Lifeline Innovations	(12,000.00)

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Schedule of Payments to Lifeline Innovations / John Marques							
<i>(Sorted Chronologically)</i>							
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Memo / Transaction Info
JPMorgan Chase	BR Support Services, LLC	x9906	05/08/17	Check	2032	Lifeline Innovations	(6,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	05/10/17	Check	2036	Lifeline Innovations	(6,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	05/19/17	Check	2053	Lifeline Innovations	(2,160.00)
JPMorgan Chase	BR Support Services, LLC	x9906	05/24/17	Check	2065	Lifeline Innovations	(12,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	06/12/17	Check	2099	Lifeline Innovations	(4,800.00)
JPMorgan Chase	BR Support Services, LLC	x9906	06/20/17	Check	2108	Lifeline Innovations	(1,500.00)
JPMorgan Chase	BR Support Services, LLC	x9906	06/23/17	Check	2116	Lifeline Innovations	(1,500.00)
JPMorgan Chase	BR Support Services, LLC	x9906	07/03/17	Wire	N/A	Lifeline Innovations And Insurance	(13,500.00)
JPMorgan Chase	BR Support Services, LLC	x9906	07/26/17	Check	2172	Lifeline Innovations	(1,080.00) REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	07/27/17	Check	2182	Lifeline Innovations	(3,465.00)
JPMorgan Chase	BR Support Services, LLC	x9906	07/31/17	Check	2186	Lifeline Innovations	(24,600.00) REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	08/07/17	Check	2200	Lifeline Innovations	(6,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	08/10/17	Check	2202	Lifeline Innovations	(6,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/05/17	Check	2231	Lifeline Innovations	(6,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/11/17	Check	2238	Lifeline Innovations	(2,340.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/21/17	Check	2261	Lifeline Innovations	(3,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/25/17	Check	2270	Lifeline Innovations	(2,298.72)
JPMorgan Chase	BR Support Services, LLC	x9906	09/25/17	Check	2273	Lifeline Innovations	(12,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	10/12/17	Check	2299	Lifeline Innovations	(6,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	10/18/17	Check	2304	Lifeline Innovations	(9,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	10/20/17	Check	2313	Lifeline Innovations	(6,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/10/17	Check	2350	Lifeline Innovations	(3,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/20/17	Check	2361	Lifeline Innovations	(6,000.00) REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	12/07/17	Check	2381	Lifeline Innovations	(1,556.16)
JPMorgan Chase	BR Support Services, LLC	x9906	12/14/17	Check	2388	Lifeline Innovations	(1,049.04)
					2017 Subtotal		\$ (335,462.40)
JPMorgan Chase	BR Support Services, LLC	x9906	01/12/18	Check	2404	Lifeline Innovations	\$ (4,708.50)
JPMorgan Chase	BR Support Services, LLC	x9906	01/16/18	Check	2406	Lifeline Innovations	(7,695.60)
JPMorgan Chase	BR Support Services, LLC	x9906	01/18/18	Check	2413	Lifeline Innovations	(1,800.00)
JPMorgan Chase	BR Support Services, LLC	x9906	01/26/18	Check	2425	Lifeline Innovations	(1,716.48)
JPMorgan Chase	BR Support Services, LLC	x9906	02/08/18	Check	2441	Lifeline Innovations	(6,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	02/21/18	Check	2455	Lifeline Innovations	(1,320.00)
JPMorgan Chase	BR Support Services, LLC	x9906	04/20/18	Check	2527	Lifeline Innovations	(3,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	04/25/18	Check	2531	Lifeline Innovations	(6,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	04/30/18	Check	2534	Lifeline Innovations	(849.60)
JPMorgan Chase	BR Support Services, LLC	x9906	05/16/18	Check	2563	Lifeline Innovations	(6,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	05/17/18	Check	2564	Lifeline Innovations	(1,500.00)
JPMorgan Chase	BR Support Services, LLC	x9906	06/01/18	Check	2594	Lifeline Innovations	(9,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	06/05/18	Check	2601	Lifeline Innovations	(1,620.00) REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	06/22/18	Check	2628	Lifeline Innovations	(2,100.00)
JPMorgan Chase	BR Support Services, LLC	x9906	06/25/18	Check	2630	Lifeline Innovations	(2,100.00)
JPMorgan Chase	BR Support Services, LLC	x9906	06/28/18	Check	2640	Lifeline Innovations	(592.92)

Securities & Exchange Commission v. Equiatt, LLC, et al.							
Schedule of Payments to Lifeline Innovations / John Marques							
(Sorted Chronologically)							
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Memo / Transaction Info
JPMorgan Chase	BR Support Services, LLC	x9906	07/06/18	Wire	N/A	Lifeline Innovations And Insurance	(1,500.00) REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	07/09/18	Check	2655	Lifeline Innovations	(1,768.21)
JPMorgan Chase	BR Support Services, LLC	x9906	07/11/18	Check	2661	Lifeline Innovations	(1,389.78)
JPMorgan Chase	BR Support Services, LLC	x9906	07/24/18	Check	2679	Lifeline Innovations	(6,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	07/26/18	Check	2683	Lifeline Innovations	(150.00) REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	08/07/18	Check	2697	Lifeline Innovations	(900.00)
JPMorgan Chase	BR Support Services, LLC	x9906	08/08/18	Check	2699	Lifeline Innovations	(125.00)
JPMorgan Chase	BR Support Services, LLC	x9906	08/10/18	Check	2704	Lifeline Innovations	(882.00)
JPMorgan Chase	BR Support Services, LLC	x9906	08/29/18	Check	2723	Lifeline Innovations	(6,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/04/18	Check	2734	Lifeline Innovations	(125.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/11/18	Check	2751	Lifeline Innovations	(225.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/13/18	Check	2755	Lifeline Innovations	(18,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/24/18	Check	2771	Lifeline Innovations	(2,400.00)
JPMorgan Chase	BR Support Services, LLC	x9906	10/02/18	Check	2784	Lifeline Innovations	(260.00)
JPMorgan Chase	BR Support Services, LLC	x9906	10/10/18	Check	2797	Lifeline Innovations	(24,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	10/29/18	Check	2848	Lifeline Innovations	(240.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/15/18	Check	2880	Lifeline Innovations	(1,980.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/21/18	Check	2882	Lifeline Innovations	(5,592.60)
JPMorgan Chase	BR Support Services, LLC	x9906	11/28/18	Check	2888	Lifeline Innovations	(1,170.00)
JPMorgan Chase	BR Support Services, LLC	x9906	12/03/18	Check	2901	Lifeline Innovations	(800.00)
JPMorgan Chase	BR Support Services, LLC	x9906	12/13/18	Check	2929	Lifeline Innovations	(915.00)
						2018 Subtotal	\$ (130,425.69)
JPMorgan Chase	BR Support Services, LLC	x9906	01/02/19	Check	2961	Lifeline Innovations	\$ (1,500.00)
JPMorgan Chase	BR Support Services, LLC	x9906	01/10/19	Check	2988	Lifeline Innovations	(720.00)
JPMorgan Chase	BR Support Services, LLC	x9906	01/10/19	Check	2989	Lifeline Innovations	(3,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	01/22/19	Check	3010	Lifeline Innovations	(975.00)
JPMorgan Chase	BR Support Services, LLC	x9906	02/11/19	Check	3055	Lifeline Innovations	(2,100.00)
JPMorgan Chase	BR Support Services, LLC	x9906	02/13/19	Check	3059	Lifeline Innovations	(720.00)
JPMorgan Chase	BR Support Services, LLC	x9906	02/21/19	Check	3080	Lifeline Innovations	(2,036.70)
JPMorgan Chase	BR Support Services, LLC	x9906	02/25/19	Check	3088	Lifeline Innovations	(2,996.10)
JPMorgan Chase	BR Support Services, LLC	x9906	02/27/19	Check	3094	Lifeline Innovations	(9,228.78)
JPMorgan Chase	BR Support Services, LLC	x9906	03/07/19	Check	3115	Lifeline Innovations	(1,393.71)
JPMorgan Chase	BR Support Services, LLC	x9906	03/13/19	Check	3135	Lifeline Innovations	(1,500.00)
JPMorgan Chase	BR Support Services, LLC	x9906	03/14/19	Check	3136	Lifeline Innovations	(500.00)
JPMorgan Chase	BR Support Services, LLC	x9906	03/18/19	Check	3142	Lifeline Innovations	(2,500.00)
JPMorgan Chase	BR Support Services, LLC	x9906	03/21/19	Check	3154	Lifeline Innovations	(1,125.00)
JPMorgan Chase	BR Support Services, LLC	x9906	03/28/19	Check	3172	Lifeline Innovations	(1,002.00) REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	04/04/19	Check	3180	Lifeline Innovations	(7,250.00)
JPMorgan Chase	BR Support Services, LLC	x9906	04/22/19	Check	3220	Lifeline Innovations	(3,360.00)
JPMorgan Chase	BR Support Services, LLC	x9906	04/23/19	Check	3221	Lifeline Innovations	(22,172.80)
JPMorgan Chase	BR Support Services, LLC	x9906	04/30/19	Check	3229	Lifeline Innovations	(650.00)
JPMorgan Chase	BR Support Services, LLC	x9906	05/20/19	Check	3266	Lifeline Innovations	(250.00)

Securities & Exchange Commission v. Equiatt, LLC, et al.									
Schedule of Payments to Lifeline Innovations / John Marques									
(Sorted Chronologically)									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	05/24/19	Check	3294	Lifeline Innovations	(1,325.84)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	05/24/19	Check	3295	Lifeline Innovations	(400.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/31/19	Check	3313	Lifeline Innovations	(7,040.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/18/19	Check	3356	Lifeline Innovations	(500.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	06/18/19	Check	3370	Lifeline Innovations	(2,450.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/02/19	Check	3385	Lifeline Innovations	(30,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/12/19	Check	3407	Lifeline Innovations	(2,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/17/19	Check	3415	Lifeline Innovations	(5,900.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/20/19	Check	3493	Lifeline Innovations	(4,000.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	08/23/19	Check	3500	Lifeline Innovations	(1,051.20)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/25/19	Check	3575	Lifeline Innovations	(1,350.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/16/19	Check	3613	Lifeline Innovations	(4,449.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/24/19	Check	3621	Lifeline Innovations	(1,839.84)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/24/19	Check	3623	Lifeline Innovations	(4,200.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/06/19	Check	3655	Lifeline Innovations	(6,429.68)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/18/19	Check	3677	Lifeline Innovations	(1,250.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/21/19	Check	3681	Lifeline Innovations	(19,464.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/03/19	Check	3694	Lifeline Innovations	(3,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/03/19	Check	3700	Lifeline Innovations	(791.51)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/09/19	Check	3711	Lifeline Innovations	(208.83)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/24/19	Check	3738	Lifeline Innovations	(12,000.00)		
						2019 Subtotal	\$ (174,629.99)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/08/20	Check	3747	Lifeline Innovations	\$ (589.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/10/20	Check	3756	Lifeline Innovations	(19,200.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/23/20	Check	3769	Lifeline Innovations	(474.58)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/23/20	Check	3770	Lifeline Innovations	(3,150.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/29/20	Check	3776	Lifeline Innovations	(3,044.88)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	01/29/20	Check	3781	Lifeline Innovations	(28,826.70)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/29/20	Check	3783	Lifeline Innovations	(2,201.22)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/04/20	Check	3791	Lifeline Innovations	(1,590.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/04/20	Check	3794	Lifeline Innovations	(3,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/04/20	Check	3795	Lifeline Innovations	(500.00)		
						2020 Subtotal	\$ (62,576.38)		
						TOTAL	\$ (824,728.46)		
Source(s):									
Bank statements and cancelled checks for JPMorgan Chase bank account ending x9906, held in the name of BR Support Services, LLC (February 9, 2015 through February 28, 2020).									
QuickBooks file maintained for BR Support Services, LLC.									

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to Greg Talbot									
<i>(Sorted Chronologically)</i>									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	07/25/16	Check	1478	Greg Talbot	\$ (3,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/27/16	Check	1482	Greg Talbot	(3,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/30/16	Check	1577	Greg Talbot	(3,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/03/16	Check	1580	Greg Talbot	(9,200.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/31/16	Check	1636	Greg Talbot	(10,500.00)	referral Bonus	
JPMorgan Chase	BR Support Services, LLC	x9906	11/30/16	Check	1696	Greg Talbot	(13,776.00)	November Bonus	
JPMorgan Chase	BR Support Services, LLC	x9906	12/12/16	Check	1710	Greg Talbot	(2,500.00)	Bonus	
JPMorgan Chase	BR Support Services, LLC	x9906	12/22/16	Check	1758	Greg Talbot	(6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/27/16	Check	1783	Greg Talbot	(3,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/30/16	Check	1794	Greg Talbot	(12,800.00)		
						2016 Subtotal	\$ (66,776.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/11/17	Check	1788	Greg Talbot	\$ (1,800.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/19/17	Check	1831	Greg Talbot	(6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/26/17	Check	1917	Greg Talbot	(12,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/06/17	Check	1846	Greg Talbot	(10,000.00)	Jan Bonus	
JPMorgan Chase	BR Support Services, LLC	x9906	02/07/17	Check	1848	Greg Talbot	(3,276.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/23/17	Check	1869	Greg Talbot	(1,485.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/27/17	Check	1875	Greg Talbot	(1,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/02/17	Check	1891	Greg Talbot	(5,293.50)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/06/17	Check	1895	Greg Talbot	(750.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/03/17	Check	1956	Greg Talbot	(11,834.82)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/14/17	Check	1977	Greg Talbot	(1,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/01/17	Check	2013	Greg Talbot	(10,270.08)	Bonus	
JPMorgan Chase	BR Support Services, LLC	x9906	05/03/17	Check	2021	Greg Talbot	(500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/18/17	Check	2046	Greg Talbot	(12,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/01/17	Check	2075	Greg Talbot	(15,190.00)	May Bonus Comp.	
JPMorgan Chase	BR Support Services, LLC	x9906	08/03/17	Check	2193	Greg Talbot	(12,700.00)	July Bonus	
JPMorgan Chase	BR Support Services, LLC	x9906	09/08/17	Check	2235	Greg Talbot	(12,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/04/17	Check	2288	Greg Talbot	(12,557.44)	Bonus	
						2017 Subtotal	\$ (130,656.84)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/17/18	Check	2409	Greg Talbot	\$ (6,000.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	04/18/18	Check	2521	Greg Talbot	(1,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/12/18	Check	2662	Greg Talbot	(1,500.00)		
						2018 Subtotal	\$ (9,000.00)		

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to Greg Talbot									
(Sorted Chronologically)									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	01/22/19	Check	3009	Greg Talbot	\$ (975.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/04/19	Check	3181	Greg Talbot	(7,250.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/17/19	Check	3414	Greg Talbot	(5,900.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/30/19	Check	3516	Greg Talbot	(3,899.17)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	10/11/19	Check	3609	Greg Talbot	(6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/06/19	Check	3656	Greg Talbot	(6,429.68)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/08/19	Check	3664	Greg Talbot	(3,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/26/19	Check	3688	Greg Talbot	(3,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/13/19	Check	3717	Greg Talbot	(1,500.00)		
						2019 Subtotal	\$ (37,953.85)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/08/20	Check	3748	Greg Talbot	\$ (6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/29/20	Check	3782	Greg Talbot	(3,276.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/04/20	Check	3786	Greg Talbot	(6,300.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/04/20	Check	3792	Greg Talbot	(979.20)		
						2020 Subtotal	\$ (16,555.20)		
						TOTAL	\$ (260,941.89)		
Source(s):									
Bank statements and cancelled checks for JPMorgan Chase bank account ending x9906, held in the name of BR Support Services, LLC (February 9, 2015 through February 28, 2020).									
QuickBooks file maintained for BR Support Services, LLC.									

Securities & Exchange Commission v. EquiAlt, LLC, et al.									
Schedule of Payments to Tony Spooner / Rokay Unlimited, LLC									
(Sorted Chronologically)									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	NV Support Services	x7513	03/15/13	Check	1134	Tony Spooner	\$ (3,450.00)		
JPMorgan Chase	NV Support Services	x7513	03/20/13	Check	1139	Tony Spooner	(1,500.00)		
JPMorgan Chase	NV Support Services	x7513	04/05/13	Check	1068	Tony Spooner	(6,090.00)		
JPMorgan Chase	NV Support Services	x7513	04/17/13	Check	1072	Tony Spooner	(900.00)		
JPMorgan Chase	NV Support Services	x7513	04/25/13	Check	1080	Tony Spooner	(900.00)		
JPMorgan Chase	NV Support Services	x7513	04/25/13	Check	1079	Tony Spooner	(5,862.00)		
JPMorgan Chase	NV Support Services	x7513	05/10/13	Check	1086	Tony Spooner	(400.00)		
JPMorgan Chase	NV Support Services	x7513	05/23/13	Check	1090	Tony Spooner	(1,500.00)		
JPMorgan Chase	NV Support Services	x7513	06/07/13	Check	1095	Tony Spooner	(1,400.00)		
JPMorgan Chase	NV Support Services	x7513	06/18/13	Check	1101	Tony Spooner	(3,700.00)		
JPMorgan Chase	NV Support Services	x7513	06/27/13	Check	1172	Tony Spooner	(200.00)		
JPMorgan Chase	NV Support Services	x7513	07/15/13	Check	1181	Tony Spooner	(2,087.50)		
JPMorgan Chase	NV Support Services	x7513	08/06/13	Check	1110	Tony Spooner	(1,500.00)		
JPMorgan Chase	NV Support Services	x7513	09/11/13	Check	1501	Tony Spooner	(110.00)		
JPMorgan Chase	NV Support Services	x7513	10/21/13	Check	1218	Tony Spooner	(1,000.00)		
JPMorgan Chase	NV Support Services	x7513	10/28/13	Check	1224	Tony Spooner	(2,500.00)		
JPMorgan Chase	NV Support Services	x7513	10/31/13	Check	1229	Tony Spooner	(4,500.00)		
JPMorgan Chase	NV Support Services	x7513	11/27/13	Check	1319	Tony Spooner	(1,060.00)		
						2013 Subtotal	\$ (38,659.50)		
JPMorgan Chase	NV Support Services	x7513	01/03/14	Check	1334	Tony Spooner	\$ (2,000.00)		
JPMorgan Chase	NV Support Services	x7513	02/14/14	Check	1359	Tony Spooner	(6,850.00)		
JPMorgan Chase	NV Support Services	x7513	02/19/14	Check	1360	Tony Spooner	(5,260.00)		
JPMorgan Chase	NV Support Services	x7513	02/27/14	Check	1364	Tony Spooner	(3,771.42)		
JPMorgan Chase	NV Support Services	x7513	03/19/14	Check	1372	Tony Spooner	(300.00)		
JPMorgan Chase	NV Support Services	x7513	03/24/14	Check	1375	Tony Spooner	(1,000.00)	Consulting	
JPMorgan Chase	NV Support Services	x7513	03/26/14	Check	1377	Tony Spooner	(1,000.00)		
JPMorgan Chase	NV Support Services	x7513	04/02/14	Check	1384	Tony Spooner	(600.00)		
JPMorgan Chase	NV Support Services	x7513	04/04/14	Check	1387	Tony Spooner	(8,000.00)		
JPMorgan Chase	NV Support Services	x7513	04/22/14	Check	1401	Tony Spooner	(2,860.00)		
JPMorgan Chase	NV Support Services	x7513	04/30/14	Check	1410	Tony Spooner	(2,000.00)		
JPMorgan Chase	NV Support Services	x7513	05/02/14	Check	1413	Tony Spooner	(1,000.00)		
JPMorgan Chase	NV Support Services	x7513	05/12/14	Check	1417	Tony Spooner	(100.00)		
JPMorgan Chase	NV Support Services	x7513	05/19/14	Check	1420	Tony Spooner	(360.00)		
JPMorgan Chase	NV Support Services	x7513	05/27/14	Check	1422	Tony Spooner	(300.00)		
JPMorgan Chase	NV Support Services	x7513	06/03/14	Check	1425	Tony Spooner	(1,000.00)		
JPMorgan Chase	NV Support Services	x7513	06/04/14	Check	1428	Tony Spooner	(12,900.00)		
JPMorgan Chase	NV Support Services	x7513	06/09/14	Check	1429	Tony Spooner	(1,544.00)		
JPMorgan Chase	NV Support Services	x7513	06/23/14	Check	1437	Tony Spooner	(10,450.00)		
JPMorgan Chase	NV Support Services	x7513	07/02/14	Check	1446	Tony Spooner	(200.00)		

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to Tony Spooner / Rokay Unlimited, LLC									
(Sorted Chronologically)									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	NV Support Services	x7513	07/07/14	Check	1451	Tony Spooner	(1,500.00)		
JPMorgan Chase	NV Support Services	x7513	07/18/14	Check	1457	Tony Spooner	(1,091.40)		
JPMorgan Chase	NV Support Services	x7513	07/30/14	Check	1462	Tony Spooner	(1,000.00)		
JPMorgan Chase	NV Support Services	x7513	08/01/14	Check	1465	Tony Spooner	(4,400.00)		
JPMorgan Chase	NV Support Services	x7513	08/11/14	Check	1469	Tony Spooner	(620.00)		
JPMorgan Chase	NV Support Services	x7513	08/27/14	Check	1475	Tony Spooner	(9,000.00)		
JPMorgan Chase	NV Support Services	x7513	09/08/14	Check	1482	Tony Spooner	(1,030.00)		
JPMorgan Chase	NV Support Services	x7513	09/18/14	Check	1485	Tony Spooner	(500.00)		
JPMorgan Chase	NV Support Services	x7513	09/30/14	Check	1490	Tony Spooner	(2,000.00)		
JPMorgan Chase	NV Support Services	x7513	10/03/14	Check	1493	Tony Spooner	(1,000.00)		
JPMorgan Chase	NV Support Services	x7513	10/14/14	Check	1501	Tony Spooner	(792.00)		
JPMorgan Chase	NV Support Services	x7513	10/15/14	Check	1502	Tony Spooner	(9,000.00)		
JPMorgan Chase	NV Support Services	x7513	11/07/14	Check	1517	Tony Spooner	(2,585.81)		
JPMorgan Chase	NV Support Services	x7513	11/21/14	Check	1523	Tony Spooner	(100.00)		
JPMorgan Chase	NV Support Services	x7513	11/21/14	Check	1522	Tony Spooner	(4,000.00)		
JPMorgan Chase	NV Support Services	x7513	12/11/14	Check	1529	Tony Spooner	(1,900.00)		
JPMorgan Chase	NV Support Services	x7513	12/16/14	Check	1532	Tony Spooner	(1,000.00)		
JPMorgan Chase	NV Support Services	x7513	12/30/14	Check	1538	Tony Spooner	(5,715.52)		
					2014 Subtotal		\$ (108,730.15)		
JPMorgan Chase	NV Support Services	x7513	01/05/15	Check	1539	Tony Spooner	(1,000.00)		
JPMorgan Chase	NV Support Services	x7513	01/08/15	Check	1576	Tony Spooner	(1,000.00)		
JPMorgan Chase	NV Support Services	x0318	01/29/15	Check	9469	Tony Spooner	(1,400.00)		
JPMorgan Chase	NV Support Services	x0318	01/29/15	Check	9470	Tony Spooner	(300.00)		
JPMorgan Chase	NV Support Services	x0318	02/09/15	Check	9752	Tony Spooner	(900.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/18/15	Check	98	Tony Spooner	(960.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/03/15	Check	1010	Tony Spooner	(3,893.19)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/17/15	Check	1015	Tony Spooner	(3,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/08/15	Check	1027	Tony Spooner	(520.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/14/15	Check	1029	Tony Spooner	(2,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/20/15	Check	1031	Tony Spooner	(6,800.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/24/15	Check	1034	Tony Spooner	(12,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/05/15	Check	1037	Tony Spooner	(1,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/08/15	Check	1042	Tony Spooner	(1,600.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/13/15	Check	1046	Tony Spooner	(2,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/14/15	Check	1048	Tony Spooner	(2,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/19/15	Check	1072	Tony Spooner	(400.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/19/15	Check	1069	Tony Spooner	(4,227.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/07/15	Check	1079	Tony Spooner	(2,352.90)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/14/15	Check	1084	Tony Spooner	(1,130.00)		

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to Tony Spooner / Rokay Unlimited, LLC									
(Sorted Chronologically)									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	07/20/15	Check	1096	Tony Spooner	(1,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/20/15	Check	1095	Tony Spooner	(1,200.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/10/15	Check	1109	Tony Spooner	(511.68)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/21/15	Check	1127	Tony Spooner	(960.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/09/15	Check	1147	Tony Spooner	(1,240.00)	10+32+20	
JPMorgan Chase	BR Support Services, LLC	x9906	09/22/15	Check	1160	Tony Spooner	(355.44)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/14/15	Check	1182	Tony Spooner	(700.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/19/15	Check	1186	Tony Spooner	(700.00)	300 plus 400	
JPMorgan Chase	BR Support Services, LLC	x9906	10/28/15	Check	1191	Tony Spooner	(848.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/09/15	Check	1206	Tony Spooner	(3,080.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/19/15	Check	1213	Tony Spooner	(4,220.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/02/15	Check	1230	Tony Spooner	(4,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/03/15	Check	1235	Tony Spooner	(824.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/09/15	Check	1244	Tony Spooner	(5,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/22/15	Check	1255	Tony Spooner	(500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/22/15	Check	1256	Tony Spooner	(5,400.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/29/15	Check	1258	Tony Spooner	(2,200.00)		
					2015 Subtotal		\$ (82,722.21)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/21/16	Check	1285	Tony Spooner	(600.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/27/16	Check	1289	Tony Spooner	(3,150.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/03/16	Check	1297	Tony Spooner	(800.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/10/16	Check	1306	Tony Spooner	(8,940.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/22/16	Check	1312	Tony Spooner	(15,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/04/16	Check	1317	Tony Spooner	(494.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/04/16	Check	1320	Tony Spooner	(500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/04/16	Check	1332	Tony Spooner	(200.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/11/16	Check	1343	Tony Spooner	(5,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/11/16	Check	1345	Tony Spooner	(2,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/25/16	Check	1353	Tony Spooner	(690.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/04/16	Check	1362	Tony Spooner	(1,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/27/16	Check	1382	Tony Spooner	(224.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/27/16	Check	1383	Tony Spooner	(200.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/23/16	Check	1402	Tony Spooner	(1,200.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/01/16	Check	1417	Tony Spooner	(700.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/03/16	Check	1426	Tony Spooner	(2,784.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/13/16	Check	1430	Tony Spooner	(6,300.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/16/16	Wire	N/A	Tony Spooner	(725.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/20/16	Check	1435	Tony Spooner	(740.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/22/16	Check	1441	Tony Spooner	(7,260.00)		

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to Tony Spooner / Rokay Unlimited, LLC									
(Sorted Chronologically)									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	07/01/16	Check	1452	Tony Spooner	(700.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/12/16	Check	1462	Tony Spooner	(1,049.76)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/15/16	Check	1470	Tony Spooner	(415.92)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/03/16	Check	1491	Tony Spooner	(1,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/09/16	Check	1504	Tony Spooner	(926.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/11/16	Check	1507	Tony Spooner	(500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/29/16	Check	1530	Tony Spooner	(600.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/29/16	Wire	N/A	Tony Spooner	(3,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/31/16	Check	1533	Tony Spooner	(21,537.40)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/28/16	Check	1573	Tony Spooner	(1,060.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/06/16	Check	1589	Tony Spooner	(10,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/07/16	Check	1590	Tony Spooner	(25,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/28/16	Check	1628	Tony Spooner	(15,200.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/23/16	Check	1678	Tony Spooner	(6,254.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/16/16	Check	1737	Tony Spooner	(1,085.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/23/16	Check	1776	Tony Spooner	(17,897.30)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/29/16	Check	1786	Tony Spooner	(1,600.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/30/16	Check	1793	Tony Spooner	(4,100.00)		
						2016 Subtotal	\$ (171,432.38)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/28/17	Check	1884	Tony Spooner	(19,196.69)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/03/17	Check	2007	Tony Spooner	(6,534.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/04/17	Check	2024	Tony Spooner	(10,746.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/05/17	Check	2026	Tony Spooner	(5,261.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/12/17	Check	2088	Tony Spooner	(4,786.50)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/12/17	Check	2096	Tony Spooner	(4,833.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/11/17	Check	2203	Tony Spooner	(5,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/11/17	Check	2204	Tony Spooner	(9,695.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/14/17	Check	2205	Tony Spooner	(4,155.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/21/17	Check	2267	Tony Spooner	(7,200.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/29/17	Check	2278	Tony Spooner	(2,115.20)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/18/17	Check	2306	Tony Spooner	(15,670.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/02/17	Check	2332	Tony Spooner	(7,554.22)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/10/17	Check	2348	Tony Spooner	(1,143.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/08/17	Check	2382	Tony Spooner	(2,463.03)	Renewals	
						2017 Subtotal	\$ (106,352.64)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/25/18	Check	2424	Tony Spooner	(900.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/08/18	Check	2440	Tony Spooner	(8,310.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/23/18	Check	2459	Tony Spooner	(6,193.50)		

Securities & Exchange Commission v. Equialt, LLC, et al.						
Schedule of Payments to Tony Spooner / Rokay Unlimited, LLC						
(Sorted Chronologically)						
Bank Name	Account Name	Account No.	Date	Type	Check No.	Memo / Transaction Info
JPMorgan Chase	BR Support Services, LLC	x9906	02/28/18	Check	2468	
JPMorgan Chase	BR Support Services, LLC	x9906	04/04/18	Check	2508	(6,892.80)
JPMorgan Chase	BR Support Services, LLC	x9906	04/09/18	Check	2513	(4,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	08/01/18	Check	2687	(20,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	08/17/18	Check	2711	(26,994.15)
JPMorgan Chase	BR Support Services, LLC	x9906	10/09/18	Check	2803	(6,784.66)
JPMorgan Chase	BR Support Services, LLC	x9906	10/09/18	Check	2804	(5,000.00) Advance
JPMorgan Chase	BR Support Services, LLC	x9906	10/15/18	Check	2812	(5,000.00) Advance
JPMorgan Chase	BR Support Services, LLC	x9906	11/13/18	Check	2874	(38,589.80)
					2018 Subtotal	\$ (137,064.91)
JPMorgan Chase	BR Support Services, LLC	x9906	01/10/19	Check	2987	(7,560.00)
JPMorgan Chase	BR Support Services, LLC	x9906	02/08/19	Check	3049	(14,481.24)
JPMorgan Chase	BR Support Services, LLC	x9906	03/01/19	Check	3093	(1,843.55)
JPMorgan Chase	BR Support Services, LLC	x9906	03/01/19	Check	3097	(27,500.00)
JPMorgan Chase	BR Support Services, LLC	x9906	04/19/19	Check	3212	(16,363.00)
JPMorgan Chase	BR Support Services, LLC	x9906	06/10/19	Check	3335	(1,200.00)
JPMorgan Chase	BR Support Services, LLC	x9906	06/13/19	Check	3348	(8,377.32)
JPMorgan Chase	BR Support Services, LLC	x9906	06/13/19	Check	3349	(3,180.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/04/19	Check	3524	(12,820.00)
JPMorgan Chase	BR Support Services, LLC	x9906	10/11/19	Check	3608	(11,980.50)
					2019 Subtotal	\$ (105,305.61)
JPMorgan Chase	BR Support Services, LLC	x9906	01/08/20	Check	3749	(10,248.00)
JPMorgan Chase	BR Support Services, LLC	x9906	01/13/20	Check	3753	(2,400.00)
JPMorgan Chase	BR Support Services, LLC	x9906	01/21/20	Check	3764	(8,100.00)
JPMorgan Chase	BR Support Services, LLC	x9906	01/29/20	Check	3778	(900.00)
JPMorgan Chase	BR Support Services, LLC	x9906	02/04/20	Check	3796	(2,243.30)
					2020 Subtotal	\$ (23,891.30)
					TOTAL	\$ (774,158.70)
Source(s):						
Bank statements and cancelled checks for JPMorgan Chase bank account ending x9906, held in the name of BR Support Services, LLC (February 9, 2015 through February 28, 2020).						
Bank statements and cancelled checks for JPMorgan Chase bank account ending x0318, held in the name of Barry M Rybicki DBA NV Support Services (January 8, 2015 through May 29, 2015).						
QuickBooks file maintained for BR Support Services, LLC.						

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to James Gray / Seek Insurance Services									
(Sorted Chronologically)									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	03/07/16	Check	1334	James Gray	\$ (3,600.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/20/16	Check	1437	Seek Insurance Services	(2,280.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/28/16	Debit	N/A	James Gray	(2,220.00)	Chase Quickpay Electronic Transfer	
JPMorgan Chase	BR Support Services, LLC	x9906	07/20/16	Check	1475	Seek Insurance Services	(6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/24/16	Check	1523	James Gray / Seek Insurance	(3,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/15/16	Check	1558	Seek Insurance Services	(1,800.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/14/16	Check	1602	Seek Insurance Services	(600.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/26/16	Check	1615	Seek Insurance Services	(16,002.01)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/28/16	Check	1630	Seek Insurance Services	(59,789.92)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/07/16	Check	1657	Seek Insurance Services	(4,752.00)		
						2016 Subtotal	\$ (100,043.93)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/03/17	Check	1802	Seek Insurance Services	\$ (21,900.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/23/17	Check	1837	Seek Insurance Services	(5,783.94)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/09/17	Check	1851	Seek Insurance Services	(1,750.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/14/17	Check	1858	Seek Insurance Services	(6,201.64)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/28/17	Check	2006	Seek Insurance Services	(1,800.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	05/01/17	Check	2015	Seek Insurance Services	(300.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/03/17	Check	2023	Seek Insurance Services	(10,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/06/17	Check	2083	Seek Insurance Services	(9,800.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/26/17	Check	2173	Seek Insurance Services	(14,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/03/17	Check	2190	Seek Insurance Services	(5,880.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/15/17	Check	2210	Seek Insurance Services	(3,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/11/17	Check	2239	Seek Insurance Services	(5,250.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/27/17	Check	2276	Seek Insurance Services	(5,250.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	10/03/17	Check	2284	Seek Insurance Services	(1,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/03/17	Check	2285	Seek Insurance Services	(40,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/06/17	Check	2291	Seek Insurance Services	(3,250.00)	Bonus	
JPMorgan Chase	BR Support Services, LLC	x9906	10/12/17	Check	2298	Seek Insurance Services	(3,150.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	10/13/17	Check	2303	Seek Insurance Services	(4,275.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/02/17	Check	2333	Seek Insurance Services	(1,255.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/05/17	Check	2380	Seek Insurance Services	(3,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/12/17	Check	2383	Seek Insurance Services	(1,750.00)	REDACTED	
						2017 Subtotal	\$ (150,595.58)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/03/18	Check	2402	Seek Insurance Services	\$ (1,750.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/18/18	Check	2416	Seek Insurance Services	(1,750.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/31/18	Check	2429	Seek Insurance Services	(2,030.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/13/18	Check	2483	Seek Insurance Services	(14,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/08/18	Check	2609	Seek Insurance Services	(750.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/29/18	Check	2642	Seek Insurance Services	(500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/20/18	Check	2713	Seek Insurance Services	(1,050.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/04/18	Check	2736	Seek Insurance Services	(7,120.00)		

Securities & Exchange Commission v. Equiatt, LLC, et al.						
Schedule of Payments to James Gray / Seek Insurance Services						
(Sorted Chronologically)						
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name
						Amount / Transaction Info
JPMorgan Chase	BR Support Services, LLC	x9906	12/27/18	Check	2951	Seek Insurance Services
						2018 Subtotal
						\$ (700.00)
						\$ (29,650.00)
JPMorgan Chase	BR Support Services, LLC	x9906	02/01/19	Check	3038	Seek Insurance Services
JPMorgan Chase	BR Support Services, LLC	x9906	03/14/19	Check	3133	Seek Insurance Services
JPMorgan Chase	BR Support Services, LLC	x9906	03/18/19	Check	3138	Seek Insurance Services
JPMorgan Chase	BR Support Services, LLC	x9906	04/04/19	Check	3176	Seek Insurance Services
JPMorgan Chase	BR Support Services, LLC	x9906	04/17/19	Check	3202	Seek Insurance Services
JPMorgan Chase	BR Support Services, LLC	x9906	04/19/19	Check	3210	Seek Insurance Services
JPMorgan Chase	BR Support Services, LLC	x9906	04/19/19	Check	3211	Seek Insurance Services
JPMorgan Chase	BR Support Services, LLC	x9906	04/24/19	Check	3222	Seek Insurance Services
JPMorgan Chase	BR Support Services, LLC	x9906	05/22/19	Check	3274	Seek Insurance Services
JPMorgan Chase	BR Support Services, LLC	x9906	05/22/19	Check	3279	Seek Insurance Services
JPMorgan Chase	BR Support Services, LLC	x9906	05/29/19	Check	3304	Seek Insurance Services
JPMorgan Chase	BR Support Services, LLC	x9906	06/06/19	Check	3317	Seek Insurance Services
JPMorgan Chase	BR Support Services, LLC	x9906	06/06/19	Check	3318	Seek Insurance Services
JPMorgan Chase	BR Support Services, LLC	x9906	06/06/19	Check	3327	Seek Insurance Services
JPMorgan Chase	BR Support Services, LLC	x9906	06/12/19	Check	3338	Seek Insurance Services
JPMorgan Chase	BR Support Services, LLC	x9906	06/14/19	Check	3358	Seek Insurance Services
JPMorgan Chase	BR Support Services, LLC	x9906	07/08/19	Check	3381	Seek Insurance Services
JPMorgan Chase	BR Support Services, LLC	x9906	07/19/19	Check	3417	Seek Insurance Services
JPMorgan Chase	BR Support Services, LLC	x9906	07/26/19	Check	3431	Seek Insurance Services
JPMorgan Chase	BR Support Services, LLC	x9906	08/05/19	Check	3446	Seek Insurance Services
JPMorgan Chase	BR Support Services, LLC	x9906	08/16/19	Check	3483	Seek Insurance Services
JPMorgan Chase	BR Support Services, LLC	x9906	08/16/19	Check	3484	Seek Insurance Services
JPMorgan Chase	BR Support Services, LLC	x9906	08/16/19	Check	3485	Seek Insurance Services
JPMorgan Chase	BR Support Services, LLC	x9906	08/30/19	Check	3518	Seek Insurance Services
JPMorgan Chase	BR Support Services, LLC	x9906	10/22/19	Check	3624	Seek Insurance Services
JPMorgan Chase	BR Support Services, LLC	x9906	10/28/19	Check	3633	Seek Insurance Services
JPMorgan Chase	BR Support Services, LLC	x9906	10/28/19	Check	3641	Seek Insurance Services
JPMorgan Chase	BR Support Services, LLC	x9906	12/06/19	Check	3713	Seek Insurance Services
						2019 Subtotal
						\$ (124,997.24)
						TOTAL
						\$ (405,286.75)
Source(s):						
Bank statements and cancelled checks for JPMorgan Chase bank account ending x9906, held in the name of BR Support Services, LLC (February 9, 2015 through February 28, 2020).						
QuickBooks file maintained for BR Support Services, LLC.						

Securities & Exchange Commission v. Equialt, LLC, et al.							
Schedule of Payments to John Friedrichsen							
<i>(Sorted Chronologically)</i>							
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Memo / Transaction Info
JPMorgan Chase	BR Support Services, LLC	x9906	02/16/16	Wire	N/A	John Friedrichsen	Thank You
JPMorgan Chase	BR Support Services, LLC	x9906	03/22/16	Check	1350	John Friedrichsen	
JPMorgan Chase	BR Support Services, LLC	x9906	06/21/16	Check	1439	John Friedrichsen	
JPMorgan Chase	BR Support Services, LLC	x9906	08/31/16	Check	1534	John Friedrichsen	
JPMorgan Chase	BR Support Services, LLC	x9906	09/12/16	Check	1553	John Friedrichsen	
JPMorgan Chase	BR Support Services, LLC	x9906	10/17/16	Check	1603	John Friedrichsen	
JPMorgan Chase	BR Support Services, LLC	x9906	12/12/16	Check	1723	John Friedrichsen	
JPMorgan Chase	BR Support Services, LLC	x9906	12/13/16	Check	1725	John Friedrichsen	
JPMorgan Chase	BR Support Services, LLC	x9906	12/20/16	Check	1746	John Friedrichsen	
JPMorgan Chase	BR Support Services, LLC	x9906	12/21/16	Check	1759	John Friedrichsen	
						2016 Subtotal	\$ (50,154.00)
JPMorgan Chase	BR Support Services, LLC	x9906	03/30/17	Check	1948	John Friedrichsen	
JPMorgan Chase	BR Support Services, LLC	x9906	04/18/17	Check	1979	John Friedrichsen	
JPMorgan Chase	BR Support Services, LLC	x9906	08/14/17	Check	2208	John Friedrichsen	
						2017 Subtotal	\$ (16,500.00)
JPMorgan Chase	BR Support Services, LLC	x9906	03/12/18	Check	2475	John Friedrichsen	REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	03/12/18	Check	2478	John Friedrichsen	
JPMorgan Chase	BR Support Services, LLC	x9906	03/30/18	Check	2504	John Friedrichsen	
JPMorgan Chase	BR Support Services, LLC	x9906	04/23/18	Check	2529	John Friedrichsen	
JPMorgan Chase	BR Support Services, LLC	x9906	05/22/18	Check	2573	John Friedrichsen	
JPMorgan Chase	BR Support Services, LLC	x9906	06/11/18	Check	2611	John Friedrichsen	
JPMorgan Chase	BR Support Services, LLC	x9906	06/19/18	Check	2619	John Friedrichsen	
JPMorgan Chase	BR Support Services, LLC	x9906	06/28/18	Check	2639	John Friedrichsen	
JPMorgan Chase	BR Support Services, LLC	x9906	08/02/18	Check	2691	John Friedrichsen	
JPMorgan Chase	BR Support Services, LLC	x9906	12/07/18	Check	2913	John Friedrichsen	Tampa trip
JPMorgan Chase	BR Support Services, LLC	x9906	12/13/18	Check	2933	John Friedrichsen	Expenses
JPMorgan Chase	BR Support Services, LLC	x9906	12/13/18	Check	2934	John Friedrichsen	
						2018 Subtotal	\$ (50,601.03)
JPMorgan Chase	BR Support Services, LLC	x9906	01/07/19	Check	2974	John Friedrichsen	
JPMorgan Chase	BR Support Services, LLC	x9906	01/22/19	Check	3006	John Friedrichsen	Reimbursement
JPMorgan Chase	BR Support Services, LLC	x9906	01/25/19	Check	3020	John Friedrichsen	
JPMorgan Chase	BR Support Services, LLC	x9906	02/11/19	Check	3053	John Friedrichsen	
JPMorgan Chase	BR Support Services, LLC	x9906	02/11/19	Check	3054	John Friedrichsen	
JPMorgan Chase	BR Support Services, LLC	x9906	03/08/19	Check	3120	John Friedrichsen	
JPMorgan Chase	BR Support Services, LLC	x9906	03/08/19	Check	3121	John Friedrichsen	
JPMorgan Chase	BR Support Services, LLC	x9906	03/11/19	Check	3125	John Friedrichsen	

Securities & Exchange Commission v. Equialt, LLC, et al.								
Schedule of Payments to John Friedrichsen								
<i>(Sorted Chronologically)</i>								
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info
JPMorgan Chase	BR Support Services, LLC	x9906	03/25/19	Check	3161	John Friedrichsen	(16,170.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	04/05/19	Check	3186	John Friedrichsen	(641.40)	
JPMorgan Chase	BR Support Services, LLC	x9906	04/08/19	Check	3191	John Friedrichsen	(1,810.18)	Reimbursement
JPMorgan Chase	BR Support Services, LLC	x9906	06/17/19	Check	3357	John Friedrichsen	(26,100.00)	REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	06/28/19	Check	3380	John Friedrichsen	(7,825.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	08/05/19	Check	3444	John Friedrichsen	(16,000.00)	REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	08/26/19	Check	3502	John Friedrichsen	(3,600.00)	Illegible
JPMorgan Chase	BR Support Services, LLC	x9906	09/04/19	Check	3529	John Friedrichsen	(3,923.39)	
JPMorgan Chase	BR Support Services, LLC	x9906	09/17/19	Check	3555	John Friedrichsen	(6,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	09/25/19	Check	3571	John Friedrichsen	(9,600.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	10/28/19	Check	3640	John Friedrichsen	(1,500.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	11/06/19	Check	3653	John Friedrichsen	(6,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	11/08/19	Check	3663	John Friedrichsen	(1,500.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	11/18/19	Check	3673	John Friedrichsen	(6,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	12/06/19	Check	3706	John Friedrichsen	(6,000.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	12/13/19	Check	3719	John Friedrichsen	(10,104.00)	
						2019 Subtotal	\$ (196,926.66)	
JPMorgan Chase	BR Support Services, LLC	x9906	02/04/20	Check	3790	John Friedrichsen	(1,500.00)	
						2020 Subtotal	\$ (1,500.00)	
						TOTAL	\$ (315,681.69)	
Source:								
Bank statements and cancelled checks for JPMorgan Chase bank account ending x9906, held in the name of BR Support Services, LLC (February 9, 2015 through February 28, 2020). QuickBooks file maintained for BR Support Services, LLC.								

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to Patrick Runninger									
<i>(Sorted Chronologically)</i>									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	NV Support Services	x7513	07/26/13	Check	1185	Patrick Runninger	\$ (1,500.00)		
JPMorgan Chase	NV Support Services	x7513	08/05/13	Check	1106	Patrick Runninger	(1,800.00)		
JPMorgan Chase	NV Support Services	x7513	09/27/13	Check	1237	Patrick Runninger	(4,500.00)		
JPMorgan Chase	NV Support Services	x7513	10/24/13	Check	1221	Patrick Runninger	(2,880.00)		
						2013 Subtotal	\$ (10,680.00)		
JPMorgan Chase	NV Support Services	x7513	04/23/14	Check	1404	Patrick Runninger	\$ (3,600.00)		
JPMorgan Chase	NV Support Services	x7513	10/02/14	Check	1495	Patrick Runninger	(1,512.00)		
						2014 Subtotal	\$ (5,112.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/24/15	Check	1122	Patrick Runninger	\$ (1,000.00)		
						2015 Subtotal	\$ (1,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/16/16	Wire	N/A	Patrick Runninger	\$ (6,025.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/08/16	Wire	N/A	Patrick Runninger	(4,255.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/27/16	Check	1569	Patrick Runninger	(4,620.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/01/16	Check	1693	Patrick Runninger	(3,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/16/16	Wire	N/A	Patrick Runninger	(7,040.00)		
						2016 Subtotal	\$ (24,940.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/06/17	Check	1808	Patrick Runninger	\$ (5,556.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/12/17	Wire	N/A	Patrick Runninger	(3,600.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/31/17	Check	2328	Patrick Runninger	(580.25)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	10/31/17	Check	2327	Patrick Runninger	(2,400.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/31/17	Check	2324	Patrick Runninger	(3,600.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/14/17	Check	2347	Patrick Runninger	(2,880.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/04/17	Check	2373	Patrick Runninger	(8,524.38)		
						2017 Subtotal	\$ (27,140.63)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/14/18	Check	2480	Patrick Runninger	\$ (900.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/31/18	Check	2584	Patrick Runninger	(3,900.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/11/18	Wire	N/A	Patrick Runninger	(2,750.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/15/18	Check	2801	Patrick Runninger	(2,220.00)		
						2018 Subtotal	\$ (9,770.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/15/19	Check	3126	Patrick Runninger	\$ (1,863.84)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/19/19	Check	3140	Patrick Runninger	(3,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/19/19	Check	3134	Patrick Runninger	(8,706.06)		

Securities & Exchange Commission v. Equialt, LLC, et al.							
Schedule of Payments to Patrick Runninger							
<i>(Sorted Chronologically)</i>							
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Memo / Transaction Info
JPMorgan Chase	BR Support Services, LLC	x9906	04/01/19	Check	3170	Patrick Runninger	(6,869.80)
JPMorgan Chase	BR Support Services, LLC	x9906	04/08/19	Check	3177	Patrick Runninger	(1,500.00)
JPMorgan Chase	BR Support Services, LLC	x9906	05/15/19	Check	3255	Patrick Runninger	(2,868.81)
JPMorgan Chase	BR Support Services, LLC	x9906	05/28/19	Check	3286	Patrick Runninger	(12,441.84)
JPMorgan Chase	BR Support Services, LLC	x9906	05/30/19	Check	3278	Patrick Runninger	(12,900.00) REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	06/10/19	Check	3328	Patrick Runninger	(2,000.00)
JPMorgan Chase	BR Support Services, LLC	x9906	06/11/19	Check	3329	Patrick Runninger	(6,000.00) REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	06/13/19	Check	3347	Patrick Runninger	(8,447.28)
JPMorgan Chase	BR Support Services, LLC	x9906	06/25/19	Check	3374	Patrick Runninger	(8,666.32) REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	07/18/19	Check	3395	Patrick Runninger	(13,940.96)
JPMorgan Chase	BR Support Services, LLC	x9906	07/22/19	Check	3412	Patrick Runninger	(4,230.00)
JPMorgan Chase	BR Support Services, LLC	x9906	07/26/19	Check	3429	Patrick Runninger	(51,440.08)
JPMorgan Chase	BR Support Services, LLC	x9906	08/08/19	Check	3456	Patrick Runninger	(1,770.00)
JPMorgan Chase	BR Support Services, LLC	x9906	08/08/19	Check	3455	Patrick Runninger	(5,310.00)
JPMorgan Chase	BR Support Services, LLC	x9906	08/19/19	Check	3486	Patrick Runninger	(22,736.21)
JPMorgan Chase	BR Support Services, LLC	x9906	09/13/19	Check	3544	Patrick Runninger	(1,500.00)
JPMorgan Chase	BR Support Services, LLC	x9906	09/13/19	Check	3551	Patrick Runninger	(3,744.71)
JPMorgan Chase	BR Support Services, LLC	x9906	10/02/19	Check	3570	Patrick Runninger	(9,720.00)
JPMorgan Chase	BR Support Services, LLC	x9906	10/04/19	Check	3588	Patrick Runninger	(4,669.62)
JPMorgan Chase	BR Support Services, LLC	x9906	10/16/19	Check	3603	Patrick Runninger	(6,638.60) REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	11/01/19	Check	3627	Patrick Runninger	(2,668.61)
JPMorgan Chase	BR Support Services, LLC	x9906	11/27/19	Check	3682	Patrick Runninger	(1,500.00)
JPMorgan Chase	BR Support Services, LLC	x9906	11/29/19	Check	3690	Patrick Runninger	(1,964.16)
JPMorgan Chase	BR Support Services, LLC	x9906	12/17/19	Check	3721	Patrick Runninger	(4,860.00)
						2019 Subtotal	\$ (211,956.90)
JPMorgan Chase	BR Support Services, LLC	x9906	01/28/20	Check	3765	Patrick Runninger	\$ (1,500.00)
JPMorgan Chase	BR Support Services, LLC	x9906	02/03/20	Check	3780	Patrick Runninger	(1,500.00)
						2020 Subtotal	\$ (3,000.00)
						TOTAL	\$ (293,959.53)
Source(s):							
Bank statements and cancelled checks for JPMorgan Chase bank account ending x7513, held in the name of NV Support Services (March 1, 2013 through February 27, 2015).							
Bank statements and cancelled checks for JPMorgan Chase bank account ending x9906, held in the name of BR Support Services, LLC (February 9, 2015 through February 28, 2020).							
QuickBooks file maintained for BR Support Services, LLC.							

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to GIA, LLC / Edgar Lozano									
(Sorted Chronologically)									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	12/22/16	Check	1699	GIA, LLC	\$ (7,500.00)		
						2016 Subtotal	\$ (7,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/10/17	Check	1810	GIA, LLC	\$ (9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/04/17	Check	2010	GIA, LLC	\$ (2,100.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/05/17	Check	2226	GIA, LLC	\$ (2,160.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/12/17	Check	2234	GIA, LLC	\$ (1,200.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/24/17	Check	2357	GIA, LLC	\$ (1,500.00)		
						2017 Subtotal	\$ (15,960.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/26/18	Check	2457	GIA, LLC	\$ (3,780.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/29/18	Check	2497	GIA, LLC	\$ (1,800.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/23/18	Check	2522	GIA, LLC	\$ (8,580.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/11/18	Check	2548	GIA, LLC	\$ (12,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/30/18	Check	2590	GIA, LLC	\$ (540.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/15/18	Check	2707	Edgar Lozano	\$ (9,600.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/17/18	Check	2759	Edgar Lozano	\$ (27,660.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/26/18	Check	2773	Edgar Lozano	\$ (4,800.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/22/18	Check	2830	Edgar Lozano	\$ (6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/27/18	Check	2955	Edgar Lozano	\$ (4,500.00)		
						2018 Subtotal	\$ (79,260.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/05/19	Check	3185	Edgar Lozano	\$ (8,100.00)	1/2 payment in front	
JPMorgan Chase	BR Support Services, LLC	x9906	04/08/19	Check	3187	Edgar Lozano	\$ (8,100.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/02/19	Check	3232	Edgar Lozano	\$ (43,936.50)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/06/19	Check	3315	Edgar Lozano	\$ (28,500.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	06/06/19	Check	3316	Edgar Lozano	\$ (9,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/12/19	Check	3339	Edgar Lozano	\$ (12,764.88)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/12/19	Check	3340	Edgar Lozano	\$ (4,254.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/02/19	Check	3401	Edgar Lozano	\$ (2,400.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/11/19	Check	3404	Edgar Lozano	\$ (477.20)	Illegible	
JPMorgan Chase	BR Support Services, LLC	x9906	07/16/19	Check	3410	Edgar Lozano	\$ (4,522.16)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	09/17/19	Check	3558	Edgar Lozano	\$ (17,532.50)	Less Chargebacks	
JPMorgan Chase	BR Support Services, LLC	x9906	11/06/19	Check	3654	Edgar Lozano	\$ (36,000.00)		
						2019 Subtotal	\$ (176,087.24)		
						TOTAL	\$ (278,807.24)		
Source(s):									
Bank statements and cancelled checks for JPMorgan Chase bank account ending x9906, held in the name of BR Support Services, LLC (February 9, 2015 through February 28, 2020). QuickBooks file maintained for BR Support Services, LLC.									

Securities & Exchange Commission v. Equiart, LLC, et al.									
Schedule of Payments to Agents Insurance Sales / Barry Wilken									
(Sorted Chronologically)									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	04/25/17	Check	1993	Agents Insurance Sales	\$ (1,500.00)		
						2017 Subtotal	\$ (1,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/26/18	Check	2682	Agents Insurance Sales	\$ (1,650.00)	Illegible	
JPMorgan Chase	BR Support Services, LLC	x9906	08/08/18	Check	2700	Agents Insurance Sales	(1,375.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/04/18	Check	2735	Agents Insurance Sales	(1,375.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/11/18	Check	2750	Agents Insurance Sales	(2,475.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/29/18	Check	2847	Agents Insurance Sales	(2,200.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/03/18	Check	2897	Agents Insurance Sales	(8,800.00)		
						2018 Subtotal	\$ (17,875.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/07/19	Check	2970	Agents Insurance Sales	\$ (21,450.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/07/19	Check	3112	Agents Insurance Sales	(15,330.76)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/18/19	Check	3141	Agents Insurance Sales	(27,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/21/19	Check	3152	Agents Insurance Sales	(12,375.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/29/19	Check	3228	Agents Insurance Sales	(7,150.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/17/19	Check	3265	Agents Insurance Sales	(2,750.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/22/19	Check	3272	Agents Insurance Sales	(1,000.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	05/24/19	Check	3292	Agents Insurance Sales	(1,375.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/24/19	Check	3293	Agents Insurance Sales	(500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/21/19	Wire	N/A	Agents Insurance Sales	(44,250.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/25/19	Check	3574	Agents Insurance Sales	(14,850.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/16/19	Check	3612	Agents Insurance Sales	(12,375.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/18/19	Check	3619	Agents Insurance Sales	(20,238.24)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/18/19	Check	3672	Agents Insurance Sales	(13,750.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/03/19	Check	3699	Agents Insurance Sales	(8,706.58)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	12/06/19	Check	3710	Agents Insurance Sales	(2,297.11)		
						2019 Subtotal	\$ (205,897.69)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/08/20	Check	3746	Agents Insurance Sales	\$ (6,479.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/23/20	Check	3768	Agents Insurance Sales	(5,220.33)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/29/20	Check	3775	Agents Insurance Sales	(3,627.31)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/04/20	Check	3788	Agents Insurance Sales	(5,500.00)		
						2020 Subtotal	\$ (20,826.64)		
						TOTAL	\$ (246,099.33)		
Source(s):									
Bank statements and cancelled checks for JPMorgan Chase bank account ending x9906, held in the name of BR Support Services, LLC (February 9, 2015 through February 28, 2020).									
QuickBooks file maintained for BR Support Services, LLC.									

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to J. Prickett Agency / Joe Prickett									
(Sorted Chronologically)									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	12/30/16	Check	1777	J. Prickett Agency	\$ (2,400.00)		
						2016 Subtotal	\$ (2,400.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/19/17	Check	2138	Joe Prickett Agency	\$ (6,000.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	08/22/17	Check	2216	Joe Prickett Agency	(6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/22/17	Check	2217	Joe Prickett Agency	(1,620.00)		
						2017 Subtotal	\$ (13,620.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/30/18	Check	2426	Joe Prickett Agency	\$ (1,680.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	05/15/18	Check	2551	Joe Prickett Agency	(2,975.76)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/16/18	Check	2650	Joe Prickett Agency	(2,712.43)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/16/18	Check	2658	Joe Prickett Agency	(6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/24/18	Check	2672	Joe Prickett Agency	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/14/18	Check	2703	Joe Prickett Agency	(1,620.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/22/18	Check	2710	Joe Prickett Agency	(762.43)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/05/18	Check	2725	Joe Prickett Agency	(580.34)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/12/18	Check	2741	Joe Prickett Agency	(4,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/25/18	Check	2757	Joe Prickett Agency	(1,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/28/18	Check	2770	Joe Prickett Agency	(1,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/03/18	Check	2781	Joe Prickett Agency	(3,600.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/10/18	Check	2787	Joe Prickett Agency	(1,257.14)	Illegible	
JPMorgan Chase	BR Support Services, LLC	x9906	11/08/18	Check	2843	Joe Prickett Agency	(10,500.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	11/15/18	Check	2864	Joe Prickett Agency	(4,800.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/11/18	Check	2911	Joe Prickett Agency	(24,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/18/18	Check	2927	Joe Prickett Agency	(5,700.00)		
						2018 Subtotal	\$ (82,688.10)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/03/19	Check	2952	Joe Prickett Agency	\$ (4,740.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/15/19	Check	2973	Joe Prickett Agency	(1,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/30/19	Check	3014	Joe Prickett Agency	(13,200.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/06/19	Check	3044	Joe Prickett Agency	(1,100.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/20/19	Check	3063	Joe Prickett Agency	(949.07)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/27/19	Check	3078	Joe Prickett Agency	(1,800.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/04/19	Check	3089	Joe Prickett Agency	(3,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/07/19	Check	3101	Joe Prickett Agency	(9,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/28/19	Check	3155	Joe Prickett Agency	(12,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/17/19	Check	3193	Joe Prickett Agency	(6,300.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/08/19	Check	3233	Joe Prickett Agency	(3,948.42)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/14/19	Check	3246	Joe Prickett Agency	(1,499.82)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/22/19	Check	3261	Joe Prickett Agency	(14,148.24)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/02/19	Check	3382	Joe Prickett Agency	(2,080.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	08/20/19	Check	3470	Joe Prickett Agency	(400.92)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/28/19	Check	3498	Joe Prickett Agency	(3,900.00)		

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to J. Prickett Agency / Joe Prickett									
(Sorted Chronologically)									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	08/28/19	Check	3499	Joe Prickett Agency	(1,300.00)	Illegible	
JPMorgan Chase	BR Support Services, LLC	x9906	09/13/19	Check	3536	Joe Prickett Agency	(1,080.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	10/11/19	Check	3580	Joe Prickett Agency	(3,060.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/09/19	Check	3697	Joe Prickett Agency	(3,660.00)		
						2019 Subtotal	\$ (88,666.47)		
						TOTAL	\$ (187,374.57)		
Source(s):									
Bank statements and cancelled checks for JPMorgan Chase bank account ending x9906, held in the name of BR Support Services, LLC (February 9, 2015 through February 28, 2020). QuickBooks file maintained for BR Support Services, LLC.									

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to Barry Neal									
(Sorted Chronologically)									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	01/10/17	Check	1821	Barry T. Neal	\$ (3,000.00)		
						2017 Subtotal	\$ (3,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/12/18	Check	2436	Barry T. Neal	\$ (3,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/29/18	Check	2496	Barry Neal	(4,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/09/18	Check	2510	Barry Neal	(2,250.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/14/18	Check	2749	Barry Neal	(6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/19/18	Check	2818	Barry Neal	(3,120.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/30/18	Check	2886	Barry Neal	(3,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/17/18	Check	2918	Barry Neal	(6,000.00)		
						2018 Subtotal	\$ (27,370.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/02/19	Check	2954	Barry Neal	\$ (12,000.00)		REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	01/07/19	Check	2962	Barry Neal	(14,400.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/11/19	Check	2971	Barry Neal	(1,800.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/04/19	Check	3026	Barry Neal	(8,100.00)		REDACTED
JPMorgan Chase	BR Support Services, LLC	x9906	05/28/19	Check	3296	Barry Neal	(8,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/18/19	Check	3352	Barry Neal	(6,320.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/25/19	Check	3375	Barry Neal	(24,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/13/19	Check	3537	Barry Neal	(6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/31/19	Check	3635	Barry Neal	(5,677.20)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/04/19	Check	3646	Barry Neal	(2,370.00)		
						2019 Subtotal	\$ (88,667.20)		
						TOTAL	\$ (119,037.20)		
Source(s):									
Bank statements and cancelled checks for JPMorgan Chase bank account ending x9906, held in the name of BR Support Services, LLC (February 9, 2015 through February 28, 2020).									
QuickBooks file maintained for BR Support Services, LLC.									

Securities & Exchange Commission v. Equialt, LLC, et al.									
Schedule of Payments to Ben Mohr									
(Sorted Chronologically)									
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info	
JPMorgan Chase	BR Support Services, LLC	x9906	05/03/16	Check	1388	Ben Mohr	\$ (3,600.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	08/12/16	Check	1497	Ben Mohr	(3,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	09/20/16	Check	1560	Ben Mohr	(4,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/08/16	Check	1702	Ben Mohr	(1,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	12/30/16	Check	1721	Ben Mohr	(1,500.00)		
						2016 Subtotal	\$ (14,100.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/04/17	Check	1792	Ben Mohr	(3,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/01/17	Check	1829	Ben Mohr	(1,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/21/17	Check	1917	Ben Mohr	(3,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/12/17	Check	1967	Ben Mohr	(1,800.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	05/31/17	Check	2052	Ben Mohr	(7,200.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/06/17	Check	2271	Ben Mohr	(9,900.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/26/17	Check	2315	Ben Mohr	(1,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/07/17	Check	2296	Ben Mohr	(1,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/17/17	Check	2335	Ben Mohr	(1,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/17/17	Check	2342	Ben Mohr	(2,838.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/17/17	Check	2346	Ben Mohr	(5,340.00)		
						2017 Subtotal	\$ (39,078.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/09/18	Check	2398	Ben Mohr	(1,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	01/30/18	Check	2410	Ben Mohr	(5,850.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	02/13/18	Check	2435	Ben Mohr	(3,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/06/18	Check	2456	Ben Mohr	(3,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	03/06/18	Check	2462	Ben Mohr	(1,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/10/18	Check	2495	Ben Mohr	(4,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	04/10/18	Check	2509	Ben Mohr	(2,250.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/06/18	Check	2583	Ben Mohr	(1,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/20/18	Check	2599	Ben Mohr	(3,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/20/18	Check	2604	Ben Mohr	(1,944.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	06/20/18	Check	2612	Ben Mohr	(1,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/27/18	Check	2637	Ben Mohr	(1,860.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/27/18	Check	2652	Ben Mohr	(3,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	07/27/18	Check	2668	Ben Mohr	(8,616.00)	REDACTED	
JPMorgan Chase	BR Support Services, LLC	x9906	09/14/18	Check	2740	Ben Mohr	(6,000.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	10/12/18	Check	2788	Ben Mohr	(1,500.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/07/18	Check	2849	Ben Mohr	(8,580.00)		
JPMorgan Chase	BR Support Services, LLC	x9906	11/14/18	Check	2857	Ben Mohr	(1,800.00)		
						2018 Subtotal	\$ (60,400.00)		
						TOTAL	\$ (113,578.00)		
Sources:									
Bank statements and cancelled checks for JPMorgan Chase bank account ending x9906, held in the name of BR Support Services, LLC (February 9, 2015 through February 28, 2020).									
QuickBooks file maintained for BR Support Services, LLC.									

Securities & Exchange Commission v. Equialt, LLC, et al.								
Schedule of Payments to Marketing Dynamics Inc. / Tim Laduca								
<i>(Sorted Chronologically)</i>								
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info
JPMorgan Chase	NV Support Services	x7513	05/28/13	Check	1091	Marketing Dynamics Inc. / Tim Laduca	\$ (1,250.00)	
JPMorgan Chase	NV Support Services	x7513	10/30/13	Check	1228	Marketing Dynamics Inc. / Tim Laduca	(1,860.00)	
JPMorgan Chase	NV Support Services	x7513	11/01/13	Check	1302	Marketing Dynamics Inc. / Tim Laduca	(1,500.00)	
						2013 Subtotal	\$ (4,610.00)	
JPMorgan Chase	NV Support Services	x7513	01/28/14	Check	1346	Marketing Dynamics Inc. / Tim Laduca	\$ (2,400.00)	
JPMorgan Chase	NV Support Services	x7513	02/06/14	Check	1352	Marketing Dynamics Inc. / Tim Laduca	(3,000.00)	
JPMorgan Chase	NV Support Services	x7513	04/01/14	Check	1382	Marketing Dynamics Inc. / Tim Laduca	(3,600.00)	
JPMorgan Chase	NV Support Services	x7513	04/04/14	Check	1390	Marketing Dynamics Inc. / Tim Laduca	(3,600.00)	
JPMorgan Chase	NV Support Services	x7513	04/16/14	Check	1397	Marketing Dynamics Inc. / Tim Laduca	(10,400.00)	
JPMorgan Chase	NV Support Services	x7513	10/20/14	Check	1508	Marketing Dynamics Inc. / Tim Laduca	(1,200.00)	
						2014 Subtotal	\$ (24,200.00)	
JPMorgan Chase	NV Support Services	x0318	02/10/15	Check	9756	Marketing Dynamics Inc. / Tim Laduca	\$ (1,235.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	02/24/15	Check	1002	Marketing Dynamics Inc. / Tim Laduca	(900.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	12/07/15	Check	1233	Marketing Dynamics Inc. / Tim Laduca	(2,400.00)	
						2015 Subtotal	\$ (4,535.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	06/03/16	Check	1420	Marketing Dynamics Inc. / Tim Laduca	\$ (1,500.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	10/17/16	Check	1606	Marketing Dynamics Inc. / Tim Laduca	(5,490.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	10/19/16	Wire	N/A	Marketing Dynamics Inc. / Tim Laduca	(7,137.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	11/04/16	Deposit	3122	Marketing Dynamics Inc. / Tim Laduca	7,137.00	Equalt Charge Back
						2016 Subtotal	\$ (6,990.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	01/24/17	Check	1840	Marketing Dynamics Inc. / Tim Laduca	\$ (7,352.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	02/08/17	Wire	N/A	Marketing Dynamics Inc. / Tim Laduca	(3,745.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	03/22/17	Check	1933	Marketing Dynamics Inc. / Tim Laduca	(1,200.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	04/18/17	Check	1981	Marketing Dynamics Inc. / Tim Laduca	(2,440.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	10/31/17	Check	2321	Marketing Dynamics Inc. / Tim Laduca	(3,360.00)	REDACTED
						2017 Subtotal	\$ (18,097.00)	
JPMorgan Chase	BR Support Services, LLC	x9906	01/22/18	Check	2407	Marketing Dynamics Inc. / Tim Laduca	\$ (1,800.00)	
						2018 Subtotal	\$ (1,800.00)	
						TOTAL	\$ (60,232.00)	
Sources:								
Bank statements and cancelled checks for JPMorgan Chase bank account ending x7513, held in the name of NV Support Services (March 1, 2013 through February 27, 2015).								
Bank statements and cancelled checks for JPMorgan Chase bank account ending x0318, held in the name of Barry M Rybicki DBA NV Support Services (January 8, 2015 through May 29, 2015).								
Bank statements and cancelled checks for JPMorgan Chase bank account ending x9906, held in the name of BR Support Services, LLC (February 9, 2015 through February 28, 2020).								
QuickBooks file maintained for BR Support Services, LLC.								

Securities & Exchange Commission v. Equialt, LLC, et al.								
Schedule of Payments to Wellington Financial, LLC / Jason Jodway								
<i>(Sorted Chronologically)</i>								
Bank Name	Account Name	Account No.	Date	Type	Check No.	Name	Amount	Memo / Transaction Info
JPMorgan Chase	BR Support Services, LLC	x9906	02/28/19	Check	3069	J. Wellington Financial	\$ (48,000.00)	
						TOTAL	\$ (48,000.00)	
Source(s):								
Bank statements and cancelled checks for JPMorgan Chase bank account ending x9906, held in the name of BR Support Services, LLC (February 9, 2015 through February 28, 2020).								
QuickBooks file maintained for BR Support Services, LLC.								

EXHIBIT 4

Assigned for all purposes to: Stanley Mosk Courthouse, Judicial Officer: Lia Martin

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19 Attorneys for Plaintiff Robert Joseph Armijo

20 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
21 **COUNTY OF LOS ANGELES**

22 ROBERT JOSEPH ARMIJO, an individual,
23 Plaintiff,

24 vs.

25 PAUL R. WASSGREN, an individual;
26 DLA PIPER LLP (US); FOX ROTHSCHILD
27 LLP; and DOES 1 through 50, inclusive,
28 Defendants.

CASE NO. 22STCV32793

COMPLAINT FOR:

- (1) **PROFESSIONAL NEGLIGENCE / GROSS NEGLIGENCE;**
- (2) **NEGLIGENT MISREPRESENTATION;**
- (3) **AIDING AND ABETTING FRAUD;**
- (4) **EQUITABLE INDEMNITY;**
- (5) **TORT OF ANOTHER;**
- (6) **VIOLATION OF UNFAIR COMPETITION LAW**

(DEMAND FOR JURY TRIAL)

29 COMES NOW Plaintiff ROBERT JOSEPH ARMIJO (“Plaintiff” or “Armijo”) with his
30 Complaint for causes of action against Defendants PAUL R. WASSGREN (“Wassgren”), DLA
31 PIPER LLP (US) (“DLA”), FOX ROTHSCHILD LLP (“Fox Rothschild”), and DOES 1-50,
32 inclusive (collectively, “Defendants”), and alleges as follows:

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1 **I. INTRODUCTION**

2 1. Defendants’ clients, according to the Securities and Exchange Commission (“SEC”)
3 and the Court-appointed receiver for their businesses, perpetrated a fraudulent real-estate
4 investment scheme.

5 2. Defendants knew about the scheme – and actively participated in advancing it.

6 3. Much more is expected of lawyers. And such transgressions by lawyers result in
7 widespread liability for them and their law firms. When a lawyer knows or should know that his
8 clients are engaged or participating in an ongoing fraud, the lawyer has an ethical duty and
9 professional obligation to avoid furthering that fraud in any way. And, if the client does not cease
10 the fraudulent conduct, the lawyer must either: (a) limit the scope of his representation to matters
11 that do not involve participation in or furthering of the client’s fraud (but only if the lawyer is *fully*
12 *confident* that his limited going-forward representation will in no way further the fraud), or (b)
13 terminate the representation. In other words, lawyers are duty-bound – *to everyone* – to not further
14 their clients’ fraudulent activities. When a lawyer violates these tenets of the legal profession by
15 furthering a client’s fraud – whether knowingly or through gross negligence – then the lawyer
16 becomes a dangerous weapon to further or potentially expand the reach of – the client’s
17 wrongdoings. And, in such circumstances, the lawyer has become liable to third-parties for the
18 harm they suffer as a result of a fraudulent scheme the lawyer actively furthered.

19 4. Furthermore, when a lawyer helps secure the involvement of an unsuspecting third-
20 party participant to be used as a pawn to further and expand the client’s fraudulent scheme –
21 unbeknown to that third-party participant – the lawyer, himself, commits wrongdoing and faces
22 liability to that third party. This not only potentially leads to an increase in the number of direct
23 victims of the client’s fraud and the damages suffered by those direct victims, but can also cause
24 the group accused of being party to the client’s fraud to grow to include such unsuspecting
25 participants.

26 5. Client-wrongdoers, and the lawyers who assists their fraudulent scheme, are
27 decidedly deserving of prosecution. But the other third-party participants who were swept up and
28 into the scheme by the client-wrongdoers with the assistance of their lawyers, as innocent pawns

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1 of the wrongdoers, are not deserving of fault or responsibility for the damage caused by the scheme,
2 having been duped into being involved by the wrongdoers. In such a situation, the lawyer is
3 responsible for that damage, not the pawn.

4 6. Such is precisely what happened to Plaintiff. Once a well-regarded financial
5 advisor, Plaintiff's reputation, financial advisory business, personal relationships and other
6 business opportunities have been shattered because he was defrauded – by Defendants' clients, with
7 Defendants' knowing (or grossly-negligent) assistance – into participating in the sales of what
8 Plaintiff was led by Defendants to believe were legitimate, legally-compliant investments. Had
9 Defendants simply been honest with Plaintiff, rather than steering Plaintiff in the wrong direction
10 for the benefit of Defendants' clients, knowing Plaintiff would rely on Defendants' representations
11 and legal guidance, Plaintiff would not have suffered all of the financial, reputational, emotional
12 and health-related harms he has been caused to suffer.

13 7. Defendants' clients' scheme took place with the knowing (or grossly-negligent)
14 assistance of the Defendants. Along the way, and with Defendants' direct knowledge (or gross
15 negligence) and active assistance and participation in their clients' fraudulent scheme, Plaintiff was
16 convinced: (a) that Defendants' clients' investment offerings were legitimate and legally-
17 compliant; (b) that Plaintiff's clients (and Plaintiff individually) would benefit from investing in
18 Defendants' clients' offerings; and (c) that Plaintiff held the necessary licenses to lawfully
19 participate in the sale of Defendants' clients' investment offerings to Plaintiff's clients.
20 Defendants' clients could not have perpetuated their fraudulent scheme – or secured the
21 involvement of Plaintiff – without the active assistance of, and participation by, Defendants.

22 8. Relying on Defendants' representations and advice, Plaintiff: (a) introduced many
23 of his valued clients – including close, long-time friends and respected businesspeople – to
24 Defendants' clients and participated in the sale of Defendants' clients' investment offerings to such
25 clients and friends; and (b) personally purchased investment offerings from Defendants' clients.
26 Plaintiff would have done none of this but for Defendants' representations and advice, which – if
27 the SEC is correct – was false and grossly-deficient. Plaintiff would have done none of this but for
28 Defendants actively inducing Plaintiff – knowingly (or with gross negligence) – in furtherance of

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1 Defendants’ clients’ fraudulent scheme, to the benefit of Defendants’ clients and Defendants
2 themselves.

3 9. Despite Plaintiff’s due diligence, Plaintiff never knew Defendants’ clients were
4 perpetrating a fraudulent scheme, or that Defendants were knowingly (or grossly-negligently)
5 furthering their clients’ wrongdoings, until the SEC brought the scheme down.

6 10. As a result of Defendants’ clients’ scheme and Plaintiff’s justifiable reliance on
7 Defendants’ false representations and grossly-deficient advice, Plaintiff – like Defendants’ clients
8 – became a target of actions by the SEC and Defendants’ clients’ investors and court-appointed
9 receiver, all due to Plaintiff’s unwitting participation in Defendants’ clients’ fraudulent scheme.
10 Plaintiff did so only because of Plaintiff’s justifiable reliance on Defendants’ false representations
11 and grossly-deficient advice.

12 11. Plaintiff’s reputation and business as a financial investment advisor are ruined.
13 Plaintiff has suffered significant financial harm having to spend time and money to defend actions
14 pursued by the SEC, and Defendants’ clients’ receiver and investors. Plaintiff has also suffered
15 serious emotional distress and serious health conditions. All of these consequences suffered by
16 Plaintiff could have easily been avoided had Defendants not utilized their professional stature to
17 further their clients’ fraudulent scheme, and had Defendants been truthful in their representations
18 and advice to Plaintiff.

19 **II. PARTIES**

20 **A. Plaintiff**

21 12. Armijo was at all times relevant hereto a resident of the State of California, County
22 of San Diego. Between 2012 and 2021, Armijo was an Investment Advisor Representative licensed
23 by the State of California, with a Series 65 license. Armijo is, and at all times relevant was, the
24 managing member and sole owner of Joseph Financial Investment Advisors, LLC (“JFI”). Between
25 May 2016 and 2021, JFI was a Registered Investment Advisor in the State of California, advising
26 clients on investments and managing their portfolios. Armijo was the Investment Advisor
27 Representative for JFI between May 2016 and 2021.

28 ///

1 **B. Defendant Attorney and Law Firms**

2 13. DLA is a Maryland limited liability partnership and a United States affiliate of a
3 global law firm headquartered in London, United Kingdom, which has approximately 4,200
4 attorneys worldwide. DLA is headquartered in Baltimore, Maryland, and has offices throughout
5 the United States, including offices in San Diego and Los Angeles, California.

6 14. Fox Rothschild is a Pennsylvania limited liability general partnership and a law firm
7 with approximately 950 attorneys and 29 offices in the United States, including offices in Los
8 Angeles, California.

9 15. Wassgren is an attorney licensed to practice law in California and Nevada.

10 16. Wassgren worked at, was a partner at, and was an agent of Fox Rothschild from
11 approximately July of 2010 until May of 2017. Between July of 2010 and May of 2017, Fox
12 Rothschild was responsible for the supervision of Wassgren and for any improper, negligent or
13 illegal actions undertaken by Wassgren in connection with his practice of law. Legal work that
14 forms a basis of this action, and misrepresentations made by Wassgren and Fox Rothschild,
15 occurred while Wassgren was working for Fox Rothschild out of Fox Rothschild's Los Angeles,
16 California, office.

17 17. Wassgren worked at, was a partner at, and was an agent of DLA from approximately
18 May of 2017 until November 2020, when he was asked to resign from DLA. (A copy of an online
19 profile of Wassgren utilized by DLA is attached as Exhibit "A.") Between May of 2017 until
20 November 2020, DLA was responsible for the supervision of Wassgren and for any improper,
21 negligent or illegal actions undertaken by Wassgren in connection with his practice of law. Legal
22 work that is a basis of this action, and misrepresentations made by Wassgren and DLA, occurred
23 while Wassgren was working for DLA out of DLA's Los Angeles, California, office.

24 18. While working at Fox Rothschild and DLA, Wassgren held himself out and was
25 represented to be a transactional lawyer specializing in corporate, securities and real estate matters.

26 19. Plaintiff is ignorant of the true names and capacities, whether individual, corporate,
27 partnership or otherwise, of Defendants sued herein as DOES 1 through 50, inclusive, and,
28 therefore, sue these Defendants by such fictitious names pursuant to Code of Civil Procedure § 474.

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1 Upon learning the true names and capacities of the fictitiously-named Defendants, Plaintiff will
2 seek leave of court to amend this complaint to include the true names and capacities of said
3 Defendants.

4 20. Plaintiff is informed and believes, and based thereon alleges, that each Defendant
5 designated as a DOE caused, or is legally responsible for, the events, happenings, occurrences,
6 omissions, and damages referred to herein, as a principal, beneficiary, agent, partner, employee,
7 co-developer, joint venturer, general contractor, subcontractor, consultant, representative,
8 independent contractor, co-conspirator, aider and abettor, and/or alter ego, for the events,
9 happenings, occurrences, omissions, and damages referred to herein, and thereby proximately
10 caused injury and damage to Plaintiff as alleged herein.

11 **III. JURISDICTION AND VENUE**

12 21. This Court has subject matter jurisdiction over this matter. Plaintiff's damages
13 exceed \$25,000.00.

14 22. This Court has personal jurisdiction over each of the Defendants. Each of the
15 Defendants have availed themselves of the laws of the State of California, have conducted business
16 in and established sufficient minimum contacts with the State of California during all relevant
17 times, and the actions of Defendants as they relate to Plaintiff occurred in the State of California.
18 All of the acts, failure to act and misconduct by Defendants complained about herein occurred in
19 the State of California.

20 23. Venue is proper in Los Angeles County because Defendants transacted business in
21 the County of Los Angeles and the actions of Defendants as they relate to Plaintiff and Defendants'
22 liability to Plaintiff occurred in the County of Los Angeles.

23 **IV. GENERAL ALLEGATIONS**

24 **A. EquiAlt**

25 24. EquiAlt LLC ("EquiAlt") is a Nevada limited liability company based in Tampa,
26 Florida. It was formed in 2011 by Brian Davison ("Davison"), EquiAlt's CEO, and Barry Rybicki
27 ("Rybicki"), EquiAlt's Managing Director (collectively "EquiAlt Managers").

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1 25. EquiAlt claimed to be primarily engaged in managing various real estate
2 investments funds, established at varying times, known as EquiAlt Fund, LLC (“Fund 1”), EquiAlt
3 Fund II, LLC (“Fund 2”), EquiAlt Fund III, LLC (“Fund 3”), EA SIP, LLC (“SIP Fund”), EquiAlt
4 Qualified Opportunity Zone Fund, LP (“QOZ Fund”) and EquiAlt Secured Income Portfolio Reit,
5 Inc. (“Reit”) (collectively the “EquiAlt Funds”). EquiAlt and the EquiAlt Funds issued and sold
6 unregistered securities they styled – with the advice and assistance of Defendants – as fixed-interest
7 debentures (“EquiAlt Securities”). Investors received unsecured notes or debentures, as opposed
8 to membership interest in the issuing entity, and were promised fixed-rate returns.

9 26. Another entity overseen and operated by Rybicki – BR Support Services LLC
10 (“BRSS”) – recruited, oversaw and paid sales agents to market and sell the EquiAlt Securities to
11 investors. EquiAlt, EquiAlt Managers, EquiAlt Funds and BRSS are collectively referred to herein
12 as the “EquiAlt Parties.”

13 27. The EquiAlt Parties represented to investors and sales agents recruited by the
14 EquiAlt Parties – with the assistance of Defendants, their lawyers – through marketing materials
15 and offering documents prepared and/or approved by Defendants, that substantially all of the
16 investors’ funds would be used to purchase, renovate, rent and/or sell for a profit residential
17 properties located in distressed markets throughout the United States, thereby generating significant
18 returns for investors. In total, the EquiAlt Funds – with the assistance of Defendants – collectively
19 raised more than \$170 million from more than 1,100 investors.

20 **B. The SEC Investigation and Action Against the EquiAlt Parties**

21 28. In 2020, the Securities and Exchange Commission (“SEC”) brought an emergency
22 enforcement action against EquiAlt, the EquiAlt Managers, Fund 1, Fund 2, Fund 3 and SIP Fund.
23 The SEC charged the EquiAlt Parties with violations of federal securities laws and regulations in
24 connection with what the SEC claimed to be a fraudulent real estate scheme.

25 29. Immediately after the SEC filed its enforcement action, EquiAlt and the EquiAlt
26 Funds were placed into a liquidating receivership and a receiver – Burton W. Wiand (the
27 “Receiver”) – was appointed by the Court for various of the EquiAlt Parties.

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1 30. The SEC and the Receiver have concluded that the EquiAlt Parties were operating
2 a “Ponzi scheme.” According to the SEC and the Receiver, EquiAlt and the EquiAlt Managers
3 comingled and diverted investors’ funds for improper purposes and they wrongfully enriched
4 themselves by looting millions of dollars from the EquiAlt Funds for their own personal benefit.
5 Investor moneys were used by EquiAlt and EquiAlt Managers to purchase personal real estate,
6 luxury cars, jewelry, jets, and the like, and applied to charging fees, commissions and expenses that
7 were neither disclosed nor earned. If the SEC’s and Receiver’s conclusions are correct, rather than
8 providing the promised returns on investments, EquiAlt and the EquiAlt Managers – with the active
9 assistance of Defendants – fraudulently misappropriated millions of dollars for their own personal
10 benefit by selling the EquiAlt Securities, which the SEC claims to have been fraudulent,
11 unregistered securities.

12 31. The SEC and Receiver assert that the use of investor funds was inconsistent with
13 the various Private Placement Memorandums (each a “PPM”) used to offer and sell EquiAlt
14 Securities. The PPMs were prepared and/or approved by Defendants. The resultant misuse of
15 funds caused the EquiAlt Funds to incur financial losses to the point of insolvency, rendering the
16 EquiAlt Funds incapable of paying amounts promised to their investors other than by raising new
17 investor funds and diverting investment funds from one EquiAlt Fund to another. Defendants were
18 aware of this scheme.

19 32. None of the EquiAlt Parties’ wrongdoings, or Defendants’ wrongful participation in
20 furtherance of the EquiAlt Parties’ wrongdoings, was known to Plaintiff prior to the SEC, Receiver
21 or EquiAlt’s investors pursuing claims.

22 **C. Defendants Aided and Abetted the EquiAlt Parties’ Wrongdoings**

23 **1. Wassgren and His Law Firms Were Intimately Involved in EquiAlt**
24 **Every Step of the Way**

25 33. Wassgren, and each of Fox Rothschild and DLA during the time periods Wassgren
26 was employed at each law firm, were intimately involved in the creation and structuring of EquiAlt
27 and the EquiAlt Funds, and in their operation since inception.

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1 34. Wassgren and Fox Rothschild formed EquiAlt and Fund 1 in 2011; Fund 2 and Fund
2 3 in 2013; and SIP Fund in 2016.

3 35. Wassgren and DLA formed Reit in 2017, and QOZ Fund in 2018.

4 36. Wassgren, and each of Fox Rothschild and DLA during the time periods Wassgren
5 was employed at each law firm, were provided detailed information regarding (and kept regularly
6 informed of) how the EquiAlt Parties operated, represented the EquiAlt Parties on a continuous
7 basis from their inception, aided and abetted the EquiAlt Parties' operations in various ways, and
8 were involved in almost every aspect of the EquiAlt Parties' businesses.

9 37. Wassgren and his law firms, first at Fox Rothschild and then at DLA, drafted and
10 revised PPMs and other offering/sales documents for EquiAlt and the EquiAlt Funds, which
11 Defendants knew would be utilized: (a) to lure sales agents to sell EquiAlt Securities and (b) to lure
12 investors to purchase EquiAlt Securities. Defendants rendered legal advice on regulatory
13 compliance, selling practices and other legal matters related to EquiAlt and the EquiAlt Funds, to
14 the EquiAlt Parties and sales agents that the EquiAlt Parties courted. Defendants participated in
15 the selling process by receiving and approving questionnaires and subscription documents from
16 investors before they were issued EquiAlt Securities. And Defendants counseled the EquiAlt
17 Parties regarding transactions alleged to have resulted in the improper payment or diversion of
18 assets of the EquiAlt Funds for the benefit of EquiAlt and the EquiAlt Managers. Defendants also
19 actively assisted EquiAlt in developing and implementing strategic long-term planning, going well
20 beyond the scope of the routine rendition of legal services.

21 **2. Defendants Encouraged EquiAlt to Advertise Their Involvement with**
22 **EquiAlt**

23 38. Wassgren, and each of Fox Rothschild and DLA during the time periods Wassgren
24 was employed at each law firm, knew that the EquiAlt Parties advertised to sales agents and
25 investors that Wassgren and his law firms were counsel to the EquiAlt Parties. The EquiAlt Parties
26 actively marketed to and informed sales agents and investors that Defendants were "independent"
27 professionals and could "absolutely" be contacted by them for "insight into the fund and its
28 activities."

1 39. Defendants were aware of, and knowingly permitted, the EquiAlt Parties to
2 represent to investors and sales agents that Defendants would vouch for the legality of EquiAlt’s
3 Securities offering and use of the funds raised thereby. What better way to instill confidence in the
4 EquiAlt Securities and EquiAlt Parties than by having two very large law firms – one among the
5 largest in the world – endorse them.

6 40. Defendants were aware of and encouraged such messaging, knowing that the
7 EquiAlt Parties did this with the intent of creating apparent legitimacy of their operation and to
8 cause sales agents and investors to believe the EquiAlt Parties were operating in compliance with
9 all applicable laws. Defendants further believed it would benefit the EquiAlt Parties (and
10 Defendants themselves) to publicly advertise Defendants as being EquiAlt’s counsel, and
11 Defendants intended for investors and sales agents to develop a sense of trust in the EquiAlt Parties
12 and the EquiAlt Securities because of Defendants’ involvement, all to the benefit of Defendants
13 and Defendants’ clients.

14 41. Similarly, the PPMs and other offering documents prepared by Defendants, and
15 supplied to EquiAlt’s sales agents and investors, represented that: (a) the EquiAlt Securities were
16 offered subject to the approval of Defendants; (b) that Defendants would review documents used
17 to effectuate the real estate transactions by which the EquiAlt Funds intended to acquire properties;
18 (c) the EquiAlt Funds would rely on Defendants’ opinions; and (d) the EquiAlt Securities would
19 not be transferred unless, among other things, Defendants’ opinion was that registration with the
20 SEC was not required. These statements were made by Defendants to induce sales agents to want
21 to partake in selling EquiAlt Securities, and to induce investors to purchase EquiAlt Securities.
22 Defendants included such representations in documents they prepared to help further the EquiAlt
23 Parties’ scheme.

24 42. Defendants agreed to actively assist in the offer and sale of the EquiAlt Securities
25 in order to generate fees, enhance their professional reputation and further the EquiAlt Parties’
26 fraudulent scheme.

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1 **3. Wassgren and His Firms Prepared Misleading Sales Documents to**
2 **Mislead Investors and Sales Agents for the Benefit of EquiAlt**

3 43. Based on information learned since the SEC initiated its action against EquiAlt and
4 the EquiAlt Managers, the PPMs relative to the EquiAlt Funds, and other offering/sales documents
5 prepared and/or reviewed and approved by Defendants, contained numerous statements that
6 Defendants knew or should have known were false, or omitted material facts which Defendants
7 knew or should have known were necessary for Plaintiff, other sales agents and investors to make
8 informed decisions relative to EquiAlt and the EquiAlt Securities. These misrepresentations and
9 omissions, relied upon by Plaintiff and others, included but are not necessarily limited to:

- 10 a. PPMs indicated that approximately 90% of investor funds would be used to “invest
11 in property.” But, if the SEC and Receiver are correct, less than 50% of investor
12 funds were actually used for that purpose. Defendants knew or should have known
13 this based on all information Defendants had relative to the EquiAlt Parties’
14 operations;
- 15 b. PPMs failed to disclose that investment monies would be used to pay EquiAlt
16 extraneous fees. Defendants knew of the fees being collected by EquiAlt;
- 17 c. Investors were not informed that invested funds would be transferred between the
18 EquiAlt Funds to use monies from one EquiAlt Fund to pay the debts of another
19 EquiAlt Fund. Defendants knew of these transfers;
- 20 d. Many of the subscription agreements stated that investments in the EquiAlt Funds
21 were being sold without the payment of a commission. And PPMs stated only that
22 the EquiAlt Funds “may” pay commissions to sales agents. In reality, as Defendants
23 knew, an amount equal to a percentage of the investments was always paid to sales
24 agents in connection with the sale of EquiAlt Securities regardless of the licensure
25 status of the sales agents.
- 26 e. The Offering Memoranda for Fund 1 states “Securities are being offered directly
27 through the Company. No commissions of any kind will be paid to selling agents or
28 brokers.” That representation – drafted by Wassgren – was false and was known (or

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1 should have been known) by Wassgren to be false. The EquiAlt Funds paid a 12%
2 commission to Rybicki and/or BRSS, who, in turn, paid a least one-half of that
3 amount to various sales agents regardless of their licensure status. All of this was
4 known (or should have been known) by Wassgren, who was often in direct contact
5 with sales agents and knew how they were being paid;

6 f. Investors were told no management fees would be paid to EquiAlt, yet EquiAlt
7 collected substantial management fees from the EquiAlt Funds and there was never
8 any disclosure to investors as to what or how management fees would be paid.
9 Wassgren knew this;

10 g. Investors were misled about the EquiAlt Funds' performance, being told the EquiAlt
11 Funds were realizing net profits despite operating at a loss. Defendants knew, or
12 should have known based on all information they had or that was available to them,
13 that this was false;

14 h. The EquiAlt Securities were not sold with either state or federal securities
15 registration, but instead were purportedly sold under a Regulation D ("Reg D")
16 exemption from registration; however, if the SEC and Receiver are correct, none of
17 EquiAlt Securities qualified for a Reg D exemption or any other exemption from
18 registration since inception. Wassgren knew or should have known this. And, even
19 if the EquiAlt Securities somehow could initially have qualified for the Reg D
20 exemption, Wassgren knew or should have known that, based on all facts and
21 circumstances, the SEC could assert that all requirements to satisfy and maintain a
22 Reg D exemption did not occur. Accordingly, Wassgren knew or should have
23 known that the EquiAlt Parties' continued sale of EquiAlt Securities as unregistered
24 securities could be found to be unlawful;

25 i. PPMs stated that under no circumstances would the EquiAlt Funds admit more than
26 35 non-accredited investors, as computed under Rule 501 of Reg D. All of the
27 investors submitted questionnaires and subscription documents to Defendants, who
28 were to review them and advise as to whether that investor should be accepted. As

1 a result, Defendants knew (or should have known) that the funds, if deemed
2 integrated, had in excess of 35 unaccredited investors;

3 j. PPMs informed investors that a CPA with an MBA degree was serving as EquiAlt’s
4 Chief Financial Officer. However, the identified person never filled such a role.
5 Defendants knew this, or should have known it;

6 k. Prior to starting the EquiAlt Funds, the EquiAlt Managers filed for personal
7 bankruptcy. Defendants knew, or should have known, this. But Defendants drafted
8 the PPMs to all describe the EquiAlt Managers’ business experience in flattering
9 terms, and omitted from disclosure the facts that the EquiAlt Managers’ prior real
10 estate ventures ended in personal bankruptcy for each of them;

11 l. PPMs falsely assured prospective investors that EquiAlt did not have significant
12 operating costs. Defendants knew, or should have known, that this was false; and,

13 m. The PPMs did not disclose that EquiAlt investments could be viewed as one
14 “integrated offering” resulting in the loss of exemption under Reg D, because non-
15 accredited investors would exceed 35.

16 **4. Defendants Knew the EquiAlt Parties Could Be Found to Not Be**
17 **Operating in Compliance with Governing Law**

18 44. Defendants were uniquely positioned to know whether the EquiAlt Parties were
19 operating in a legally-compliant fashion. Defendants knew or should have known that
20 misstatements and omissions of material fact had been made in the offering documents they
21 prepared and those misstatements and omissions were continuing to be made in conjunction with
22 the past and ongoing sales of EquiAlt Securities. Defendants knowingly aided and abetted the
23 EquiAlt Parties in these continuing violations, by failing to alert any of the investors, sales agents
24 or appropriate authorities as to these ongoing activities, and by continuing to assist, aid and abet
25 the ongoing investments into the EquiAlt Funds. Defendants willfully, intentionally or through
26 gross-negligence participated in the fraudulent EquiAlt scheme.

27 45. If what the SEC and Receiver have uncovered is true, then Defendants knew the
28 representations in the PPMs (that the EquiAlt Securities were exempt from registration under the

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1 federal securities laws pursuant to Reg D and were made “in strict compliance with the applicable
2 state securities laws”) were false and misleading. Among other things, Wassgren knew that: (a)
3 EquiAlt intended to sell and did in fact sell EquiAlt Securities to more than 35 non-accredited
4 investors through the EquiAlt Funds, which Wassgren knew (or should have known) could result
5 in the SEC considering all EquiAlt Securities to be considered part of a single integrated offering
6 and, therefore, create risk that the EquiAlt Securities would be found not to be exempt from
7 registration; (b) the EquiAlt Parties engaged directly and through its agents in general solicitations
8 and advertising to market its unregistered securities; (c) the EquiAlt Parties made payments to
9 unlicensed sales agents that were not disclosed in its SEC filings claiming the Reg D exemption
10 from registration; and (d) the EquiAlt Parties would and did fail to provide investors with
11 information and disclosures required by Reg D, including audited financial statements.

12 46. Wassgren assisted the EquiAlt Parties in claiming an exemption from registration
13 under Reg D, and had actual knowledge of the requirements the EquiAlt Parties were required to
14 follow in order to qualify as exempt; however, through Defendants’ active involvement in the
15 documentation, offering and sales of the EquiAlt Securities, and their interactions with the EquiAlt
16 Parties and their interactions with the EquiAlt sales agents and securities regulators, Defendants
17 knew that the EquiAlt Securities were in fact offered and sold in a manner that could be deemed to
18 not comply with the requirements of Reg D. Yet Defendants continued to represent to sales agents
19 and investors – without qualification – that the EquiAlt Parties *were* operating in full compliance
20 with all applicable laws.

21 47. Defendants knew that investments in the EquiAlt Securities were being solicited in
22 such a manner that could render the EquiAlt Securities to not be in compliance with maintaining a
23 Reg D exemption.

24 48. Defendants drafted the subscription materials to be completed by potential investors
25 to confirm the accredited or non-accredited status of the potential investors. Defendants drafted
26 those subscription materials for completion and return directly to Defendants’ offices, for review
27 by Wassgren, and thereby received direct reports of the number, age, geographic location, and
28 financial sophistication of the investors to whom the EquiAlt Securities were being offered and

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1 sold. Defendants thus knew that many of the investors had indicated they were unaccredited or
2 unsophisticated in that they lacked knowledge and expertise in financial or business matters, were
3 not capable of evaluating the merits and risks of the investment, and were not otherwise capable of
4 bearing the economic risks of the investment.

5 49. Defendants knew, were willfully blind to knowing, or were reckless in not knowing,
6 that EquiAlt had not satisfied the general condition that the offerors supply all non-accredited
7 investors with the EquiAlt financial reports and information required under Rule 502(b).

8 50. Defendants knew, were willfully blind to knowing, or were reckless in not knowing,
9 that their clients were engaged in multiple ongoing violations of applicable federal and state
10 securities laws. And rather than disclosing the ongoing securities violations, or withdrawing from
11 further representation (as required by the applicable ethical rules), Defendants instead assisted the
12 EquiAlt Parties in its attempt to conceal those violations by orchestrating the creation of multiple
13 purportedly-separate investment funds in an attempt to conceal the number of unaccredited
14 investors to whom the unregistered securities were sold and assisting in the preparation of
15 materially-false SEC filings which – to conceal the EquiAlt Parties’ ongoing securities law
16 violations – intentionally understated the number of non-accredited investors and misrepresented
17 the nature and amounts paid to the sales agents.

18 51. Defendants were also aware of sales agents who did not possess the required
19 licensing necessary to likely be deemed lawfully permitted to participate in the sale of EquiAlt
20 Securities.

21 52. Defendants’ involvement in the affairs and business operations of the EquiAlt
22 Parties was all-encompassing. Wassgren provided advice and input on virtually all aspects of the
23 EquiAlt Parties’ operations, including preparation of the false and misleading PPMs and marketing
24 materials used to induce investors into purchasing the EquiAlt Securities, compliance with the
25 applicable securities laws and payments to sales agents. EquiAlt retained the services of Wassgren
26 in virtually all aspects of EquiAlt’s business operations and entrusted him with ensuring EquiAlt
27 complied with securities laws. Wassgren prepared EquiAlt’s marketing materials to investors with
28 awareness of the purpose for which these materials would be disseminated and used; vetted and

1 participated in approving EquiAlt’s PPMs; and provided legal advice to EquiAlt as to the legality
2 of paying commissions to unregistered sales agents for the sale of debentures. And, EquiAlt
3 directed sales agents to speak with Wassgren when they had questions regarding the legal
4 requirements for selling EquiAlt Securities.

5 53. Indeed, Wassgren played a substantial role in, and lent substantial assistance to,
6 Defendants’ clients’ ongoing scheme to defraud sales agents and investors. Wassgren knew or
7 should have known that under the standards of the legal profession a lawyer has an obligation to
8 not knowingly participate in any violation by the client of securities laws. In these circumstances,
9 Wassgren was professionally obligated to terminate his representation to avoid covering-up and
10 assisting the ongoing (and past) fraud perpetrated by the EquiAlt Parties. He did not do so, but
11 instead decided to aid and abet the EquiAlt Parties’ wrongdoings. And Plaintiff became among the
12 victims of the whole scheme.

13 54. Defendants — (1) knowing that each Fund and the EquiAlt Parties’ sales agents who
14 offered and sold each Fund’s securities relied on the statutory private-placement exemption from
15 registration of § 4(a)(2) of the Securities Act of 1933 (15 U.S.C. 77d(a)(2)) and the regulatory
16 “safe-harbor” exemption from registration of Reg D, Rule 506(b); (2) knowing that Plaintiff relied
17 on Defendants’ knowledge of the securities laws as applied to the EquiAlt Parties; and (3) knowing
18 or having good reason to suspect, believe and investigate whether the EquiAlt Parties had
19 undertaken actions to disqualify from these exemptions — chose not to inform and did not inform
20 Plaintiff (and similarly situated sales agents) of the significant risks they were taking in
21 participating in the sale of the Funds’ unregistered securities for which exemptions could possibly
22 fail. Instead, Defendants led Plaintiff and other sales agents to believe their participation was in
23 full compliance with the law.

24 **D. Sales Agents Were Recruited – With Defendants’ Assistance and Assurances –**
25 **to Be Sales Agents for the EquiAlt Parties**

26 55. Rybicki and BRSS – with the assistance of Defendants – recruited sale agents to
27 introduce investors to EquiAlt and the EquiAlt Funds to purchase EquiAlt Securities. Wassgren
28 knew that Rybicki and BRSS were interfacing with broker-dealers, registered investment advisers

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1 and other professionals within the securities and insurance industry on behalf of the various EquiAlt
2 Funds. And Wassgren knew that not all of those persons Rybicki and BRSS were recruiting as
3 sales agents of EquiAlt Securities held Series 7 licenses.

4 56. The EquiAlt Parties: (a) directed and paid Wassgren and his firms to provide legal
5 advice to the EquiAlt Parties's sales agents (including Plaintiff); and (b) intended EquiAlt's sales
6 agents (including Plaintiff) to rely on representations and legal advice provided by Wassgren
7 relative to their dealings with the EquiAlt Parties. Defendants accepted such responsibilities and
8 payment for the time spent providing such representations and legal advice to the EquiAlt Parties's
9 sales agents (including Plaintiff). And Defendants made representations and provided legal advice
10 to the EquiAlt Parties's sales agents (including Plaintiff), which Defendants knew or should have
11 known was false or erroneous, because Defendants knew doing so would be a benefit to the EquiAlt
12 Parties. (And, of course, the simultaneous benefit to Defendants was that the longer the EquiAlt
13 Parties were able to operate, albeit fraudulently, the more Wassgren would be able to generate in
14 attorneys' fees for his and his firm's representation of the EquiAlt Parties.) Indeed, Defendants
15 actively assisted in the offer and sale of the EquiAlt Securities by unlicensed securities broker-
16 dealers and sales agents by assuring them that such sales complied with the operative securities
17 laws.

18 57. When investors' funds were received, EquiAlt would disburse an amount equal to
19 12% of the invested amounts to BRSS, and BRSS would pay the sales agents an amount equal to
20 some percentage of the amount invested. This was known to Defendants, and Defendants
21 represented to the EquiAlt Parties, Plaintiff and other sales agents that this was legally permissible.

22 58. Wassgren was regularly in contact with EquiAlt's sales agents, knew that they were
23 not licensed securities brokers, and knew that securities regulatory and self-regulatory
24 organizations like FINRA could very well take the position that the sales agents could not legally
25 participate in the sale of EquiAlt Securities. Despite this, Wassgren advised Rybicki and numerous
26 sales agents – including Plaintiff – without equivocation or qualification, that they were allowed to
27 sell EquiAlt Securities without a Series 7 license.

28 ///

1 59. Wassgren’s actions to assist and in concert with the EquiAlt Parties went far beyond
2 his role as legal counsel to the EquiAlt Parties. Wassgren spoke directly with many of the
3 unlicensed broker-dealer sales agents and provided them with false assurances that EquiAlt
4 complied with all securities laws and that the sales agents could lawfully offer and sell the EquiAlt
5 Securities, even though they were not properly licensed.

6 60. Wassgren knew that the sales agents selling the EquiAlt Securities were not
7 registered as brokers under federal, FINRA or state securities laws. Nonetheless, in furtherance of
8 his client’s fraudulent scheme, Wassgren personally, systematically, affirmatively, and falsely
9 represented to the sales agents *that they could lawfully participate* in the sale of the unregistered
10 EquiAlt Securities.

11 61. Defendants also knew that the EquiAlt Securities were being offered and sold in
12 California, Arizona, Florida, Colorado, Nevada and elsewhere by unlicensed securities broker-
13 dealers and sales agents. And Defendants further knew the amounts paid to the sales agents were
14 not reported in EquiAlt’s SEC filings.

15 **E. Plaintiff Was Recruited – With Defendants’ Assistance and Assurances – to Be**
16 **a Sales Agent for the EquiAlt Parties**

17 62. Plaintiff was one of approximately 19 sales agents recruited to sell EquiAlt
18 Securities with the assistance and assurances of Wassgren.

19 63. Plaintiff first learned about EquiAlt in 2013 from Dale Tenhulzen. Mr. Tenhulzen
20 – who only possessed a life insurance and life settlement licenses, and never held any securities
21 license – was participating in the sale of EquiAlt Securities to his clients. Mr. Tenhulzen invited
22 Plaintiff to introduce Plaintiff’s clients to Mr. Tenhulzen for the opportunity to buy EquiAlt
23 Securities. Plaintiff did so, and Mr. Tenhulzen shared compensation he received from the sales of
24 EquiAlt Securities to Plaintiff’s clients with Plaintiff.

25 64. Mr. Tenhulzen was paid by the EquiAlt Parties based on the amounts his clients
26 (including those clients he obtained from Plaintiff) invested in the EquiAlt Funds. He was told he
27 could speak with Wassgren about the EquiAlt Funds and the manner in which Mr. Tenhulzen was
28 paid, since Wassgren had put the PPM together. Mr. Tenhulzen did speak with Wassgren on several

1 occasions. During discussions with Wassgren, Mr. Tenhulzen asked Wassgren if he could sell
2 EquiAlt Securities while only having life insurance and life settlement licenses. Wassgren –
3 without qualification or equivocation – represented to Mr. Tenhulzen that he could sell EquiAlt
4 Securities while only having life insurance and life settlement licenses. Wassgren never informed
5 Mr. Tenhulzen that he needed – or even possibly needed – to have a Series 7 license to sell EquiAlt
6 Securities. Wassgren also represented to Mr. Tenhulzen – without qualification or equivocation –
7 that how Mr. Tenhulzen was to be paid by the EquiAlt Parties was entirely permissible. Wassgren
8 knew these representations and advice were grossly below the standard of care expected of an
9 attorney specializing in securities law.

10 65. In approximately the beginning of 2016, Plaintiff’s relationship with Mr. Tenhulzen
11 ended. When one of Plaintiff’s clients wanted to renew their investment in an EquiAlt Fund,
12 Armijo opened direct discussions with Rybicki about the EquiAlt Funds and ultimately how to
13 process that renewal. That led to Rybicki talking with Armijo about becoming a sales agent for
14 EquiAlt.

15 66. On January 19, 2016, Armijo and Rybicki had a lengthy telephone conversation
16 about the possibility of Armijo becoming involved in the sale of EquiAlt Securities for Fund 1.
17 During Armijo’s discussions with Rybicki, Armijo was told how Fund 1 worked and how sales
18 agents were paid for the sale of EquiAlt Securities, which was the same manner Armijo understood
19 that Mr. Tenhulzen had been paid. Rybicki assured Armijo that how sales agents were paid by the
20 EquiAlt Parties – specifically from BRSS and based on the amounts invested by Plaintiff’s clients
21 – was fully known by Wassgren, designed by Wassgren and that Wassgren represented that paying
22 sales agents in such a fashion was lawful. When Armijo informed Rybicki that Armijo possessed
23 a Series 65 license but not a Series 7 license, Rybicki represented to Armijo that Wassgren had
24 previously confirmed that sales agents were not required to possess a Series 7 license, and that
25 Plaintiff’s licensure status was not an issue. Rybicki also invited Armijo to contact Wassgren
26 directly to discuss any questions Armijo had regarding the EquiAlt Parties and doing business with
27 the EquiAlt Parties. Hearing that an attorney working for a large, well-known national law firm,
28 and who specialized in securities law, was so intimately aware of the EquiAlt Parties’ business

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1 operations, and that he not only represented the operation to be legally-compliant from its
2 establishment but also assisted in ensuring the EquiAlt Parties were conducting themselves in a
3 lawful manner during the course of the operation, and that this attorney was ensuring any sales
4 agents were doing business with the EquiAlt Parties in a legally-compliant manner, brought
5 Plaintiff comfort and induced Plaintiff to proceed with becoming an EquiAlt sales agent.

6 67. Additionally, that same day, following Armijo’s initial discussion with Rybicki,
7 Plaintiff was provided paperwork relative to Fund 1, including the PPM for Fund 1. Plaintiff
8 understood this paperwork to have been prepared by Wassgren and his law firm. The
9 representations provided in such documentation provided Plaintiff further assurances that EquiAlt
10 Securities could be a positive investment for Plaintiff’s clients, and further induced Plaintiff to
11 become a sales agent for EquiAlt Securities.

12 68. On July 5, 2017, Rybicki emailed Armijo the contact information for Wassgren,
13 who Rybicki described as “Our attorney.” Rybicki had previously represented to Armijo that
14 Wassgren was engaged by EquiAlt as counsel for everyone involved in selling the EquiAlt
15 Securities and that Armijo could seek legal advice from Wassgren regarding anything having to do
16 with the EquiAlt business and Plaintiff’s dealings with EquiAlt.

17 69. Rybicki provided Wassgren’s contact information to Plaintiff intending for Armijo
18 to contact Wassgren. Rybicki also informed Wassgren via email that Armijo would be reaching
19 out to Wassgren, that Armijo “has 65 licensing but wanted to talk about compliance moving
20 forward,” and “wants to be positioned properly for selling of the fund and the REIT.” Indeed,
21 despite all previous assurances from Rybicki about Wassgren’s advice relative to Armijo’s
22 licensure and how he (and other sales agents) were being paid for the sale of EquiAlt Securities,
23 Armijo wanted to speak with Wassgren directly about such issues. Wassgren consented to Rybicki
24 providing Armijo his contact information and accepted the responsibility to provide legal advice
25 upon which he knew Plaintiff would rely, and on which he intended Plaintiff to rely, for the benefit
26 of the EquiAlt Parties. Indeed, Wassgren and his law firms billed, and gladly accepted payment
27 from, EquiAlt for the discussions Armijo and other sales agents had with Wassgren.

28 ///

1 70. On July 5, 2017, the same day that Armijo received Wassgren’s contact information
2 from Rybicki, Armijo had a telephone conversation with Wassgren. During that conversation,
3 Armijo told Wassgren that he did not have a Series 7 license but only had a Series 65 license.
4 Armijo also told Wassgren that he was being compensated from a marketing account and that
5 Armijo did not know about the licenses that may be required. Armijo told Wassgren that Rybicki
6 had told Armijo that Wassgren said Armijo’s licensure was fine for purposes of participating in the
7 sale of EquiAlt Securities. Wassgren never told Armijo this was incorrect. (Armijo also told
8 Wassgren that he knew other sales agents who did not even have a Series 65 license and were being
9 compensated in the same fashion for selling EquiAlt Securities.) Armijo told Wassgren that he
10 wanted to know if something relative to his licensure needed to change, or if he needed to get
11 another license, and if so, Armijo would proceed to do so. Wassgren told Armijo that he understood
12 his licensure and how he would be paid, and that if there was ever any concern about Armijo’s
13 licensing, Wassgren would let Armijo know or Wassgren would let Rybicki know so that Rybicki
14 could relay that to Armijo. Armijo also told Wassgren that Rybicki had told him that Armijo could
15 be paid for selling EquiAlt Securities with only a Series 65 license, because Armijo was being paid
16 from a marketing account – through BRSS – and not directly from any of the EquiAlt Funds, and
17 that Wassgren approved this. Wassgren never told Armijo that this was incorrect or that there were
18 any issues with how Armijo was being paid. Wassgren made all of these representations to Armijo
19 knowing that Plaintiff would rely on them, with the intention that Plaintiff would rely on them, and
20 knowing (or while he should have known) that his representations were false.

21 71. Wassgren's representations to Armijo were consistent with representations other
22 EquiAlt sales agents have reported being made by Wassgren. That is, Wassgren informed other
23 sales agents that they could sell EquiAlt securities without a securities license and that they could
24 be compensated through the marketing company (i.e., BRSS).

25 72. Wassgren knew (or should have known) that his representations and advice to
26 Armijo were false, not forthcoming and below the standard of care expected of an attorney who
27 specializes in securities. Wassgren knew Armijo was not a licensed broker and that Armijo did not
28 have a Series 7 license. Wassgren knew Armijo was being paid an amount equal to a certain

1 percentage of the amounts Plaintiff's clients invested in the EquiAlt Funds. Wassgren had
2 previously informed the EquiAlt Parties that "[b]eing a registered investment advisor alone would
3 not solve the broker dealer problem" and that "the safest route is for each person selling the REIT
4 product to be securities licensed or to be part of EquiAlt." But Wassgren did not inform Plaintiff
5 it would be safest for Plaintiff to obtain a Series 7 license. Wassgren did not even recommend to
6 Plaintiff that Plaintiff obtain a Series 7 license. Wassgren did not tell Plaintiff that if Plaintiff did
7 not obtain a Series 7 license, there would need to be "a creative solution" that involved paying him
8 "a introduction/finder's fee." Wassgren simply led Plaintiff to believe Plaintiff had the proper
9 licensure to participate in the sale of EquiAlt Securities, and that how EquiAlt was paying Plaintiff
10 was entirely legal.

11 73. Wassgren never told Armijo that he should get his own counsel, never told Armijo
12 that Wassgren was not providing him legal advice, and never told Armijo that Wassgren did not
13 represent Armijo.

14 74. Not long after the first call between Armijo and Wassgren, Rybicki called Armijo
15 and told him that the way Armijo was licensed (Series 65) was perfectly fine. Rybicki told Armijo
16 that he was communicating this information from Wassgren, who had told Rybicki that the way
17 Armijo was licensed was appropriate.

18 75. On November 21, 2017, Armijo again raised the question with Rybicki in a text
19 message whether Armijo needed a Series 7 license to become involved in the sale of the certain
20 new EquiAlt Securities which were then being introduced. Rybicki represented to Armijo that he
21 would again confer with Wassgren. Rybicki then responded to Armijo in a November 21, 2017
22 text message, "Series 65 is good to go!" Rybicki was relaying Wassgren's representation and advice
23 that Armijo did not need a Series 7 license. Indeed, Wassgren confirmed his advice in writing to
24 Rybicki on November 20, 2017 – in response to a question from Rybicki – "do the advisors selling
25 [EquiAlt Securities] need to have a series 7 or will a 65 work? – that "the RIAs can sell [EquiAlt
26 Securities] to their clients." Then, on November 21, 2017, Wassgren, in response to Rybicki's
27 follow-up question – "can an Advisor sell [EquiAlt Securities] with a series 65?" – informed
28 Rybicki that a "Series 65 should be adequate" to sell EquiAlt Securities. Wassgren knew his

1 representations would be relied on by Armijo.

2 76. On April 29, 2018, Armijo executed the EquiAlt Secured Income Portfolio REIT,
3 Inc., Selected Dealer Agreement, a document prepared by Wassgren and his law firm that is riddled
4 with false representations intentionally made by Wassgren to induce Armijo to sell certain EquiAlt
5 Securities. When signing the Selected Dealer Agreement, Armijo included, in response to the
6 inquiry to list the States where he was “Licensed as broker-dealer,” “N/A series 65,” consistent
7 with his discussions with Rybicki and Wassgren that Armijo was not a licensed broker-dealer and
8 only held a Series 65 license. At no time – including after Armijo submitted the signed Selected
9 Broker Dealer Agreement – did Rybicki or Wassgren ever tell Armijo that he required a Series 7
10 license to sell EquiAlt Securities. Rybicki represented to Armijo that Wassgren had reviewed
11 Armijo’s executed Selected Dealer Agreement and that Armijo was “good to go” with participating
12 in the sale of EquiAlt Securities relative to the Reit.

13 77. On March 7, 2019, Rybicki again informed Armijo in a text message that Armijo’s
14 Series 65 license was “good.” Rybicki was relaying Wassgren’s representation that Armijo did not
15 need a Series 7 license and that Armijo’s Series 65 license sufficed. Again, Wassgren knew his
16 representations would be relied on by Plaintiff, and Plaintiff did reasonably rely on Wassgren’s
17 representations when continuing to act as an EquiAlt sales agent.

18 78. On or about May 14, 2019, Armijo had another telephone call with Wassgren, with
19 Rybicki’s knowledge and permission. Wassgren again represented to Armijo on that telephone call
20 that Armijo’s Series 65 license was sufficient – without qualification or equivocation – to be
21 involved in the sale of EquiAlt Securities. Wassgren knew his representations would be relied on
22 by Armijo, and Armijo did reasonably rely on Wassgren’s representations when continuing to act
23 as an EquiAlt sales agent.

24 79. On August 12, 2019, Wassgren informed Rybicki that “commissions should be paid
25 to registered broker-dealers. If we need a work around for those without appropriate licensing, we
26 may be able to find a solution, but it’s not ideal.” This was in response to several questions from
27 Rybicki, including whether EquiAlt could “still pay” BRSS and then have BRSS pay the sales
28 agents. Notably, while Wassgren qualified his statements to Rybicki that a work-around for those

1 without “appropriate licensing” may be able to be found, but that it would not be “ideal,” such
2 qualifications were never provided to Plaintiff in conjunction with Wassgren’s representations to
3 Plaintiff regarding Plaintiff’s licensure. Wassgren refrained from providing such qualifications to
4 Plaintiff with the intent that Plaintiff would rely on Wassgren’s representations for the benefit of
5 EquiAlt, which Plaintiff reasonably did.

6 80. At the very least, Wassgren should have informed Plaintiff that there was risk that
7 governing bodies could assert that Armijo required a Series 7 license to participate in the sale of
8 EquiAlt Securities and, based on all information known (or which should have been known to
9 Wassgren), that governing bodies could find that EquiAlt was not operating in a manner consistent
10 with maintaining a Reg D exemption. At no time did Wassgren inform Plaintiff that there was any
11 potential that the SEC would see his participation as unlawful, or that the SEC could assert that
12 additional securities licenses were necessary to participate in the sale of the EquiAlt Securities. At
13 no time did Wassgren explain to Plaintiff the legal difference between a finder, broker-dealer and
14 registered representative in reference to the sale of securities. At no time did Wassgren explain the
15 requirements and limitations applicable to a “finder” with respect to securities under the California
16 Corporations Code § 25206.1, effective January 1, 2016. And at no time did Wassgren inform
17 Plaintiff that he had prepared a “Finder’s Fee Agreement” for the EquiAlt Parties to utilize with
18 unlicensed sales agents.

19 81. Despite all of Plaintiff’s due diligence, Plaintiff was entirely unaware of EquiAlt
20 and the EquiAlt Managers’ allegedly-unlawful conduct before or during the time period Plaintiff
21 was participating in the sale of EquiAlt Securities. Any representations made by Plaintiff to
22 investors regarding the EquiAlt Parties and the EquiAlt Securities, were based on and entirely
23 consistent with information provided to Plaintiff and representations made to Plaintiff – about
24 which Plaintiff had no contrary information despite Plaintiff’s reasonable due diligence – by
25 EquiAlt, the EquiAlt Funds, BRSS, Rybicki and Wassgren.

26 82. Wassgren – touted by himself, his firms and EquiAlt as an expert and specialist in
27 the legal, regulatory and customary compliance aspects of the investment fund business – advised
28 Plaintiff in direct discussions, and indirectly through Rybicki, that EquiAlt’s business was legally-

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1 compliant and that Plaintiff held the appropriate licensure to lawfully sell EquiAlt Securities.

2 83. Wassgren was fully aware that Armijo did not have a Series 7 license or registration
3 but that Armijo had a Series 65 license. Wassgren – in both direct discussions with Plaintiff and
4 via advice communicated through Rybicki – told Plaintiff, without qualification, that Armijo’s
5 Series 65 license was sufficient and that a Series 7 license was unnecessary to participate in the sale
6 of the EquiAlt Securities.

7 84. Wassgren was fully aware that Plaintiff would, and did, receive transaction-based
8 compensation from BRSS in connection with the sale of EquiAlt Securities, and the compensation
9 would be, and was, equal to a percentage of any sale of EquiAlt Securities Plaintiff participated in.
10 Wassgren – in both direct discussions with Plaintiff and via advice communicated through Rybicki
11 – told Plaintiff, without qualification, that this compensation structure was legally permissible.

12 85. Wassgren’s misrepresentations to Plaintiff, and fraudulent concealment of facts
13 from Plaintiff, was a substantial factor in causing Plaintiff to become an EquiAlt sales agent and
14 for investors to purchase EquiAlt Securities through Plaintiff, and ultimately was a substantial
15 factor in causing (a) such investors to bring individual and class actions for securities fraud against
16 Plaintiff; (b) an investigation and pending litigation by the SEC against Plaintiff, including a request
17 for civil penalties and disgorgement; (c) the Receiver to pursue claims against Plaintiff; (d) the
18 destruction of Plaintiff’s reputation among his clients in the insurance and financial advising
19 industry; (e) Plaintiff incurring significant attorneys’ fees and time to respond to the foregoing
20 matters; (f) Plaintiff being forced leave the financial advising industry; (g) Plaintiff losing
21 investment opportunities due to financial institutions closing Plaintiff’s investment accounts and
22 various financial institutions refusing to do business with Plaintiff; and (h) Plaintiff suffering
23 serious emotional distress and serious physical harm, including heart problems and depression.

24 **F. The Receiver and Investors All Recognize Defendants’ Liability**

25 86. Certain EquiAlt investors brought a class action lawsuit – on behalf of classes of
26 individuals from Florida, California, Arizona, Colorado and Nevada – against Defendants on July
27 21, 2020, for: aiding and abetting fraud; aiding and abetting breach of fiduciary duty; civil
28 conspiracy; violation of the California Securities Law of 1968; aiding and abetting fraud and deceit;

1 financial abuse under the Elder Abuse Act; violation of Unfair Competition Law Business &
2 Professions Code § 17200, *et seq.*; violation of A.R.S. §§ 44-1841, 44-1842, and 44-1911(A);
3 statutory aiding and abetting anti-fraud violations and registration violations under the Colorado
4 Securities Act; aiding and abetting intentional misrepresentation; statutory secondary liability
5 under the Nevada Securities Act; fraudulent concealment; violation of the Nevada Trade Practices
6 Act (N.R.S. 41.600); and, aiding and abetting violation of the Nevada Trade Practices Act (N.R.S.
7 41.600). A copy of the Amended Complaint filed by such EquiAlt investors in the United States
8 District Court, Middle District of Florida, Tampa Division, Case No. 8:20-cv-01677-MSS-CPT, is
9 attached hereto as Exhibit “B” (“Investor Action”).

10 87. Notably, and recently, an attorney designated as an expert by the Receiver – who
11 worked for approximately a decade as Colorado Securities Commissioner and served as the
12 President and Executive Director of the North American Securities Administrators Association –
13 testified in deposition, in an ongoing action related to EquiAlt, that if the facts in the complaint in
14 the Investor Action that he read are true, and if he were still in office, he “would try to prosecute
15 Mr. Wassgren” and he “would have referred [Wassgren] for criminal prosecution.” According to
16 the Receiver’s designated expert, based on the complaint he read, he “would have said that
17 [Wassgren] aided and abetted a major Ponzi scheme” and that “any attorney in [Wassgren’s]
18 position had to know better and would have known better and should have known better.”
19 According to the Receiver’s designated expert, Wassgren’s (and therefore his firms’) reprehensible
20 conduct included “[t]he obfuscation of the number of unsophisticated nonaccredited investors; the
21 vague responses or guidance [Wassgren] gave to his clients on a number of issues; and inserting
22 himself and his law firm into the offering process” The Receiver’s designated expert described
23 Wassgren’s conduct as “extraordinary.” He also opined that, among other issues, if Wassgren
24 advised Rybicki that sales agents were allowed to sell the EquiAlt Securities without license or
25 registration, in violation of securities laws, “[Wassgren] was aiding and abetting violations of the
26 securities laws.”

27 88. The Receiver brought suit against Defendants on December 20, 2020, for breach of
28 fiduciary duty, negligence/gross negligence/professional malpractice, common law aiding and

1 abetting of fraud and common law aiding and abetting of breach of fiduciary duty. A copy of the
2 Complaint filed by the Receiver in Los Angeles Superior Court Case No. 20STCV49670 is attached
3 hereto as Exhibit “C.”

4 **G. Plaintiff Claims Are Timely**

5 89. Plaintiff and Defendants previously entered into a tolling agreement related to any
6 claims arising out of and related to Defendants’ conduct as alleged herein. All claims pleaded
7 herein are timely.

8 **FIRST CAUSE OF ACTION**

9 **Professional Negligence/Gross-Negligence**

10 **(By Plaintiff As to All Defendants)**

11 90. Plaintiff hereby incorporates by reference each, every, and all allegations set forth
12 above in the instant Complaint as though fully set forth herein.

13 91. Defendants were attorneys or law firms who undertook providing, and were paid to
14 provide, legal advice and information to Plaintiff. EquiAlt, through Rybicki, represented to
15 Plaintiff that Wassgren was “our lawyer” (meaning not just for the EquiAlt Parties but also for
16 Plaintiff and other sales agents in connection with their work related to EquiAlt) and EquiAlt would
17 handle all fees for Defendants’ counseling and/or representation of Plaintiff. Plaintiff therefore
18 understood that he could seek counsel from Defendants, and that he could rely on the advice and
19 counsel from Defendants.

20 92. Defendants owed Plaintiff a duty not to further Defendants’ clients’ fraudulent
21 activities. Additionally, by accepting the EquiAlt Parties’ direction to advise Plaintiff regarding
22 the legality of Plaintiff’s business dealings with the EquiAlt Parties, and the legality of the EquiAlt
23 Parties’ operations in general, Defendants accepted and owed Plaintiff the duties and obligations to
24 provide legal advice consistent with the required standard of care, and to be truthful in their
25 representations to Plaintiff.

26 93. Defendants neglected their legal duties and responsibilities owed to Plaintiff.
27 Defendants conducted themselves in a manner that furthered their clients’ fraudulent activities and
28 provided advice and representations to Plaintiff that were false and below the standard of care

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1 required of Defendants.

2 94. Defendants knew that Plaintiff was relying on Defendants' advice and
3 representations, and that Defendants' advice and representations would affect Plaintiff's actions or
4 inactions as it related to Plaintiff's business dealings with the EquiAlt Parties, including whether
5 Plaintiff proceeded to do business with the EquiAlt Parties, or refrained from doing business with
6 the EquiAlt Parties. Specifically, Defendants knew Plaintiff was relying on Defendants' advice
7 and representations regarding: (a) whether Plaintiff possessed the required licensure to be able to
8 lawfully participate in the sale of EquiAlt Securities; (b) whether the manner in which Plaintiff was
9 being paid by the EquiAlt Parties was lawful; and (c) whether the EquiAlt Parties, and therefore
10 the EquiAlt Funds and EquiAlt Securities, were operating in a lawful manner such that Plaintiff
11 could lawfully participate in the sale of EquiAlt Securities.

12 95. Defendants further knew that Plaintiff could suffer significant harm if Defendants'
13 advice and representations were false and/or fell below the standard of care. And Defendants knew
14 that by providing false information and/or legal advice that was below the standard of care, Plaintiff
15 would be exposed to significant damages as both an investor in EquiAlt Securities and as a sales
16 agent for the EquiAlt Parties.

17 96. Lawyers are not – and should not be – permitted to further a clients' fraud by
18 inducing a third party into assisting the lawyers' clients through false representations and legal
19 advice that falls well below the standard of care. And imposing liability on lawyers for doing so
20 certainly does not impose an undue burden on the profession. Indeed, it is necessary to maintain
21 the ethics and veracity of the legal profession. When lawyers undertake to make representations
22 and provide advice to anyone, even with the intention of securing a benefit for their client, they
23 must be truthful and provide advice with due care. Otherwise, they will have breached a duty owed
24 to those they attempted or expected to influence on behalf of their clients.

25 97. Defendants knew that their advice and representations to Plaintiff was rendered for
26 the purpose of influencing Plaintiff's conduct and securing a benefit for Defendants' clients, and
27 the harm to Plaintiff as a result of false representations and erroneous legal advice was readily
28 foreseeable to attorneys specializing in securities. Indeed, Plaintiff would not have become an

1 investor or sales agent of EquiAlt Securities but for the representations, legal advice and assurance
2 of Defendants. Plaintiff would therefore not have suffered the significant financial, emotional
3 and/or physical harm that he did had Defendants not breached their obligations to Plaintiff.

4 98. Defendants' professional negligence and/or gross negligence was a substantial
5 factor in causing Plaintiff's harm. As a proximate result of Defendants' professional negligence
6 and/or gross-negligence, Plaintiff has suffered millions of dollars in damages (including but not
7 limited to lost business opportunities, forced closure of Plaintiff's investment advising business,
8 destruction of Plaintiff's insurance business, lost personal investment opportunities given
9 involuntary closure of numerous investment, credit and banking accounts previously held by
10 Plaintiff), reputational harm (every person who conducts an internet search of Plaintiff quickly sees
11 allegations of Plaintiff's connection to the EquiAlt scheme, which could have been avoided had
12 Defendants not facilitated the EquiAlt Parties' scheme and had Defendants not provided the
13 representations, legal advice and assurances that they did), serious emotional distress, lost personal
14 relationships and serious physical harm and pain and suffering, including heart problems and
15 depression, all of which shall be according to proof at trial.

16 99. Furthermore, as a direct, proximate and foreseeable result of Defendants' tortious
17 conduct, Plaintiff has been forced to incur significant expense and time defending against the
18 actions filed against him by the SEC, EquiAlt investors and the Receiver (including attorneys' fees
19 and costs of defending such actions), all of which shall be according to proof at trial.

20 **SECOND CAUSE OF ACTION**

21 **Negligent Misrepresentation**

22 **(By Plaintiff As to All Defendants)**

23 100. Plaintiff hereby incorporates by reference each, every, and all allegations set forth
24 above in the instant Complaint as though fully set forth herein.

25 101. Through the various documents prepared by Defendants relative to the EquiAlt
26 Parties, in direct discussions with Plaintiff and via representations made to Rybicki which
27 Defendants intended or reasonably expected would be repeated to Plaintiff, Defendants represented
28 to Plaintiff that certain facts regarding the EquiAlt Parties' operation were true, when they were not

1 true. Defendants knew (or should have known) their representations were false and had no
2 reasonable basis for believing their representations were true based on all information known and/or
3 available to Defendants.

4 102. Defendants also claimed to have special knowledge regarding securities laws and
5 made representations to Plaintiff (that were not merely casual expressions of belief but rather were
6 declared in a matter to be true), in direct discussions with Plaintiff and via representations made to
7 Rybicki which Defendants intended or reasonably expected would be repeated to Plaintiff, knowing
8 that Plaintiff would rely on such representations, regarding both the EquiAlt Parties' legal
9 compliance and Plaintiff's ability to participate in the sale of EquiAlt Securities without a Series 7
10 license, all of which Defendants knew (or should have known) were false and for which Defendants
11 had no reasonable basis for believing to be true based on all information known and/or available to
12 Defendants. Indeed, had Defendants utilized the skill, prudence and diligence commonly possessed
13 and exercised by members of their profession, and had they complied with the ethical tenets
14 required of lawyers, they would not have provided the representations to Plaintiff that they did.

15 103. Defendants intended Plaintiff to rely on Defendants' representations and, as a result,
16 to both perform as a sales agent for the EquiAlt Parties and invest personally in EquiAlt Securities.

17 104. Plaintiff reasonably relied on Defendants' representations. Despite all due diligence
18 conducted by Plaintiff, Plaintiff had no reason to doubt that the representations made to Plaintiff
19 by Defendants – who were held out as experts in securities laws – were false.

20 105. Plaintiff's reliance on Defendants' misrepresentations was a substantial factor in
21 causing Plaintiff's harm. As a proximate result of Plaintiff's reliance on Defendants'
22 misrepresentations, Plaintiff has suffered millions of dollars in damages (including but not limited
23 to lost business opportunities, forced closure of Plaintiff's investment advising and insurance
24 businesses, lost personal investment opportunities given involuntary closure of numerous
25 investment, credit and banking accounts previously held by Plaintiff), reputational harm, serious
26 emotional distress, lost personal relationships and serious physical harm and pain and suffering,
27 including heart problems and depression, all of which shall be according to proof at trial.

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1 106. Furthermore, as a direct, proximate and foreseeable result of Defendants' tortious
2 conduct, Plaintiff has been forced to incur significant expense and time defending against the
3 actions filed against him by the SEC, harmed investors and the Receiver (including attorneys' fees
4 and costs of defending such actions), all of which shall be according to proof at trial.

5 **THIRD CAUSE OF ACTION**

6 **Aiding and Abetting Fraud and Deceit**

7 **(By Plaintiff As to All Defendants)**

8 107. Plaintiff hereby incorporates by reference each, every, and all allegations set forth
9 above in the instant Complaint as though fully set forth herein.

10 108. Based on what has been discovered by the SEC and Receiver, there existed an
11 underlying fraud in the sale of EquiAlt Securities and in the EquiAlt Parties' operations.

12 109. Defendants knew that the EquiAlt Parties' actions, activities and operations were in
13 violation of securities laws, and that the actions, activities and operations of the EquiAlt Parties
14 constituted an ongoing fraudulent investment scheme.

15 110. Defendants knew they had an obligation to not further their clients' fraudulent
16 scheme. Defendants, however, chose to ignore such obligation and rendered legal advice and
17 substantial assistance and encouragement to the EquiAlt Parties that knowingly aided and abetted
18 the EquiAlt Parties' continuing fraudulent scheme. Defendants did so by making false
19 representations and concealing material facts from various third parties, including investors and
20 sales agents (including Plaintiff), concerning the EquiAlt Parties' compliance with securities laws,
21 the safety and risks of the EquiAlt Securities, and the financial performance and solvency of the
22 EquiAlt Parties, and unlicensed sales agents' abilities to sell EquiAlt Securities without a Series 7
23 license, all with the intent to deceive investors and sales agents and to benefit Defendants' clients
24 and Defendants. Defendants acted with the specific intent of facilitating the EquiAlt Parties'
25 wrongdoing.

26 111. In exchange for aiding and abetting the EquiAlt Parties, Defendants were paid
27 hundreds of thousands of dollars by the EquiAlt Parties.

28 112. Plaintiff justifiably relied on Defendants' false representations and material

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1 omissions, was unaware of the falsity of Defendants' representations or the omitted facts, and
2 would not have acted as a sales agent for the EquiAlt Parties, or purchased EquiAlt Securities, had
3 he known the true facts.

4 113. Defendants' conduct was a substantial factor in causing Plaintiff's harm. As a
5 proximate result of Plaintiff's reliance on Defendants' misrepresentations, Plaintiff has suffered
6 millions of dollars in damages (including but not limited to lost business opportunities, forced
7 closure of Plaintiff's investment advising and insurance businesses, lost personal investment
8 opportunities given involuntary closure of numerous investment, credit and banking accounts
9 previously held by Plaintiff), reputational harm, serious emotional distress, lost personal
10 relationships and serious physical harm and pain and suffering, including heart problems and
11 depression, all of which shall be according to proof at trial.

12 114. Furthermore, as a direct, proximate and foreseeable result of Defendants' tortious
13 conduct, Plaintiff has been forced to incur significant expense and time defending against the
14 actions filed against him by the SEC, harmed investors and the Receiver (including attorneys' fees
15 and costs of defending such actions), all of which shall be according to proof at trial.

16 115. Defendants' actions were undertaken maliciously, oppressively and with the intent
17 to defraud Plaintiff (and others). Accordingly, Plaintiff is entitled to punitive damages against
18 Defendants according to proof at trial.

19 **FOURTH CAUSE OF ACTION**

20 **Equitable Indemnity**

21 **(By Plaintiff As to All Defendants)**

22 116. Plaintiff hereby incorporates by reference each, every, and all allegations set forth
23 above in the instant Complaint as though fully set forth herein.

24 117. The Receiver, on behalf of several of the EquiAlt Parties, and EquiAlt investors
25 have claimed that certain of the EquiAlt Parties, Plaintiff and Defendants contributed to causing
26 them to suffer harm as a result of the EquiAlt Parties' fraudulent scheme. While Plaintiff certainly
27 regrets being duped into the EquiAlt Parties' fraudulent scheme, both as an investor and a sales
28 agent, Plaintiff has denied liability to the Receiver, EquiAlt Parties and EquiAlt investors.

1 118. The SEC has also pursued claims against Plaintiff, which claims Plaintiff has denied.

2 119. Plaintiff alleges, however, that if Plaintiff is held liable to the Receiver, any EquiAlt
3 Parties, any EquiAlt investors or the SEC, which liability is expressly denied, such liability will
4 attach only by reason of the wrongful actions of Defendants, and that Defendants are therefore
5 bound by implication of law to indemnify and save harmless Plaintiff, not only for the amount of
6 any judgments or settlements, but also for costs of defense of such matters, all of which shall be
7 according to proof at trial.

8 **FIFTH CAUSE OF ACTION**

9 **Tort of Another**

10 **(By Plaintiff As to All Defendants)**

11 120. Plaintiff hereby incorporates by reference each, every, and all allegations set forth
12 above in the instant Complaint as though fully set forth herein.

13 121. As set forth above, Defendants committed torts against Plaintiff and others,
14 including but not limited to negligence, negligent misrepresentation and aiding and abetting fraud.

15 122. As a proximate result of Defendants' tortious conduct and/or omissions, Plaintiff
16 was and has been forced to incur significant expense and time defending against the actions filed
17 against him by the SEC, harmed investors and the Receiver (including attorneys' fees and costs of
18 defending such actions), in the protection of Plaintiff's interests, all of which shall be according to
19 proof at trial.

20 **SIXTH CAUSE OF ACTION**

21 **Violation of Unfair Competition Law (Bus. & Prof. Code § 17200, *et seq.*)**

22 **(By Plaintiff As to All Defendants)**

23 123. Plaintiff hereby incorporates by reference each, every, and all allegations set forth
24 above in the instant Complaint as though fully set forth herein.

25 124. California's Unfair Competition Law (Bus. & Prof. Code § 17200, *et seq.*) ("UCL")
26 prohibits acts of unlawful and unfair competition, including any "unlawful, unfair or fraudulent
27 business act or practice," any "unfair, deceptive, untrue or misleading advertising" and any act
28 prohibited by Bus. & Prof. Code § 17500).

1 125. Defendants' acts have violated the UCL by aiding and abetting their clients'
2 fraudulent activities, and by engaging in conduct likely to deceive – and that did deceive – members
3 of the public. Defendants' conduct was offensive, unethical and substantially injurious to many.

4 126. Defendants' conduct was a substantial factor in causing Plaintiff's harm. As a
5 proximate result of Plaintiff's reliance on Defendants' misrepresentations, Plaintiff has suffered
6 millions of dollars in damages (including but not limited to lost business opportunities, forced
7 closure of Plaintiff's investment advising and insurance businesses, lost personal investment
8 opportunities given involuntary closure of numerous investment, credit and banking accounts
9 previously held by Plaintiff), reputational harm, serious emotional distress, lost personal
10 relationships and serious physical harm and pain and suffering, including heart problems and
11 depression, all of which shall be according to proof at trial.

12 127. Furthermore, as a direct, proximate and foreseeable result of Defendants' tortious
13 conduct, Plaintiff has been forced to incur significant expense and time defending against the
14 actions filed against him by the SEC, harmed investors and the Receiver (including attorneys' fees
15 and costs of defending such actions), all of which shall be according to proof at trial.

16 **PRAYER FOR RELIEF**

17 WHEREFORE, Plaintiff prays for judgment against Defendants, and each of them, as
18 follows:

- 19 1. For all past and future economic damages Plaintiff has or will incur as a result of
20 Defendants' misrepresentations and advice that fell below the standard of care, in an amount
21 to be proven at trial, including but not limited to: all attorneys' fees and costs spent
22 defending against the actions filed against Plaintiff by the SEC, EquiAlt investors and the
23 Receiver; for the reasonable value of Plaintiff's time defending such actions; for Plaintiff's
24 lost business and lost business opportunities; for lost investment opportunities; and for any
25 amounts Plaintiff were or are ordered to pay to the SEC, EquiAlt investors and/or the
26 Receiver;
- 27 2. For general damages, including but not limited to the reputational harm and serious
28 emotional distress Plaintiff has been caused to suffer;

- 1 3. For costs of suit incurred herein;
- 2 4. For prejudgment interest;
- 3 5. For attorneys' fees as allowed by law;
- 4 6. For punitive damages on the third cause of action; and
- 5 7. For such other and further relief as the Court may deem just and proper.

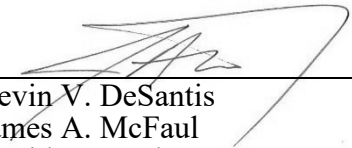
JURY DEMAND

6
7 Plaintiff hereby demands a trial by jury on all issues set forth in this Complaint which are
8 so triable.

9
10 Dated: October 6, 2022

DUNN DESANTIS WALT & KENDRICK, LLP

11 By:

12 
 13 _____
 14 Kevin V. DeSantis
 15 James A. McFaul
 16 David D. Cardone
 17 Adam J. Yarbrough
 18 Attorneys for Plaintiff, Robert Joseph Armijo

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EXHIBIT 5

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13 **UNITED STATES DISTRICT COURT**
14 **CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION**

15 ROBERT JOSEPH ARMIJO,
16
17 Plaintiff,

18 v.

19 PAUL R. WASSGREN, DLA PIPER
LLP (US), FOX ROTHSCHILD LLP,
and DOES 1 through 10, inclusive,

20 Defendants.
21
22
23
24
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28

Civil Action No. 2:22-cv-08851-AB
(PVCx)

DLA PIPER LLP (US)'S
MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF
MOTION TO DISMISS

Judge: Hon. André Birotte Jr.
Hearing Date: February 3, 2023
Time: 10:00 A.M.
Place: Courtroom 7B

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 24 2022)3

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27

28

INTRODUCTION

1
2 Plaintiff Robert Joseph Armijo, a licensed investment advisor representative,
3 alleges he violated federal securities laws by selling his clients—to whom he owed
4 fiduciary duties—risky unregistered securities issued by a real estate investment
5 company called EquiAlt, LLC (“EquiAlt”), which paid him over one million dollars in
6 transaction-based compensation (“commissions”). Now EquiAlt is in receivership, and
7 the SEC, EquiAlt’s Receiver, and Armijo’s former clients have sued Armijo and his
8 company Joseph Financial, Inc. (“JFI”) to recover those commissions, which he never
9 should have received. Instead of simply returning the money, Armijo seeks to keep
10 those commissions by alleging that EquiAlt’s former lawyers, Paul Wassgren and his
11 former law firms Fox Rothschild LLP (“Fox”) and DLA Piper LLP (US) (“DLA”)
12 (collectively, “Defendants”), should cover the costs of his misdeeds. Armijo’s effort to
13 shift his liability to Defendants is offensive, and this Court should dismiss Armijo’s
14 claims with prejudice for numerous reasons.

15 First, the SEC and federal courts have long held that violators of the federal
16 securities laws cannot shift their liabilities onto third parties. This rule exists for good
17 reason—it is necessary to ensure that all parties involved in the sale of securities are
18 deterred from violating applicable laws and regulations. Without it, there would be no
19 shortage of crooked actors looking to turn a quick buck by illegally selling securities
20 while shifting the blame onto others, just as Armijo seeks to do here. This bar on
21 indemnity requires dismissal of all of Armijo’s claims.

22 Second, under the *in pari delicto* doctrine, a court will offer no recourse when a
23 participant in illegal, fraudulent, or inequitable conduct seeks to recover damages from
24 another alleged participant in that conduct. Armijo’s suit plainly contravenes this
25 doctrine, as he admits that he willingly sold EquiAlt securities for years before speaking
26 with Wassgren. This doctrine also requires dismissal of all of Armijo’s claims.

27 Third, even if Armijo could overcome the bar on indemnification and the *in pari*
28 *delicto* doctrine, he fails to state a claim:

1 • His professional negligence claim fails because Armijo has not plausibly
2 pled that Defendants were his attorneys, owed him a duty to use professional care, or
3 caused his damages.

4 • His negligent misrepresentation claim fails because nonclients like Armijo
5 cannot sue an attorney for stating an incorrect legal opinion, and Armijo has not
6 plausibly alleged that Defendants made a misrepresentation of fact without reasonable
7 grounds for believing in its veracity.

8 • His aiding-and-abetting fraud claim fails because Armijo has not plausibly
9 alleged that Defendants had actual knowledge of EquiAlt’s securities fraud or that
10 Defendants offered substantial assistance to perpetuate that fraud.

11 • His equitable indemnity claim fails because Armijo has not alleged that a
12 judgment has been entered against him that he has been ordered to pay.

13 • His “tort of another” claim fails because Armijo is not an innocent party
14 who has been shouldered with legal costs due solely to another party’s conduct.

15 • His UCL claim fails because that statute provides only for equitable
16 remedies, which Armijo does not seek and cannot obtain from Defendants.

17 No amendments can fix these flaws in Armijo’s claims. This Court should
18 dismiss his complaint with prejudice.¹

19 **BACKGROUND**

20 **A. Armijo’s Investment Advisory Business.**

21 In 2012, Armijo obtained a Series 65 license from the state of California and
22 became a licensed investment advisor representative. Compl. ¶ 12. Investment advisors
23 guide their clients on how to invest, but they do not execute sales of securities. To sell
24 securities, a Series 7 broker license is generally required. *See Fleischer v. Comm’r of*
25 *Internal Revenue*, 112 T.C.M. (CCH) 723 n.2 (2016), 2016 WL 7479157, at *1 n.2.
26 Investment advisors cannot “receive[] fees or commissions based on, or contingent on,

27 _____
28 ¹ Defendants filed a motion for transfer of venue on December 16, 2022. Dkt. 34. For
the reasons stated in that motion, the Middle District of Florida should decide this
motion to dismiss.

1 the execution of [securities] transactions.” Guy P. Lander, 14B U.S. Sec. Law for
2 Financial Trans. § 13:17 (2d ed. Dec. 2022).

3 In 2016, Armijo became the investment advisor representative for Joseph
4 Financial Investment Advisors, LLC, a registered investment advisor firm that Armijo
5 founded and paired with JFI. Compl. ¶ 12. On JFI’s website, Armijo explained that,
6 unlike brokers, “investment advisors have a fiduciary duty to act in the best interests of
7 their clients at all times” and that other “financial professionals make a living
8 conducting commission-based, transactional business with their clients. This has the
9 potential to make them more likely to use products and companies that pay them more,
10 regardless of what may be in the best interest of their clients.” *Financial Planning*,
11 Joseph Fin. Inc.,
12 [https://web.archive.org/web/20190803121504/http://josephfinancialinc.com/services/f](https://web.archive.org/web/20190803121504/http://josephfinancialinc.com/services/financial-planning/)
13 [inancial-planning/](https://web.archive.org/web/20190803121504/http://josephfinancialinc.com/services/financial-planning/) (last visited Dec. 7, 2022).²

14 **B. Defendants’ Representation of EquiAlt.**

15 Paul Wassgren is a transactional lawyer who provided legal services to EquiAlt
16 while working at Fox and, later, DLA. While at Fox, Wassgren advised EquiAlt when
17 it formed four investment funds (the “EquiAlt Funds”). Compl. ¶¶ 16, 34. These funds
18 offered “fixed-interest debentures,” *id.* ¶ 25—essentially, a loan from an investor to a
19 fund in exchange for which the fund agreed to pay interest at a fixed rate and return
20 principal at the end of the loan term. EquiAlt issued debentures under Rule 506(b) of
21 SEC Regulation D, 17 C.F.R. § 230.506(b), a safe harbor that exempts certain offerings
22 from federal and state registration requirements. Compl. ¶ 46. It is lawful to offer
23 privately fixed-rate debentures under Regulation D.

24 **C. Armijo Sells EquiAlt Securities Before Consulting Wassgren.**

25 Armijo alleges he first learned of EquiAlt in 2013 from Dale Tenhulzen, another
26

27 ² The Court may take judicial notice of documents referenced in the complaint, public
28 filings, and JFI’s website. *See Almont Ambulatory Surgery Ctr., LLC v. United Health*
Grp. Inc., 99 F.Supp.3d 1110, 1125 (C.D. Cal. 2015); *Threshold Ents. Ltd. v. Pressed*
Juicery, Inc., 445 F. Supp. 3d 139, 146 (N.D. Cal. 2020).

1 unlicensed broker. *Id.* ¶ 63. According to Armijo, Tenhulzen told him that he received
2 commissions for every sale of EquiAlt debentures he made and that Wassgren told him
3 this was permissible. *Id.* ¶ 64. Armijo does not allege he spoke directly with Wassgren—
4 or any other attorney—to confirm this alleged advice. Armijo alleges he simply went
5 ahead and partnered with Tenhulzen to sell EquiAlt securities, and that he accepted
6 commissions for those sales. *Id.* ¶ 63.

7 In January 2016, after his partnership with Tenhulzen ended, Armijo contacted
8 Barry Rybicki, an EquiAlt principal, and discussed whether Armijo could sell EquiAlt
9 securities independently. *Id.* ¶ 65. Rybicki explained how EquiAlt compensated third
10 parties for sales and that Wassgren said the arrangement was “lawful.” *Id.* ¶ 66. Rybicki
11 also represented that lacking a Series 7 license would not be “an issue.” *Id.* Rybicki then
12 invited Armijo to contact Wassgren directly to discuss EquiAlt’s business. *Id.*

13 Armijo does not allege he promptly contacted Wassgren to confirm this alleged
14 advice or that he consulted with his own attorney about it. Instead, Armijo *continued* to
15 sell EquiAlt securities to his clients and to accept commissions for those sales without
16 consulting any attorneys.

17 **D. Armijo’s Alleged Phone Calls with Wassgren.**

18 At some point thereafter, Armijo apparently began to have qualms about selling
19 EquiAlt securities for commissions. In July 2017, over a year after Rybicki’s invitation
20 and four years after he began selling EquiAlt securities, Armijo alleges he contacted
21 Wassgren for the first time. *Id.* ¶¶ 68–70. Armijo alleges he told Wassgren that he had
22 only a Series 65 license, that EquiAlt was paying him commissions, and that Rybicki
23 said Wassgren approved of this arrangement. *Id.* ¶ 70. Armijo alleges that Wassgren
24 said he “understood” Armijo’s licensure and that he would inform Armijo if he thought
25 it could present an issue. *Id.* Wassgren disputes Armijo’s account, but we assume it is
26 true for the purposes of this motion.

27 Next, in November 2017, Armijo alleges he spoke with Rybicki about whether
28 his license permitted him to sell a new EquiAlt security. *Id.* ¶ 75. Armijo does not allege

1 he spoke with Wassgren about this issue. Rather, Armijo alleges that Rybicki conferred
2 with Wassgren about the question, and Wassgren stated a Series 65 license would be
3 sufficient to sell the new securities, which Rybicki relayed to Armijo. *Id.*

4 In May 2019, Armijo alleges he contacted Wassgren for the second and final
5 time. Armijo alleges that Wassgren again assured him his Series 65 license was
6 sufficient to sell EquiAlt securities for commissions. *Id.* ¶ 78. Wassgren disputes
7 Armijo’s account, but we assume it is true for the purposes of this motion.

8 **E. The SEC Sues Armijo.**

9 In February 2020, the United States District Court for Middle District of Florida
10 unsealed the SEC’s complaint against EquiAlt and its principals and appointed a
11 receiver to oversee the company. *SEC v. Davison, et al.*, No. 20-cv-00325, ECF No. 11,
12 13. The SEC’s complaint alleges that EquiAlt operated as a Ponzi scheme, that its
13 principals misappropriated funds, and that EquiAlt likely lacked sufficient assets to
14 repay investors. *Davison*, ECF No. 1 ¶¶ 1, 5, 44. The SEC’s complaint does *not* accuse
15 Defendants of any wrongdoing.

16 The SEC, however, has accused Armijo of wrongdoing. In 2021, it launched an
17 enforcement action against Armijo, alleging that he violated the Securities Act of 1933
18 and the Securities Exchange Act of 1934 by selling EquiAlt securities for commissions
19 without the required license. *See SEC v. Robert Joseph Armijo*, Case No.: 21-cv-01107-
20 TWR-AHG (S.D. Cal.), ECF No. 1. EquiAlt’s Receiver and Armijo’s former clients
21 filed lawsuits regarding that same conduct. *See Wiand v. Fam. Tree Est. Plan., LLC*,
22 Case No.: 8:21-cv-00361-SDM-AAS (M.D. Fla.); *O’Neal v. Joseph Fin., Inc.*, Case
23 No.: 8:22-cv-00939-MSS-JSS (M.D. Fla.).

24 **F. Armijo Sues Wassgren and the law firms.**

25 On October 6, 2022, Armijo filed the instant complaint in California state court
26 and served it on Defendants on November 7, 2022. Defendants subsequently removed
27 Armijo’s action and moved for transfer of venue to the Middle District of Florida.

28 Armijo’s complaint alleges six causes of action against all Defendants: 1)

1 professional negligence; 2) negligent misrepresentation; 3) aiding and abetting fraud
2 and deceit; 4) equitable indemnity; 5) tort of another; and 6) violation of California’s
3 Unfair Competition Law (“UCL”), Business & Professions Code §§ 17200 *et seq.*
4 Compl. ¶¶ 90–127. Armijo seeks various forms of damages, including costs of
5 defending against the SEC’s, Receiver’s, and his former clients’ actions, any judgments
6 Armijo is ordered to pay the SEC, Receiver, or his former clients, lost business and
7 investment opportunities, reputational harm, and serious emotional distress. Prayer for
8 Relief.

9 STANDARD OF REVIEW

10 To survive a Rule 12(b)(6) motion to dismiss, the plaintiff must allege “enough
11 facts to state a claim to relief that is plausible on its face.” *Bell Atl. Corp. v. Twombly*,
12 550 U.S. 544, 570 (2007). A claim is facially plausible when the plaintiff pleads facts
13 that “allow[] the court to draw the reasonable inference that the defendant is liable for
14 the misconduct alleged.” *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009). There must be
15 “more than a sheer possibility that a defendant has acted unlawfully,” *id.*, and a claim
16 must be supported by facts sufficient to “raise a right to relief above the speculative
17 level,” *Twombly*, 550 U.S. at 555.

18 Because some of Armijo’s claims are grounded in fraud, he must also “state with
19 particularity the circumstances constituting fraud.” Fed. R. Civ. P. 9(b). “Rule 9(b) does
20 not allow a complaint to merely lump multiple defendants together[,] but requires
21 plaintiffs to differentiate their allegations when suing more than one defendant and
22 inform each defendant separately of the allegations surrounding his alleged
23 participation in the fraud.” *Swartz v. KPMG LLP*, 476 F.3d 756, 764–65 (9th Cir. 2007)
24 (per curiam) (punctuation omitted); *see also Wilding v. DNC Servs. Corp.*, 941 F.3d
25 1116, 1128 (11th Cir. 2019). This heightened pleading standard applies to several of
26 Armijo’s claims. *See Mostowfi v. I2 Telecom Int’l, Inc.*, 2004 WL 7338797, at *9 (N.D.
27 Cal. May 27, 2004) (professional negligence); *Tactical Air Support, Inc. v. Xsens N.*
28 *Am. Inc.*, 2020 WL 13349107, at *1 (C.D. Cal. Sept. 3, 2020) (negligent

1 misrepresentation); *Am. United Life Ins. Co. v. Martinez*, 480 F.3d 1043, 1064–65 (11th
2 Cir. 2007) (aid-and-abet).

3 ARGUMENT

4 I. Federal Securities Law Requires Dismissal.

5 Armijo admits he is suing Defendants to recover money that he may be ordered
6 to pay the SEC and EquiAlt’s Receiver as a result of his violations of the federal
7 securities laws. *See* Prayer for Relief. Federal courts, however, have long held that
8 “[i]ndemnification is not available under federal securities laws.” *Riverhead Sav. Bank*
9 *v. Nat’l Mortg. Equity Corp.*, 893 F.2d 1109, 1116 (9th Cir. 1990); *see also In re*
10 *HealthSouth Corp. Sec. Litig.*, 572 F.3d 854, 862 (11th Cir. 2009). This bar on
11 indemnification includes losses that result from intentional, reckless, and negligent
12 conduct. *See Eichenholtz v. Brennan*, 52 F.3d 478, 485 (3d Cir. 1995).³

13 In *George K. Baum Advisors, L.L.C. v. Sprint Spectrum, L.P.*, the U.S. District
14 Court for the District of Kansas addressed an analogous fact pattern and held that
15 unlicensed brokers who violated the same Securities Act and Exchange Act provisions
16 the SEC has accused Armijo of violating cannot seek indemnification from third parties.
17 *See* 2013 WL 5719506 (D. Kan. Oct. 21, 2013). There, an unlicensed broker was sued
18 for state securities law violations by investors she solicited for a company that failed;
19 the broker filed suit against Sprint for indemnification under a separate contract for
20 “defense costs and settlement payments (losses) incurred in the four [investor]
21 lawsuits.” 2013 WL 5719506, at *9–11 (D. Kan. Oct. 21, 2013). Sprint asserted, and
22 the court agreed, “that no indemnification is appropriate because, in marketing the
23 [relevant] stock, [the agent] was selling securities without registering as a broker, and
24 thus she [was] . . . acting illegally and in violation of Section 15(a)(1) of the Securities
25 Exchange Act of 1934.” *Id.* at *15–16. After reviewing the case law, the court held “that

26 _____
27 ³ *See also* 17 C.F.R. § 229.510 (expressing SEC’s view that “indemnification” for
28 Securities Act violations “is against public policy as expressed in the Act and is . . .
unenforceable”); *SEC v. Retail Pro, Inc.*, 2011 WL 13186014, at *8 (S.D. Cal. June 23,
2011) (rejecting objections to proposed judgment because it would prohibit defendant
from seeking indemnification).

1 federal law precludes indemnification for violations of Section 15(a), even if the
2 underlying action does not assert intentional misconduct.” *Id.* at *19.

3 The same is true here. The SEC, the Receiver, and Armijo’s former clients have
4 all sued him regarding his alleged violations of federal securities laws. Armijo seeks to
5 recover from Defendants the cost of defending against those lawsuits and judgments he
6 may be required to pay. Compl. ¶¶ 98–127. It does not matter that Armijo’s pursuit of
7 indemnity is styled in the form of state law torts. *See, e.g., Neuberger v. Shapiro*, 110
8 F. Supp. 2d 373, 382–83 (E.D. Pa. 2000) (federal law preempts “indemnification
9 premised on violations of federal securities laws—whether those claims are clothed in
10 state law tort claims or federal securities law claims”). Indeed, in *Jain v. J.P. Morgan*
11 *Securities, Inc.*, a plaintiff accused of violating the Exchange Act brought claims for
12 “negligence, breach of fiduciary duty, legal malpractice, and equitable indemnity”
13 against a brokerage and two law firms. 177 P.3d 117, 118–20 (Wash. Ct. App. 2008).
14 The court dismissed those claims, explaining that they constituted impermissible
15 attempts at “de facto indemnification.” *Id.* at 123. This Court should do the same.

16 **II. *In Pari Delicto* Requires Dismissal.**

17 Separate from the federal law prohibiting indemnity for securities law violations,
18 California’s *in pari delicto* doctrine bars Armijo from recovery, as Armijo alleges that
19 he was a willing participant in and beneficiary of EquiAlt’s scheme. “The doctrine of
20 *in pari delicto* dictates that when a participant in illegal, fraudulent, or inequitable
21 conduct seeks to recover from another participant in that conduct, the parties are deemed
22 *in pari delicto*, and the law will aid neither, but rather, will leave them where it finds
23 them.” *Casey v. U.S. Bank Nat’l. Ass’n*, 26 Cal. Rptr. 3d 401, 404 n.1 (Ct. App. 2005)
24 (quoting *Smith ex rel. Boston Chicken, Inc. v. Arthur Andersen L.L.P.*, 175 F.Supp.2d
25 1180, 1198 (D. Ariz. 2001)). The *in pari delicto* doctrine is applicable when the
26 plaintiff’s conduct “is sufficiently related to the causes of action asserted in [his] case.”
27 *Peregrine Funding, Inc. v. Sheppard Mullin Richter & Hampton LLP*, 35 Cal. Rptr. 3d
28 31, 46 (Ct. App. 2005).

1 Courts have applied this doctrine in circumstances similar to the instant case. In
2 *Peregrine Funding*, for example, a bankruptcy trustee representing an entity used to
3 perpetrate a Ponzi scheme brought suit against the entities’ former law firm for
4 “professional malpractice and aiding and abetting a breach of fiduciary duty” in
5 connection with the firm’s allegedly negligent legal advice and conflicted
6 representation of one the scheme’s architects. 35 Cal. Rptr. 3d at 36–37. The law firm
7 moved to dismiss the trustee’s claims on the basis that the bankrupt entity’s claims were
8 “barred by the equitable defense of unclean hands.” *Id.* at 46; *see also id.* at 44
9 (explaining that the unclean hands doctrine is “generally referred to in federal decisions
10 as the *in pari delicto* doctrine”). The court agreed, explaining that the entity’s fraud and
11 the professional malpractice claims were “intimately related” because the claims were
12 “based entirely on the assertion” that the law firm’s “advice and tactics enabled” the
13 fraud on investors. *Id.* at 48. To permit a participant in the fraud “to now complain of
14 [law firm’s] role in enabling it to commit the fraud is unfair,” the court explained, “and
15 it is precisely this sort of unfairness the unclean hands doctrine seeks to address.” *Id.*
16 Other courts have reached the same conclusion in similar circumstances. *See, e.g., Joint*
17 *Equity Comm. v. Genovese*, 2014 WL 4162318, at *6 (Cal. Ct. App. Aug. 22, 2014) (*in*
18 *pari delicto* where plaintiff orchestrated “fraudulent investment scheme,” then sued
19 defendants “based upon that same fraudulent scheme”); *Blain v. Doctor’s Co.*, 222 Cal.
20 App. 3d 1048, 1063 (1990) (dismissing legal malpractice claim on basis of unclean
21 hands where plaintiff alleged he lied under oath based on lawyer’s advice); *Smith v.*
22 *Sherman*, 23 Cal. Rptr. 487, 487 (Ct. App. 1962) (*in pari delicto* where both parties
23 engaged in sales of securities without proper licensure and plaintiff sought to recover
24 commissions).

25 Armijo’s case is no different. Armijo admits he obtained his Series 65 license and
26 willingly participated in the sale of EquiAlt securities long before he ever spoke with
27 Wassgren. Compl. ¶¶ 63–64. JFI’s website even acknowledged that registered
28 investment advisors were not licensed to sell securities and receive commissions. Yet,

1 Armijo concedes that on the assurances of another unlicensed broker, he began selling
2 EquiAlt securities and received commissions for doing so. *Id.* Moreover, Armijo
3 suggests that he knew this compensation arrangement was questionable—he spoke with
4 Rybicki no less than five times about it, *id.* ¶¶ 66, 68, 74–75, 77—and yet he proceeded
5 with selling EquiAlt securities without consulting his own lawyer. Now, after willingly
6 participating in and benefiting from EquiAlt’s alleged fraud, Armijo seeks to have
7 Defendants bear the consequences of his actions. The *in pari delicto* doctrine prohibits
8 Armijo from recovering in such circumstances, and this Court should dismiss his claims
9 with prejudice.

10 **III. Armijo’s Professional Negligence Claim Fails.**

11 The elements of professional negligence are: “(1) the duty of the professional to
12 use such skill, prudence and diligence as other members of the profession commonly
13 possess and exercise; (2) breach of that duty; (3) a causal connection between the
14 negligent conduct and the resulting injury; and (4) actual loss or damage resulting from
15 the professional negligence.” *Giacometti v. Aulla, LLC*, 187 Cal. App. 4th 1133, 1137
16 (2010) (quoting *Nichols v. Keller*, 15 Cal. App. 4th 1672, 1682 (1993)). Because this
17 claim concerns legal advice, it is one for legal malpractice. *See Kracht v. Perrin,*
18 *Gartland & Doyle*, 219 Cal. App. 3d 1019, 1022 (1990).

19 This claim is not only barred by federal securities law and the *in pari delicto*
20 doctrine; it also fails for two other reasons. First, Armijo did not plausibly plead that he
21 had an attorney-client relationship with any of the Defendants. Second, Armijo did not
22 plausibly plead that Defendants’ alleged advice was the proximate cause of his
23 damages. This claim should be dismissed with prejudice.

24 **A. Armijo has not plausibly pled that Defendants owed him a** 25 **professional duty.**

26 In California, “[a]n attorney-client relationship can only be created by contract,
27 express or implied.” *Shen v. Miller*, 212 Cal. App. 4th 48, 57 (2012). An attorney also
28 owes duties to an intended beneficiary of an attorney-client relationship. *See Moore v.*

1 *Anderson Zeigler Disharoon Gallagher & Gray*, 109 Cal. App. 4th 1287, 1294–95
2 (2003). A supposed client’s subjective beliefs cannot unilaterally establish an attorney-
3 client relationship. *See, e.g., Fox v. Pollack*, 226 Cal. Rptr. 532, 535 (Ct. App. 1986).
4 Rather, “it is the intent and conduct of the parties that controls the question as to whether
5 an attorney-client relationship has been created.” *Zenith Ins. Co. v. O’Connor*, 148 Cal.
6 App. 4th 998, 1010 (2007). Armijo has not plausibly pled that he formed an express or
7 implied attorney-client relationship with Defendants or that he was the intended
8 beneficiary of Defendants’ relationship with EquiAlt.

9 Armijo concedes he did not have an express attorney-client relationship with
10 Defendants. Armijo does not allege that he had an engagement letter with Wassgren or
11 the law firms, paid them legal fees, or that he received a legal written opinion about any
12 issue relating to EquiAlt from them. Rather, the sum of Armijo’s contact with Wassgren
13 was a total of two phone calls over the course of three years. Compl. ¶¶ 70, 78.

14 Nor has Armijo plausibly pled that he had an implied attorney-client relationship
15 with Defendants. Armijo cannot establish an attorney-client relationship with
16 Defendants unilaterally. *See Zenith*, 148 Cal. App. 4th at 1010 (“California law is settled
17 that a client’s subjective belief that an attorney-client relationship exists, standing alone,
18 cannot create such a relationship, or a duty of care owed by the attorney to that
19 plaintiff.”). Armijo must allege conduct indicating that Wassgren also intended to form
20 an attorney-client relationship. *Id.*

21 Nothing in Armijo’s complaint suggests that either Armijo or Wassgren intended
22 to or actually conducted themselves in a manner suggesting they understood themselves
23 to be in an attorney-client relationship. Armijo knew, from the offering documents and
24 his discussions with Rybicki, that Wassgren was the attorney for EquiAlt. Compl.
25 ¶¶ 66–67. And, each time Armijo spoke with Wassgren, it was after first securing
26 Rybicki’s permission. *Id.* ¶¶ 69, 78. Armijo does not allege that he ever approached
27 Wassgren for advice—or that Wassgren directly approached him—without Rybicki’s
28 approval. Armijo even alleges that Wassgren billed their two conversations to EquiAlt.

1 *Id.* ¶ 69. These allegations are not indicative of an implied attorney-client relationship.
2 *See Fox*, 226 Cal. Rptr. at 534 (finding no attorney-client relationship where plaintiffs
3 “did not hire or retain [attorney]; they knew he was the Bennetts’ attorney; they did not
4 pay him for his services”).

5 Nor has Armijo plausibly pled that he was an intended beneficiary of EquiAlt’s
6 relationship with Defendants. While attorneys generally do not have duties to
7 nonclients, “in limited circumstances” an attorney may owe such a duty “where the
8 nonclient was the *intended beneficiary* of the attorney’s services.” *Moore*, 109 Cal. App.
9 4th at 1294–95. To establish such a duty, “the third party must show that ‘that was the
10 intention of the purchaser of the legal services—the party in privity,’ and that
11 ‘imposition of the duty carries out the prime purpose of the contract for services.’”
12 *B.L.M. v. Sabo & Deitsch*, 55 Cal. App. 4th 823, 832 (1997) (quoting *Johnson v. Super.*
13 *Ct.*, 38 Cal. App. 4th 463, 472 (1995)). A client and attorney must have a “mutual
14 intent” for the representation to benefit a third party for this exception to apply, as “[a]n
15 attorney’s undertaking should be the result of a conscious decision.” *Zenith*, 148 Cal.
16 App. 4th at 1008.

17 Armijo cannot plead either element. Because DLA and EquiAlt formalized their
18 relationship in an engagement letter, Armijo must show that EquiAlt’s intention to
19 benefit him is apparent in that contract. *See Epitech, Inc. v. Kann*, 204 Cal. App. 4th
20 1365, 1371–72 (2012) (“Whether a third party is an intended beneficiary . . . to the
21 contract involves construction of the parties’ intent, *gleaned from reading the contract*
22 *as a whole in light of the circumstances under which it was entered.*”) (quoting
23 *Neverkovec v. Fredericks*, 74 Cal. App. 4th 337, 349 (1999)). DLA’s engagement letter
24 states that DLA was retained to represent EquiAlt “in connection with general corporate
25 matters.” Ex. A at 25. The letter does not mention Armijo or even allude to providing
26 advice to outside financial professionals, and the terms of service specifically provide
27 that EquiAlt “agree[s] and acknowledge[s] that [DLA’s] representation of you does not
28 create an attorney-client relationship with any other entity or person . . . unless such

1 entities or persons are specifically named in the Engagement Letter.” *Id.* at 29
2 (incorporated by reference in complaint). That alone is sufficient reason to dismiss
3 Armijo’s claim. *See Lichtenberger v. Hunt, Ortmann, Palffy, Nieves, Darling & Mah,*
4 *Inc.*, 2020 WL 7252665, at *7 (Cal. Ct. App. Dec. 10, 2020) (not intended beneficiary,
5 in part, because “[plaintiff] is not expressly named as an intended beneficiary in the
6 retainer agreement”); *Alberts v. Razor Audio, Inc.*, 2012 WL 530427, at *10 (E.D. Cal.
7 Feb. 17, 2012) (not intended beneficiary because plaintiff “failed to allege that
8 Attorneys and [client] intended [plaintiff] individually to be a beneficiary of Attorneys’
9 legal services”). Moreover, Armijo concedes that the “prime purpose” of DLA’s
10 engagement was to provide EquiAlt advice and to create a number of investment funds,
11 not to provide legal advice to benefit Armijo. Compl. ¶ 37.⁴

12 Finally, it is immaterial that Armijo asserts he received Wassgren’s advice
13 indirectly through Tenhulzen in 2013 and Rybicki in 2016. There can clearly be no
14 attorney-client relationship between two people who have never met or spoken. *Thayer*
15 *v. Kabateck Brown Kellner LLP*, 143 Cal. Rptr. 3d 17, 32 (Ct. App. 2012) (“We are
16 wary about extending an attorney’s duty to persons who have not come to the attorney
17 seeking legal advice and whom the attorney has never met.” (citation omitted)).

18 **B. Armijo has not plausibly pled that Defendants’ alleged advice caused**
19 **his damages.**

20 Beyond establishing an attorney-client relationship, Armijo must plead that
21 Wassgren’s allegedly negligent advice proximately caused his injury. *See Giacometti*,
22 187 Cal. App. 4th at 1137. “[T]he crucial causation inquiry is *what would have*
23 *happened* if the defendant attorney had not been negligent.” *Viner v. Sweet*, 70 P.3d
24 1046, 1052 (Cal. 2003). Merely showing that “the attorney erred is not enough.” *Orrick*
25 *Herrington & Sutcliffe LLP v. Super. Ct.*, 107 Cal. App. 4th 1052, 1057 (2003).

26 Armijo alleges Wassgren provided him negligent legal advice concerning
27 whether 1) Armijo had the proper license to sell EquiAlt securities; 2) EquiAlt’s

28 ⁴ DLA will enforce the arbitration agreement in the engagement letter against Armijo if
he is found to be an intended beneficiary. *See Ex. A at 30–31.*

1 compensation arrangement for Armijo was lawful; and 3) EquiAlt was conducting itself
2 in a lawful manner such that it was legal for Armijo to sell EquiAlt’s securities. This
3 advice allegedly caused the damages that Armijo now seeks. Compl. ¶¶ 94–99. Armijo,
4 however, admits that he began selling EquiAlt securities as early as 2013, *four years*
5 *before he ever spoke with Wassgren. Id.* ¶ 63. Moreover, Armijo concedes he sold
6 EquiAlt securities for *three years* without speaking to *anyone* from EquiAlt. *Id.* ¶ 65.
7 Armijo never alleges he planned to stop selling EquiAlt securities prior to his
8 conversations with Wassgren in 2017 and 2019. Because Armijo was engaged in the
9 exact conduct which gave rise to his alleged damages long before Wassgren allegedly
10 spoke with him, Wassgren’s advice could not have proximately caused his harm. *See*
11 *Rogers v. Zanetti*, 518 S.W.3d 394, 403 (Tex. 2017) (holding that where plaintiff
12 “already committed fraud sufficient to render” an agreement unenforceable, defendant’s
13 alleged malpractice related to the agreement was “not a concurrent cause” of plaintiff’s
14 injury).

15 Armijo repeatedly pleads that others—Tenhulzen in 2013 and Rybicki in 2016—
16 told him that Wassgren was aware of EquiAlt’s payment of commissions to unlicensed
17 brokers. Compl. ¶¶ 64–66. Even if true, that allegation is inapposite. A professional
18 does not expose himself to liability to everyone every time he gives advice to a client—
19 courts have long held that a professional can only be held liable to those he *intended* to
20 influence, and Armijo has not plausibly alleged that Wassgren intended for Armijo to
21 rely on the advice he gave to others. *See Stagen v. Stewart-W. Coast Title Co.*, 149 Cal.
22 App. 3d 114, 121–22 (1983) (“Intent to influence is a threshold issue. In its absence
23 there is no liability even though a plaintiff has relied on the misrepresentation to his or
24 her detriment, and even if such reliance were reasonably foreseeable.”). This explains
25 why courts will not extend a defendant’s liability for professional negligence to a
26 nonclient. *See Bily v. Arthur Young & Co.*, 834 P.2d 745, 767 (Cal. 1992) (holding that
27 “auditor’s liability for general negligence in the conduct of an audit of its client financial
28 statements is confined to the client”), *as modified* (Nov. 12, 1992); *Sabo & Deitsch*, 55

1 Cal. App. 4th at 831 (applying *Bily* in legal malpractice case).

2 **IV. Armijo’s Negligent Misrepresentation Claim Fails.**

3 “[T]he elements of negligent misrepresentation are ‘(1) the misrepresentation of
4 a past or existing material fact, (2) without reasonable ground for believing it to be true,
5 (3) with intent to induce another’s reliance on the fact misrepresented, (4) justifiable
6 reliance on the misrepresentation, and (5) resulting damage.’” *Nat’l Union Fire Ins. Co.*
7 *of Pittsburgh v. Cambridge Integrated Servs. Grp., Inc.*, 171 Cal. App. 4th 35, 50 (2009)
8 (quoting *Apollo Cap. Fund, LLC v. Roth Cap. Partners, LLC*, 158 Cal. App. 4th 226,
9 243 (2007)). The latter two elements require proof of proximate cause. *Quicken Mortg.*
10 *Corp. v. Bank of Am., N.A.*, 2022 WL 189816, at *8 (Cal. Ct. App. Jan. 21, 2022).

11 Armijo alleges that Wassgren made misrepresentations to Armijo through
12 EquiAlt’s offering documents, in his direct conversations with Armijo, and through his
13 communications with Rybicki that he knew would be passed onto Armijo. Compl.
14 ¶ 101. These misrepresentations concerned “certain facts regarding the EquiAlt Parties’
15 operation,” EquiAlt’s compliance with the securities laws, and the legality of selling
16 EquiAlt securities without registering as a broker. *Id.* ¶¶ 101–02. Armijo further alleges
17 that he reasonably relied on these misrepresentations and that, as a result, he suffered
18 damages resulting from the SEC’s, Receiver’s, and former clients’ lawsuits against him
19 for his violations of the federal securities laws. *Id.* ¶¶ 103–05.

20 This claim fails to the extent that Armijo alleges Wassgren provided him an
21 incorrect legal opinion. Courts have long “decline[d] to extend professional liability
22 under a negligent misrepresentation theory to individuals who are not clients of the
23 attorney.” *Sabo & Deitsch*, 55 Cal. App. 4th at 839. Nonclients, like Armijo, may only
24 sue attorneys for negligent misrepresentation in “cases involving misrepresentations of
25 fact rather than legal opinions.” *Id.* Wassgren’s alleged statements regarding his client’s
26 compliance with securities laws and Armijo’s ability to sell securities as an unlicensed
27 broker are legal opinions, and thus cannot support Armijo’s claim.

28 Armijo alleges that Defendants misrepresented “certain facts regarding the

1 EquiAlt Parties’ operation,” though he does not specify what facts were misrepresented.
2 Compl. ¶ 101. This alone is reason to dismiss his claim, as Fed. R. Civ. P. 9(b) requires
3 that Armijo “state with particularity the circumstances constituting fraud.” *Tactical Air*
4 *Support*, 2020 WL 13349107 at *1. Assuming the misrepresentations concerned alleged
5 misstatements in EquiAlt’s offering documents, *see* Compl. ¶ 43, this claim still fails
6 because Defendants had reasonable grounds for believing those statements to be true at
7 the time they were made. As Armijo notes in his complaint, there are certain statements
8 in EquiAlt’s offering documents that may be false “[b]ased on information learned *since*
9 *the SEC initiated its action against EquiAlt and the EquiAlt Managers.*” *Id.* (emphasis
10 added). Armijo has the burden of pleading that Defendants had no reasonable ground
11 for believing the truth of those assertions *when they were drafted*. *See Bily*, 834 P.2d at
12 768. Nothing in Armijo’s complaint gives rise to a plausible inference, much less
13 satisfies Rule 9(b), that Defendants lacked a reasonable basis for believing the truth of
14 the assertions about EquiAlt’s operations in the offering documents.

15 For the reasons provided in Part III.B, this claim also fails because Armijo cannot
16 plead that his damages resulted from justifiable reliance on Defendants’ alleged
17 misrepresentations. Armijo does not (and cannot) allege that he *began* selling EquiAlt
18 securities because he relied upon representations in EquiAlt’s offering documents.

19 **V. Armijo’s Aid-and-Abet Claim Fails.**

20 For this claim, Armijo must show that Defendants (i) “had actual knowledge of
21 the specific primary wrong” that EquiAlt committed and (ii) gave “substantial
22 assistance.” *Casey*, 26 Cal. Rptr. 3d at 405–06. That assistance must have proximately
23 caused the damages that Armijo seeks. *See Mosier v. Stonefield Josephson, Inc.*, 2013
24 WL 4859635, at *3 (C.D. Cal. July 30, 2013), *aff’d*, 815 F.3d 1161 (9th Cir. 2016).
25 “California law makes it exceedingly difficult to successfully plead an aiding and
26 abetting claim against an attorney who does not otherwise owe a duty to the plaintiff.”
27 *See Rikuo Kotsu Co. v. Carlsmith Ball, LLP*, 2013 WL 5309719, at *5 (Cal. Ct. App.
28 Sept. 23, 2013).

1 Armijo alleges that a fraud existed in the sale of EquiAlt securities and in the
2 operation of EquiAlt, Compl. ¶ 108, that Defendants knew of EquiAlt’s securities
3 violations and fraud, *id.* ¶ 109, and that Defendants furthered this fraud, *id.* ¶ 110. In
4 exchange, Armijo alleges that Defendants received their typical legal fees. *Id.* ¶ 111.
5 Armijo has not plausibly pled allegations sufficient to show Defendants’ substantial
6 assistance or knowledge of wrongdoing. Because Armijo bases this claim in fraud, his
7 allegations must be pleaded with particularity. *Am. United Life Ins. Co.*, 480 F.3d at
8 1065 (11th Cir. 2007).

9 Armijo has not plausibly alleged that DLA substantially assisted any fraud.
10 Armijo alleges that Wassgren assisted EquiAlt’s fraud by 1) drafting offering
11 documents, Compl. ¶ 45; 2) assisting EquiAlt to “[c]laim an exemption from
12 registration under Reg D,” *id.* ¶ 46; 3) creating new investment funds, *id.* ¶ 50; and 4)
13 providing legal advice about who could sell EquiAlt securities, *id.* ¶ 56. These are all
14 typical legal services.

15 Courts have held that the provision of typical legal services does not open an
16 attorney to liability for his client’s fraudulent acts. *See Schatz v. Rosenberg*, 943 F.2d
17 485, 497 (4th Cir. 1991) (lawyer does not aid-and-abet fraud by merely drafting
18 documents; otherwise, attorneys would be “co-guarantors and co-signatories, along
19 with their clients,” of “every statement and agreement” in documents they prepare);
20 *Spinner v. Nutt*, 631 N.E.2d 542, 546 (Mass. 1994) (“An allegation that the [client]
21 acted under the legal advice of the [attorney], without more, is insufficient to give rise
22 to a claim that an attorney is responsible to third persons for the fraudulent acts of his
23 clients.”).

24 As for Armijo’s allegations that Wassgren substantially assisted EquiAlt’s fraud
25 by making misrepresentations in the company’s PPMs, Compl. ¶ 43, these
26 misrepresentations cannot be attributed to Wassgren. In drafting those materials,
27 Wassgren was EquiAlt’s “scrivener.” *Accord In re Cascade Int’l Sec. Litig.*, 840 F.
28 Supp. 1558, 1566 (S.D. Fla. 1993) (noting that substantial assistance requires more than

1 “acting as scriveners” for a client or “conducting activities that make up the daily grist
2 of the mill”), *on reconsideration*, 894 F. Supp. 437 (S.D. Fla. 1995). Expanding liability
3 to cover attorneys who prepare offering documents based on their client’s
4 representations would require attorneys to audit every statement a client seeks to make,
5 increasing legal costs and preventing worthy clients from obtaining advice they need.
6 *See Schatz*, 943 F.2d at 495, 497 (“[L]awyers do not vouch for the probity of their clients
7 when they draft documents reflecting their clients’ promises, statements, or
8 warranties.”); *Friedman v. Ariz. World Nurseries Ltd. P’ship*, 730 F. Supp. 521, 533
9 (S.D.N.Y. 1990) (lawyers “cannot be held liable for the general statements in the
10 offering memorandum not specifically attributed to them”). That is why
11 misrepresentations in the PPMs are attributable only to EquiAlt. *See Janus Cap. Grp.,*
12 *Inc. v. First Derivative Traders*, 564 U.S. 135, 142 (2011). Because EquiAlt had
13 “ultimate authority” over the statements in the PPMs, EquiAlt was the “maker” of the
14 alleged misrepresentations, not Wassgren. *Id.* Even if Armijo could plausibly allege that
15 Wassgren knowingly drafted false statements in the offering documents, he cannot
16 show that Wassgren’s conduct proximately caused his damages for the reasons provided
17 in Part III.B.⁵

18 **VI. Armijo’s Equitable Indemnity Claim Fails.**

19 The elements of an equitable indemnity claim are “(1) a showing of fault on the
20 part of the indemnitor and (2) resulting damages to the indemnitee for which the
21 indemnitor is . . . equitably responsible.” *C.W. Howe Partners Inc. v. Mooradian*, 256
22 Cal. Rptr. 3d 806, 816 (Ct. App. 2019) (alteration in original). This claim gives a court
23 the discretion to reapportion fault among “concurrent tortfeasors on a comparative fault
24 basis.” *Am. Motorcycle Ass’n. v. Super. Ct.*, 20 Cal. 3d 578, 591 (1978).

25 An equitable indemnity claim “does not accrue until” the putative indemnitee
26

27 ⁵ If the Court denies these legal arguments, it should consider whether Armijo has
28 plausibly alleged that DLA had actual knowledge of fraud in the operation of EquiAlt
or EquiAlt’s securities violations and fraud for the reasons stated in Fox’s motion to
dismiss.

1 “has suffered actual loss through payment” of a judgment against it. *People ex rel. Dep’t*
2 *of Transp. v. Super. Ct.*, 608 P.2d 673, 683 (Cal. 1980). Thus, courts routinely dismiss
3 equitable indemnity claims where there has been no judgment entered and satisfied in
4 the underlying case. *Bagdasarian v. Deloitte & Touche LLP*, 2002 WL 1767391, at *4–
5 5 (Cal. Ct. App. July 31, 2002) (dismissing equitable indemnity claim because plaintiff
6 never alleged he had “made payment on the judgment” for which he wished to be
7 indemnified).

8 Armijo’s claim for equitable indemnity is premature, as he alleges that he seeks
9 recovery “if [he] is held liable to the Receiver, any EquiAlt Parties, any EquiAlt
10 investors or the SEC.” Compl. ¶ 119. As Armijo has not yet had any judgment entered
11 against him, this claim must be dismissed.

12 VII. “Tort of Another” Is Not A Claim.

13 Armijo’s fifth cause of action, “tort of another,” *id.* ¶¶ 120–22, is not a cause of
14 action under California law. California follows the “American rule, which provides that
15 each party to a lawsuit must ordinarily pay his own attorney fees.” *Srouy v. San Diego*
16 *Unified Sch. Dist.*, 290 Cal. Rptr. 3d 606, 617 (Ct. App. 2022). “The tort of another
17 doctrine holds that ‘[a] person who through the tort of another has been required to act
18 in the protection of his interests by bringing or defending an action against a third person
19 is entitled to recover compensation for the reasonably necessary loss of time, attorney’s
20 fees, and other expenditures thereby suffered or incurred.’” *Mega RV Corp. v. HWH*
21 *Corp.*, 170 Cal. Rptr. 3d 861, 877 (Ct. App. 2014) (quoting *Prentice v. N. Am. Title*
22 *Guar. Corp., Alameda Div.*, 381 P.2d 645, 647 (Cal. 1963)). The doctrine “is not really
23 an exception to the American rule, but simply ‘an application of the usual measure of
24 tort damages.’” *Id.* (quoting *Sooy v. Peter*, 270 Cal. Rptr. 151, 154 (Ct. App. 1990)).

25 Regardless of how it is styled, Armijo cannot rely on this doctrine because, as
26 noted above, it was Armijo’s independent conduct that caused him to incur the legal
27 fees of which he complains. Compl. ¶¶ 63–64. That conduct alone is sufficient to give
28 rise to the federal securities law violations for which he is now being sued. Thus, Armijo

1 is not an innocent actor who was forced to incur legal defense costs as a result of
2 Defendants’ torts.

3 **VIII. Armijo’s UCL Claim Fails.**

4 Armijo asserts that Defendants violated California’s UCL “by aiding and abetting
5 their clients’ fraudulent activities, and by engaging in conduct likely to deceive—and
6 that did deceive—members of the public.” Compl. ¶ 125. Armijo alleges this conduct
7 caused him “millions of dollars in damages” *id.* ¶ 126, but he ignores the fact that
8 “damages are not available under the UCL; the available remedies are limited to
9 restitution and injunctive relief,” *SkinMedica, Inc. v. Histogen Inc.*, 869 F. Supp. 2d
10 1176, 1184 (S.D. Cal. 2012). Armijo does not seek injunctive relief. To get restitution,
11 Armijo must show Defendants “obtained” his money “through an unfair business
12 practice.” *Korea Supply Co. v. Lockheed Martin Corp.*, 63 P.3d 937, 947 (Cal. 2003)
13 (citation omitted). Armijo does not (and cannot) allege that he paid a cent to Defendants.
14 DLA does not have any funds in which Armijo “has an ownership interest,” *id.*, so his
15 claim necessarily fails.

16 **CONCLUSION**

17 For the foregoing reasons, DLA respectfully requests that the Court dismiss with
18 prejudice Armijo’s complaint for failure to state a claim under Rule 12(b)(6) and failure
19 to comply with Rule 9(b).

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1 Dated: December 29, 2022

WILLIAMS & CONNOLLY LLP

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Certificate of Compliance

The undersigned, counsel of record for DLA Piper LLP (US), certifies that this brief contains 6,856 words, which complies with the word limit of L.R. 11-6.1.

Dated: December 29, 2022

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Signature Attestation

Pursuant to Local Rule 5-4.3.4(a)(2), I hereby attest that all signatories listed above, and on whose behalf this filing is submitted, concur in the filing's content and have authorized the filing.

Dated: December 29, 2022

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CERTIFICATE OF SERVICE

I hereby certify that on December 29, 2022 I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system, thereby serving this document on all attorneys of record in this case.

/s/ Vidya Atre Mirmira

EXHIBIT 6

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15 **UNITED STATES DISTRICT COURT**
16
17 **CENTRAL DISTRICT OF CALIFORNIA**

18 ROBERT JOSEPH ARMIJO,
19
20 Plaintiff,
21
22 v.
23 PAUL R. WASSGREN, DLA PIPER
24 LLP (US), FOX ROTHSCHILD LLP,
25 and DOES 1 through 10, inclusive,
26
27 Defendant.

Case No. 2:22-cv-08851 AB (PVCx)
**DEFENDANT FOX ROTHSCHILD
LLP'S AMENDED NOTICE OF
MOTION AND MOTION TO
DISMISS COMPLAINT;
MEMORANDUM OF POINTS AND
AUTHORITIES**

Judge: Hon. André Birotte Jr.
Ctrm: 7B
Date: February 3, 2023
Time: 10:00 a.m.

NOTICE OF MOTION AND MOTION TO DISMISS

TO COUNSEL AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on February 3, 2023, at 10:00 a.m., or as soon thereafter as the matter may be heard in the courtroom of the Honorable André Birotte Jr., United States District Judge, Central District of California, located in Courtroom 7B in 350 West 1st Street, Los Angeles, CA 90012, defendant Fox Rothschild LLP (“Fox”) will, and hereby does, move the Court to dismiss this action pursuant to Federal Rule of Civil Procedure 12(b)(6) on the grounds that Plaintiff’s Complaint fails to state a claim on which relief can be granted and Federal Rule of Civil Procedure 9(b) for lack of specificity.

This Motion is based on this Amended Notice of Motion and Motion, the attached Memorandum of Points and Authorities in Support of Defendants’ Motion to Dismiss and all exhibits thereto, any additional briefing, and the evidence and arguments that will be presented to the Court at the hearing on this matter.

On December 9, 2022, the parties held their first conference of counsel regarding Fox’s Motion as required under Local Rule 7-3. After engaging in some substantive discussions, the parties determined to continue those discussions during the week of December 19, 2022 to allow the parties to thoroughly discuss the substance of the Motion and any potential resolution. To that end, on December 12, 2022, the parties jointly stipulated to an extension to file this Motion. *See* ECF No. 24.

On December 14, 2022, Fox filed its original motion to dismiss (ECF No. 27) to avoid violating Rule 81(c)(2)(C), since the parties’ joint stipulation had not been granted before the December 14 filing deadline under that Rule. On December 15, 2022, this Court entered an order setting January 27, 2023 as the hearing date for Defendants’ motions to dismiss. ECF No. 31. On December 19, 2022, the Court granted the parties’ joint stipulation and entered an order extending Defendants’ time to file their responsive pleadings to January 10, 2023. ECF No. 35.

1 On December 22, 2022—in light of the Court’s order extending Defendants’
2 time to file—the parties continued their Local Rule 7-3 conference. Further
3 discussions, however, did not resolve the parties’ disagreements.

4 Fox files this Amended Motion to comply with Local Rule 7-3. Moreover, the
5 Amended Motion revises the original motion given the Court’s extension of
6 Defendant’s deadline to file to January 10, including to account for the parties’
7 discussions during the conference of counsel and to comply with the word count
8 limits of Local Rule 11-6.1.

9 **RELIEF REQUESTED**

10 By this motion, Fox respectfully requests that the Court dismiss Plaintiff’s
11 complaint with prejudice under Rules 9(b) and 12(b)(6) because Plaintiff has failed
12 to state a claim for which relief can be granted.

13
14 Dated: January 4, 2023

JENNER & BLOCK LLP

15 By: /s/ Michael P. McNamara

16 Michael P. McNamara
17 Effiong K. Dampha

18 GUNSTER, YOAKLEY, & STEWART, P.A.
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1 **INTRODUCTION**

2 Plaintiff Robert Joseph Armijo (“Plaintiff” or “Armijo”) was a licensed
3 investment advisor representative who admits that he violated federal securities laws
4 by selling his clients risky unregistered securities issued by a real estate investment
5 company called EquiAlt, LLC (“EquiAlt”). Now that EquiAlt is in receivership, and
6 the SEC, EquiAlt’s Receiver, and Armijo’s former clients have sued Armijo and his
7 company Joseph Financial, Inc. (“JFI”) to recover the transaction-based
8 compensation (“commissions”) Armijo received, Armijo sues EquiAlt’s former
9 lawyers, Paul Wassgren, Fox Rothschild LLP (“Fox”), and DLA Piper LLP (US)
10 (“DLA) (collectively, “Defendants”). Armijo’s effort to shift his liability to Fox,
11 however, is without merit, most particularly because Armijo admits in the Complaint
12 that he never spoke with Wassgren, or received any advice directly from Wassgren,
13 while Wassgren was a lawyer employed by Fox. This Court should thus dismiss
14 Armijo’s claims with prejudice for numerous reasons.

15 First, the SEC and federal courts have long held that violators of federal
16 securities laws cannot shift their liabilities onto third parties.

17 Second, the *in pari delicto* and unclean hands doctrines provide that a
18 participant in illegal or fraudulent conduct cannot recover damages from other
19 alleged participants in that conduct.

20 Third, Armijo fails to state a claim for which relief can be granted.

- 21 • His claim for professional negligence fails because Armijo has not
22 plausibly pled that Fox owed him a duty, can recover under an intended
23 beneficiary theory, or that Fox’s alleged advice caused him to act and
24 sustain damages.
- 25 • His claim for negligent misrepresentation fails because Armijo has not
26 plausibly alleged that he was a recipient of misrepresentations, justifiably
27 relied on advice given by Fox, and failed to allege a “positive assertion or
28 representation.”

- 1 • His claim for aiding and abetting fraud fails because a lawyer’s provision
2 of ordinary legal services to a client cannot state a claim for aiding and
3 abetting, and Armijo has not plausibly alleged that Fox had actual
4 knowledge of EquiAlt’s alleged fraud or that Fox offered substantial
5 assistance to perpetuate that fraud.
- 6 • His claim for tort of another is not a claim he can sustain because it is a
7 theory of damages, not a separate cause of action.
- 8 • His claim under California’s Unfair Competition Law fails because that
9 statute provides only for equitable remedies, which Armijo does not seek
10 and cannot obtain from Fox.

11 No amended complaints or supplementation can fix the flaws in the claims.
12 Consequently, this Court should dismiss the Complaint with prejudice.¹

13 **BACKGROUND**²

14 Wassgren was a transactional lawyer who provided legal services to EquiAlt
15 while working at Fox and, later, DLA. Compl. ¶ 18. The advice Wassgren provided
16 to EquiAlt related to state and federal securities laws and corporate disclosures. *Id.*
17 ¶¶ 18, 37. For example, he (i) prepared articles of incorporation for various EquiAlt-
18 related entities; (ii) drafted and reviewed Form Ds and submitted them to the SEC;
19 (iii) prepared offering documents for debenture funds claiming exemption from
20 registration; and (iv) prepared private placement memoranda (“PPM”), subscription
21 agreements, the finder’s fee agreement, and prospective purchaser questionnaires.
22 *See, e.g., id.* ¶¶ 33, 37, 41-42.

23 Armijo alleges he first learned of EquiAlt in 2013 from Dale Tenhulzen,
24 another unlicensed broker. *Id.* ¶ 63. According to Armijo, Tenhulzen told him that

25 ¹ Defendants filed a motion for transfer of venue on December 16, 2022. ECF No.
26 34. For the reasons stated in that motion, the Middle District of Florida should
27 decide this motion to dismiss.

28 ² Fox recounts the factual allegations only for background, and we reserve the right
to challenge the veracity of any and all facts and allegations contained herein.

1 he received commissions for every sale of EquiAlt debentures he made and that
2 Wassgren told him this was permissible. *Id.* ¶ 64. Armijo does not allege he spoke
3 directly with Wassgren—or any other attorney—to confirm this alleged advice.
4 Armijo alleges he simply went ahead and partnered with Tenhulzen to sell EquiAlt
5 securities, and that he accepted commissions for those sales. *Id.* ¶ 63.

6 In January 2016, after his partnership with Tenhulzen ended, Armijo
7 contacted Barry Rybicki, an EquiAlt principal, and discussed whether Armijo could
8 sell EquiAlt securities independently. *Id.* ¶ 65. Rybicki explained how EquiAlt
9 compensated third parties for sales and that Wassgren said the arrangement was
10 “lawful.” *Id.* ¶ 66. Rybicki also represented that lacking a Series 7 license would not
11 be “an issue.” *Id.* Rybicki then invited Armijo to contact Wassgren directly to
12 discuss EquiAlt’s business. *Id.* Armijo does not allege he promptly contacted
13 Wassgren to confirm this alleged advice or that he consulted with his own attorney
14 about it. Instead, Armijo continued to sell EquiAlt securities to his clients and to
15 accept commissions for those sales without consulting any attorneys.

16 Wassgren left Fox and joined DLA in May 2017. *Id.* ¶ 16. Plaintiff’s first
17 alleged conversation with Wassgren did not occur until July 2017, two months *after*
18 Wassgren had left Fox. *Id.*

19 In February 2020, Judge Mary S. Scriven of the United States District Court
20 for Middle District of Florida unsealed the SEC’s complaint against EquiAlt and its
21 principals and appointed a receiver to oversee the company. Compl. ¶¶ 28-29; *see*
22 *also SEC v. Davison, et al.*, No. 8:20-00325 (M.D. Fla. Feb. 14, 2020), ECF Nos.
23 11, 13. The SEC’s complaint alleges that EquiAlt operated as a Ponzi scheme, that
24 its principals misappropriated investor funds, and that the EquiAlt funds likely
25 lacked sufficient assets to repay investors. Compl. ¶¶ 1, 5, 44, *SEC v. Davison, et*
26 *al.*, No. 8:20-00325 (M.D. Fla. Feb. 14, 2020), ECF No. 1. The SEC’s complaint
27 does not accuse Defendants of any wrongdoing but does accuse Plaintiff of
28 wrongdoing. *SEC v. Davison, et al.*, No. 8:20-00325 (M.D. Fla. Feb. 14, 2020), ECF

1 1. The SEC also filed an enforcement action against Plaintiff in 2021 for violating
2 the Securities Act of 1933 and Securities Exchange Act of 1934 through his sale of
3 EquiAlt securities without the proper license. *See* Compl. (“SEC v. Armijo Compl.”)
4 ¶ 1, *SEC v. Robert Joseph Armijo*, No. 21-01107 (S.D. Cal. June 14, 2021), ECF No.
5 1. EquiAlt’s Receiver and Plaintiff’s former clients soon followed with lawsuits
6 against Plaintiff regarding that same conduct. *See generally* Compl., *Wiand v.*
7 *Family Tree Estate Planning, LLC*, No. 8:21-00361 (M.D. Fla. Feb. 13, 2021), ECF
8 No. 1; Compl., *O’Neal v. Joseph Financial, Inc.*, No. 8:22-00939 (M.D. Fla. Apr.
9 21, 2022), ECF No. 1.

10 On October 6, 2022, Plaintiff filed the instant Complaint in California state
11 court and served it on Fox on November 7, 2022. Defendants subsequently removed
12 Plaintiff’s action to this Court and moved for transfer to the Middle District of
13 Florida. Plaintiff’s Complaint alleges six causes of action against Fox: (1)
14 professional negligence; (2) negligent misrepresentation; (3) aiding and abetting
15 fraud and deceit; (4) equitable indemnity; (5) tort of another; and (6) violation of
16 California’s Unfair Competition Law (“UCL”), Business & Professions Code
17 §§ 17200 *et seq.* Compl. ¶¶ 90-127. Plaintiff seeks various forms of damages,
18 including the costs of defending against the SEC’s, Receiver’s, and his former
19 clients’ actions; any judgments Plaintiff is ordered to pay the SEC, Receiver, or his
20 former clients; lost business and investment opportunities; reputational harm; and
21 serious emotional distress. *Id.* at Prayer for Relief.

22 For the reasons articulated in this Motion, all claims fail.

23 **PLEADING STANDARDS**

24 “[T]o survive a motion to dismiss under [Rule 12(b)(6)], a complaint must
25 contain sufficient factual matter, accepted as true, to ‘state a claim to relief that is
26 plausible on its face.’” *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (quoting *Bell*
27 *Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007)). To be well-pled, the allegations
28 must consist of more than mere labels, legal conclusions, or a “formulaic recitation

1 of the elements of a cause of action.” *Id.* A complaint is deficient if it tenders
2 “‘naked assertion[s]’ devoid of ‘further factual enhancement,’” and there must be
3 “more than a sheer possibility that a defendant has acted unlawfully.” *Id.*

4 In fraud allegations, Rule 9(b)’s heightened pleading standard requires that
5 the allegations be specific enough to give defendants notice of the “particular
6 misconduct,” including “the who, what, when, where, and how of the misconduct
7 charged.” *Vess v. Ciba-Geigy Corp. USA*, 317 F.3d 1097, 1106 (9th Cir. 2003). “If
8 the unlawful conduct is part of a uniform course of fraudulent conduct, it must meet
9 Rule 9(b)’s heightened pleading standards.” *In re Google, Inc. Privacy Policy Litig.*,
10 58 F. Supp. 3d 968, 984 (N.D. Cal. 2014); *see also Neilson v. Union Bank of*
11 *California, N.A.*, 290 F. Supp. 2d 1101, 1119 (C.D. Cal. 2003) (when a claim alleges
12 the aiding and abetting of a fraud, substantial assistance must be pled under Rule
13 9(b)’s heightened specificity requirements). The heightened standard is especially
14 necessary when the claims are brought against attorneys or law firms in their
15 professional capacities. *In re Stac Elecs. Sec. Litig.*, 89 F.3d 1399, 1405 (9th Cir.
16 1996) (“Rule 9(b) serves to give defendants adequate notice to . . . protect
17 professionals from the harm that comes from being subject to fraud charges.”). Bare
18 allegations that a lawyer provided legal services and “must have known” about and
19 furthered his client’s wrongdoing do not meet the requirements of Rules 9(b) and
20 12(b)(6). *See, e.g., Domanus v. Locke Lord LLP*, 847 F.3d 469, 479-80 (7th Cir.
21 2017) (affirming dismissal of complaint against law firms for conspiracy, reasoning
22 “the fact that someone should have known about a scheme or fraudulent activity is
23 not enough to show that the person actually knew.”); *RSM Produc. Corp. v.*
24 *Freshfields Bruckhaus Deringer U.S. LLP*, 682 F.3d 1043, 1051-52 (D.C. Cir.
25 2012) (affirming dismissal of complaint against law firm for conspiracy because
26 conspiracy allegation failed to “plausibly suggest an illicit accord” where attorney
27 acts were “compatible with . . . lawful, unchoreographed free-market behavior.”)

28

ARGUMENTS & AUTHORITIES

I. Federal Securities Law Requires Dismissal of Plaintiff’s Claims.

Federal courts have long held that “[i]ndemnification is not available under federal securities laws.” *Riverhead Sav. Bank v. Nat’l Mortg. Equity Corp.*, 893 F.2d 1109, 1116 (9th Cir. 1990); *see also In re HealthSouth Corp. Sec. Litig.*, 572 F.3d 854, 862 (11th Cir. 2009). In *George K. Baum Advisors, L.L.C. v. Sprint Spectrum, L.P.* (“*Sprint Spectrum*”), the court held that unlicensed brokers accused of violating Sections 5(a) and 5(c) of the Securities Act and Section 15(a)(1) of the Exchange Act cannot seek indemnification from third parties. No. 11-2442, 2013 WL 5719506, at *9-11 (D. Kan. Oct. 21, 2013). The case was brought by an unlicensed broker who was sued by investors to whom she had sold securities in a failed company. *Id.* The broker settled the actions by investors, and sought indemnification from Sprint, who was indirectly involved with the scheme, for attorneys’ fees and court costs incurred from defending against the investors. *Id.* The court held in favor of Sprint “that no indemnification is appropriate because, in marketing the [relevant] stock, [the agent] was selling securities without registering as a broker, and thus she [was] . . . acting illegally and in violation of Section 15(a)(1) of the Securities Exchange Act of 1934.” *Id.* at *16. Despite the broker’s argument that the federal policy against indemnification is not implicated where the broker was simply negligent, the court ultimately held that “federal law precludes indemnification for violations of Section 15(a), even if the underlying action does not assert intentional misconduct.” *Id.* at *19.

The situation here is analogous to the *Sprint Spectrum* case. Like in *Sprint Spectrum*, Plaintiff admits in his Complaint that he is suing Fox to recover money that he may be ordered to pay the SEC and EquiAlt’s Receiver because of his violations of the federal securities laws. *See* Compl. At Prayer for Relief. Like in *Sprint Spectrum*, the SEC accused Plaintiff of violating both Sections 5(a) and 5(c) of the Securities Act as well as Section 15(a)(1) of the Exchange Act. *See* SEC v.

1 Armijo Compl. ¶¶ 24-30. And like in *Sprint Spectrum*, Plaintiff avers that his
2 violations were innocent. This Court should follow *Sprint Spectrum* and likewise
3 dismiss Plaintiff’s claims for impermissibly seeking indemnification for his
4 violations of securities law.

5 Plaintiff’s clothing of his claims in tort law does not hide that he is really
6 pursuing indemnification. *See, e.g., Neuberger v. Shapiro*, 110 F. Supp. 2d 373, 382-
7 83 (E.D. Pa. 2000) (“To the extent that [defendant] intends to seek indemnification
8 premised on violations of federal securities laws—whether those claims are clothed
9 in state law tort claims or federal securities law claims—[defendant] may not seek
10 indemnification because such claims are preempted.”). *Jain v. J.P. Morgan*
11 *Securities, Inc.* is instructive. 177 P.3d 117 (Wash. Ct. App. 2008). In *Jain*, a plaintiff
12 accused of violating the Securities Exchange Act brought claims for “negligence,
13 breach of fiduciary duty, legal malpractice, and equitable indemnity” against a
14 brokerage and two law firms. *Id.* at 118-20. The court dismissed those claims,
15 explaining that they constituted impermissible attempts at “de facto
16 indemnification.” *Id.* at 123. This Court should do the same with Armijo’s claims.

17 **II. Doctrines of *In Pari Delicto* and Unclean Hands Require Dismissal of All** 18 **Claims.**

19 The doctrines of *in pari delicto* and unclean hands dictate that when a party
20 who participated in “illegal, fraudulent, or inequitable conduct” sues another
21 participant in that conduct, the law will aid neither party and simply leave them
22 where it finds them. *Uecker v. Zentil*, 198 Cal. Rptr. 3d 620, 627 n.1 (Ct. App. 2016)
23 (*quoting Casey v. U.S. Bank Nat. Assn*, 26 Cal. Rptr. 3d 401 (Ct. App. 2005)); *see*
24 *In re Estate Financial Motg. Fund, LLC*, 565 Fed. Appx. 628, 629-30 (9th Cir.
25 2014). A plaintiff will have no cause of action for injuries caused by his own
26 knowing misconduct. *Blain v. Doctor’s Co.*, 272 Cal. Rptr. 250, 258 (Ct. App. 1990).
27 Courts apply the doctrines of *in pari delicto* and unclean hands to bar a Complaint
28 after reviewing (1) “analogous case law,” (2) “the nature of the misconduct,” (3) and

1 “the relationship of the misconduct to the claimed injuries.” *Blain*, 272 Cal. Rptr. at
2 256.

3 *Peregrine Funding, Inc. v. Sheppard Mullin Richter & Hampton LLP*, in
4 which the doctrine of unclean hands was applied, is analogous, involving similar
5 misconduct and alleged injuries. 35 Cal. Rptr. 3d 31 (Ct. App. 2005). In *Peregrine*
6 *Funding*, the plaintiffs sued their lawyer for legal malpractice, alleging that he gave
7 improper advice regarding the requirements to register as an investment advisor in
8 relation to their Ponzi scheme. *Id.* at 36. The court held that the fraud perpetrated
9 and the claims against the attorney were directly related, as the claims relied on the
10 allegation that the law firm’s legal guidance caused the fraud to occur. *Id.* at 48. The
11 court further held that the doctrine of unclean hands barred the plaintiffs from
12 bringing a claim against their lawyer. *Id.* In so holding, the court explained that to
13 permit the plaintiffs “to now complain of [their lawyer’s] role in enabling [plaintiffs]
14 to commit the fraud . . . is precisely [the] sort of unfairness the unclean hands
15 doctrine seeks to address.” *Id.*

16 Here, Plaintiff admits he participated in the sale of EquiAlt securities as early
17 as 2013, while holding a Series 65 license, several years before he first spoke to
18 Wassgren. Compl. ¶¶ 63-64. Even after asserting that he spoke with Wassgren,
19 Plaintiff alleges that he was concerned about the need for a Series 7 license yet
20 continued to sell new securities anyway. *Id.* ¶ 75-77. As a holder of a Series 65
21 license, Plaintiff should have known what that license entitled him to do, particularly
22 when the process for obtaining that license requires the applicant to obtain a passing
23 score on a written examination. *See Peregrine Funding*, 35 Cal. Rptr. 3d at 36 (held
24 securities brokers were barred from bringing claim of negligent advice against
25 attorney regarding his advice to register as an investment advisor); *cf. Sprint*
26 *Spectrum*, 2013 WL 5719506, at *19 (finding securities broker liable for own
27 securities violations even where violations were negligent and not intentional).
28 Plaintiff being a license holder and professional, self-proclaimed “financial

1 investment advisor” makes it impossible to justify his assertion that he was an
2 unaware and innocent party. *See also, e.g.,* SEC v. Armijo Compl. ¶¶ 3, 27, 30 (“By
3 engaging in this conduct, [Armijo] violated . . . federal securities laws.”).

4 Accordingly, all claims are barred and dismissal is warranted.

5 **III. Plaintiff’s Professional Negligence Claim Fails.**

6 “To prove a legal malpractice cause of action, the plaintiff must show (1) a
7 duty by the attorney to use such skill, prudence, and diligence as members of his or
8 her profession commonly possess and exercise, (2) breach of that duty, (3) a
9 proximate causal connection between the breach and the resulting injury, and (4)
10 actual loss or damage resulting from the attorney’s negligence.” *Redante v.*
11 *Yockelson*, 6 Cal. Rptr. 3d 10, 13 (2003). Plaintiff has failed to allege the necessary
12 elements to bring a claim for legal malpractice so this claim should be dismissed.

13 **A. Plaintiff Fails to Allege an Actionable Legal Malpractice Claim.**

14 To maintain a legal malpractice claim, Plaintiff must show there was a duty
15 owed to Plaintiff by Fox. For Fox to owe a duty to Plaintiff, an attorney-client
16 relationship must be shown to have existed between himself and Fox. *See*
17 *McClintock v. West*, 162 Cal. Rptr. 3d 61, 72 (Ct. App. 2013); *see also Fox v.*
18 *Pollack*, 181 Cal. App. 3d 954, 959 (1986); *Borissoff v. Taylor & Faust*, 93 P.3d
19 337, 340 (Cal. 2004). In California, “[a]n attorney-client relationship can only be
20 created by contract, express or implied.” *Shen v. Miller*, 212 Cal. App. 4th 48, 57
21 (2012).

22 At a conference of counsel, Plaintiff conceded that he does not allege that he
23 had an express attorney-client relationship with Fox.³ Plaintiff also fails to allege
24

25
26
27 ³ Plaintiff could not establish an express attorney-client relationship as he never
28 alleges he hired, paid, or entered into any contracts with Fox or Wassgren, while
Wassgren was at Fox.

1 that he had an implied attorney-client relationship with Fox.⁴ Rather, Plaintiff
2 appears to contend that he was an intended beneficiary of Fox’s attorney-client
3 relationship with EquiAlt.⁵

4 Courts in California are extremely hesitant to recognize a duty owed to third
5 parties by attorneys. *Goodman v. Kennedy*, 556 P. 2d 737, 743 (Cal. 1976) (“The
6 attorney’s preoccupation or concern with the possibility of claims based on mere
7 negligence [] by any with whom his client might deal ‘would prevent him from
8 devoting his entire energies to his client’s interests’.”). There is only a limited set of
9 circumstances where an attorney owes a duty to a nonclient who is “supplied with
10 the attorney’s advice with the attorney’s knowledge and with the intent that they rely
11 on it.” *Koehler v. Pulvers*, 606 F. Supp. 164, 173 (S.D. Cal. 1985) (applying
12 California law). Both the party in privity with the attorney, here EquiAlt, and the
13 attorney himself must have the “mutual intent” for representation of the third party
14 for this exception to apply. *See Zenith Ins. Co.*, 55 Cal. Rptr. 3d at 919 (“The clear
15 absence of [the] mutual intent requirement is critical, indeed dispositive. . . . An
16 attorney’s undertaking should be the result of a conscious decision.”). There must
17 further be an express representation made for the benefit of a third-party beneficiary.
18 *Goodman*, 556 P. 2d at 742-44 (finding lack of allegations that lawyer made
19 affirmative misrepresentations, a flaw in the complaint). Finally, the imposition of a
20 duty on the attorney towards a third party must be the “principal purpose” of his

23 4 Even if Plaintiff had so alleged, Plaintiff’s subjective belief that Fox represented
24 him cannot create an attorney-client relationship. *See Zenith Ins. Co. v.*
25 *O’Connor*, 55 Cal. Rptr. 3d 911, 920 (Ct. App. 2007); *Fox*, 181 Cal. App. 3d at
26 959.

27 5 Plaintiff’s Professional Negligence cause of action is not artfully pled; before the
28 meet and confer, it was unclear exactly which theory (primary or third-party
beneficiary) Plaintiff was bringing this claim under, and he fails to properly raise
the issue of intent or primary purpose.

1 services. *Goldberg v. Frye*, 266 Cal. Rptr. 483, 486 (1990); *Goodman*, 556 P. 2d at
2 739. Plaintiff fails to allege these required elements.

3 Here, Plaintiff fails to allege that the contract for services between EquiAlt
4 and Fox mutually intended for Fox and Wassgren to provide legal services to third
5 parties. There is no allegation that Plaintiff was expressly named in the engagement
6 letter between Fox and EquiAlt; nor is there any allegation that Fox’s representation
7 is a contract for legal services for anyone other than EquiAlt. This requires dismissal
8 itself. *Lichtenberger v. Hunt, Ortman, Palffy, Nieves, Darling & Mah, Inc.*, No.
9 B297569, 2020 WL 7252665, at *7 (Cal. Ct. App. Dec. 10, 2020) (finding plaintiff
10 not an intended beneficiary, in part, because “she is not expressly named as an
11 intended beneficiary in the retainer agreement”).

12 Further, Plaintiff does not and cannot plausibly allege that Fox had an intent
13 to provide advice to Plaintiff or knew that affirmative advice was being given to
14 Plaintiff. Plaintiff instead alleges that *Rybicki*, and not Wassgren, represented that
15 Wassgren was Plaintiff’s “lawyer.” Compl. ¶ 91. Plaintiff also insufficiently alleges
16 that Defendants “intended or reasonably expected” the representations be repeated
17 to Plaintiff; as the concept of “reasonably expected” is not the standard. *Id.* ¶¶ 101-
18 102. In the one allegation Plaintiff makes asserting that Wassgren unconditionally
19 intended Plaintiff to rely on Wassgren’s advice, Plaintiff admits that Wassgren made
20 no affirmative representations and was no longer employed by Fox. *Id.* ¶¶ 69-70.
21 This is plainly insufficient. Even if Plaintiff had alleged sufficient facts that Fox
22 contracted with EquiAlt to provide legal services to third parties, there are no
23 allegations that the contract was for the *principal purpose* of representing Plaintiff.
24 *Id.* ¶¶ 1, 36-37. All of these insufficiencies warrant dismissal.

25 Finally, it does not matter that Plaintiff asserts he received Wassgren’s advice
26 indirectly through Tenhulzen in 2013 and Rybicki in 2016. There can be no attorney-
27 client relationship between people who have never met or spoken. *Thayer v.*
28 *Kabateck Brown Kellner LLP*, 143 Cal. Rptr. 3d 17, 32 (Ct. App. 2012) (“We are

1 wary about extending an attorney’s duty to persons who have not come to the
2 attorney seeking legal advice and whom the attorney has never met.”).

3 **B. Plaintiff Fails to Plausibly Allege that Fox’s Advice Caused Him to**
4 **Act.**

5 Plaintiff fails to allege that he reasonably relied on Fox’s advice in
6 participating in the sale of EquiAlt securities. *See Modica v. Crist*, 276 P. 2d 614,
7 615 (Cal. Ct. App. 1954) (plaintiff must show “that he relied upon [the attorney’s]
8 advice and as a result did things that he would not otherwise have done”). Plaintiff
9 alleges that he began participating in the sale of EquiAlt securities in 2013 through
10 Dale Tenhulzen, without speaking to anyone at EquiAlt. Compl. ¶ 63. He also
11 alleges that he became an EquiAlt sales agent in January 2016, both before ever
12 speaking to Wassgren. *Id.* ¶ 66. Any representations of Wassgren’s advice shared
13 with Plaintiff by others such as Tenhulzen and Rybicki are insufficient. *See Stagen*
14 *v. Stewart-W. Coast Title Co.*, 149 Cal. App. 3d 114, 121-22 (1983) (holding in the
15 absence of intent to influence, there is no liability). The decision to participate before
16 speaking to an attorney defeats Plaintiff’s claim, particularly when the Complaint
17 admits that Armijo had no contact with Wassgren while Wassgren was with Fox.

18 Plaintiff attempts to shore up this deficiency by alleging that Wassgren made
19 representations to Tenhulzen. But this is irrelevant as Fox cannot be held responsible
20 for a third party claiming that Wassgren said something. Compl. ¶ 63. Plaintiff
21 became a sales agent based on representations by Rybicki and Tenhulzen, not Fox.
22 *Id.* ¶¶ 63, 66, 70. Thus, Plaintiff’s decision to sell EquiAlt securities was not based
23 on any legal representations made by any attorney, much less an attorney employed
24 by Fox. *Modica*, 276 P.2d at 615.

25 Plaintiff further attempts to save his Complaint by alleging that he “would not
26 have become an investor or sales agent of EquiAlt Securities but for the
27 representations, legal advice and assurances of Defendants,” but his own allegations
28 contradict this argument. Compl. ¶¶ 97; *also* 66, 70. Plaintiff’s decision to sell

1 EquiAlt securities in 2013 and to become a sales agent in 2016, all before speaking
2 with Wassgren or any attorney at Fox, is a superseding cause to any claim for
3 professional negligence because it exposes the fact that Plaintiff would have taken
4 the same action either way. *See Viner v. Sweet*, 70 P.3d 1046, 1052 (Cal. 2003) (“It
5 is far too easy to make the legal advisor a scapegoat for a variety of business
6 misjudgments unless the courts pay close attention to the cause in fact element, and
7 deny recovery where the unfavorable outcome was likely to occur anyway, the client
8 already knew the problems with the deal, or where the client’s own misconduct or
9 misjudgment caused the problems.”). Further, any alleged reliance on Wassgren’s
10 legal advice is disingenuous, as shown by Plaintiff’s actions in connection with the
11 sale of EquiAlt securities before communicating with Wassgren, and Plaintiff’s
12 admission that he never spoke with Wassgren while Wassgren was at Fox.

13 Because Plaintiff fails to plausibly allege that Fox owed him a duty through
14 an attorney-client relationship and fails to plausibly allege that the actions and advice
15 of Fox were the proximate cause of his wrongful conduct, Plaintiff has failed to state
16 a claim for legal malpractice.

17 **IV. Plaintiff’s Negligent Misrepresentation Claim Fails.**

18 To bring a claim for negligent misrepresentation, Plaintiff must prove that he
19 received (i) a misrepresentation that the speaker honestly believed to be true but
20 without reasonable grounds for such belief, (ii) that was intended to and did in fact
21 induce justifiable reliance. *Residential Capital v. Cal-Western Reconveyance Corp.*,
22 134 Cal. Rptr. 2d 162, 177 (Ct. App. 2003). *Fox*, 181 Cal. App. 3d at 959 (negligent
23 misrepresentation requires justifiable reliance). Additionally, the misrepresentation
24 made to plaintiff requires a ‘positive assertion;’ an “implied” assertion or
25 representation is not enough. *See Diediker v. Peelle Fin. Corp.*, 70 Cal. Rptr. 2d 442
26 (Ct. App. 1997) (“Parties cannot read something into a neutral statement in order to
27 justify a claim for negligent misrepresentation.”). The Complaint does not and
28 cannot allege that the elements are satisfied, so the claim must be dismissed.

1 **A. Plaintiff Was Not the Recipient of Misrepresentation from Fox.**

2 There are no facts alleged to support the proposition that Plaintiff received
3 any misrepresentation from Fox. Rather, Plaintiff alleges that he first learned about
4 EquiAlt in 2013 from Tenhulzen. and alleges no representations made to him by Fox
5 or Wassgren, while Wassgren was at Fox. *Id.* ¶¶ 63-65. As discussed at length in this
6 Motion, allegations that Fox, through Wassgren, made representations to Tenhulzen
7 are insufficient. *Id.* ¶¶ 63–64. The Complaint admits that Plaintiff participated in the
8 sale of EquiAlt securities in 2013 and that he did so without relying on any legal
9 representations. Compl. ¶ 63. Plaintiff became an EquiAlt sales agent in 2016
10 through reliance on representations by Rybicki, not Fox. *Id.* ¶ 66. Plaintiff admits
11 that he did not speak with Wassgren until July 2017, well after Plaintiff began selling
12 EquiAlt securities as a sales agent and months after Wassgren left Fox. *Id.* ¶ 70.

13 Ultimately, Plaintiff impliedly acknowledges that his decision to sell EquiAlt
14 securities was not based on any legal representations. Even if Plaintiff relied on legal
15 advice to make decisions after speaking with Wassgren in July 2017, none of the
16 representations are attributable to Fox because Wassgren had left Fox before any
17 representations were alleged to have been made.

18 **B. Plaintiff Fails to Allege Justifiable Reliance on Wassgren’s Advice.**

19 Justifiable reliance requires the plaintiff to establish actual and reasonable
20 reliance. *Hoffman v. 162 N. Wolfe LLC*, 175 Cal. Rptr. 3d 820, 833 (Ct. App. 2014).
21 Plaintiff fails to allege that his decision to sell EquiAlt securities was based on any
22 legal representations from Fox. Plaintiff began selling EquiAlt securities in 2013
23 while working with Tenhulzen and does not allege that he relied on any legal
24 representations from Fox or Wassgren, while Wassgren was at Fox to do so. Compl.
25 ¶ 63. Plaintiff does allege that discussions with Rybicki that led to Plaintiff becoming
26 an EquiAlt sales agent. *Id.* ¶ 66. During these conversations with Rybicki, Plaintiff
27 allegedly learned that he did not need a Series 7 license to sell EquiAlt’s securities.
28 *Id.* Although Plaintiff alleges that he was unsure about that advice, he did not engage

1 an attorney about this representation before acting on Rybicki’s representations and
2 becoming an EquiAlt sales agent. *Id.* By this time, Plaintiff had already been
3 participating in the sale of EquiAlt securities. *Id.* ¶ 63-67. Plaintiff’s allegations do
4 not state justifiable reliance. *Slakey Bros Sacramento, Inc. v. Parker*, 71 Cal. Rptr.
5 269, 272 (Ct. App. 1968); *Meinhold v. Sprint Spectrum, L.P.*, 2:07-0456, 2007 WL
6 2904003, at *4 (E.D. Cal. Oct. 2, 2007) (“A plaintiff cannot rely on a
7 misrepresentation of which she had no knowledge at the time she changed
8 position.”).

9 Even if there were legal representations and actual reliance, Plaintiff fails to
10 allege that the reliance was reasonable. Plaintiff must show that reliance was
11 reasonable by showing that “(1) the matter was material in that a reasonable person
12 would find it important in determining how he or she would act; and (2) it was
13 reasonable for the plaintiff to have relied on the misrepresentation.” *Hoffman*, 175
14 Cal. Rptr. 3d at 833. The court must consider a plaintiff’s particular knowledge and
15 experience in determining whether the reliance on the misrepresentation or
16 nondisclosure was justified. *Alliance Mortg. Co. v. Rothwell*, 10 Cal. 4th 1226, 1239
17 (1995); *see also Hasso v. Hapke*, 173 Cal. Rptr. 3d 356, 377 (Ct. App. 2014).

18 Plaintiff’s reliance on representations made by Tenhulzen and Rybicki was
19 unreasonable. Compl. ¶¶ 63, 66. To obtain the Series 65 license held by Plaintiff, he
20 had to pass an exam that tested his knowledge of state and federal securities acts,
21 rules and regulations for investment advisors, broker-dealers, ethical practices,
22 compensation, and fiduciary obligations. *See, e.g., Registration of investment*
23 *adviser representatives*, 19 Reg. Fin. Pl. § 4:7; *Series 65 and Series 66*, 12A Blue
24 Sky Law § 8:14. A plaintiff’s knowledge and experience must be considered when
25 determining whether reliance is reasonable and, “if the conduct of the plaintiff in the
26 light of his own intelligence and information was manifestly unreasonable . . . he
27 will be denied a recovery.” *Hoffman*, 175 Cal. Rptr. 3d at 833 (internal quotation
28 marks and citation omitted); *Alliance Mortgage Co.*, 10 Cal. 4th at 1239. Plaintiff

1 does not allege that he consulted an attorney before selling securities through
2 Tenhulzen in 2013 or directly for EquiAlt in 2016. Given Plaintiff’s qualifications
3 as a license holder and his experience as a financial investment advisor, he cannot
4 plausibly allege that his reliance on Rybicki’s representations was reasonable.
5 Even assuming Wassgren’s alleged advice to Tenhulzen and Rybicki could lead to
6 liability for Fox, Plaintiff’s failure to further investigate the advice he received from
7 non-attorneys is not justifiable. *See Philipson & Simon v. Gulsvig*, 64 Cal. Rptr. 3d
8 504, 516 (Ct. App. 2007) (“Reliance is ‘justifiable’ only when ‘circumstances were
9 such to make it reasonable for plaintiff to accept defendant’s statements without an
10 independent inquiry or investigation.”). At a minimum, he was put on notice and
11 should have further explored. Plaintiff’s claim fails to show justifiable reliance on
12 legal representations.

13 **V. Plaintiff’s Aiding and Abetting Fraud Claim Fails.**

14 First, a claim of aiding and abetting is subject to the heightened pleading
15 requirement of Rule 9(b). *Neilson*, 290 F. Supp. 2d at 1130 (“[W]hen a claim alleges
16 the aiding and abetting of a fraud, substantial assistance must be pled in accordance
17 with Rule 9(b)'s heightened specificity requirements.”). The claim for aiding and
18 abetting fraud requires showing: “(1) the existence of an independent primary
19 wrong, (2) actual knowledge by the alleged aider and abettor of the wrong and his
20 or her role in furthering it, and (3) substantial assistance in the wrong.” *Facebook,*
21 *Inc. v. MaxBounty, Inc.*, 274 F.R.D. 279, 285 (N.D. Cal. 2011); *see also Mosier v.*
22 *Stonefield Josephson, Inc.*, No. 11–2666, 2013 WL 4859635, at *3 (C.D. Cal. July
23 30, 2013), *aff’d*, 815 F.3d 1161 (9th Cir. 2016). The claim against Fox fails because
24 Plaintiff has not sufficiently alleged that Fox knew of the wrong and their alleged
25 role in furthering it and that Fox rendered substantial assistance in the purported
26 wrongdoing.

27 Second, a lawyer’s provision of ordinary legal services to a client cannot state
28 a claim for aiding and abetting fraud. *See, e.g., Contreras v. Dowling*, 208 Cal. Rptr.

1 3d 707, 721 (Ct. App. 2016) (striking suit after finding bare aiding and abetting
2 allegations against attorney had “no basis” to support claim, where plaintiff failed to
3 allege that the attorneys engaged in any conduct outside the scope of normal legal
4 services); *Panoutsopoulos v. Chambliss*, 68 Cal. Rptr. 3d 647, 654 (Ct. App. 2007)
5 (“[P]laintiffs can state a viable claim only if the attorneys’ actions went beyond their
6 role as attorneys acting on behalf of [their clients].”).

7 Here, Plaintiff alleges that the PPMs, marketing materials, and other offering
8 documents have misrepresentations that were false at the time they were created.
9 Compl. ¶ 43. Beyond a conclusory allegation that Fox “must” have known when the
10 documents were drafted that Rybicki, Davison, and EquiAlt would not follow the
11 law, there are no facts alleged to support such an allegation. *Janus Capital Group,*
12 *Inc. v. First Derivative Traders*, 564 U.S. 135, 142 (2011) (“One who prepares or
13 publishes a statement on behalf of another is not its maker” for purposes of imposing
14 liability).

15 **A. Plaintiff Fails to Plausibly Allege Actual Knowledge.**

16 Plaintiff fails to meet the heavy burden to allege with specificity that Fox
17 knew of the alleged fraudulent activities of EquiAlt. The actual knowledge
18 requirement may be established by either direct or circumstantial evidence. *Bowoto*
19 *v. Chevron Corp.*, No. 99-2506, 2007 WL 2349336, at *15 (N.D. Cal. 2007). All the
20 same, the circumstantial evidence must show the aider and abettor knew of the
21 underlying wrongs committed—not that he should have known. *In re First Alliance*
22 *Mortg. Co.*, 471 F. 3d 977, 993 (9th Cir. 2006); *Neilson*, 290 F. Supp. 2d at 1118-19
23 (“Pleading that defendants ‘knew or should have known’ does not plead they had
24 actual knowledge of . . . wrongful conduct.”). Conclusory allegations that the
25 defendant “knew” of the fraudulent activity do not show actual knowledge. *See*
26 *Namer v. Bank of Am., N.A.*, No. 16-3024, 2017 WL 1180193, at *5 (S.D. Cal. Mar.
27 30, 2017) (granting motion to dismiss, finding plaintiff’s “boilerplate and
28 conclusory” allegations were insufficient and “fail[ed] to plausibly establish

1 [defendant] had actual knowledge of the alleged wrongful conduct”); *Casey*, 26 Cal.
2 Rptr. 3d at 412. Thus, a party that has a “vague suspicion of wrongdoing” and fails
3 to investigate still does not satisfy the “actual knowledge” standard. *Simi Mgmt.*
4 *Corp. v. Bank of America, N.A.*, 930 F. Supp. 2d 1082, 1099 (N.D. Cal. 2013).

5 The Complaint does not meet the actual knowledge standard. Nowhere does
6 Plaintiff explain how or when Fox, through Wassgren, came to know of EquiAlt and
7 Rybicki’s plan to engage in a Ponzi scheme. Nor is there any specific allegation of
8 when and why Fox, through Wassgren, agreed to defraud 1,100 people, over nearly
9 a decade, or a plausible explanation for what he gained by doing so. Repeatedly,
10 Plaintiff simply *infers* that because EquiAlt and Rybicki engaged in unlawful
11 conduct, Fox must have known about it and must have assisted (Compl. ¶ 106
12 (“Defendants knew that that the EquiAlt Parties’ actions . . . constituted an ongoing
13 fraudulent scheme.”)) or uses the “knew or should have known” language that the
14 *Neilson* Court held to be insufficient (Compl. ¶¶ 43-45, 53, 56, 70, 72, 87, 101-102).
15 There are no plausible allegations of Fox’s actual knowledge and “conscious and
16 specific motivation” to aid in any fraudulent scheme. The Complaint concludes that
17 “Wassgren knew that EquiAlt intended to sell . . . to more than 35 non-accredited
18 investors” and that EquiAlt “did fail to provide investors with information and
19 disclosures required,” but gives no specifics. Compl. ¶ 45. These allegations are
20 plainly insufficient to state a claim.

21 **B. Plaintiff Fails to Allege Substantial Assistance.**

22 “Mere knowledge that a tort is being committed and the failure to prevent it
23 does not constitute aiding and abetting.” *Austin B. v. Escondido Union Sch. Dist.*, 57
24 Cal. Rptr. 3d 454, 469 (Ct. App. 2007). “Substantial assistance requires that the
25 defendant's actions be a ‘substantial factor’ in causing the plaintiff's injury.” *Impac*
26 *Warehouse Lending Group v. Credit Suisse First Boston LLC*, 270 Fed. Appx. 570,
27 572 (9th Cir. 2008). Substantial assistance requires more than a vague suspicion of
28

1 wrongdoing. *Casey*, 26 Cal. Rptr. 3d at 412. Plaintiff fails to allege substantial
2 assistance.

3 Without some explanation, Plaintiff’s unsupported contentions are not
4 plausible and do not meet the requisite specificity. *See Iqbal*, 129 S. Ct. at 1949
5 (allegations “merely consistent with” liability are not enough). Aiding and abetting
6 claims against attorneys are also generally barred by the agent's immunity rule.
7 *Westcott v. Daniel*, No. 21-10011, 2022 WL 2496264, at *4 (N.D. Cal. May 25,
8 2022) (“Agents acting within the scope of their duties are legally indistinct from
9 their principal, which can neither conspire with nor aid and abet itself.”). Plaintiff
10 does not cite in his Complaint any actions taken by Fox or Wassgren, while
11 Wassgren was at Fox, that go beyond the role of attorney for EquiAlt. The allegation
12 says that Fox “rendered legal advice and substantial assistance and encouragement.”
13 Compl. ¶ 110. There are no allegations against Fox outside the typical role of an
14 attorney as an agent and therefore Plaintiff’s claim that Fox gave substantial
15 assistance in aiding and abetting fails. This is insufficient.

16 **VI. Plaintiff’s Tort of Another Claim Fails.**

17 Armijo’s Fifth Cause of Action invokes the “tort of another” doctrine—a
18 doctrine that applies to economic damages (such as attorney’s fees incurred in
19 litigation with third parties) suffered because of an alleged tort by another actor.
20 *Mega RV Corp. v. HWH Corp.*, 170 Cal. Rptr. 3d 861, 879 (Ct. App. 2014). But the
21 doctrine is a theory of damages, not a separate cause of action. Tort of another does
22 not apply unless a “traditional tort duty [exists] between the tortfeasor who is
23 required to pay the attorney fees and the person seeking compensation for those
24 fees.” *Id.* (internal quotation marks and citation omitted). “Without such a duty, any
25 injury is ‘damnum absque injuria’—injury without wrong.” *Nally v. Grace Cmty.*
26 *Church*, 47 Cal. 3d 278, 292 (1988). As shown in this Motion, Plaintiff does not
27 allege a tort duty.

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1 Finally, Plaintiff cannot use this doctrine because his own wrongful conduct
2 caused him to incur the legal fees he now seeks as damages from Fox. Thus, the “tort
3 of another” doctrine cannot provide a basis for any claim by Plaintiff.

4 **VII. Plaintiff’s Unfair Competition Claim Fails.**

5 The claim against Fox under California’s Unfair Competition Law (“UCL”)
6 fails to state a claim, and should be dismissed, because it makes no monetary claims.
7 In California, a plaintiff may not recover monetary damages under the UCL. *See*
8 *Bank of the West v. Superior Court*, 833 P. 2d 545, 552 (Cal. 1992). Instead, they
9 are limited to restitution and injunctive relief, neither of which Plaintiff requests in
10 the Complaint. *See Citicon USA, LLC v. RiverPay, Inc.*, No. 18-2585, 2020 WL
11 5365980, at *3 (N.D. Cal. Sept. 8, 2020) (“[U]nder the UCL; only injunctive relief
12 and restitution are available.”); *In re Vioxx Class Cases*, 103 Cal. Rptr. 3d 83, 96
13 (Ct. App. 2009).

14 Even if Plaintiff had sought restitution, he is not entitled to it because he has
15 no ownership interest in any fees or other property obtained by Fox from EquiAlt.
16 *See Madrid v. Perot Sys. Corp.*, 30 Cal. Rptr. 3d 210, 221 (Ct. App. 2005). Plaintiff
17 did not state a claim for unfair competition under the UCL and did not request the
18 proper measure of damages.

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CONCLUSION

Plaintiff has failed to state a claim upon which relief can be granted. Accordingly, all claims against Fox should be dismissed pursuant to Rules 9(b) and 12(b)(6).

Dated: January 4, 2023

JENNER & BLOCK LLP

By: /s/ Michael P. McNamara

Michael P. McNamara
Effiong K. Dampha

GUNSTER, YOAKLEY, & STEWART, P.A.
William Schifino

Attorneys for Defendant
Fox Rothschild LLP

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CERTIFICATE OF COMPLIANCE

The undersigned, counsel of record for Defendant Fox Rothschild LLP, certifies that this brief contains 6674 words, which complies with the word limit of L.R. 11-6.1 and Standing Order 6(c).

Dated: January 4, 2023

JENNER & BLOCK LLP

By: /s/ Michael P. McNamara

Michael P. McNamara
Effiong K. Dampha

GUNSTER, YOAKLEY, & STEWART, P.A.
William Schifino

Attorneys for Defendant
Fox Rothschild LLP

EXHIBIT 7

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

BURTON WIAND, as Receiver for
EquiAlt LLC, EquiAlt Fund, LLC,
Fund II, LLC, EquiAlt Fund III, EA
SIP, LLC, EquiAlt Secured Income
Portfolio REIT,

Plaintiff,

Case No.: 8:21-cv-00361-SDM-AAS

v.

FAMILY TREE ESTATE PLANNING,
LLC, et al.,

Defendants.

_____ /

DECLARATION OF BURTON WIAND

1. My name is Burton W. Wiand. I am over the age of 18, and am otherwise competent to execute this Declaration.
2. I submit this Declaration in support of my Motion for Summary Judgment against Defendants Robert Armijo and Joseph Financial Inc.
3. On February 14, 2020, I was appointed by the Court presiding over *Securities and Exchange Commission v. Brian Davison*, et al., Case No. 8:20-cv-325-T-MSS-AEP (M.D. Fla.) (the “Receivership Case”), as the Receiver for the Corporate Defendants and the Relief Defendants (the “Order Appointing Receiver”) (Doc. 11 in Receivership Case). Order attached as Exhibit A.

4. On August 17, 2020, the Court in the Receivership Case expanded the Receivership to include EquiAlt Qualified Opportunity Zone Fund, LP, EquiAlt QOZ Fund GP, LLC, EquiAlt Secured Income Portfolio REIT, Inc., EquiAlt Holdings LLC, EquiAlt Property Management LLC, and EquiAlt Capital Advisors, LLC (Doc. 184 at p. 6 in Receivership Case). Order attached as Exhibit B.

5. The Order Appointing Receiver removed the Insiders from any control over the EquiAlt Entities and Relief Defendants. Exh. A at ¶14.

6. Pursuant to the Order Appointing Receiver, I was directed to "Take immediate possession of all property, assets and estates of every kind of the Corporate Defendants and Relief Defendants whatsoever and wheresoever located, including but not limited to all offices maintained by the Corporate Defendants and Relief Defendants, rights of action, books, papers, data processing records, evidences of debt, bank accounts, savings accounts, certificates of deposit, stocks, bonds, debentures and other securities, mortgages, furniture, fixtures, office supplies and equipment, and all real property of the Corporate Defendants and Relief Defendants, wherever situated, and to administer such assets as is required in order to comply with the directions contained in this Order, and to hold all other assets pending further order of this Court." Pursuant to this direction, I have taken possession of all of the assets of the Corporate and Relief Defendants in the SEC action.

Since the time the Order was entered, I have conducted the operations of these entities and maintained control of all of the business records of these businesses. The information presented in this declaration is based on my personal observations, information gleaned from the business records of the Corporate Defendants and Relief Defendants, and the examination of the financial data and banking records that has been conducted under my direction. Exhibit A at ¶1.

7. As Receiver, I filed this action against Defendants Robert Armijo and Joseph Financial Inc. (“Defendants”) and other sales agents on February 13, 2021, within one year of my appointment as Receiver.

8. In granting the SEC’s Motion for Preliminary Injunction, the Court in the Receivership Action found:

- a. [T]he evidence shows that the Defendants most likely operated as a Ponzi scheme using new investor funds to pay old investor obligations while simultaneously siphoning funds for their own benefit far and above any amount that anyone might reasonably believe was disclosed to investors.
- b. [T]he Court finds that the Commission has demonstrated a substantial likelihood of proving that it will prevail on its Section 5 and Section 10(b) registration claims.

Order attached as Exhibit B.

9. The Insiders' Ponzi scheme was premised on selling debentures through Fund I, Fund II, Fund III and EA SIP (“the Funds”) and REIT shares

(collectively “EquiAlt Securities”) to investors for the purchase of real properties by the Funds and the REIT.

10. The purported source of funds for the Funds and the REIT to pay investors was rental income from real estate.

11. According to the private placement memoranda for the Funds, EquiAlt was to invest 90-95% of the monies received from investors in real property. This was false.

12. PPMs for the investments did not accurately and fully disclose the amount of commissions being paid to unregistered sales agents.

13. Investors were to receive between 8-12% annual return paid monthly on their debenture investments, depending upon which Fund they invested.

14. The Insiders, through Rybicki’s company BR Support Services, LLC (“BR Support”), an Arizona limited liability company, handled the payment of sales commissions to the unregistered sales agents involved in the marketing and sale of the EquiAlt Debentures.

15. After Rybicki would submit a check request for the commissions on each Fund transaction, Davison would approve the check request and the Fund at issue would send the commission payment to BR Support.

16. Armijo did not conduct required due diligence or “fundamental analysis” in connection with his sale or recommendation of EquiAlt Securities.

17. Armijo could not have reviewed financial statements of the EquiAlt Entities because, other than the REIT, no audited financial statements were ever created for the Funds. An examination of public records would have shown that both the Insiders had personal bankruptcies shortly prior to starting the EquiAlt investment funds.

18. In his document production in this case, Armijo produced various PPMs for EquiAlt funds. These PPMs show that 90 to 95% of invested dollars would be invested in real estate. However, Armijo himself was receiving a commission of 10% to 12% of the investment and the PPM lists substantial other expenses of operation and organization. A copy of such a PPM is attached here to as Exhibit C.

19. Armijo's sales (and those of other sales agents) of EquiAlt Securities to his customers increased the insolvency of the EquiAlt funds and provided no benefit to EquiAlt or its investors.

20. While the Receivership has collected \$66 million, to date, there is no likelihood that the Receivership will collect the \$210 million necessary to pay the outstanding debenture obligations and interest, much less sufficient assets to pay that amount and the ongoing expenses of the Receivership.

21. From September 2011 through December 2019, the Funds and the REIT, while they were under the control of the Insiders, raised approximately

\$178,000,000 in approximately 1686 distinct transactions involving more than 1100 investors.

22. The amount of damages that I am seeking to recover from Defendants on behalf of the EquiAlt Entities is \$1,472,458.35, plus prejudgment interest in the amount of \$392,388.96 through July 31, 2022, and continuing to accrue at the per diem rate as a decimal of 0.000118082.

Under penalties of perjury, I declare that I have read the foregoing document and that the facts stated therein are true.

Executed on this 2nd day of August, 2022.



BURTON W. WIAN, RECEIVER

EXHIBIT 8

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

BURTON WIAND, as receiver for
EquiAlt LLC, et al.,

Plaintiff,

v.

CASE NO. 8:21-cv-361-SDM-AAS

FAMILY TREE ESTATE
PLANNING, LLC, et al.,

Defendants.

ORDER

Appointed receiver of several corporate participants in a Ponzi scheme, Burton Wiand sues, among others, Robert Joseph Armijo; Joseph Financial, Inc.; John Marques; Lifeline Innovation and Insurance Solutions, LLC (Lifeline); Patrick J. Runninger; and The Financial Group, LLC, and alleges that by selling certain unlicensed securities the defendants assisted the Ponzi scheme. Specifically, Wiand asserts claims under the Florida Uniform Fraudulent Transfer Act, Section 726.101, Florida Statutes, and requests the return of money that the Ponzi scheme operators transferred to each defendant. Wiand moves (Doc. 142) for summary judgment against Armijo and Joseph Financial, and Armijo and Joseph Financial respond (Doc. 199). Separately, Wiand moves (Doc. 159) for summary judgment against Marques, Lifeline, Runninger, and The Financial Group, but no response appears.

BACKGROUND¹

I. The Ponzi Scheme

From 2011 through February 2020, Brian Davison and Barry Rybicki — operating through EquiAlt LLC — sold debentures of EquiAlt Fund, LLC; EquiAlt Fund II, LLC; EquiAlt Fund III, LLC; EA SIP, LLC; and EquiAlt Secured Income Portfolio REIT (collectively, the “EquiAlt Funds”). (Doc. 142 at 2) Through December 2019, Davison, Rybicki, and several sales agents collected more than \$168 million across 1686 separate transactions. (Docs. 142 at 2; 142-3 at 5) EquiAlt represented to investors that each EquiAlt Fund would invest in real property between 90% and 95% of any money collected and that the investors would receive an annual return between 8% and 12%, which EquiAlt would pay monthly. (Docs. 142 at 4; 142-2 at 5; 142-3 at 27)

Unknown to the investors, each debenture was an unregistered security “sold in violation of Section 5 of the Securities Act” (Docs. 142 at 5; 142-3 at 6) And EquiAlt commissioned unlicensed sales agents to sell the unregistered securities. (Docs. 142 at 5; 142-3 at 6) Further, each EquiAlt Fund actually invested less than half the money. (Doc. 199-20 at 14) The investments failed to earn a return sufficient to pay the investors, and EquiAlt remained insolvent from its inception through December 2019. (Doc. 142-1 at 13) “[A]t least as early as April 2013,” EquiAlt paid

¹ No genuine dispute exists about the following facts. But Armijo and Joseph Financial assert several broad objections to statements by Wiand and two of Wiand’s experts. For the reasons discussed in Wiand’s reply (Doc. 210 at 1–3) and because Wiand’s statements “could be reduced to admissible evidence at trial or reduced to admissible form[.]” the objections are **OVERRULED**.

distributions to existing investors with money collected from new investors.

(Docs. 142-1 at 14; 210-2 at 5)

II. Unlicensed Sales Agents

A. Armijo and Joseph Financial

In 2013, Dale Tenhulzen (another defendant in this action) introduced Armijo to EquiAlt. (Doc. 199 at 4) From 2013 until January 2016, Armijo and Tenhulzen hosted seminars to attract new clients and to sell EquiAlt debentures. (Doc. 199 at 4) After Armijo and Tenhulzen terminated their mutual business relation in January 2016, Armijo and Rybicki discussed Armijo's selling debentures on EquiAlt's behalf. (Doc. 199 at 5) Armijo explained that he lacked a Series 7 license, and Rybicki and Paul Wassgren, a lawyer advising EquiAlt, responded that Armijo's Series 65 license was sufficient to sell the debentures. (Doc. 199 at 5) But a Series 65 license permits no sale of securities. (Doc. 142 at 7)

Armijo sold EquiAlt debentures between January 2016 and February 2020. (Doc. 199 at 6) Armijo primarily sold debentures in EquiAlt Fund I but also sold debentures in EquiAlt Fund II and EquiAlt REIT. (Doc. 199 at 6) Armijo sold over \$10 million of the unregistered securities, and EquiAlt paid Armijo \$1,472,458.35 in commissions. (Doc. 142 at 6) At Armijo's direction, EquiAlt paid Armijo's commission to Joseph Financial, a corporation which Armijo owns and operates. (Docs. 142 at 6; 142-5 at 19)

B. Marques and Lifeline

Marques owns and operates Lifeline. *SEC v. Marques*, Doc. 21, No: 4:21-cv-9796-KAW (N.D. Cal.). In 2016, Marques, who holds no securities license, contracted with EquiAlt to solicit investors to purchase EquiAlt debentures. *Marques*, Doc. 21, No: 4:21-cv-9796-KAW. Marques sold \$14,985,004 in EquiAlt debentures, and EquiAlt paid Marques and Lifeline \$810,338 in commissions. (Doc. 159 at 8)

C. Runniger and The Financial Group

Runniger is the principal of The Financial Group, but neither Runniger nor The Financial Group were registered to sell securities. (Doc. 159 at 8) Runniger and The Financial Group sold \$3,844,289 in EquiAlt debentures. EquiAlt paid Runniger and The Financial Group \$271,134 in commissions. (Doc. 159 at 8)

III. The Litigation

In February 2020, the Securities and Exchange Commission sued, among others, Rybicki, Davison, and EquiAlt to stop the EquiAlt investment scheme. *SEC v. Davison*, Doc. 1, No: 8:20-cv-325-MSS-MRM (M.D. Fla.). In that action, a February 14, 2020 order appoints Burton Wiand as the receiver of EquiAlt and the EquiAlt Funds. *Davison*, Doc. 11, No: 8:20-cv-325-MSS-MRM. As the receiver, Wiand is empowered to investigate EquiAlt and to sue any person or entity against which the receivership might assert a claim. (Doc. 142 at 9–10) Under this receivership authority, Wiand in this action sues thirty-six persons and entities, each of which allegedly participated in the sale of EquiAlt debentures and received from Rybicki and Davison commissions collectively totaling \$18,795,000.03. (Doc. 142 at 2) Wiand

has settled the claims against each defendant except Armijo, Joseph Financial, Marques, Lifeline, Runninger, and The Financial Group. (Doc. 224 at 2–3)

Wiand moves (Doc. 142) for summary judgment against Armijo and Joseph Financial on Count I of the amended complaint. Count I asserts a claim under the Florida Fraudulent Transfer Act, Section 726, Florida Statutes, and alleges that the Receivership should recover any commission or other transfer from EquiAlt to Armijo and Joseph Financial because any commission or transfer was fraudulent. (Doc. 81 at 34–35) Armijo and Joseph Financial respond (Doc. 199) and argue (1) that the EquiAlt scheme was not a Ponzi scheme as a matter of law; (2) that Armijo acted in good faith and received the commission for “a reasonably equivalent value;” (3) that Wiand fails to negate any fact supporting Armijo’s and Joseph Financial’s affirmative defenses; and (4) that federal, not state, law controls this action. Wiand replies. (Doc. 210) Armijo and Joseph Financial sur-reply. (Doc. 223)

Separately, Wiand moves (Doc. 159) for summary judgment on Count I against Marques, Lifeline, Runninger, and The Financial Group. The docket reveals no response by any defendant. Runninger and The Financial Group each default, and a clerk’s default pends against each. (Docs. 111; 114) Marques and Lifeline each answer (Doc. 90), but neither files a paper after September 2022.

An August 25, 2022 order (Doc. 151) (1) permits the withdrawal of counsel for Marques, (2) updates the service address for Marques, and (3) explains that, absent retention of substitute counsel, the action proceeds against Marques *pro se*. No substitute counsel appears. Similarly, a September 21, 2022 order (Doc. 167) (1) permits

the withdrawal of counsel for Lifeline (2) explains that Lifeline — a limited liability company — must appear through counsel, (3) directs Lifeline to secure substitute counsel no later than October 21, 2022, and (4) permits an additional fourteen days within which Lifeline’s new counsel might respond to the motion (Doc. 159) for summary judgment. Again, no substitute counsel appears. Because Marques and Lifeline evidence no intent to litigate this action and because no response to the summary judgment motion appears, the motion (Doc. 159) for summary judgment is treated as unopposed under Local Rule 3.01(c).

DISCUSSION

I. Fraudulent Transfer

Against each remaining defendant, Wiand asserts a fraudulent transfer claim under Sections 726.105 and 726.106, Florida Statutes. This statute permits a creditor to recover any money that a debtor fraudulently transfers. Under *Wiand v. Lee*, 753 F.3d 1194, 1203 (11th Cir. 2014), and *Scholes v. Lehmann*, 56 F.3d 750, 754 (7th Cir. 1995), any entity in a receivership is a creditor of any insider who in breach of a fiduciary duty transfers the entity’s money. Thus, Wiand alleges that EquiAlt’s debtors — Rybicki, Davison, and the other EquiAlt insiders — fraudulently paid commissions to Armijo, Marques, Runninger, and several others. Sections 726.105 and 106 define three fraudulent transfer theories, one for actual fraudulent transfer and two

for constructive fraudulent transfer. Wiand asserts a claim under each fraudulent transfer theory.

A. Actual Fraudulent Transfer

Under Section 726.105(1)(a), Florida Statutes, Wiand asserts a claim for actual fraudulent transfer. That is, Wiand claims that “with actual intent to hinder, delay, or defraud creditors” Davison and Rybicki paid commissions to several persons — including the remaining defendants — who assisted in the sale of the EquiAlt debentures. (Doc. 81 ¶ 129) And under *Wiand v. Lee*, 753 F.3d 1194, 1201 (11th Cir. 2014), “proof that a transfer was made in furtherance of a Ponzi scheme establishes actual intent to defraud under [Section] 726.105(1)(a)” But under Section 726.109(1), Florida Statutes, a transfer is not voidable as fraudulent if the transferee “took in good faith and for a reasonably equivalent value” *Wiand v. Waxenberg*, 611 F. Supp. 2d 1299, 1319 (M.D. Fla. 2009) (Whittemore, J.).

Waxenberg, 611 F. Supp. 2d at 1312 (M.D. Fla. 2009) (Whittemore, J.), and *Wiand v. Morgan*, 919 F. Supp. 2d 1342, 1355 (M.D. Fla. 2012) (Pizzo, Mag. J.), explain that to prove the existence of a Ponzi scheme a receiver must establish four elements: (1) investors deposited money in the alleged scheme; (2) the entities in the receivership conducted “little or no legitimate business operations as represented to investors;” (3) the entities in the receivership generated little or no profit or earnings; and (4) the alleged scheme paid existing investors with money from new investors. By establishing each element, Wiand demonstrates as a matter of law that Rybicki and Davison operated EquiAlt and the EquiAlt funds as a Ponzi scheme.

EquiAlt represented to investors that EquiAlt would invest between 90% and 95% of any money from the investors and that the investors would receive an annual return of eight to twelve percent. (Docs. 142 at 4; 142-2 at 5; 142-3 at 27) But EquiAlt invested at most half of the investors' money and generated a return that was insufficient to pay the investors. (Docs. 142-1 at 13; 199-20 at 14) Thus, EquiAlt never conducted business in the manner represented to the investors and generated no profit or earnings.

Because each EquiAlt Fund invested some of the money in real property and because some of the investments generated a positive return, Armijo and Joseph Financial argue (Doc. 199 at 13) that EquiAlt conducted legitimate business and thus is not a Ponzi scheme. But this argument ignores EquiAlt's representations to the investors. As *SEC v. Quiros*, 2016 WL 11578637 at *13 (S.D. Fla. 2016) (Gayles, J.) (quoting *SEC v. Helms*, 2015 WL 1040443 at *8 (W.D. Tex. 2015)), notes "[t]he likelihood that [the defendant] conducted some legitimate business operations does not counteract the existence of a Ponzi scheme" EquiAlt's investing a fraction of the money as promised negates no part of Wiand's claim that EquiAlt operated a Ponzi scheme.

Similarly, although some of the properties in an EquiAlt Fund appreciated, this appreciation failed to generate a return sufficient to pay the investors, much less turn a profit for EquiAlt. The record demonstrates that "the monthly aggregate revenues from [the EquiAlt Funds] were insufficient to pay the monthly aggregate returns to investors, from inception through December 2019, without exception." (Doc. 142-1 at 13) Thus, EquiAlt's business operations generated no profit.

Finally and importantly, EquiAlt paid existing investors with money from new investors. (Doc. 142-1 at 14) In her report, Wiand’s accounting expert, Maria Yip, explains (1) that EquiAlt Fund I, EquiAlt Fund II, and EA SIP each paid old investors with money from new investors and (2) that EquiAlt Fund I “made distributions to investors using new investors’ funds at least as early as December 2016[.]” (Doc. 142-1 at 14) Yip supplements² (Doc. 210-2 at 5) her report with evidence that EquiAlt Fund I and EquiAlt Fund II paid distributions to existing investors with money from new investors “at least as early as April 2013 and July 2013, respectively.”³

Thus, in accord with *Waxenberg*, 611 F. Supp. 2d at 1312, and *Morgan*, 919 F. Supp. 2d at 1355, Wiand establishes that EquiAlt operated as a Ponzi scheme, and Armijo and Joseph Financial identify no genuine dispute of material fact on any element. Because the existence of a Ponzi scheme establishes the “actual intent to defraud under [Section] 726.105(1)(a)[,]” summary judgment on Wiand’s actual fraudulent transfer claim is warranted.

Resisting this conclusion, Armijo and Joseph Financial assert (Doc. 199 at 17) under Section 726.109(1) that Armijo acted in good faith and provided reasonably

² Because Wiand included the supplement in the reply but not the motion for summary judgment, an order (Doc. 215) permits Armijo and Joseph Financial to sur-reply. The sur-reply (Doc. 223) never discusses the supplement but raises new and meritless arguments.

³ Armijo and Joseph Financial identify no evidence contradicting Yip’s report. But, attempting to limit Wiand’s potential recovery, Armijo and Joseph Financial frame (Doc. 199 at 15–16) Yip’s report as finding that EquiAlt paid old investors with money received from new investors beginning in December 2016. Based on this misstatement of the report, Armijo and Joseph Financial conclude that any commission that Armijo received before December 2016 is not a fraudulent transfer. Of course, Yip never limited the time within which EquiAlt paid old investors with money from new investors, and the misstatement of the report creates no genuine issue of material fact.

equivalent value for each commission. Under *Waxenberg*, 611 F. Supp. 2d at 1319, and *United States v. Romano*, 757 F. Supp. 1331, 1338 (M.D. Fla. 1989) (Sharp, J.), “‘good faith’ is an affirmative defense” and “[t]he relevant question is whether the transferee had actual knowledge of the debtor’s fraudulent purpose or ‘had knowledge of such facts or circumstances as would have induced an ordinarily prudent person to make inquiry, and which inquiry, if made with reasonable diligence, would have led to the discovery of the [transferor’s] fraudulent purpose.’” Also, in accord with *Cuthill v. Greenmark, LLC (In re World Vision Entm’t, Inc.)*, 275 B.R. 641, 659 (Bankr. M.D. Fla. 2002) (Jennemann, Bankr. J.), “a transferee may not remain willfully ignorant of facts which would cause [the transferee] to be on notice of a debtor’s fraudulent purpose[.]”

Armijo and Joseph Financial claim that Armijo conducted the “due diligence” that “one would expect as a financial advisor.” (Doc. 199 at 6) But Armijo admits that he reviewed the financial statements for only EquiAlt REIT and performed only cursory Google searches of Rybicki and Davison. Further, Armijo confirms his blind reliance on information from Rybicki, Davison, and EquiAlt’s lawyers. (Docs. 199 at 19; 199-1 at 6) Although Armijo’s discussions with Rybicki, Davison, and the lawyers demonstrate some suspicion or caution about the legality of Armijo’s selling debentures with only a Series 65 license, Armijo never demonstrates that he spoke with any independent person, much less counsel, about licensing, about the legality of the EquiAlt investments, or about the EquiAlt Funds. Rather, Armijo’s “due diligence” comprises a basic online search and brief discussions with people working for

the Ponzi scheme. As *Cuthill*, 275 B.R. at 660, explains, “A broker cannot rely only on slick, marketing brochures or insurance coverage, refrain from asking hard questions about the legitimacy of the product, and then assume a proper investigation was completed.” Thus, Armijo’s “due diligence” fails to comport with the requirement of good faith.

Further, even if Armijo had exercised “due diligence,” the record fails to demonstrate that Armijo provided “reasonably equivalent value” for each commission. Armijo suggests (Doc. 199 at 17) that Wiand “bears the burden of showing that a transfer was not for reasonably equivalent value.” This is true for constructive fraudulent transfer, but Section 726.109(1) is an affirmative defense to actual fraudulent transfer. As explained in *Wiand v. Dewane*, 2011 WL 4460095 at *7 (M.D. Fla. 2011) (Pizzo, Mag. J.), *report and recommendation adopted*, 2011 WL 4459811 (M.D. Fla. 2011), “The Defendant bears the burden of proving [an] affirmative defense [under Section 726.109(1)].”

And Armijo fails to demonstrate that his procuring new marks for the EquiAlt Ponzi scheme constitutes “reasonably equivalent value” justifying more than a million dollars in commissions. Armijo never received a license to sell securities and the EquiAlt debentures were never registered securities. Thus, Armijo’s participation in

the sale of the debentures violated 15 U.S.C. §§ 77e(a), 78o(a)(1) and, under 15 U.S.C. § 78cc(b), Armijo’s contract with EquiAlt was unenforceable.⁴

Citing several bankruptcy decisions, Armijo argues (Doc. 199 at 18) that despite his lacking a license the contract “might nonetheless support reasonably equivalent value[.]” But, Armijo fails to demonstrate that this exception applies to this action. *In re Financial Federated Title & Trust, Inc.*, 309 F.3d 1325, 1332 (11th Cir. 2002), requires a case-by-case evaluation of the circumstances of the transfer. But the circumstances surrounding these sales militate heavily against the conclusion that Armijo’s conduct constituted a reasonably equivalent exchange. While unlicensed to sale securities, Armijo brokered the sale of unregistered securities that facilitated a Ponzi scheme. Indeed, as *Warfield v. Byron*, 436 F.3d 551, 560 (5th Cir. 2006), persuasively notes, “It takes cheek to contend that in exchange for the payments he received, the [] Ponzi scheme benefitted from his efforts to extend the fraud by securing new investments.” Thus, Armijo fails to demonstrate that he provided reasonably equivalent value.

In furtherance of a Ponzi scheme, Rybicki and Davison paid commissions from EquiAlt to Armijo, Marques, Runniger, and others who assisted in the sale of the fraudulent EquiAlt debentures. These transfers are fraudulent under Section

⁴ In the sur-reply (Doc. 223), Armijo and Joseph Financial argue (for the first time) that Armijo neither sold the debentures nor acted as a broker. Rather, Armijo argues that he merely “solicited potential investors and helped [the investors] prepare and submit offers” for the debentures. According to Armijo and Joseph financial, this conduct never violated 15 U.S.C. § 78o(a)(1) and thus the receipt of a commission was warranted. This distinction lacks any legal difference because the transfers remain fraudulent transfers under Section 105(1)(a) and because Armijo fails to demonstrate that he acted in good faith.

726.105(1)(a). Because Armijo fails to demonstrate the exercise of reasonable diligence and fails to prove that he provided reasonably equivalent value, Armijo's affirmative defense under Section 726.109(1) necessarily fails. Thus, summary judgment on Count I for Wiand and against Armijo and Joseph Financial is warranted. And because Marques, Lifeline, Runninger, and The Financial Group never oppose, summary judgment on Count I is warranted against them for the same reasons.

B. Constructive Fraudulent Transfer

Also, Wiand asserts a constructive fraudulent transfer claim under two theories. First, Wiand asserts a claim under Section 726.105(1)(b), Florida Statutes, under which a transfer is fraudulent if a debtor transfers money “[w]ithout receiving a reasonably equivalent value in exchange[,]” and if (1) the debtor’s remaining assets “[are] unreasonably small in relation to the business” or (2) the debtor “[believes] that he or she [will] incur[] debts beyond his or her ability to pay as [the debts] bec[o]me due.” Second, Wiand asserts a claim under Section 726.106(1), Florida Statutes, under which a transfer is fraudulent if the debtor transfers the money “without receiving a reasonably equivalent value in exchange for the transfer . . . and the debtor was insolvent at [the] time [of the transfer]”

For the reasons discussed in the preceding section, the assistance to the Ponzi scheme in the sale of unlicensed securities is not reasonably equivalent value. And the record demonstrates that EquiAlt was insolvent from inception. Thus, under either actual or constructive fraudulent transfer, summary judgment on Count I for

Wiand and against Armijo, Joseph Financial, Marques, Lifeline, Runninger, and The Financial Group is warranted.

II. Affirmative Defenses

Armijo and Joseph Financial assert seventeen affirmative defenses, each without merit. Essentially, Armijo and Joseph Financial argue (1) that Wiand asserts the fraudulent transfer claim after the applicable limitation; (2) that Wiand lacks standing; (3) that intervening acts caused any damage to the investors; and (4) that any recovery should be limited, set off, or otherwise reduced. (Doc. 199 at 21–28)

Wiand sues within the applicable limitation. Under Section 726.110, Florida Statutes, a plaintiff must assert a claim under the Florida Uniform Fraudulent Transfer Act “within 4 years after the transfer was made or the obligation was incurred.” Wiand sued on February 13, 2021. Thus, Armijo and Joseph Financial conclude that the limitation precludes any damages accruing before February 14, 2017. But Section 726.110(1) permits a plaintiff to assert a claim for actual fraudulent transfer “within 1 year after the transfer . . . could reasonably have been discovered by the claimant.” Under *Wiand v. Meeker*, 572 F. App'x 689, 692 (11th Cir. 2014), this one-year limitation begins when the receiver is appointed. Because Wiand became the receiver on February 14, 2020, Wiand challenges each actual fraudulent transfer within the applicable limitation.

Also, Wiand has standing, and any “intervening acts” are irrelevant. Under *Wiand v. Lee*, 753 F.3d 1194, 1202 (11th Cir. 2014) (citing *Scholes v. Lehmann*, 56 F.3d 750, 754 (7th Cir. 1995)), “[a] receiver of entities used to perpetrate a Ponzi scheme

does not have standing to sue on behalf of the defrauded investors but does have standing to sue on behalf of the corporations that were injured by the Ponzi scheme operator.” *Lee*, 753 F.3d at 1203, explains that the entities in receivership are creditors of the Ponzi scheme operators who transferred money from the receivership entities. Thus, EquiAlt and the EquiAlt Funds are creditors of Rybicki and Davison, and Wiand has standing to assert on behalf of EquiAlt and the EquiAlt Funds a claim for fraudulent transfer. Because Wiand asserts claims on behalf of EquiAlt and the EquiAlt Funds, any intervening act that damages the investors is irrelevant to the receivership’s fraudulent transfer claim.⁵

Also, though unclear, Armijo and Joseph Financial appear to argue that *Liu v. SEC*, 140 S. Ct. 1936 (2020), preempts Florida law and thus prevents Wiand from asserting any claim for fraudulent transfer. (Doc. 199 at 7–8) *Liu* holds that “a disgorgement award that does not exceed a wrongdoer’s net profit and is awarded for victims is equitable relief permissible under [15 U.S.C.] § 78u(d)(5).” Nothing in *Liu* suggests, much less requires, that federal securities law preempts state fraudulent transfer law.

The remaining affirmative defenses each pertain to the damages that Wiand can recover from Armijo and Joseph Financial. In exchange for Armijo’s services and under the agreement with Armijo, Davison and Rybicki paid \$1,472,458.35 to

⁵ Armijo and Joseph Financial appear to argue that *Isaiah v. JPMorgan Chase Bank*, 960 F.3d 1296, 1306 (11th Cir. 2020), strips a receiver of standing, but *Isaiah* expressly recognizes “that the receiver for the corporation has standing to sue the recipients of fraudulent transfers under the FUFTA.”

Joseph Financial. This entire sum is fraudulently transferred money and thus is subject to recovery by Wiand.

Armijo and Joseph Financial argue that *SEC v. Elliott*, 953 F.2d 1560 (11th Cir. 1992), entitles each defendant to a set-off against any collection by Wiand. If the receivership owes a debt to a defendant, *Elliott*, 953 F.2d at 1571–72, permits the debt to set-off and thus decrease the money that the receiver can recover from the defendant. But, under *Elliott*, a set-off requires mutuality of debts or claims between the parties. Armijo suggests (Doc. 199 at 25) that Rybicki and EquiAlt’s lawyer “fraudulently induced Armijo to sell the securities.” But any claim that Armijo might have against Rybicki, EquiAlt’s lawyer, or another insider of the Ponzi scheme is distinct from any claim against EquiAlt or the EquiAlt Funds, and Armijo never asserts that EquiAlt owes Armijo any debt independent from a claim against the insiders.

Also, Armijo and Joseph Financial argue that the SEC’s action in the Southern District of California, *SEC v. Armijo*, No: 3:21-cv-1107-TWR-AHG (S.D. Cal.), limits any recovery in this action. Wiand concedes (Doc. 210 at 14) that Wiand and the SEC cannot each collect the same money for the same claim against Armijo and Joseph Financial. In the SEC’s action against Armijo and Joseph Financial, the Southern District of California granted summary judgment in the SEC’s favor but deferred ruling on available remedies. *Armijo*, Doc. 45, No: 3:21-cv-1107-TWR-AHG. Thus, no set-off to avoid a double recovery is available until the entry of judgment in either action.

III. Pre-judgment Interest

In accord with *Lee*, 753 F.3d at 1204, and *Wiand v. Dancing \$, LLC*, 578 Fed. Appx. 938, 947 (11th Cir. 2014), Wiand requests pre-judgment interest against each remaining defendant. Under *Lee*, 753 F.3d at 1205, “Florida courts [] award[] pre-judgment interest on [fraudulent transfer] claims and on unjust enrichment claims as a matter of course.” Further, the factors discussed in *Blasland, Bouck & Lee v. City of N. Miami*, 283 F.3d 1286, 1297–98 (11th Cir. 2002), militate in favor of awarding pre-judgment interest.

Opposing pre-judgment interest, Armijo and Joseph Financial argue (Doc. 199 at 29) that they “have suffered immensely as a result of their interactions with EquiAlt.” This attempt to characterize himself as a victim of the Ponzi scheme fails because Armijo induced more than seventy people to invest in the EquiAlt Funds. (Doc. 199 at 6) Also, Armijo and Joseph Financial argue (Doc. 199 at 29) that Wiand “brought this action on the last possible day” Armijo and Joseph Financial presumably refer to the one-year savings clause for actual fraudulent transfer under Section 726.110, but failure to file in accord with the savings clause would reduce potential recovery only, not bar the action. By suing thirty-six defendants within a year of appointment as receiver, Wiand sues within the applicable limitation and maximizes the receivership’s potential recovery. Thus, neither of Armijo’s and Joseph Financial’s arguments persuade.

CONCLUSION

For these reasons and others stated in the motions for summary judgment and in the reply (Doc. 210) in support of summary judgment against Armijo and Joseph Financial, each motion (Docs. 142; 159) for summary judgment is **GRANTED**. On the fraudulent transfer claim, summary judgment in favor of Wiand and against Armijo, Joseph Financial, Runninger, The Financial Group, Marques, and Lifeline is warranted. No later than **APRIL 20, 2023**, Wiand must report the status of this action and must propose a form of final judgment against each remaining defendant. In the report, Wiand must state (1) whether the receivership court has approved the settlements with the other defendants in this action; (2) the status of any SEC action against these defendants; and (3) the monetary amount of any judgment in favor of the SEC and against these defendants. The form of final judgment must calculate pre-judgment interest through **APRIL 21, 2023**.

ORDERED in Tampa, Florida, on March 24, 2023.



STEVEN D. MERRYDAY
UNITED STATES DISTRICT JUDGE

EXHIBIT 9

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. ROBERT JOSEPH ARMIJO, and JOSEPH FINANCIAL, INC., Defendants.

Case No.: 21-CV-1107 TWR (RBB)

**ORDER GRANTING PLAINTIFF’S
MOTION FOR SUMMARY
JUDGMENT AND DENYING
DEFENDANTS’ CROSS-MOTION
FOR SUMMARY JUDGMENT**

(ECF Nos. 24, 26)

Presently before the Court are the cross-motions for summary judgment (the “Motions”) filed by Plaintiff the Securities and Exchange Commission (“SEC”) (“Pl.’s MSJ,” ECF No. 24) and Defendants Robert Joseph Armijo and Joseph Financial, Inc. (“JFI”) (“Defs.’ MSJ,” ECF No. 26). The Motions are fully briefed, (*see* ECF Nos. 34–35, 38–40), and the Court held a hearing on February 23, 2023. (*See* ECF No. 44.) Having carefully considered the Parties’ arguments, the record, and the applicable law, the Court **GRANTS** Plaintiff’s Motion and **DENIES** Defendants’ Motion, as follows.

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BACKGROUND

I. Undisputed Material Facts

The Parties have agreed to the following undisputed material facts:

A. *The Underlying Securities*

“In 2011, Brian Davison . . . formed EquiAlt, LLC (“EquiAlt”), in Nevada, to be used as a manager of real estate investment funds (“Fund Manager”).” (*See* ECF No. 39 (“Jt. Stmt.”) ¶ 3.) “EquiAlt retained securities counsel, Paul Wassgren . . . , and his firms, Fox Rothschild LLP and then DLA Piper LLP, to form legal entities to be used as real estate investment funds and to raise capital for the funds through offerings of securities.” (*Id.* ¶ 4; *see also id.* ¶ 26.) “Wassgren remained counsel to EquiAlt and the Funds through 2020, and was counsel at all times that Defendants acted as agents for the Fund Manager and Funds.” (*Id.* ¶ 5.)

“From 2011 to 2019, EquiAlt formed at least four real estate investment funds (collectively, “Funds”): (1) EquiAlt Fund, LLC (“Fund I”); (2) EquiAlt Fund II, LLC (“Fund II”); (3) EquiAlt Fund III (“Fund III”); and (4) EA SIP, LLC (“EA SIP Fund”).”¹ (*Id.* ¶ 6; *see also id.* ¶ 10.) “Each Fund issued its own securities,” (*id.* ¶ 7), in the form of “debentures . . . providing a fixed annual return of 8% to 12%.” (*See id.* ¶ 9.) “None of the Funds’ securities were ever listed or traded on any exchange facility, such as a national securities exchange or an over-the-counter market.” (*Id.* ¶ 8.) Further, “[t]he EquiAlt Funds were not registered with the SEC at any time during the period from February 1, 2016[,] to February 22, 2020.” (*Id.* ¶ 16.)

“EquiAlt hired Wassgren and members of his various law firms, to draft, among other documents, a Private Placement Memorandum (“PPM”) and Prospective Purchaser Questionnaire (“PPQ”) for each Fund’s offering (individually, “Fund Offering;” collectively, “Fund Offerings”).” (*Id.* ¶ 11.) “The PPQ defined ‘accredited investor’ and instructed potential investors to identify whether they were ‘accredited’ under such

¹ “Defendants did not engage in any activities on behalf of Fund III.” (Jt. Stmt. ¶ 21.)

1 definition and sign and date the document.” (*Id.* ¶ 12.) “Each PPM contained information
2 about the particular Fund Offering[] but did not include financial statements for the Fund.”
3 (*Id.* ¶ 13.) “Each PPM for each Fund stated in capital letters ‘THE SECURITIES HAVE
4 NOT BEEN REGISTERED WITH NOR APPROVED OR DISAPPROVED BY THE
5 UNITED STATES SECURITIES AND EXCHANGE COMMISSION. . . . THIS
6 OFFERING HAS NOT BEEN APPROVED OR DISAPPROVED UNDER
7 APPLICABLE STATE SECURITIES LAWS.’” (*Id.* ¶ 14.) “The fact that the Funds’
8 securities had not been registered with the SEC was reiterated in the Prospective Purchaser
9 Questionnaire which stated that ‘the offering of the Securities has not been and will not be
10 registered under the Securities Act of 1933, as amended, or state securities laws[]’”
11 (*Id.* ¶ 15.)

12 “EquiAlt, with Wassgren’s assistance, filed Forms D, entitled ‘Notice of Exempt
13 Offering of Securities,’ with the SEC for each Fund.” (*Id.* ¶ 17.) “The Form Ds certified
14 that, ‘if the issuer is claiming a Regulation D exemption for the offering, the issuer is not
15 disqualified from relying on Rule 504 or Rule 506 for one of the reasons stated in Rule
16 504(b)(3) or Rule 506(d).’” (*Id.*)

17 “Fund I filed a Form D on July 19, 2011, signed by Davison as Fund I’s CEO,
18 claiming an exemption from registration under Rule 506 for a \$50 million offering of debt
19 and tenant-in-common type securities.” (*Id.* ¶ 19; *see also id.* ¶ 18.) “This Form D[] listed
20 0 non-accredited investors at the time of filing.” (*Id.* ¶ 19.) “Fund I filed an amended Form
21 D on June 28, 2013, which modified the type of securities offered to reflect only debt-type
22 securities[;] stated that the first sale of securities had occurred on January 11, 2011[;] and
23 indicated that the offering had been sold to 31 non-accredited investors out of a total of 60
24 investors at the time of filing.” (*Id.*) “Fund I filed an amended Form D on August 13,
25 2019, which specified Rule 506(b) as the relevant exemption from registration . . . and
26 indicated that the offering had been sold to 31 non-accredited investors out of a total of
27 1,089 investors at the time of filing.” (*Id.*)

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1 “Fund II filed a Form D on April 4, 2016, signed by Davison as Fund II’s CEO,
2 claiming an exemption from registration under Rule 506(b) for a \$20 million offering of
3 debt-type securities.” (*Id.* ¶ 20; *see also id.* ¶ 18.) “This Form D stated that the first sale
4 of securities had taken place on May 2, 2013, and indicated that the offering had been sold
5 to 10 non-accredited investors out of a total of 88 investors at the time of filing.” (*Id.* ¶ 20.)
6 “The Form D indicated that solicitations pursuant to the offering and sales compensation
7 would occur in Arizona, California, Colorado, Massachusetts, Nevada[,] and Utah.” (*Id.*)
8 “Fund II filed an amended Form D on April 28, 2016, which de-selected any specific states
9 for sales compensation.” (*Id.*) “Fund II filed an amended Form D on September 1, 2017,
10 which indicated that the offering had been sold to 10 non-accredited investors out of a total
11 of 209 investors at the time of filing.” (*Id.*)

12 “EA SIP Fund filed a Form D with the SEC on August 8, 2016,² signed by Davison
13 as EA SIP Fund’s CEO, claiming an exemption from registration under Rule 506(b) for a
14 \$25 million offering of debt-type securities.” (*Id.* ¶ 22; *see also id.* ¶ 18.) “This Form D
15 listed 0 non-accredited investors at the time of filing.” (*Id.* ¶ 22.) “EA SIP Fund did not
16 file additional Forms D.” (*Id.*)

17 ***B. Recruitment of Defendants***

18 Defendant JFI is a California corporation located in San Diego, California, that is
19 owned and controlled by Defendant Robert Joseph Armijo. (*See* Jt. Stmt. ¶ 2.) At all
20 relevant times, neither Defendant was associated with a registered broker-dealer or
21 registered as broker-dealer with the SEC, the Financial Industry Regulatory Authority
22 (“FINRA”), or any state securities regulatory authority. (*See id.* ¶ 1.)

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26 ² Paragraph 18 of the Parties’ Joint Statement indicates that the Form D for the EA SIP Fund was filed on
27 August 8, 2016, while paragraph 22 indicates that it was filed on August 8, 2018. A review of the Form
28 D filed with the SEC establishes that it was filed in 2016. *See* EA SIP LLC, Notice of Exempt Offering
of Securities (Form D) (Aug. 8, 2016), *available at* https://www.sec.gov/Archives/edgar/data/0001680954/000168095416000001/xslFormDX01/primary_doc.xml.

1 “Barry Rybicki . . . was EquiAlt’s Managing Director and supervised the agents who
2 marketed the Funds to prospective purchasers.” (*Id.* ¶ 23.) “Rybicki operated a company
3 called BR Support Services, LLC (“BR Support”).” (*Id.*)

4 “On or about January 19, 2016, Rybicki recruited Defendants to solicit investors to
5 make offers to buy Fund debentures.” (*Id.* ¶ 24.) “Armijo spoke to Rybicki during a
6 lengthy telephone conversation, lasting more than an hour.” (*Id.*) “During that
7 conversation, Armijo specifically asked Rybicki what licenses he would need to participate
8 as an offering agent for the Funds.” (*Id.*)

9 “Rybicki . . . represented to Defendants that, for compensation, Defendants would
10 do the following, which they did do:” (1) “[c]ommunicate with, solicit, and encourage
11 potential investors to prepare, sign, and submit offers to purchase a Funds’ debenture or
12 security[;]” (2) “[d]iscuss the backgrounds of the principal(s) associated with the Fund
13 Managers with potential investors[;]” (3) “[i]nform investors about the possible merits and
14 economic, market, and business risks related to the Funds’ stated operations and
15 operational model[;]” (4) “[l]isten to potential investors’ representations about their
16 investment objectives, net worth, portfolio, income needs, risk tolerance, and time
17 horizon[;]” (5) “[p]rovide potential investors with the Funds’ prepared marketing materials
18 and offering materials, including the PPM and PPQ[;]” and (6) “[a]ssist potential investors
19 complete and submit the Offer-to-Buy materials, including the PPQ, in order to purchase a
20 Fund’s securities.” (*See id.* ¶ 27.) “Rybicki also represented to Defendants that
21 compensation for agent services:” (1) “[w]ould be paid if the Fund accepted the solicited,
22 potential investor’s offer to buy the Funds’ securities and the investor paid for such
23 securities;” (2) “[c]ompensation would be paid from a Fund Manager marketing account
24 and not from an investor’s securities purchase money;” (3) “[a]ny compensation paid to
25 Defendants would be paid through Rybicki’s company, BR Support[;]” and” (4) “[i]n an
26 amount equal to 10% of the purchase amounts attributable to the investors whose offers
27 Defendants had solicited.” (*Id.* ¶ 41.)

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1 Rybicki made several additional representations to Defendants, including
2 (1) “EquiAlt, as Fund Manager, had retained Wassgren as legal counsel for the Funds;”
3 (2) “Wassgren had prepared materials, including the PPMs and PPQs, to be presented to
4 potential investors; and” (3) “EquiAlt would pay Wassgren for legal advice Defendants
5 solicited relative to the Fund Offerings, including the propriety of offering Fund Securities
6 with the licenses held by Armijo—a Series 65 investment adviser license, but not a Series
7 7 broker license.” (*Id.* ¶ 25.) As a result, “Defendants did not obtain independent advice
8 on whether it was legal for them to be involved in the sale of EquiAlt debentures without
9 any additional license.” (*See id.* ¶ 26.) “Rybicki confirmed that Wassgren was ‘our lawyer’
10 for Armijo to talk to about all things EquiAlt and compliance.” (*Id.*)

11 “On or about July 5, 2017, Rybicki provided Armijo with Wassgren’s contact
12 information so that Armijo could contact him.” (*Id.* ¶ 29.) “On or about the same day,
13 Armijo had a telephone conversation with Wassgren and Defendants relied on Wassgren’s
14 advice.” (*Id.*) “On November 21, 2017, Armijo raised with Rybicki in a text message the
15 question of whether he needed a Series 7 license to become involved in soliciting offers of
16 an EquiAlt REIT, which was then being introduced by EquiAlt.” (*Id.* ¶ 28.) “Rybicki
17 responded in a November 21, 2017 text message, that Armijo did not need a Series 7
18 license: ‘Series 65 is good to go!’” (*Id.*) “Rybicki made the same representation to Armijo
19 on March 7, 2019.” (*Id.*) “On or about May 14, 2019, Armijo again spoke by telephone
20 with Wassgren, with Rybicki’s permission, and Armijo again relied on Wassgren’s
21 advice.” (*Id.* ¶ 30.)

22 ***C. Defendants’ Sales of the EquiAlt Funds***

23 “Beginning in 2016 and continuing until February 2020, Defendants offered the
24 EquiAlt Funds investments to more than 50 investors in California and other states.” (Jt.
25 Stmt. ¶ 33.) “Defendants admit that they participated in the sale of unregistered EquiAlt
26 securities.” (*Id.* ¶ 45.)

27 “Rybicki, on behalf of the Fund Manager, provided Defendants with all documents
28 needed for a potential investor to submit an ‘offer-to-buy’ a Fund’s securities (“Offering

1 Materials”).” (*Id.* ¶ 37.) “The Funds’ Offering Materials included the PPM and PPQ,
2 which Defendants received from the Funds.” (*Id.* ¶ 38.) “Defendants had potential
3 investors complete and sign the PPQ that defined ‘accredited investor’ and instructed them
4 to identify whether they were ‘accredited’ or ‘unaccredited’ under such definition.” (*Id.*
5 ¶ 39.) “Defendants did not perform a background check or review the truthfulness of
6 potential investors’ assertions that they were ‘accredited’ under the PPQ’s definition.” (*Id.*
7 ¶ 40.) “Defendants were not provided with audited balance sheets or financial statements
8 of EquiAlt,” (*see* ¶ 31), and “Armijo did not provide any audited balance sheets or financial
9 statements of EquiAlt to the investors in the EquiAlt Funds.” (*Id.* ¶ 32.) “Although the
10 Offering Materials had standardized terms, Defendants on one or more occasions requested
11 that the Fund offer a higher-than-standard interest rate.” (*Id.* ¶ 35.)

12 “EquiAlt paid Joseph Financial transaction-based compensation ranging from
13 6–12% of the amount invested in the EquiAlt Funds by investors solicited by Defendants.”
14 (*Id.* ¶ 42.) “In the time period between [February 5, 2016,] and [June 26, 2017], Defendants
15 sold approximately \$6,082,937 of the EquiAlt Funds to their clients and received about
16 \$679,697 in Commission from these sales.” (*Id.* ¶ 44.) “From 2016 to 2020, Defendants
17 solicited their clients to invest more than \$10 million in the EquiAlt Funds.” (*Id.* ¶ 34.)
18 “In total, Defendants earned at least \$1,086,825 in transaction-based compensation as the
19 agreed upon percentage of the total amount of offers-to-buy Fund securities that
20 Defendants assisted potential investors to submit and that the Funds accepted, resulting in
21 contracts of sale and subsequent sales of Fund securities.” (*Id.* ¶ 43.)

22 “Defendants had no authority to do any of the following and did not do any of the
23 following:” (1) “[a]ccept an offer to buy a Funds securities on behalf of the Fund Manager
24 or the Fund;” (2) “[e]nter into any contract of sale or other contract with a potential
25 investor;” (3) “[d]eposit a potential investor’s proffered payment to purchase a Fund’s
26 security;” or (4) “issue a Fund’s security or title or transfer title to any such security.” (*Id.*
27 ¶ 36.)

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1 **D. The SEC’s Investigation and Ensuing Litigation**

2 “The SEC investigated EquiAlt and the Funds and, on February 11, 2020, it filed a
3 complaint against Davison and Rybicki (“Insiders”) and the Funds in the U.S. District
4 Court for the Middle District of Florida (“2020 Fraud Complaint”).”³ (Jt. Stmt. ¶ 46.) “The
5 2020 Fraud Complaint alleged violations of the anti-fraud provisions and certain
6 registration provisions of the federal securities laws.” (*Id.*) “The Complaint describes the
7 Insiders’ misappropriation or misuse of some portion of sales proceeds obtained in the
8 Funds’ Offerings and revenues generated from the Funds’ real estate operations
9 (“Misappropriations”), which it characterized as a ‘massive Ponzi scheme’ and alleged that
10 no exemption from registration of the Funds’ securities existed (“Exemption
11 Disqualifications”).” (*Id.*) “The Fund Manager and the Funds used a portion of sales
12 proceeds obtained in the Funds’ Offerings and revenues generated from the Funds’ real
13 estate operations to purchase, maintain, administer and dispose of real estate assets and to
14 compensate its agents.” (*Id.* ¶ 47.)

15 “Upon the SEC’s filing of the 2020 Fraud Complaint, the public learned of the
16 alleged Misappropriations and Exemption Disqualifications.” (*Id.* ¶ 48.) “Defendants
17 learned of the alleged Misappropriations and Exemption Disqualifications upon Plaintiff’s
18 filing of its 2020 Fraud Complaint.” (*Id.* ¶ 49.)

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21 _____
22 ³ The Court additionally takes judicial notice of the following facts: The 2020 Fraud Complaint was filed
23 in *SEC v. Davison, et al.*, No. 8:20-cv-325-T-35AEP (M.D. Fla. filed Feb. 11, 2020) (the “2020 Fraud
24 Action”). The district court appointed Burton W. Wiand as receiver on February 14, 2020. *See* 2020
25 Fraud Action, ECF No. 11. The receiver filed a “clawback” action, *Wiand v. Family Tree Estate Planning,
26 LLC, et al.*, No. 8:21-cv-361-SDM-AAS (M.D. Fla. filed Feb. 13, 2021) (the “2021 Receiver Action”),
27 seeking to recover from, among others, Defendants, monies transferred by the Insiders as commissions or
28 other fees pursuant to Florida’s Uniform Fraudulent Transfer Act (“FUFTA”), Fla. Stat. § 726, or,
alternatively, unjust enrichment. *See* 2021 Receiver Action, ECF No. 1; *see also id.* ¶¶ 22–23; (ECF No.
26-17 (“Wright Decl. Ex. I”) (2021 Receiver Action first amended complaint)). The receiver filed for
summary judgment against Defendants in the 2021 Receiver Action on August 3, 2022. *See* 2021 Receiver
Action, ECF No. 142. As of the date of this Order, that motion is still pending before the Honorable
Steven D. Merryday.

1 **II. Relevant Procedural History**

2 The SEC filed a Complaint for Injunctive and Other Relief and Demand for Jury
3 Trial against Defendants on June 14, 2021, alleging violations of (1) Section 5(a) and 5(c)
4 of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. §§ 77e(a) and 77e(c); and
5 (2) Section 15(a)(1) of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C.
6 § 78o(a)(1). (*See generally* ECF No. 1 (“Compl.”).) Defendants answered on September 3,
7 2021. (*See generally* ECF No. 7.) After completing discovery, (*see* ECF No. 23), the
8 Parties filed the instant Motions on October 19, 2022. (*See generally* ECF Nos. 24, 26.)

9 **LEGAL STANDARD**

10 Under Federal Rule of Civil Procedure 56, a party may move for summary judgment
11 as to a claim or defense or part of a claim or defense. Fed. R. Civ. P. 56(a). Summary
12 judgment is appropriate where “the movant shows that there is no genuine dispute as to
13 any material fact and the movant is entitled to judgment as a matter of law.” Fed. R. Civ.
14 P. 56(a); *Celotex Corp. v. Catrett*, 477 U.S. 317, 322 (1986). Although materiality is
15 determined by substantive law, “[o]nly disputes over facts that might affect the outcome of
16 the suit . . . will properly preclude the entry of summary judgment.” *Anderson v. Liberty*
17 *Lobby, Inc.*, 477 U.S. 242, 248 (1986). A dispute is “genuine” only “if the evidence is such
18 that a reasonable jury could return a verdict for the nonmoving party.” *Id.* When
19 considering the evidence presented by the parties, “[t]he evidence of the non-movant is to
20 be believed, and all justifiable inferences are to be drawn in his favor.” *Id.* at 255.

21 The initial burden of establishing the absence of a genuine issue of material fact falls
22 on the moving party. *Celotex*, 477 U.S. at 323. The moving party may meet this burden
23 by “identifying those portions of ‘the pleadings, depositions, answers to interrogatories,
24 and admissions on file, together with the affidavits, if any,’ which it believes demonstrate
25 the absence of a genuine issue of material fact.” *Id.* “When the party moving for summary
26 judgment would bear the burden of proof at trial, ‘it must come forward with evidence
27 which would entitle it to a directed verdict if the evidence went uncontroverted at trial.’”

28 ///

1 transaction qualifies for an exemption from registration.”⁴ *SEC v. CMKM Diamonds, Inc.*,
2 729 F.3d 1248, 1255 (9th Cir. 2013) (quoting *SEC v. Platforms Wireless Int’l Corp.*, 617
3 F.3d 1072, 1085 (9th Cir. 2010)). “To establish a prima facie case for violation of Section
4 5, the SEC must show that (1) no registration statement was in effect as to the securities;
5 (2) the defendant directly or indirectly sold or offered to sell securities; and (3) the sale or
6 offer was made through interstate commerce.” *Id.* (citing *SEC v. Phan*, 500 F.3d 895, 902
7 (9th Cir. 2007); *SEC v. Calvo*, 378 F.3d 1211, 1214 (11th Cir. 2004) (per curiam)). “Once
8 the SEC introduces evidence that a defendant has violated the registration provisions, the
9 defendant then has the burden of proof in showing entitlement to an exemption.” *Id.*
10 (quoting *SEC v. Murphy*, 626 F.2d 633, 641 (9th Cir. 1980)).

11 Although it is undisputed that the EquiAlt Funds were not registered with the SEC
12 during the relevant period, (*see, e.g.*, Jt. Stmt. ¶¶ 16, 45), Defendants contend that the
13 EquiAlt Funds were exempt from registration under Rule 506(b) of Regulation D, 17
14 C.F.R. § 230.506(b), (*see* Defs.’ Mem. at 7–8; Defs.’ Opp’n at 5–9), and that “[t]he
15

16
17 ⁴ Specifically, in relevant part, Section 5 provides:

18 (a) Sale . . . of Unregistered Securities

19 Unless a registration statement is in effect as to a security, it shall be unlawful for any
20 person, directly or indirectly—

21 (1) to make use of any means or instruments of transportation or communication in
22 interstate commerce or of the mails to sell such security through the use or medium
of any prospectus or otherwise[.]

23 . . .

24 (c) Necessity of Filing Registration Statement

25 It shall be unlawful for any person, directly or indirectly, to make use of any means or
26 instruments of transportation or communication in interstate commerce or of the mails to
27 offer to sell or offer to buy through the use or medium of any prospectus or otherwise any
security, unless a registration statement has been filed as to such security

28 15 U.S.C. §§ 77e(a)(1), (c).

1 litigation algorithm of a Section 5 claim [*i.e.*] the set of judicial rules created to prosecute
2 or defend a Section 5 Claim,” (*see* Defs.’ Mem. at 12–13), violates the Due Process Clause,
3 (*see id.* at 12–20), and Equal Protection.⁵ (*See id.* at 20.)

4 **A. Regulation D**

5 Defendants contend that the EquiAlt Funds were exempt from registration under
6 Rule 506(b) of Regulation D. (*See* Defs.’ Mem. at 7–8; Defs.’ Opp’n at 5–9.) “Section
7 4(2) of the Securities Act, 15 U.S.C. § 77d(2), exempts from registration ‘transactions by
8 an issuer not involving any public offering.’” *Platforms Wireless*, 617 F.3d at 1090. “SEC-
9 promulgated Regulation D creates a safe harbor within this exemption by defining certain
10 transactions as non-public offerings.” *Id.* at 1091 (citing *McGonigle v. Combs*, 968 F.2d
11 810, 825 n.19 (9th Cir. 1992); Revision of Certain Exemptions, Securities Act Release No.
12 6389, 24 S.E.C. Docket 1166 (March 8, 1982)). “Under Rule 506(b), securities are exempt
13 from registration if they are private offerings.” *SEC v. Schooler*, 905 F.3d 1107, 1114 n.3
14

15 ⁵ Defendants also originally contended that they were not “sellers” under the Securities Act, (*see* Defs.’
16 Mem. at 11–12 & n.16; ECF No. 34 (“Defs.’ Opp’n”) at 3–5), but defense counsel conceded at oral
17 argument that Defendants were sellers within the ambit of Section 5. In any event, Plaintiff has established
18 as a matter of law that Defendants were “sellers” of securities within the meaning of the Securities Act.
19 This is because “liability under Section 5 is not limited to the person or entity who ultimately passes title
20 to the security.” *See CMKM Diamonds*, 729 F.3d at 1255 (citing *Murphy*, 626 F.2d at 649). “Instead,
21 courts have established the concept of ‘participant’ liability to bring within the confines of § 5 persons
22 other than sellers who are responsible for the distribution of unregistered securities.” *Id.* (quoting *Murphy*,
23 626 F.2d at 649). “With respect to Section 5, a defendant’s ‘role in the transaction must be a significant
24 one before liability will attach.’” *Id.* (quoting *Murphy*, 626 F.2d at 648). “Defendants play a significant
25 role when they are both a necessary participant and substantial factor in the sales transaction.” *Id.* (internal
26 quotation marks omitted) (quoting *Phan*, 500 F.3d at 906). As the Supreme Court has long recognized,
27 “[t]he solicitation of a buyer is perhaps the most critical stage of the selling transaction.” *See Pinter*, 486
28 U.S. at 646. Here, it is undisputed that Defendants “[c]ommunicat[ed] with, solicit[ed], and encourage[d]
potential investors to prepare, sign, and submit offers to purchase a Funds’ debenture or security.” (*See*
Jt. Stmt. ¶ 27(A).) Had Defendants not conceded the issue, summary judgment in favor of Plaintiff would
nonetheless be proper. *See, e.g., Schaffer Fam. Invs. LLC v. Sonnier*, No. 2:13-CV-05814-SVWJEM,
2016 WL 6917269, at *9 (C.D. Cal. July 5, 2016) (granting summary judgment in favor of the plaintiffs
on Section 5 claim where the defendant induced them to make purchases of securities from a third party);
SEC v. Thomas, No. 2:19-CV-01515-APGVCF, 2021 WL 5826279, at *6 (D. Nev. Aug. 24, 2021), *appeal*
dismissed sub nom. SEC v. Ostertag, No. 21-17014, 2022 WL 1792574 (9th Cir. Mar. 21, 2022) (granting
summary judgment in favor of SEC where the defendants “carried out various sales activities on behalf of
the entities they signed on with,” including “communicat[ing] marketing materials to investors” in
exchange for commissions).

1 (9th Cir. 2018) (citing 15 U.S.C. § 77d(2)). “A security qualifies as a private offering if
2 there are fewer than 35 non-accredited investors of securities in the offering, and each non-
3 accredited investor has ‘such knowledge and experience in financial and business matters
4 that he is capable of evaluating the merits and risks of the prospective investment.’”⁶ *Id.*
5 (quoting 17 C.F.R. § 230.506(b)(2)). “If the issuer sells securities under § 230.506(b) to
6 any purchaser that is not an accredited investor, the issuer shall furnish . . . [f]inancial
7 statement information.”⁷ *See* 17 C.F.R. §§ 230.502(b)(1), (2)(i)(B).

8 Here, EquiAlt sold Fund I securities to 31 non-accredited investors, (*see* Jt. Stmt.
9 ¶ 19), and Fund II securities to ten. (*See id.* ¶ 20.) Indeed, Defendants personally sold
10 securities to non-accredited investors.⁸ (*See, e.g.*, ECF No. 24-9 (“Kadell Decl.”) ¶¶ 3–4;
11 ECF No. 24-10 (“Tarillion Decl.”) ¶¶ 4–5; ECF No. 24-11 (“Murphy Decl.”) ¶¶ 4–8.)
12 Although these non-accredited investors were required to receive financial statement
13 information, *see* 17 C.F.R. §§ 230.502(b)(1), (2)(i)(B), EquiAlt’s PPMs did not include
14

15 ⁶ For purposes of Regulation D, “[a]ccredited investor shall mean . . . [a]ny natural person whose
16 individual net worth, or joint net worth with that person’s spouse or spousal equivalent, exceeds
17 \$1,000,000,” excluding that person’s primary residence, or “who had an individual income in excess of
18 \$200,000 in each of the two most recent years or joint income with that person’s spouse or spousal
equivalent in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the
same income level in the current year.” 17 C.F.R. §§ 230.501(a)(5), (6).

19 ⁷ Defendants contend that Rule 506 requires only the issuer—here, EquiAlt—to establish that it qualifies
20 for exemption from the registration requirement. Not only do Defendants fail to cite any authority
21 supporting their position, but the SEC has made clear that non-issuers “who claim[] an exemption from
22 registration, similar to that of the issuer, ha[ve] the burden of proving the exemption applies.” *See In re*
Glaza, SEC Release No. 293 (July 21, 2005) (citing *SEC v. Ralston Purina Co.*, 346 U.S. 119, 126 (1953)).

23 ⁸ Defendants contended at oral argument that there exist disputed factual issues, such as whether
24 unaccredited investors falsely represented to Defendants that they were accredited. Not only have
25 Defendants made judicial admissions to the contrary, (*see* ECF No. 24-13 (“Ex. 11”) (Defendants Joseph
26 Financial, Inc., Joseph Financial Investment Advisors, LLC, and Robert Joseph Armijo’s Answer to the
27 Complaint and Demand for Jury Trial ¶ 28, *O’Neal v. Joseph Financial, Inc.*, No. 8:22-cv-939-MSS-JSS
28 (M.D. Fla. filed July 6, 2022), ECF No. 31 (“Defendant Armijo admits that he knew that some investors
with whom he was involved in the sale of EquiAlt securities were unaccredited.”)), but it is unclear to the
Court how such facts are material. *See, e.g., SEC v. Loomis*, 969 F. Supp. 2d 1226, 1240 (E.D. Cal. 2013)
(granting summary judgment in favor of the SEC where the defendant “provided no probative evidence
to support the contention that he reasonably believed that . . . investors were accredited, an essential
element for establishing the applicability of Rule 506”).

1 financial statements, (*see* Jt. Stmt. ¶ 13), and Defendants never provided audited balance
2 sheets of financial statements to investors in the EquiAlt Funds. (*See id.* ¶ 32.) In short,
3 Defendants produce no evidence that non-accredited investors were ever provided with
4 audited or certified financial statements as required under Regulation D.

5 Defendants also argue that their noncompliance with Rule 506(b) is “insignificant”
6 under Rule 508(a),⁹ (*see* Defs.’ Opp’n at 5–9; ECF No. 40 (“Defs.’ Reply”) at 6–10), which
7 provides, in relevant part:

8 A failure to comply with a term, condition or requirement of . . . [Rule 506]
9 will not result in the loss of the exemption . . . , if the person relying on the
10 exemption shows:

- 11 (1) The failure to comply did not pertain to a term, condition or requirement
12 directly intended to protect that particular individual or entity; and
- 13 (2) The failure to comply was insignificant with respect to the offering as
14 a whole, provided that any failure to comply with paragraph (c) of §
15 230.502, paragraph (b)(2) of § 230.504 and paragraph (b)(2)(i) of
16 § 230.506 shall be deemed to be significant to the offering as a whole;
and
- 17 (3) A good faith and reasonable attempt was made to comply with all
18 applicable terms, conditions and requirements of . . . [Rule 506].

19 17 C.F.R. § 230.508(a). Rule 508(a), however, is facially unavailable to Defendants here.
20 Not only is Rule 508(a) not available where, as here, it is the SEC who is bringing this
21 action under Section 20 of the Securities Act, *see* 17 C.F.R. § 230.508(b) (“Where an
22

23
24 ⁹ To the extent Defendants contend that Plaintiff’s evidence is inadequate, (*see* Defs.’ Mem. at 8 (“The
25 claim that unaccredited investors of the Fund Offerings received no financial statements . . . fails to
26 identify the specific investors, number of total unaccredited investors, Fund security(ies) purchased,
27 timing of the purchase(s), or offering agent(s) who were involved.”)), it is *Defendants* who bear “the
28 burden of proof in showing entitlement to an exemption.” *See SEC v. Murphy*, 626 F.2d 633, 641 (9th
Cir. 1980) (“*Murphy I*”) (collecting cases); *see also, e.g., SEC v. Schooler*, No. 3:12-CV-2164-GPC-JMA,
2015 WL 2344866, at *1 (S.D. Cal. May 14, 2015) (*sua sponte* amending prior summary judgment order
on the grounds that the SEC was not required to negate the defendants’ affirmative defense to a registration
violation (citing *Celotex*, 477 U.S. at 323)), *aff’d in relevant part by Schooler*, 905 F.3d 1007.

1 exemption is established only through reliance upon paragraph (a) of this section, the
2 failure to comply shall nonetheless be actionable by the Commission under section 20 of
3 the Act.”); (*see also* Compl. ¶ 6), but Rule 508(a)(2) does not encompass the failure to
4 provide the requisite disclosures to non-accredited investors pursuant to Rule 502(b).
5 Instead, Rule 508(a)(2) is expressly limited to failures to comply with “paragraph (c) of
6 § 230.502, paragraph (b)(2) of § 230.504 and paragraph (b)(2)(i) of § 230.506.”¹⁰ *See* 17
7 C.F.R. § 230.508(a)(2). Accordingly, the Court concludes that Defendants have failed to
8 carry their burden of establishing that there exist genuine issues of material fact regarding
9 their claimed exemption from registration under Regulation D.

10 **C. Constitutional Challenges**

11 Finally, Defendants contend that the “litigation algorithm” of a Section 5 claim—
12 which “includes a set of inflexible rules, including: (1) the SEC’s *prima facie* rule; (2) the
13 automatic-violation rule; (3) the burden-shifting rule; (4) the narrow-construction-of-
14 exemption rule; and (5) the all-or-nothing exemption-qualification rule,” (*see* Defs.’ Mem.
15 at 13), violates the Due Process Clause, (*see id.* at 12–20), and Equal Protection. (*See id.*
16 at 20.)

17 **1. Due Process Clause**

18 According to Defendants, “[t]he Due Process Clause’s fair notice requirement
19 generally requires only that the government make the requirements of the law public ‘and
20 afford the citizenry a reasonable opportunity to familiarize itself with its terms and to
21 comply.’” (*See* Defs.’ Mem. at 12 (quoting *Fed. Express Corp. v. Dep’t of Commerce*, 39
22 F.4th 756, 773 (D.C. Cir. 2022))). “The terms of a law may be sufficiently familiar, but
23 notice is irrelevant if one’s ‘compliance’ is simply a function, not of one’s otherwise lawful
24

25
26 ¹⁰ Only paragraph (c) of § 230.502, which addresses the “offer or s[ale of] the securities by any form of
27 general solicitation or general advertising,” *see* 17 C.F.R. § 230.502(c), and paragraph (b)(2)(i) of
28 § 230.506, which provides the 35-unaccredited-purchaser-per-90-calendar-days limit, *see* 17 C.F.R.
§ 230.506(b)(2)(i), are relevant to Defendants’ Rule 506 defense. Paragraph (b)(2) of § 230.504 is relevant
to sales of securities whose aggregate offering price does not exceed \$10,000,000, *see* 17 C.F.R.
§ 230.504(b)(2), which Defendants do not invoke here.

1 conduct, but of a separate party’s independent action that renders otherwise lawful conduct
2 unlawful, particularly when those actions are completely outside of the defendant’s
3 knowledge and control, as in this case.” (*Id.*)

4 “The degree of vagueness the Due Process Clause will tolerate ‘depends in part on
5 the nature of the enactment.’” *Kashem v. Barr*, 941 F.3d 358, 370 (9th Cir. 2019) (quoting
6 *Village of Hoffman Ests. v. Flipside, Hoffman Ests., Inc.*, 455 U.S. 489, 498 (1982)).
7 “Relevant factors include whether the challenged provision involves only economic
8 regulation, imposes civil rather than criminal penalties, contains a scienter requirement and
9 threatens constitutionally protected rights.” *Id.* (citing *Hoffman Ests.*, 455 U.S. at 498–99;
10 *Hanlester Network v. Shalala*, 51 F.3d 1390, 1398 (9th Cir. 1995)). “Where economic
11 regulation is involved, vagueness is less of a concern because ‘the regulated enterprise may
12 have the ability to clarify the meaning of the regulation by its own inquiry, or by resort to
13 an administrative process.’” *Cal. Pac. Bank v. Fed. Deposit Ins. Corp.*, 885 F.3d 560, 571
14 (9th Cir. 2018) (quoting *United States v. Doremus*, 888 F.2d 630, 634–35 (9th Cir. 1989)
15 (quoting *Hoffman Ests.*, 455 U.S. at 498)). “The [Supreme] Court has also expressed
16 greater tolerance of enactments with civil rather than criminal penalties because the
17 consequences of imprecision are qualitatively less severe.” *Hoffman Ests.*, 455 U.S. at
18 498–99.

19 “Whether a provision is vague for lack of fair notice is an objective inquiry.”
20 *Kashem*, 941 F.3d at 371 (citing *United States v. Williams*, 553 U.S. 285, 304–05 (2008);
21 *Grayned v. City of Rockford*, 408 U.S. 104, 108 (1972)). In evaluating vagueness, the court
22 “ask[s] whether the law gives ‘a person of ordinary intelligence fair notice of what is
23 prohibited[.]’” *See id.* (quoting *Williams*, 553 U.S. at 304). In an as-applied challenge,
24 such as here, (*see, e.g.*, Defs.’ Mem. at 19–20), “the question for the court to determine . . .
25 is whether defendant had notice that his or her particular conduct could be a violation of
26 the statute.” *Oracle USA, Inc. v. Rimini St., Inc.*, 191 F. Supp. 3d 1134, 1148 (D. Nev.
27 2016) (citing *United States v. Nosal*, 676 F.3d 854 (9th Cir. 2012)).

28 ///

1 As Plaintiff notes, (*see* Pl.’s Opp’n at 9), the undisputed facts reveal that Defendants
2 had such notice here. Indeed, Defendants explicitly discussed with Rybicki and Wassgren
3 the registration requirements and Regulation D. (*See, e.g.*, ECF No. 26-2 (“Armijo Decl.”)
4 ¶ 19 (“It was my understanding that Wassgren . . . prepared and filed all paperwork
5 necessary for Regulation D exemption[.]”); *id.* ¶ 23 (“I was . . . vigilant in my compliance
6 with the Regulation D requirement that there be no more than 35 unaccredited investors.”);
7 *id.* ¶ 24 (2018 call with Rybicki regarding unaccredited investor limit).) Rather than obtain
8 independent counsel, (*see* Jt. Stmt. ¶ 26; Armijo Decl. ¶ 12), or seek guidance from the
9 SEC, *see, e.g.*, 17 C.F.R. § 200.81, Defendants accepted—and profited from—Rybicki’s
10 and Wassgren’s self-serving representations of compliance. As Plaintiff notes, (*see* Pl.’s
11 Opp’n at 9 (citing *Murphy I*, 626 F.2d at 649)), “[b]oth the language of Section 5, and its
12 application to non-issuers who are necessary participants in the sale of securities, are clear
13 and unambiguous, and have been well-established securities law for more than 30 years.”
14 Accordingly, the Court concludes that Section 5, as applied to Defendants, does not violate
15 the Due Process Clause.

16 2. Equal Protection

17 Defendants contend that the Section 5 claim litigation algorithm also violates Equal
18 Protection because, “[i]f the SEC is granted the relief it seeks, it will receive the same relief
19 as it would if it had been required to prove a scienter-based antifraud violation.” (*See*
20 *Defs.’ Mem.* at 20.) According to Defendants, “[i]mposing the same consequences for two
21 claims, one in which Defendants are absolutely liable and another for which the SEC would
22 have the difficult evidentiary burden of proving scienter, lacks any rational basis and
23 violates equal protection.” (*See id.*)

24 The Court assumes that Defendants are invoking the Fifth Amendment. (*See Defs.’*
25 *Mem.* at 20; *see also* Pl.’s Opp’n at 10 (noting that Defendants’ invocation of equal
26 protection is “(presumably of the U.S. Constitution)”). “[W]hile the Fifth Amendment
27 contains no equal protection clause, it does forbid discrimination that is ‘so unjustifiable as
28 to be violative of due process.’” *Weinberger v. Wiesenfeld*, 420 U.S. 636, 638 (1975)

1 (alteration in original) (quoting *Schneider v. Rusk*, 377 U.S. 163, 168 (1964); citing *Bolling*
2 *v. Sharpe*, 347 U.S. 497, 499 (1954)). Accordingly, the Supreme “Court’s approach to
3 Fifth Amendment equal protection claims has always been precisely the same as to equal
4 protection claims under the Fourteenth Amendment.” *See id.* (citing *Schlesinger v.*
5 *Ballard*, 419 U.S. 498 (1975); *Jimenez v. Weinberger*, 417 U.S. 628, 637 (1974); *Frontiero*
6 *v. Richardson*, 411 U.S. 677 (1973)). “Generally, legislation is presumed to pass
7 constitutional muster and will be sustained if the classification drawn by the statute or
8 ordinance is rationally related to a legitimate state interest.” *Nunez ex rel. Nunez v. City of*
9 *San Diego*, 114 F.3d 935, 944 (9th Cir. 1997) (citing *City of Cleburne v. Cleburne Living*
10 *Ctr., Inc.*, 473 U.S. 432, 439–40 (1985)). “If the classification disadvantages a ‘suspect
11 class’ or impinges a ‘fundamental right,’ the ordinance is subject to strict scrutiny.” *Id.*
12 (citing *Plyler v. Doe*, 457 U.S. 202, 216–17 (1982)).

13 Here, Defendants do not object to being treated differently than a similarly situated
14 class, but rather appear to object to being treated similarly to what they see as a differently
15 situated class—those who commit fraudulent securities violations. This is the inverse of
16 an Equal Protection claim. In any event, as Plaintiff notes, (*see* Pl.’s Opp’n at 11),
17 Defendants would not be subject to the “same consequences” for their strict-liability
18 offenses as those who commit scienter-based violations. *See* 15 U.S.C. §§ 77t(d)(2),
19 78u(d)(3)(B) (outlining “tiers” of increasing penalties based on whether the offense
20 “involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory
21 requirement” and “directly or indirectly resulted in substantial losses or created a
22 significant risk of substantial losses to other persons”). Finally, even if Defendants were
23 being treated differently than those who truly are similarly situated, Defendants have failed
24 “to negative every conceivable basis which might support it.” *Armour v. City of*
25 *Indianapolis*, 566 U.S. 673, 681 (2012) (quoting *Heller v. Doe*, 509 U.S. 312, 320 (1993)).
26 The Court therefore concludes that Defendants have failed to establish that the litigation
27 algorithm for Section 5 claims violates Equal Protection.

28 ///

1 **D. Conclusion**

2 For the above reasons, the Court **GRANTS** Plaintiff’s Motion and **DENIES**
3 Defendants’ Motion as to Plaintiff’s first cause of action for the sale of unregistered
4 securities in violation of Sections 5(a) and 5(c) of the Securities Act.

5 **II. Section 15(a)(1) of the Exchange Act**

6 Plaintiff also alleges that Defendants violated Section 15(a)(1) of the Exchange Act
7 because they induced securities transactions without being registered as brokers with the
8 SEC.¹¹ (*See* Compl. ¶¶ 29–30.) Although it is undisputed that Defendants were not
9 registered as brokers during the relevant time, (*see* Jt. Stmt. ¶ 1), Defendants contend that
10 they are not “engaged in the business of effecting transactions in securities for the account
11 of others.” 15 U.S.C. § 78c(4)(A); (*see also* Defs.’ Mem. at 20–22; Defs.’ Opp’n at 9–12).
12 Specifically, while Defendants do not contest that they are “engaged in the business,”
13 Defendants contend that they did not “effect[] transactions in securities” because they were
14 merely “go-betweens,” (*see* Defs.’ Opp’n at 10–11), and that they did not do so “for the
15 account of others” because they “had no access to or control over any purchaser or issuer
16 accounts.” (*See id.* at 11–12.) Defendants also challenge the applicability of the Exchange
17 Act to their conduct because, “[g]enerally, the Securities Act concerns primary markets
18 and the Exchange Act secondary markets,” and “[t]his action is about the EquiAlt Funds’
19 offerings in a primary market.” (*See* Defs.’ Mem. at 21.)

20 Courts have addressed—and foreclosed—the very arguments that Defendants raise
21 here. First, regarding Defendants’ argument that the Exchange Act—and, consequently,
22 the broker registration requirement—applies only to transactions on the “secondary
23

24 ¹¹ In relevant part, Section 15(a)(1) provides:

25 It shall be unlawful for any broker or dealer . . . to make use of the mails or any means or
26 instrumentality of interstate commerce to effect any transactions in, or to induce or attempt
27 to induce the purchase or sale of, any security . . . unless such broker or dealer is registered
28 in accordance with subsection (b) of this section.

15 U.S.C. § 78o(a)(1)

1 markets,” (*see id.* at 21), the Ninth Circuit rejected that argument in *Feng*. *See* 935 F.3d at
2 733. In *Feng*, the Ninth Circuit affirmed the district court’s grant of summary judgment in
3 favor of the SEC on its Section 15(a)(1) claim against an immigration attorney who
4 solicited investments in certain pooled investments, known as “regional centers,” regulated
5 by the U.S. Citizenship and Immigration Services under the U.S. Immigrant Investor
6 Program, or “EB-5 program,” which provides legal permanent residency to foreign
7 nationals who invest in U.S.-based projects. *See id.* at 725–28. In short, the immigration
8 attorney argued that he was only “involve[d in] negotiations between issuers and
9 investors,” *see id.* at 732, while the broker registration “requirement should apply only to
10 individuals who trade securities on an exchange and not to those involved in transactions
11 between private parties.” *See id.* at 733. Relying on *Ernst & Ernst v. Hochfelder*, 425 U.S.
12 185 (1976),¹² the Ninth Circuit concluded that the Exchange Act was intended to protect
13 private party investors who purchased securities from private party issuers through an
14 intermediary such as the attorney defendant. *See Feng*, 935 F.3d at 733.

15 Second, as for Defendants’ argument that they had no control over others’ accounts,
16 (*see* Defs.’ Opp’n at 11–12), the Ninth Circuit has noted that “the caselaw . . . does not
17 impose such a requirement as a prerequisite for finding that someone is a broker.” *See*
18 *Feng*, 935 F.3d at 732 n.7 (citing *SEC v. Kramer*, 778 F. Supp. 2d 1320, 1339–40 (M.D.
19 Fla. 2011); *SEC v. M & A W., Inc.*, No. C-01-3376 VRW, 2005 WL 1514101, at *9 (N.D.
20 Cal. June 20, 2005)). Indeed, as the Ninth Circuit recently explained in *SEC v. Murphy*,
21 50 F.4th 832 (9th Cir. 2022) (“*Murphy II*”), “account” in this context has to do with risk;
22 in other words, “if someone acts ‘on the account of *others*,’ another person assumes the
23 risk for the actions.” *See id.* at 843 (emphasis in original). Such is the case here, where it
24

25
26 ¹² Specifically, the Ninth Circuit reasoned that “[i]t is well established . . . that ‘[t]he 1934 [Exchange] Act
27 was intended principally to protect investors against manipulation of stock prices through regulation of
28 transactions upon securities exchanges *and in over-the-counter markets*.’” *See Feng*, 935 F.3d at 733
(third and fourth alterations and emphasis in original) (quoting *Ernst & Ernst*, 425 U.S. at 195).
Defendants argued for the first time at oral argument that they were not participants in over-the-counter
markets. *Feng*, however, appears to be dispositive of the issue.

1 was the investors Defendants solicited, rather than Defendants themselves, who bore the
2 risk of their investments in the EquiAlt Funds.

3 Finally, Defendants contend that they were mere “go-betweens” in transactions
4 between the issuer and purchasers. (*See* Defs.’ Opp’n at 10–11.) But that is precisely the
5 role that brokers play: “They serve[] as salespeople and go-betweens for the buyers and
6 sellers of securities.” *See SEC v. Forester*, No. CV-209813-DMGAFMX, 2022 WL
7 1600046, at *2 (C.D. Cal. Feb. 23, 2022) (entering default judgment against defendants
8 whose “served as . . . go-betweens[,] . . . earned commissions[,] . . . were not employees of
9 the securities issuer, . . . [and] negotiated with buyers on behalf of sellers”); *see also Feng*,
10 935 F.3d at 733; *Broker*, Merriam-Webster, available at <https://www.merriam-webster.com/dictionary/broker> (defining broker as “one who acts as an intermediary” and, in the
11 legal context, as “an agent who negotiates contracts of sale (as of real estate or securities)
12 . . . between the parties for a fee or commission”). Accordingly, none of Defendants’
13 arguments foreclose concluding that they were brokers as defined by the Securities Act.
14

15 “[I]n evaluating whether someone is a ‘broker,’ the SEC and courts . . . have
16 generally employed a ‘totality-of-the-circumstances approach,’ relying on the non-
17 exclusive *Hansen* factors” articulated in *SEC v. Hansen*, No. 83 CIV. 3692, 1984 WL 2413
18 (S.D.N.Y. Apr. 6, 1984).” *See Murphy II*, 50 F.4th at 843 (citing *Feng*, 935 F.3d at 731–
19 32). Under the non-exclusive *Hansen* factors, the court examines whether the defendant:

- 20 (1) is an employee of the issuer of the security;
- 21 (2) received transaction-based income such as commissions rather than a salary;
- 22 (3) sells or sold securities from other issuers;
- 23 (4) was involved in negotiations between issuers and investors;
- 24 (5) advertised for clients;
- 25 (6) gave advice or made valuations regarding the investment;
- 26 (7) was an active finder of investors; and
- 27 (8) regularly participates in securities transactions.

28 *See id.* at 840–41 (quoting *Feng*, 935 F.3d at 732); *see also id.* at 843. Application of the
Hansen factors is not required to establish liability, *see Murphy II*, 50 F.4th at 842–46
(holding that defendant was a broker based on “the statutory text” without “rely[ing] on
the *Hansen* factors”), although “the presence of even a few is enough” to do so. *See SEC*

1 *v. River N. Equity LLC*, 415 F. Supp. 3d 853, 860 (N.D. Ill. 2019) (citing *SEC v. Bengert*,
2 697 F. Supp. 2d 932, 945 (N.D. Ill. 2010)). “The most important factor in determining
3 whether an individual or entity is a broker is the regularity of participation in securities
4 transactions at key points in the chain of distribution.” *SEC v. RMR Asset Mgmt. Co.*, No.
5 18-CV-1895-AJB-LL, 2020 WL 4747750 (S.D. Cal. Aug. 17, 2020) (internal quotation
6 marks omitted) (quoting *SEC v. Holcom*, No. 12-cv-1623, 2015 WL 11233426, at *4 (S.D.
7 Cal. Jan. 8, 2012)), *aff’d sub nom. Murphy II*, 50 F.4th 832 (9th Cir. 2022).

8 Defendants failed to address the *Hansen* factors in their briefing, (*see generally*
9 Defs.’ Mem.; Defs.’ Opp’n; Defs.’ Reply), but they conceded at oral argument that at least
10 four of the factors favor concluding that they acted as brokers. As Plaintiff notes, (*see* Pl.’s
11 Mem. at 12–13; Pl.’s Opp’n at 12–13; Pl.’s Reply at 9–10), and Defendants conceded,
12 Defendants received transaction-based commissions, negotiated higher interest rates on
13 behalf of individual clients, gave advice regarding the merits of investment in the EquiAlt
14 Funds, and were active finders of investors for EquiAlt. Arguably, the eighth factor—
15 regular participation in securities transactions—also weighs in favor of finding that
16 Defendants were brokers, as Defendants solicited more than fifty clients to invest more
17 than \$10 million in the EquiAlt funds over a four-year period. (*See* Jt. Stmt. ¶¶ 33–34.)
18 Although Defendants did not sell securities from other issuers, (*see* ECF No. 24-8 (“Ex.
19 6”) at 34:4–20), or advertise for clients, (*see id.* at 50:25–51:18), based on the totality of
20 the circumstances, no reasonable jury could conclude that Defendants were not acting as
21 brokers with regard to the sale of the EquiAlt Funds. Accordingly, the Court **GRANTS**
22 Plaintiff’s Motion and **DENIES** Defendants’ Motion as to Plaintiff’s second cause of
23 action for failure to register as brokers under Section 15(a)(1) of the Exchange Act.

24 **III. Remedies**

25 In the alternative, “[i]f one or both of Plaintiff’s claims survive, Defendants submit
26 that the relief the SEC seeks for such claims should be denied as a matter of law.” (*See*
27 Defs.’ Mem. at 22.) Plaintiff responds that “no request for a specific disgorgement or civil
28 penalty is currently before this Court,” meaning “there is no reason for the Court to consider

1 at this stage the academic issue of what remedies are appropriate or which violations may
2 be penalized.” (See Pl.’s Opp’n at 13.) The Court agrees with Plaintiff and therefore
3 **DENIES WITHOUT PREJUDICE** Defendants’ Motion to the extent it seeks summary
4 adjudication of the availability of disgorgement, civil penalties, and injunctive relief. See,
5 e.g., *SEC v. Keener*, 580 F. Supp. 3d 1272, 1292 (S.D. Fla. 2022) (“Defendant’s remaining
6 challenges regarding Plaintiff’s ability to obtain disgorgement or injunctive relief are
7 denied as premature and shall be addressed at the remedies phase of the proceedings.”).

8 **IV. First-to-File Rule**

9 Finally, Defendants contend that this case should be stayed or dismissed under the
10 first-to-file rule pending adjudication of the 2021 Receiver Action. (See Defs.’ Mem. at
11 27–28.) As Defendants note, (*see id.* at 28), “[t]he first-to-file rule is a generally recognized
12 doctrine of federal comity that permits a district court to decline jurisdiction over an action
13 when a complaint involving the same parties and issues has already been filed in another
14 district.” *Walker v. Progressive Cas. Ins. Co.*, No. C03-656R, 2003 WL 21056704, at *2
15 (W.D. Wash. May 9, 2003) (citing *Pacesetter Sys., Inc. v. Medtronic, Inc.*, 678 F.2d 93,
16 94–95 (9th Cir. 1982)). “Exact parallelism between the two actions need not exist; it is
17 enough if the parties and issues in the two actions are ‘substantially similar.’” *Id.* (citing
18 *Nakash v. Marciano*, 882 F.2d 1411, 1416 (9th Cir. 1989)).

19 Plaintiff counters that “the first-to-file rule does not apply here” because “the two
20 actions do not involve substantially [similar] parties or substantially similar claims.” (See
21 Pl.’s Opp’n at 14.) Although Defendants are parties to both this action and the 2021
22 Receiver Action, (*compare* Compl., with Wright Decl. Ex. I), the actions are brought by
23 different plaintiffs. As Plaintiff notes, “[t]he SEC’s action against Defendants arises out
24 of the SEC’s unique role as a securities regulator charged with enforcing the federal
25 securities laws.” (See Pl.’s Opp’n at 14; *see also generally* Compl.) “In contrast, the
26 Receiver’s action is brought on behalf the private Receivership entities, (the EquiAlt Funds
27 and the EquiAlt REIT), as part of his Court appointed powers to institute legal proceedings
28 for the benefit of the Receivership.” (See Pl.’s Opp’n at 14–15; *see also generally* Wright

1 Decl. Ex. I.) The Court simply cannot conclude that the receiver stands in a substantially
2 similar role to the SEC given the SEC sued the Receivership entities in the 2020 Fraud
3 Action. (*See* Pl.’s Opp’n at 15.)

4 Further, the issues presented in this case and the 2021 Receiver Action are not
5 substantially similar. The issues presented here pertain to whether Defendants violated the
6 federal securities laws, (*see* Pl.’s Opp’n at 15; *see also generally* Compl.), whereas the
7 2021 Receiver Action asks whether the transfers of commissions to Defendants were unjust
8 enrichment or were fraudulent such that they can be recovered by the receiver pursuant to
9 Florida Statute section 726. (*See* Pl.’s Opp’n at 15; *see also generally* Wright Decl. Ex. I.)
10 “Because these issues are distinct, the requirement of identity of the issues is not met, and
11 the first-to-file rule is inapplicable.” *See Cedars-Sinai Med. Ctr. v. Shalala*, 125 F.3d 765,
12 769 (9th Cir. 1997).

13 Accordingly, the Court concludes that the first-to-file rule does not apply here and
14 therefore **DENIES** Defendants’ Motion to the extent it seeks stay or dismissal on that basis.
15 In any event, as Plaintiff notes, (*see* Pl.’s Opp’n at 16), “whichever case proceeds to
16 judgment first, that judgment would be applied as a setoff to the recovery in the second suit
17 to judgment,” negating Defendants’ stated concern of “double recovery.” (*See* Defs.’
18 Mem. at 28.)

19 CONCLUSION

20 In light of the foregoing, the Court **GRANTS** Plaintiff’s Motion for Summary
21 Judgment (ECF No. 24) and **DENIES** Defendants’ Motion for Summary Judgment (ECF
22 No. 26). Specifically, the Court **GRANTS** summary judgment in favor of Plaintiff and
23 against Defendants on both Plaintiff’s causes of action, **DENIES WITHOUT**
24 **PREJUDICE** Defendants’ Motion to the extent it contends that Plaintiff is not entitled to

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1 certain remedies as a matter of law, and **DENIES** Defendants' Motion to the extent it seeks
2 a stay or dismissal of this action under the first-to-file rule.

3 **IT IS SO ORDERED.**

4 Dated: March 8, 2023

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6 Honorable Todd W. Robinson
7 United States District Judge
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EXHIBIT 10

PROOF OF CLAIM FORM

SECURITIES AND EXCHANGE
COMMISSION,
Plaintiff,

v.

BRIAN DAVISON, BARRY M. RYBICKI,
EQUIALT LLC, EQUIALT FUND, LLC,
EQUIALT FUND II, LLC, EQUIALT
FUND III, LLC, EA SIP, LLC,
Defendants,

and

128 E. DAVIS BLVD, LLC, 310 78TH AVE, LLC, 551 3D
AVE S, LLC, 604 WEST AZEELE, LLC, BLUE WATERS
TI, LLC, 2101 W. CYPRESS, LLC, 2112 W. KENNEDY
BLVD, LLC, BNAZ, LLC, BR SUPPORT SERVICES, LLC,
CAPRI HAVEN, LLC, EANY, LLC, BUNGALOWS TI,
LLC, EQUIALT 519 3RD AVE S., LLC, MCDONALD
REVOCABLE LIVING TRUST, 5123 E. BROADWAY
AVE, LLC, SILVER SANDS TI, LLC, TB OLDEST
HOUSE EST. 1842, LLC,
Relief Defendants.

Name and Address of Claimant:

Robert J. Armijo
c/o Robert C. Wright, Esq.
WRIGHT, L'ESTRANGE & ERGASTOLO
402 West Broadway, Suite 1800
San Diego, California 92101
619-231-4844

Personal ID Code: 5BRP-WB31-KA3N

Case Number: 8:20-cv-00325-T-35AEP
U.S. District Court Middle District of Florida
(Tampa Division)



ATTENTION: The Honorable Mary S. Scriven of the United States District Court, Middle District of Florida, entered an order appointing Burton W. Wiand as Receiver over the assets of the above-captioned corporate defendants and relief defendants as well as EquiAlt Qualified Opportunity Zone Fund, LP; EquiAlt QOZ Fund GP, LLC; EquiAlt Secured Income Portfolio REIT, Inc.; EquiAlt Holdings LLC; EquiAlt Property Management LLC; and EquiAlt Capital Advisors, LLC, and EquiAlt Fund I, LLC (individually, a “**Receivership Entity**,” and collectively, “**Receivership Entities**”). The Receivership Estate does not include the individual defendants. On July 8, 2021, the Court issued an order establishing a Claims Bar Date for all claims and approving this Proof of Claim Form and the basic procedures to administer any claims. To be eligible to receive a distribution from the Receivership Entities’ assets, you must complete and return this Proof of Claim Form and, if applicable, provide the requested documentation, so that it is received by the Receiver on or before December 22, 2021. Proof of Claim Forms may be submitted by one of the following options: (i) **online, through the Receiver’s eClaims portal which can be accessed at www.omniagentsolutions.com/equalt (please note that in order to submit your claim through the eClaims portal, you will need your Personal Identification Code which is provided with your preprinted contact information above);** (ii) **electronically, by uploading your completed Proof of Claim Form to www.omniagentsolutions.com/equalt;** or (iii) **by submitting your completed Proof of Claim Form by mail, overnight delivery or courier, to EquiAlt Receiver Claims Processing c/o Omni Agent Solutions, at 5955 De Soto Avenue, Suite 100, Woodland Hills, CA 91367.**

The proper submission of this completed claim form may entitle you to receive a distribution from the Receivership. Altered forms will not be accepted. Questions regarding this form and the submission of same may be submitted to equaltclaims@omniagnt.com or by calling 866-956-2142.

The information provided in this Proof of Claim Form will be used to determine your rights to a distribution, if any, from the Receivership. The Receiver has the right to dispute and/or verify any information you have provided to determine the proper distribution amount, if any, to which you may be entitled. The Receiver further has the right to amend any information he may have provided as to your Net Investment Amount. **By identifying and providing a Net Investment Amount for an investor the Receiver does not waive any right to (1) deny, contest the validity of, or otherwise object to a claim or (2) if warranted, amend the provided Net Investment Amount.** On July 6, 2021, the Receiver filed a motion seeking the Court's approval to pool all Receivership assets and claims. As stated in that motion, the Receiver intends to use pooled Receivership assets to make distributions to all claimants who were damaged by this fraudulent scheme and timely and properly submit claims.

IMPORTANT INFORMATION TO READ PRIOR TO SUBMITTING THIS FORM

Any person or entity submitting this Proof of Claim Form submits to the exclusive jurisdiction of the above-captioned Court for all purposes, including, without limitation, as to any claims, objections, defenses, or counterclaims that could be or have been asserted by the Receiver against such Claimant or the holder of such claim in connection with this Receivership, including, those arising out of (1) any dealing or business transacted by or with any Receivership Entity and/or (2) any dealing or business transacted that relates in any way to any Receivership property. Claimant further agrees by making this submission to waive any right to a jury trial with respect to such claims, objections, defenses, and counterclaims.

IF THIS COMPLETED FORM, SIGNED UNDER PENALTY OF PERJURY, IS **NOT RECEIVED** BY THE RECEIVER THROUGH ONE OF THE APPROVED SUBMISSION METHODS LISTED ABOVE BY **DECEMBER 22, 2021**. YOU WILL BE FOREVER **BARRED** FROM ASSERTING ANY CLAIM AGAINST THE RECEIVERSHIP ENTITIES' ASSETS AND YOU WILL **NOT** BE ELIGIBLE TO RECEIVE ANY DISTRIBUTIONS FROM THE RECEIVER.

General Instructions:

Except where specified, you must answer each and every question on the following pages. If you are an investor, you do not need to answer questions 18-20, which are specific to Non-Investor Claimants. Similarly, Non-Investor Claimants do not need to answer questions 9-17, which are specific to Investor Claimants. Please answer each question applicable to you as fully as possible. If you need additional space to complete an answer, please attach a separate sheet of paper and indicate the number of the question for which you are providing the additional information. If the question does not apply to you, please write "not applicable." If the answer to the question is "no" or "none," please answer as such.

1. Full name of the Claimant (the person or entity making this claim to Receivership assets). _____

Robert J. Armijo

2. If the Claimant's interest is held in a qualified account (i.e., IRA, 401k, etc.), please confirm the name of the custodian (i.e., Goldstar, Vantage, etc.).

INAPPLICABLE

3. If this form is being completed by a person other than the Claimant or on behalf of an entity, please provide the full name, address, telephone number, and email address of the person completing this form and the basis for that person's authority to act on the Claimant's behalf. **If you are a power of attorney, trustee, or other**

fiduciary completing this form on behalf of the Claimant in question 1, you must provide documentation with this Proof of Claim Form reflecting your legal authority to do so.

INAPPLICABLE

4. If this form is being completed on behalf of an entity, please provide the full names of the entity’s officers, directors, trustees, managing agents, shareholders, partners, beneficiaries, and any other party with an interest in the entity. _____

INAPPLICABLE

5. Provide **one** mailing address where the Claimant authorizes the receipt of all future communications relating to this claim, including any possible distribution payment the Claimant may receive. It is the Claimant’s sole responsibility to advise the Receiver of any change to this address after the submission of this form.

Robert J. Armijo
c/o Robert C. Wright, Esq., Wright, L'Estrange & Ergastolo
402 West Broadway, Suite 1800
San Diego, California 92101

6. Provide **one** email address for the Claimant where the Claimant authorizes the receipt of all future electronic communications relating to this claim. It is the Claimant’s sole responsibility to advise the Receiver of any change to this email address after the submission of this form.

rwright@wlelaw.com

Do you consent to the receipt of electronic communications from the Receiver in lieu of mailed communications where feasible and in the Receiver’s discretion?

Yes No

7. Provide **one** telephone number for the Claimant. It is the Claimant’s sole responsibility to advise the Receiver of any change to this telephone number after the submission of this form. 619-231-4844

8. Provide the basis for your claim (please check applicable boxes):

Investor

Provided Goods or Services to a Receivership Entity

Other (specify basis) Financial Advisor Representative defrauded by EquiAlt/breach of contract.

If you are not an investor, write “Not Applicable” to questions 9 through 17. If you are an investor, write “Not Applicable” to questions 18 through 20. All Claimants must answer questions 1 through 8 and questions 21 and 22.

Questions Specific to Investors

9. Please refer to Exhibit A attached to this document. If sufficient information is available, this Exhibit provides the following information: (1) the total amount invested; (2) the total payments received; and (3) the Net Investment Amount (which is (1) less the amount in (2)). Do the amounts listed in the Exhibit accurately represent the total amount of your investment and all funds you received related to this investment? Failure to respond to this question will mean that you agree with the amounts listed in the Exhibit.

Yes, I agree with the amounts listed.

No, I do not agree with the amounts listed.

No amounts were provided by the Receiver.

If you answered yes, you do not have to respond to questions 10, 11, and 12. If you answered no or no amounts were provided by the Receiver, you must answer questions 10, 11, and 12, and provide copies of the documents requested. If no amounts were provided on the attached Exhibit A or you do not agree with the amounts listed, you must provide the amount you are claiming you are owed from the Receivership in response to question 12 below.

10. Please provide the following information regarding your investment in or with, or interest in, any Receivership Entity, and attach copies of all checks, bank or other financial account statements, invoices, wire transfer confirmations, and other documents relating to your answer.

1st investment in or with the Receivership Entities:

totaled \$0.00 and was made on _____ (date); through a check (or wire transfer) made payable to _____ and drawn on account number _____ with _____ (identify financial institution).

If applicable, 2nd investment in or with the Receivership Entities:

totaled \$ _____ and was made on _____ (date); through a check (or wire transfer) made payable to _____ and drawn on account number _____ with _____ (identify financial institution).

If additional investments were made, please attach a separate sheet identifying (1) those amounts, (2) the dates on which they were made, (3) the payee of the check (or recipient of the wire transfer), and (4) the account number and financial institution on which the check was drawn, or the wire transfer initiated.

Total amount you are claiming you invested with the Receivership Entities: \$ 0.00

11. Have you (whether personally or through your qualified account) ever received any money from a Receivership Entity, including as an “interest” payment, “return of principal,” or distribution relating to your investment or for any other reason? Yes No. If yes, please provide the following information for each amount received, and attach copies of all checks, bank or other financial account statements, wire transfer confirmations, and other documents relating to your answers.

	<u>Date</u>	<u>Amount</u>	<u>Payor/Payee of check/wire</u>
A.	_____	_____	_____
B.	_____	_____	_____
C.	_____	_____	_____

If any additional amounts were received from any Receivership Entity, please attach a separate sheet identifying those amounts, the dates on which they were received, and the payor and payee of the check(s) or wire transfers.

Total amount you are claiming you received from the Receivership Entities: \$ 0.00

12. **State the total amount of your claim (this is the amount that you are claiming you are owed from the Receivership; this amount should be the total amount in question 10 less the total amount in question 11):** \$ 0.00

13. Did you receive any other funds or anything of value other than money (for example, a car or shares of stock) from any Receivership Entity or anyone acting on their behalf? _____ Yes No. If yes, please identify how much or what you received, from whom, and the date it was received. _____

14. Provide the name of the person or persons who solicited your investment in or with the Receivership Entities.
INAPPLICABLE

15. Please explain the way in which you came to learn about any one or all of the Receivership Entities and thereafter invest in or with them, including the person(s) who introduced you to these entities, the statements made by that person, any documents provided by that person, meetings you had with the representative(s) of those entities, information that you relied on, and any other information. _____

INAPPLICABLE

16. Are you related by blood or marriage to any of the individual defendants or sales agents? _____ Yes No. If yes, to whom are you related and what is the relationship? _____

17. Did you receive any compensation of any nature from any Receivership Entity, including but not limited to commissions, referral fees, or marketing fees? _____ Yes No. If yes, please identify how much or what you received, from whom, and the date it was received. _____

During the period of 2016 through 2020, Joseph Financial, Inc., a corporation owned by Robert Armijo, received about \$1,121,482.65 from BR Support Services, LLC, in connection with the sale of promissory notes by EquiAlt funds. During the period of 2018 through 2019, Joseph Financial, Inc. received about \$350,975.70 in connection with the sale of shares by EquiAlt Secured Income Portfolio REIT, Inc.

Questions Specific to Non-Investor Claimants

18. If you were not an investor, state with specificity how you claim an interest in any distribution by the Receivership Entities (for example, you provided goods or services to a Receivership Entity for which you have not been paid). _____

Robert Armijo has claims against the Receivership Entities based on (i) intentional or negligent misrepresentation; (ii) fraudulent concealment; (iii) breach of contract; (iv) promissory fraud; and (v) tort of another. Some of the claims are not now mature, fixed, liquidated, or certain. All arise out of the fraudulent investment scheme alleged in the SEC complaint and recognized by law as resulting from those activities. The claims are described in Exhibit A to this form which is incorporated by reference.

19. State the amount you claim you are owed by any Receivership Entity. \$ 14,993,805.79
Attach copies of all documents relating to your claim (for example, copies of all invoices submitted to a Receivership Entity and copies of records of all payments received from same). If you delivered goods to a Receivership Entity, include a copy of the document confirming receipt by a representative of the Receivership Entity.

20. Identify your contact person or persons at the Receivership Entities. _____
Barry Rybicki

Questions for all Claimants:

21. Have you sued, threatened suit, or otherwise commenced any lawsuits, arbitrations, actions, or other proceedings, or made any demands against any person or entity relating in any way to your claim and/or any Receivership entity? Yes _____ No. If yes, identify the nature and status of any such action, the date the action was initiated, and the name of the attorney who commenced the action. _____

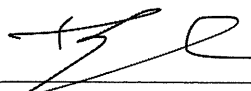
Robert Armijo has threatened to take legal action against former EquiAlt attorney Paul Wassgren and his law firms, DLA Piper LLP (U.S.) and Fox Rothschild LLP, relating to legal advice given by Wassgren and EquiAlt to Armijo. The parties have entered into a series of Tolling Agreements, the effective date of which begins August 13, 2020, and expires on February 13, 2022.

22. If you answered yes to question 21, have you received any money as a result of these efforts?
_____ Yes No. If yes, please provide the date you received the recovery, from whom the recovery was received, the total amount of the recovery, and the net amount you received. _____

Sign this Proof of Claim Form, under penalty of perjury, and send it along with legible copies of any documentation requested in this form, to the Receiver by one of the following options so as to be received no later than **December 22, 2021**: (i) online, through the Receiver's eClaims portal which can be accessed at www.omniagentsolutions.com/equalt (please note that in order to submit your claim through the eClaims portal, you will need your Personal Identification Code which is provided below your preprinted contact information on the first page of this form); (ii) electronically, by uploading your completed Proof of Claim Form to www.omniagentsolutions.com/equalt; or (iii) by submitting your completed Proof of Claim Form by mail, overnight delivery or courier, to EquiAlt Receiver Claims Processing c/o Omni Agent Solutions, at 5955 De Soto Avenue, Suite 100, Woodland Hills, CA 91367. IF YOU FAIL TO TIMELY SUBMIT YOUR PROOF OF CLAIM FORM, YOU WILL BE FOREVER BARRED FROM ASSERTING ANY CLAIM AGAINST THE RECEIVERSHIP ENTITIES' ASSETS AND YOU WILL NOT BE ELIGIBLE TO RECEIVE ANY DISTRIBUTIONS FROM THE RECEIVER.

IF YOU DO NOT AGREE WITH ANY AMOUNTS PROVIDED ON EXHIBIT A OR NO AMOUNTS WERE PROVIDED ON EXHIBIT A, YOU MUST PROVIDE COPIES OF ALL DOCUMENTS OR OTHER MATERIALS THAT ARE RELATED IN ANY WAY TO YOUR INVESTMENT IN THE RECEIVERSHIP ENTITIES, OR, IF YOU ARE NOT AN INVESTOR, TO YOUR CLAIM AGAINST A RECEIVERSHIP ENTITY, INCLUDING COPIES OF YOUR CANCELLED CHECKS, BANK OR OTHER FINANCIAL ACCOUNT STATEMENTS SHOWING ALL TRANSFERS OF FUNDS BETWEEN (OR FOR THE BENEFIT OF) YOU AND THE RECEIVERSHIP ENTITIES, STATEMENTS FROM THE RECEIVERSHIP ENTITIES, WIRE TRANSFER CONFIRMATIONS, AND ANY OTHER DOCUMENTS REGARDING YOUR CLAIM AND STATE THE AMOUNT YOU ARE CLAIMING YOU ARE OWED FROM THE RECEIVERSHIP.

By signing below, I certify under penalty of perjury pursuant to Florida law that the information provided in this form is true and correct. If this claim is being submitted by more than one person, all persons submitting the claim must sign below certifying under penalty of perjury that the information provided is true and correct.

Signature of Claimant:  _____

Print Name: Robert J. Armijo

Date: December 17, 2021

Title (if any): _____

If joint claim:

Signature of Claimant: _____

Print Name: _____

Date: _____

Title (if any): _____

EXHIBIT A

EquiAlt investors are not the only ones defrauded by EquiAlt in this case. Financial advisors like Robert J. Armijo were also defrauded. The Receiver agrees. In a complaint filed on December 30, 2020, *Wiand v. Wassgren*, Los Angeles Superior Court Case No. 20-STCV49670 against Paul Wassgren, the Receiver alleges:

Wassgren regularly was in contact with selling agents for The Funds. None of these selling agents were registered or licensed to sell securities and could not legally engage in the transactions of selling these securities to Investors. This fact is well known to Wassgren.

Wassgren advised Rybicki, who was in charge of sales efforts, as well as numerous selling agents, that they were allowed to sell these investments without license or registration, in violation of securities laws.

Complaint, p. 10, ¶¶ 57 F., G.

The claims by Robert J. Armijo against the EquiAlt Receivership Entities for intentional or negligent misrepresentation, fraudulent concealment, breach of contract, promissory fraud, and tort of another doctrine follow:

INTENTIONAL OR NEGLIGENT MISREPRESENTATION

- On January 19, 2016, Armijo and Barry Rybicki, EquiAlt's Managing Director, had a lengthy telephone conversation about the possibility of Armijo becoming involved in the sale of EquiAlt Fund I debentures. During the conversation that lasted over an hour, Armijo and Rybicki discussed numerous topics, including how the Fund worked, how Rybicki paid his advisors, and whether it was legal to pay advisors from the marketing account (BR Support Services, LLC). Rybicki intentionally or negligently misrepresented to Armijo that he already had approval from EquiAlt's legal counsel to pay advisors from the marketing

account, and that Armijo's licensing (Series 65 but not Series 7) was not an issue. The Series 7 (registered representative) license was unnecessary.

- On November 21, 2017, after Armijo again raised the question with Rybicki in a text message of whether Armijo needed a Series 7 license to become involved in sale of the EquiAlt REIT, which was then being introduced, Rybicki intentionally or negligently misrepresented to Armijo, in a November 21, 2017 text message, that he did not need a Series 7 license. "Series 65 is good to go!" A true and correct copy of this text exchange is attached as Exhibit 1 and incorporated by reference.
- On March 7, 2019, Rybicki again intentionally or negligently misrepresented to Armijo in a text message that his Series 65 license was "good." A true and correct copy of this text exchange is attached as Exhibit 2 and incorporated by reference.
- On or about July 5, 2017, Rybicki provided Armijo with contact information regarding EquiAlt attorney Paul Wassgren, so that Armijo could contact him. A true and correct copy of the contact information is attached as Exhibit 3 and incorporated by reference. On or about the same day, Armijo had a telephone conversation with Wassgren, during which time Armijo asked Wassgren whether he needed a Series 7 license to participate in the sale of EquiAlt securities. In the conversation, Wassgren intentionally or negligently misrepresented to Armijo that if there was any problem with Armijo's licensing (Series 65), Wassgren would let Rybicki know, and Rybicki would tell Armijo. No such communication was later made to Armijo.
- On or about May 14, 2019, Armijo had another telephone call with Wassgren, with Rybicki's permission, and Wassgren intentionally or negligently misrepresented to Armijo on the telephone call that his Series 65 license was sufficient to be involved in the sale of EquiAlt REIT stock. A true and correct copy of a text exchange between Armijo and Rybicki wherein Rybicki gives Armijo permission to communicate with Wassgren regarding licensing is attached as Exhibit 4 and incorporated by reference.

- When making these misrepresentations, Rybicki and Wassgren intended that Armijo would rely upon them, which he reasonably did in participating in the sale of EquiAlt securities without obtaining a Series 7 license. The misrepresentations were false when made and were a substantial factor in causing persons purchasing EquiAlt securities through Armijo to bring a class action for securities fraud (now subject to a tolling agreement) against Armijo and Joseph Financial Investment Advisors, LLC; investigation and pending litigation by the SEC against the Defendants in Federal District Court, San Diego, California, including a request for civil penalties and disgorgement against Armijo; the Receiver's claims for disgorgement; the destruction of Armijo's reputation among his clients in the insurance and financial advising industry. Armijo has incurred attorneys' fees and costs, financial damages, and lost time, as a result. He has also sustained serious physical harm and pain and suffering, including heart problems and depression.

FRAUDULENT CONCEALMENT

- On January 19, 2016, Armijo had a lengthy conversation with Rybicki about the possibility of Armijo becoming involved in the sale of EquiAlt debentures. During that conversation, Rybicki discussed how EquiAlt Fund I worked, how Rybicki paid advisors from a marketing account, and that Rybicki had approval from EquiAlt's legal counsel (Wassgren) to pay advisors that way. He also told Armijo that Armijo's licensing (Series 65 but not Series 7) was not an issue. The Series 7 registered representative license was unnecessary.
- In the period between January 19, 2016, and February 2020, when a Receiver was appointed for EquiAlt, Armijo had numerous telephone and text message communications with Rybicki about EquiAlt business.
- The SEC and the EquiAlt Receiver contend that EquiAlt President, Brian Davison, and Rybicki conducted EquiAlt business as a classic Ponzi scheme; misappropriated investor funds to personal use; and misrepresented in private placement memoranda how investor funds would be used.

- If these facts are true, Rybicki failed to disclose to Armijo on January 19, 2016, and on multiple dates thereafter, in text messages and telephone conversations, that EquiAlt was being operated illegally, something that Armijo neither knew nor could reasonably have discovered.
- Rybicki concealed these facts with the intent to deceive Armijo. Had the omitted information been disclosed in January 2016, Armijo would never have become involved, or continue to be involved, in the sale of EquiAlt debentures or securities.
- The fraudulent concealment was a substantial factor in causing persons purchasing EquiAlt securities through Armijo to bring a class action for securities fraud (now subject to a tolling agreement) against them; investigation and pending litigation by the SEC against Armijo in Federal District Court, San Diego, California, including a request for civil penalties and disgorgement; the Receiver's claims for disgorgement; and the destruction of Armijo's reputation among his clients in the insurance and financial advising industry. Armijo has incurred attorneys' fees and costs, financial damages, and lost time, as a result. He has also sustained serious physical harm and pain and suffering, including heart problems and depression.

BREACH OF CONTRACT

- On April 29, 2018, Armijo signed and sent to Rybicki a written contract with EquiAlt Secured Investment Portfolio REIT, Inc. The contract – the Selected Dealer Agreement – is attached as Exhibit 5 and incorporated by reference.
- Armijo has performed all the conditions, covenants, and promises required to be performed in accordance with the terms and conditions of the agreement.
- If the results of the investigations made by the SEC and the Receiver of EquiAlt are accurate, EquiAlt breached the agreement in that the Section VII warranties about compliance

of the Private Placement Memorandum with Regulation D were incorrect: The Private Placement Memorandum for the REIT at least omitted material facts about the Ponzi scheme needed to make the facts stated not misleading. The execution and delivery of the agreement violated the warranties that securities laws, rules, and regulations (including the requirement that Armijo have a Series 7 license) would be complied with and that the Private Placement Memorandum not contain inaccuracies. EquiAlt also breached the agreement by failing to promptly correct inaccuracies in the Private Placement Memorandum.

- The breach of contract was a substantial factor in causing persons purchasing EquiAlt securities through Armijo to bring a class action for securities fraud (now subject to a tolling agreement) against them; investigation and pending litigation by the SEC against the Defendants in Federal District Court, San Diego, California, including a request for civil penalties and disgorgement; the Receiver's claims for disgorgement; and the destruction of Armijo's reputation among his clients in the insurance and financial advising industry. Armijo has incurred attorneys' fees and costs, financial damages, and lost time as a result.
- The Selected Dealer Agreement also provides in Section XI that EquiAlt will indemnify and hold harmless the Dealer from any and all losses to which the indemnified person may be subject.
- EquiAlt has thus far breached the agreement by failing to compensate Armijo for any of the losses caused by the materially false statements and material omissions in the Private Placement Memorandum for the REIT, including legal and other expenses reasonably incurred in investigating or defending against third-party claims.

PROMISSORY FRAUD

- On April 29, 2018, Armijo signed and sent to Rybicki a written contract with EquiAlt Secured Investment Portfolio REIT, Inc.

The contract – the Selected Dealer Agreement – is attached as Exhibit 5 and incorporated by reference.

- Armijo has performed all the conditions, covenants, and promises required to be performed in accordance with the terms and conditions of the Agreement.
- Section VII, paragraph 2, of the Selected Dealer Agreement represents and warrants to the Dealer in pertinent part as follows: “The Private Placement Memorandum . . . does not contain any untrue statements of material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. . . .”
- If the results of the investigations made by the SEC and the Receiver of EquiAlt are accurate, EquiAlt did not intend to perform this promise when EquiAlt made it.
- EquiAlt intended that Armijo rely on this promise, and he reasonably did so.
- If the results of the investigation made by the SEC and the Receiver of EquiAlt are accurate, EquiAlt breached this representation: The Private Placement Memorandum for the REIT at least omitted material facts about the Ponzi scheme required to make the facts stated not misleading.
- Had the promissory fraud not occurred, Armijo would never have become involved, or continue to be involved, in the sale of EquiAlt debentures or REIT securities.
- The promissory fraud was a substantial factor in causing persons purchasing EquiAlt securities through Armijo to bring a class action for securities fraud (now subject to a tolling agreement) against Armijo and Joseph Financial Investment Advisor, LLC; investigation and pending litigation by the SEC against the Defendants in Federal District Court, San Diego, California, including a request for civil penalties and

disgorgement; the Receiver's claims for disgorgement; and the destruction of Armijo's reputation among his clients in the insurance and financial advising industry. Armijo has incurred attorneys' fees and costs, and financial damages and lost time, as a result. He has also sustained serious physical harm and pain and suffering, including heart problems and depression.

TORT OF ANOTHER DOCTRINE

- EquiAlt, through its agents Rybicki and Wassgren, have engaged in tortious conduct, including: intentional or negligent misrepresentation, fraudulent concealment, and promissory fraud.
- EquiAlt's tortious conduct has forced Armijo to incur the expense of defending against the actions filed against him by harmed investors and the SEC.
- Under the third-party tort of another doctrine, as discussed in *Prentice v. N. Am. Title Guar. Corp.*, 59 Cal.2d 618, 620, 381 P.2d 645, 30 Cal.Rptr. 821 (1963), "[a] person who through the tort of another has been required to act in the protection of his interests by bringing or defending an action against a third person is entitled to recover compensation for the reasonably necessary loss of time, attorneys' fees, and other expenditures thereby suffered or incurred." Moreover: "The theory of recovery is that attorneys' fees are recoverable as damages resulting from a tort in the same way that medical fees would be part of the damages in a person's injury action." *Gateway Bank, F.S.B. v. Metaxas*, 65 Cal.App.5th 571, 279 Cal.Rptr.3d 779 (2021).
- As a direct, proximate and foreseeable result of the tortious conduct by EquiAlt, as alleged above, Armijo has been damaged in that he has lost time and incurred attorneys' fees and costs in an amount according to proof at trial.

CLAIMED LOSSES

As a result of the above-described fraudulent conduct and breach of contract, Armijo has incurred, and will incur, losses as follows:

Attorneys' Fees and Costs Incurred

- **Wright, L'Estrange & Ergastolo – \$178,912.86:¹**
 - (i) Services include defense of Armijo and Joseph Financial Investment Advisors, LLC, in *Stephen J. Rubenstein, et al. v. EquiAlt, LLC, et al.*, U.S. District Court, Middle District of Florida (Tampa Division) No. 8:20-cv-00448-WFJ-TGW – class action complaint on behalf of EquiAlt Investors for sale of unregistered EquiAlt debentures, misrepresentation of material facts in private placement memoranda, breach of fiduciary duty, negligent misrepresentation, and sale of securities by unregistered person.
 - (ii) Defense of Armijo and Joseph Financial, Inc., in connection with SEC investigation, including response to subpoena, preparation and testimony to the SEC; preparation of White Paper and Wells Submission; negotiations with the SEC; representation of Armijo and Joseph Financial, Inc., in *Securities and Exchange Commission v. Robert Joseph Armijo, and Joseph Financial, Inc.*, U.S. District Court, Southern District of California, Case No. 3:21-cv-01107-TWR-AHG (case pending); and response to third-party subpoena from counsel for Fox, Rothschild firm.
 - (iii) Copies of the first pages of invoices submitted by Wright, L'Estrange & Ergastolo for services rendered and costs incurred are attached as Exhibit 6 and incorporated by reference. Detailed descriptions of services rendered and costs incurred – redacted to preserve attorney-client and

¹ Total billed amount of \$180,292.86 reduced by \$1,380 to reflect brief, unrelated services.

attorney work-product protection – will be provided upon request by the Receiver or by the Court.

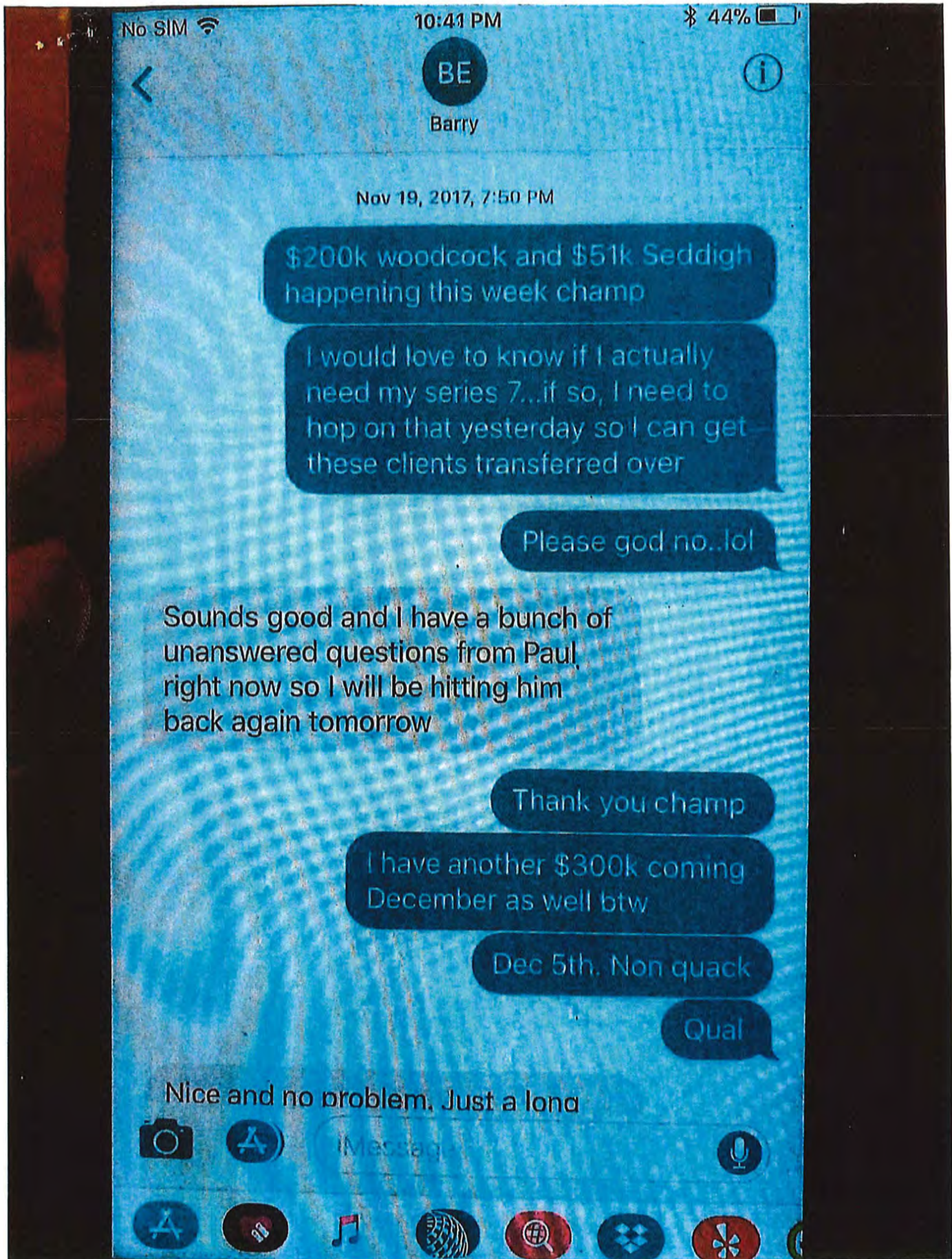
- **Arnell, Gordon, Gregory, LLP, Washington, D.C. – \$36,022.50.**
(Co-counsel for defendants in *Securities and Exchange Commission v. Robert Joseph Armijo and Financial, Inc.* – case pending.)
- **Petrillo Klein & Boxer LLP – \$9,000 (estimate).**
(Initial counsel for Armijo in connection with Securities and Exchange Commission investigation.)
- **Value of Lost Time by Armijo in Dealing with EquiAlt-Related Claims – \$296,500.**
(*Rubenstein; Securities and Exchange Commission*; response to SEC and Fox Rothschild subpoenas; preparation for and presentation of testimony to the SEC; communications with clients, family, banks, and securities firm; and research to respond to case needs is estimated at 593 hours of lost time x \$500 per hour = \$296,500.)
- **Reputational Loss to Armijo – \$1,500,000.**
(Massive negative effect on business reputation as a result of publicity re association with EquiAlt and filing of Securities and Exchange Commission action.)

Unliquidated Losses

- **Potential future investor claims – \$12,583,370.43.**
(Threatened class action Richard Gleinn and Phyllis Gleinn, et al., against Armijo and Joseph Financial, Inc., for alleged sale of unregistered EquiAlt securities and offering securities through Private Placement Memoranda containing materially false representations and omissions.)
- **Estimated Future Attorneys' Fees and Costs Defending Investor Class-Action and/or Individual Claims by EquiAlt Security Purchaser – \$250,000.**

- **Estimated Future Attorneys' Fees and Costs Defending Securities and Exchange Commission Case – \$100,000.**

EXHIBIT 1



different address for him?

Nov 21, 2017, 6:16 AM

Thanks! Sorry I forgot to respond. I was in mid appt and blanked out after

Seddigh funds available as of today per vantage

Nov 21, 2017, 7:26 AM

No worries and I will get the paperwork to them. Thx

Nov 21, 2017, 9:38 AM

Thank you

Nov 21, 2017, 4:08 PM

Series 65 is good to go!



EXHIBIT 2

I have an email out. Will let you know as soon as I can

Thank you

You know this

Mar 7, 2019, 12:53 PM

Call me when you can. Thanks

We're good. He said it's general inquiry and the 65 is good

Mar 8, 2019, 1:44 PM

Sending in new client paperwork for \$25k

REIT

Mar 8, 2019, 2:49 PM

Sounds great, thank you!

EXHIBIT 3

From: Barry Rybicki <barry@equialt.com>
Subject: Our attorney
Date: July 5, 2017 at 2:23:19 PM PDT
To: Bobby Armijo <bobby@josephfinancialinc.com>

Paul R. Wassgren
Partner
P + 1 310 595 3035
M + 1 617 461 4061
F +1 310.595.3335
E paul.wassgren@dlapiper.com



DLA Piper LLP (US)
2000 Avenue of the Stars
Suite 400 North Tower
Los Angeles, California 90067-4704
United States
www.dlapiper.com

Cordially,



EXHIBIT 4



Barry >

Nothing yet. I will follow up this upcoming week

Ok thanks. Have a good weekend

Thanks and you too

May 14, 2019, 10:32 AM

Oh I meant to ask if I can call your attorney again regarding my licensing etc. Just so I can hear it again

Paul at DLA piper

Sure

Thank you



May 16, 2019, 11:49 AM



iMessage



Apple Pay



EXHIBIT 5

EQUIALT SECURED INCOME PORTFOLIO REIT, INC.

Up to \$100,000,000 of Class A Shares of Common Stock
Offered to accredited investors only

SELECTED DEALER AGREEMENT

Ladies and Gentlemen:

EquiAlt Secured Income Portfolio REIT, Inc. (the “**Company**”), a Maryland corporation, invites you (the “**Dealer**”) to participate in the distribution of Class A shares of common stock (the “**Shares**”) of the Company (the “**Offering**”) subject to the following terms. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Company’s Confidential Private Placement Memorandum dated December 7, 2017, as it may be amended or supplemented from time to time (the “**Private Placement Memorandum**”).

I. Appointment and Obligations of the Dealer

On the basis of the representations, warranties and covenants herein contained, but subject to the terms and conditions herein set forth, the Dealer is hereby appointed to sell the Shares on a “best efforts” basis through a private, limited offering exempt from registration pursuant to: (i) Rule 506(b) of Regulation D (“**Rule 506**”) promulgated under the Securities Act of 1933, as amended (the “**Securities Act**”); and (ii) applicable state blue sky exemptions.

The Dealer hereby agrees to use its best efforts to sell the Shares for cash on the terms and conditions stated herein and in the Company’s Private Placement Memorandum.

The Dealer shall have no authority to appoint any person or other entity as an agent or sub-agent of the Dealer or the Company. The Dealer acknowledges and agrees that the Company may (a) enter into agreements with other broker-dealers and registered investment advisors (collectively with Dealer, the “**Dealers**”) for the offer and sale of Shares in the Offering and (b) sell Shares directly as an issuer-dealer.

II. Submission of Orders

In order to purchase Shares in the Offering, the subscriber must complete and execute a subscription agreement substantially in the form included as an appendix to the Private Placement Memorandum (a “**Subscription Agreement**”) together with a check or wire transfer (“**instruments of payment**”) in the amount of such person’s purchase as described below. Those persons who purchase Shares will be instructed by the Dealer to make their instruments of payment payable to or for the benefit of “UMB Bank, N.A., as escrow agent for EquiAlt Secured Income Portfolio REIT, Inc.” or, after the Company has raised gross proceeds of

\$2,000,000 from the sale of its common stock whether in this Offering or in a separate private transaction outside of this Offering, including from persons who are affiliated with the Company, its sponsor or its advisor (the “Minimum Offering”), to the Company, except with respect to Benefit Plan investors. Instruments of payment from Benefit Plan investors must be made payable to or for the benefit of “UMB Bank, N.A., as escrow agent for EquiAlt Secured Income Portfolio REIT, Inc.” until the Company determines that it is no longer necessary to limit participation by Benefit Plan investors as described in the Private Placement Memorandum (the “Benefit Plan Determination”). The Dealer will return any instrument of payment it receives not conforming to the foregoing instructions directly to such subscriber not later than the end of the next business day following its receipt. Instruments of payment received by the Dealer that conform to the foregoing instructions shall be transmitted for deposit pursuant to one of the following methods:

Where, pursuant to the Dealer’s internal supervisory procedures, internal supervisory review is conducted at the same location at which subscription documents and instruments of payment are received from subscribers, instruments of payment will be transmitted by the end of the next business day following receipt by the Dealer for deposit to the escrow agent for the Company or, after the Minimum Offering has been achieved, to the Company or its agent, except for investments from Benefit Plan investors. The Dealer will transmit instruments of payment from Benefit Plan investors for deposit to the escrow agent for the Company or, after the Benefit Plan Determination has been made, to the Company or its agent.

Where, pursuant to the Dealer’s internal supervisory procedures, final internal supervisory review is conducted at a different location, instruments of payment will be transmitted by the end of the next business day following receipt by the Dealer to the office of the Dealer conducting such final internal supervisory review (the “Final Review Office”). The Final Review Office will in turn by the end of the next business day following receipt by the Final Review Office transmit such instruments of payment for deposit to the escrow agent for the Company or, after the Minimum Offering has been achieved, to the Company or its agent, except for investments from Benefit Plan investors. The Final Review Office will transmit instruments of payment from Benefit Plan investors for deposit to the escrow agent for the Company or, after the Benefit Plan Determination has been made, to the Company or its agent.

III. Pricing

The Shares will be offered at the offering prices and upon the terms and conditions set forth in the Private Placement Memorandum (as amended and supplemented).

IV. Dealer’s Compensation

Except for any discounts described in or as otherwise provided in the “Plan of Distribution” section of the Private Placement Memorandum (as amended and supplemented) and subject to the conditions below, in consideration of the Dealer’s services hereunder, the

selling commissions and marketing allowances payable to the Dealer by the Company are as follows:

4.1 The Dealer will receive selling commissions of 6.5% of the purchase price of the Shares sold by the Dealer in the Offering; provided, however, that this amount will be reduced to the extent a lower commission rate is agreed upon in writing between the Company and the Dealer (the above being referred to as the "Commissions").

4.2 The Dealer will receive a non-accountable marketing and due diligence allowance of 1.0% of the purchase price of the Shares sold by the Dealer in the Offering; provided, however, that this amount will be reduced to the extent a lower allowance rate is agreed upon in writing between the Company and the Dealer (the "Allowances").

All Commissions and Allowances shall be based on Shares sold by Dealer and accepted and confirmed by the Company, which Commission and Allowance will be paid by the Company. For these purposes, a "sale of Shares" shall occur if and only if a transaction has closed with a subscriber for Shares pursuant to all applicable offering and subscription documents, payment for the Shares has been received by the Company in full in the manner provided in Section II hereof, the Company has accepted the Subscription Agreement of such subscriber, the Minimum Offering has been achieved and, with respect to Benefit Plan investors, subscription funds have been released to the Company from escrow as described in the Private Placement Memorandum.

The parties hereby agree that the foregoing Commissions and Allowances are not in excess of the usual and customary distributors' or sellers' commission received in the sale of securities similar to the Shares, that Dealer's interest in the offering is limited to such Commission and any Allowance from the Company and Dealer's indemnity referred to in Section XI of this Agreement.

4.3 The Company will pay or reimburse bona fide invoiced due diligence expenses of Dealer, and may, in its discretion, pay or reimburse for additional items of underwriting compensation referenced in the Private Placement Memorandum to the extent the Private Placement Memorandum indicates that they may be paid by the Company. All other expenses incurred by you in the performance of your obligations hereunder, including but not limited to expenses related to the Offering and any attorneys' fees, shall be at your sole cost and expense, and the foregoing shall apply notwithstanding the fact that the Offering is not consummated for any reason.

V. Payment

Payment of Commissions or Allowances will be made by the Company to the Dealer within 30 days of the receipt by the Company of the gross proceeds of the applicable sale of Shares by the Dealer.

VI. Right to Reject Orders or Cancel Sales

All orders, whether initial or additional, are subject to acceptance by and shall only become effective upon confirmation by the Company. The Dealer agrees that the Company, in its sole and absolute discretion, may accept or reject any subscription, in whole or in part, for any reason whatsoever, and no Commission or Allowance will be paid to the Dealer with respect to the portion of any subscription that is rejected. Orders not accompanied by a Subscription Agreement with the signature page and the required instrument of payment in payment for the Shares may be rejected. Issuance and delivery of the Shares will be made only after actual receipt of payment therefor. If any instrument of payment is not paid upon presentment, or if the Company is not in actual receipt of clearinghouse funds or cash, certified or cashier's check or the equivalent in payment for the Shares, the Company reserves the right to cancel the sale without notice. In the event an order is rejected, canceled or rescinded for any reason, the Dealer agrees to return to the Company any Commission or Allowance theretofore paid with respect to such order within 30 days thereafter and, failing to do so, the Company shall have the right to offset amounts owed against future Commissions or Allowances due and otherwise payable to the Dealer.

VII. Representations, Covenants and Agreements of the Company

As an inducement to the Dealer to enter into this Agreement, the Company represents and warrants to the Dealer that:

1. The Company has been duly and validly organized and formed as a corporation under the laws of the State of Maryland, with the power and authority to conduct its business as described in the Private Placement Memorandum.
2. The Private Placement Memorandum with respect to the Offering has been prepared by the Company. The Private Placement Memorandum complies with the Securities Act for offerings solely to accredited investors pursuant to Rule 506(b) of Regulation D promulgated thereunder and does not contain any untrue statements of material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading; provided, however, that the foregoing provisions of this Section 7.2 will not extend to such statements contained in or omitted from the Private Placement Memorandum that are primarily within the knowledge of any of the Dealers. Copies of the Private Placement Memorandum and each amendment and supplement thereto have been or will be delivered to the Dealer.
3. The Company intends to use the funds received from the sale of the Shares as set forth in the Private Placement Memorandum.
4. The Company has full legal right, power and authority to enter into this Agreement and to perform the transactions contemplated hereby, except to the extent that the

enforceability of the indemnity provisions contained in Section XI of this Agreement may be limited under applicable securities laws and to the extent that the enforceability of this Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws that affect creditors' rights generally or by equitable principles relating to the availability of remedies.

5. The execution and delivery of this Agreement, the consummation of the transactions contemplated herein and compliance with the terms of this Agreement by the Company will not conflict with or constitute a default or violation under any charter, bylaw, contract, indenture, mortgage, deed of trust, lease, rule, regulation, writ, injunction or decree of any government, governmental instrumentality or court, domestic or foreign, having jurisdiction over the Company, except to the extent that the enforceability of the indemnity provisions contained in Section XI of this Agreement may be limited under applicable securities laws and to the extent that the enforceability of this Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws that affect creditors' rights generally or by equitable principles relating to the availability of remedies.

6. No consent, approval, authorization or other order of any governmental authority is required in connection with the execution or delivery by the Company of this Agreement or the issuance and sale by the Company of the Shares, except as may be required under the Securities Act and the rules and regulations (the "Rules and Regulations") of the Securities and Exchange Commission ("SEC") promulgated thereunder or under applicable state securities laws.

7. The Shares have been duly authorized and, when issued and sold as contemplated by the Private Placement Memorandum and upon payment therefor as provided in the Private Placement Memorandum and this Agreement, the Shares will be validly issued, fully paid and nonassessable and will conform to the description thereof contained in the Private Placement Memorandum.

8. The Company will, at no expense to the Dealer, furnish the Dealer with such number of printed copies of the Private Placement Memorandum, including all amendments, supplements and exhibits thereto, as the Dealer may reasonably request. It will similarly furnish to the Dealer as many copies of Authorized Sales Materials (as defined in Section IX below) as the Dealer may reasonably request in connection with the Offering.

9. If at any time during the Offering any event occurs as a result of which, in the opinion of the Company, the Private Placement Memorandum would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in view of the circumstances under which they were made, not misleading, the Company will notify the Dealer thereof (unless the information shall have been received from the Dealer) and will effect the preparation of an amended or

supplemental Private Placement Memorandum that will correct such statement or omission.

10. None of the Company, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Company participating in the Offering, any beneficial owner (as that term is defined under Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the Securities Act) connected with the Company in any capacity at the time of sale (each, a "Company Covered Person" and, together, "Company Covered Persons") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1) (i) to (viii) under the Securities Act (a "Disqualification Event"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3) under the Securities Act. The Company has exercised, and during the term of the Offering will continue to exercise, reasonable care to determine whether any Company Covered Person, any Dealer Covered Person (as defined in Section 8.9 below) is subject to a Disqualification Event. The Company will immediately comply, to the extent applicable, with its disclosure obligations under Rule 506(e), and will immediately effect the preparation of an amended or supplemented Private Placement Memorandum that will contain any such required disclosure and will, at no expense to the Dealer, promptly furnish the Dealer with such number of printed copies of such amended or supplemented Private Placement Memorandum containing any such required disclosure, including any exhibits thereto, as the Dealer may reasonably request.

11. The Company is not aware of any person (other than any Company Covered Person or Dealer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of any Shares.

12. With respect to each Company Covered Person, the Company has established procedures reasonably designed to ensure that the Company receives notice from each such Company Covered Person of (i) any Disqualification Event relating to that Company Covered Person, and (ii) any event that would, with the passage of time, become a Disqualification Event relating to that Company Covered Person.

13. The representations and warranties in Sections 7.10 through 7.12 are and shall be continuing representations and warranties throughout the term of the Offering. The Company will promptly notify the Dealer in writing upon becoming aware of any fact which makes any such representation or warranty untrue.

VIII. Covenants and Agreements of the Dealer

Dealer covenants and agrees with the Company that:

1. Dealer will use its best efforts to sell the Shares for cash on the terms and conditions set forth in this Agreement and the Private Placement Memorandum.

2. In connection with the Dealer's participation in the offer and sale of Shares (including, without limitation, all initial and additional subscriptions for Shares and any resales and transfers of Shares), the Dealer will comply with all requirements and obligations imposed upon it by (a) the Securities Act, the Exchange Act, and the Rules and Regulations of the SEC promulgated under both such acts; (b) all applicable state securities laws and regulations as from time to time in effect; (c) the applicable rules of the Financial Industry Regulatory Authority, Inc. ("FINRA"), including, but not in any way limited to, FINRA Rule 2040, FINRA Rule 2121 and FINRA Rule 5141; (d) all applicable rules and regulations relating to the suitability of investors; (e) any other state and federal laws and regulations applicable to the Offering, the sale of Shares or the activities of the Dealer pursuant to this Agreement, including without limitation the privacy standards and requirements of state and federal laws, including the Gramm-Leach-Bliley Act of 1999, and the laws governing money laundering abatement and anti-terrorist financing efforts, including the applicable rules of the SEC and FINRA, the Bank Secrecy Act, as amended, the USA Patriot Act of 2001, and regulations administered by the Office of Foreign Asset Control at the Department of the Treasury; and (f) this Agreement and the Private Placement Memorandum as amended and supplemented.

3. The Dealer will not offer Shares in any jurisdiction unless and until (a) the Dealer has been advised in writing by the Company that the Shares are exempt from the securities laws of such jurisdiction and (b) the Dealer has all required licenses and registrations to offer shares in that jurisdiction.

4. The Dealer will offer Shares (both at the time of an initial subscription and at the time of any additional subscription) only to persons who meet the financial qualifications and suitability standards set forth in the Private Placement Memorandum as amended or supplemented or in any suitability letter or memorandum sent to the Dealer by the Company. In offering Shares, the Dealer will comply with the provisions of all applicable rules and regulations relating to suitability of investors, including without limitation, the provisions of Regulation D, Rule 506 promulgated under the Securities Act and FINRA Rule 2111.

5. The Dealer agrees to maintain a record of the information obtained to determine that an investor meets the financial qualification and suitability standards imposed on the offer and sale of the Shares (both at the time of the initial subscription and at the time of any additional subscriptions) (the "Suitability Records"), for a period of six years from the date of the sale of the Shares. The Dealer further agrees to make the Suitability Records available to the Company upon request and to make them available to representatives of the SEC and FINRA and applicable state securities administrators upon the Dealer's receipt of a subpoena or other appropriate document request from such agency.

6. If requested by the Company, the Dealer shall obtain from subscribers for the Shares, other documentation reasonably deemed by the Company to be required under applicable law or as may be necessary to reflect the policies of the Company. Such documentation may include, without limitation, subscribers' written acknowledgement and agreement to the privacy policies of the Company.

7. The Dealer will provide the Company with such information relating to the offer and sale of the Shares by it as the Company may from time to time reasonably request or as may be requested to enable the Company, as the case may be, to prepare such reports of sale as may be required to be filed under applicable federal or state securities laws and the rules and regulations thereunder.

8. Further, the Dealer specifically agrees as set forth below:

(a) Shares shall not be offered and/or sold by the Dealer by means of any form of general solicitation or general advertising, including, but not limited to, the following:

- (1) any advertisement, article, notice, or other communication published in any newspaper, magazine or similar media, cold mass mailings, broadcasts over television or radio, material contained on a website available to the public or an e-mail message sent to a large number of previously unknown persons;
- (2) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising; or
- (3) any letter, circular, notice, or other written communication constituting a form of general solicitation or general advertising.

(b) In connection with any offer or sale of the Shares, the Dealer agrees to the following:

- (1) to comply in all respects with statements set forth in the Private Placement Memorandum and any supplements or amendments to the Private Placement Memorandum;

- (2) not to make any statement inconsistent with the statements in the Private Placement Memorandum and any supplements or amendments to the Private Placement Memorandum;
- (3) not to make any untrue or misleading statements of a material fact in connection with the Shares; and
- (4) not to provide any written information, statements, or sales materials other than the Private Placement Memorandum and any supplements or amendments thereto and any supplemental information, unless approved in writing by the Company.

(c) The Dealer:

- (1) acknowledges that any Registration Statement on Form S-11 or any draft registration statement submitted confidentially to the SEC pursuant to Section 6(e) of the Securities Act for an initial public offering of the shares of common stock of the Company (the "**Registration Statement**") relates only to the initial public offering of shares of common stock of the Company and not to this Offering;
 - (2) agrees that it will not utilize the Registration Statement or the prospectus that forms a part thereof in connection with the marketing of this Offering; and
 - (3) agrees that it will not offer or sell Shares in this Offering to any person who contacts the Dealer as a result of reviewing or receiving the Registration Statement or the prospectus that forms a part thereof.
- (d) The Dealer shall advise each offeree of Shares in the Company at the time of the initial offering to such offeree that the Company shall, during the course of the Offering and a reasonable time before sale, accord offeree and offeree's agents or representatives, if any, the opportunity to ask questions and receive answers concerning the terms and conditions of the Offering and to obtain any additional information, to the extent possessed or obtainable by the Company without unreasonable effort or expense, that is necessary to verify the accuracy of the information contained in the Private Placement Memorandum.
- (e) Before the sale of any of the Shares, the Dealer shall make reasonable inquiry to determine if the offeree is acquiring the Shares for offeree's own account or on behalf of other persons, and that the offeree understands the limitations on the

offeree's disposition of the Shares set forth in Rule 502(d) of Regulation D. This includes a determination by the Dealer that the offeree understands that he must bear the economic risk of the investment for an indefinite period of time because the Shares have not been registered under the Securities Act and, thus, cannot be sold unless the Shares are subsequently registered under the Securities Act or an exemption from registration under the Securities Act is available.

- (f) Before the sale of any of the Shares, the Dealer shall:
- (1) have reasonable grounds to believe that each subscriber is an "accredited investor" as that term is then defined in Rule 501(a) of Regulation D; and
 - (2) have sufficient information concerning the offeree to determine that the offeree has such knowledge and experience in financial and business matters that the offeree is capable of evaluating the merits and risks of an investment in the Company.
- (g) The Dealer shall not distribute a Private Placement Memorandum, supplement or amendment thereto or any supplemental information to any offeree with whom the Dealer does not have a pre-existing substantive relationship, as defined from time to time by the SEC. The SEC makes this determination on a case-by-case basis, taking into account all relevant facts and circumstances. However, generally, such relationship must exist before the date on which the Dealer enters into this Agreement and must allow the Dealer to determine and understand the prospective investor's investment objectives, sophistication and financial situation and whether an investment in the Shares is suitable for such prospective investor.
- (h) The Dealer shall complete and deliver to the Company such certifications or other documentation requested by such parties regarding the Dealer's determinations referenced in paragraphs (d) through (g) above, including, without limitation, a certificate stating the number of each Private Placement Memorandum delivered to each offeree, and a confirmation that the Dealer reasonably believes that each such offeree is an "accredited investor" as that term is then defined in Rule 501(a) of Regulation D.
- (i) Shares shall not be sold by the Dealer to any non-accredited investors.

9. The Dealer represents that neither it, nor any of its directors, executive officers, general partners, managing members or other officers participating in the offering of Shares, nor any of the directors, executive officers or other officers participating in the offering of Shares of any such general partner or managing member, nor any other officers, employees or associated persons of the Dealer or any such general partner or managing member that have been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of any Shares (each, a "Dealer

Covered Person” and, together, “**Dealer Covered Persons**”), is subject to any Disqualification Event except for a Disqualification Event (i) contemplated by Rule 506(d)(2) of the Securities Act and (ii) a description of which has been furnished in writing to the Company prior to the date hereof.

10. The Dealer represents that it is not a party to any agreement other than this Agreement regarding the payment (directly or indirectly) of remuneration for solicitation of purchasers in connection with the sale of any Shares. The Dealer will notify the Company of any such agreement entered into between the Dealer and any other person.

11. The representations and warranties in Sections 8.9 and 8.10 above are and shall be continuing representations and warranties throughout the term of the Offering. The Dealer will notify the Company in writing promptly upon the occurrence of (i) any Disqualification Event relating to any Dealer Covered Person not previously disclosed to the Company in accordance with Section 8.9 above, and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Dealer Covered Person.

12. The Dealer shall provide to the Company such certifications, documentation and other information as reasonably requested from time to time by the Company as such parties deem necessary or advisable to carry out the exercise of reasonable care under Rule 506(d) and (e) under the Securities Act in connection with this Offering.

13. The Dealer shall notify the Company of Subscription Agreements it receives within two (2) business days of receipt so that the Company may make any required federal or state law filings.

14. The Dealer will furnish to the Company upon request a complete list of all persons who have been offered the Shares (including the corresponding number of the Private Placement Memorandum delivered to such persons) and such persons’ places of residence.

15. The Dealer will immediately bring to the attention of the Company any circumstance or fact which causes the Dealer to believe the Private Placement Memorandum, or any Authorized Sales Materials (as defined in Section IX below), or any information supplied to prospective subscribers in their subscription materials, may be inaccurate or misleading.

16. The Dealer agrees to be bound by the terms of the Escrow Agreement dated December 7, 2017, among UMB Bank, N.A., as escrow agent, and the Company, a copy of which is attached hereto as **Exhibit B**, and the Dealer further agrees that it will not represent or imply that UMB Bank, N.A., as the escrow agent identified in the Private Placement Memorandum, has investigated the desirability or advisability of an investment in the Company or has approved, endorsed or passed upon the merits of the Shares or of the Company, nor will the Dealer use the name of said escrow agent in any manner whatsoever in connection with the offer or sale of the Shares other than by acknowledgment that it has agreed to serve as escrow agent.

17. The Dealer has submitted (or will submit within 15 days of the first sale in the Offering) to FINRA a copy of the Private Placement Memorandum and any other related offering documents, including any materially amended versions thereof in accordance with the requirements of FINRA Rule 5123.

IX. Private Placement Memorandum and Sales Literature

Dealer is not authorized or permitted to give, and will not give, any information or make any representation (written or oral) concerning the Shares except as set forth in the Private Placement Memorandum as amended and supplemented or in the printed sales literature or other materials authorized by the Company for delivery to investors in this Offering (“**Authorized Sales Materials**”). The Company will supply Dealer with reasonable quantities of the Private Placement Memorandum, including amendments of and supplements to the Private Placement Memorandum, and any Authorized Sales Materials, for delivery to investors, with each such initial Private Placement Memorandum and any amended Private Placement Memorandum being numbered. Dealer will deliver a copy of the Private Placement Memorandum, including any amendments and supplements thereto, each identified by number, to each investor to whom an offer is made prior to or simultaneously with the first solicitation of an offer to sell the Shares to an investor. When a supplement or amendment to the Private Placement Memorandum is prepared and delivered to the Dealer by the Company after delivery of the Private Placement Memorandum to an investor, the Dealer shall distribute each such supplement or amendment to the Private Placement Memorandum to every person who has previously received a copy of the Private Placement Memorandum from the Dealer. The Dealer shall keep memoranda in its records indicating to whom each Private Placement Memorandum, supplement or amendment thereto, and supplemental material was delivered, which memoranda shall further indicate by number to whom each initial Private Placement Memorandum and any amended and restated Private Placement Memorandum was delivered. The Dealer further agrees to make such records available to the Company upon request and to make them available to representatives of the SEC and FINRA and applicable state securities administrators upon the Dealer’s receipt of a subpoena or other appropriate document request from such agency. Dealer will not send or give any Authorized Sales Materials to an investor unless the Authorized Sales Materials are accompanied by or preceded by the Private Placement Memorandum as amended and supplemented.

Except for the Authorized Sales Materials, the Company has not authorized the use of any supplemental literature or sales materials in connection with the Offering and the Dealer agrees not to use any material unless it has been authorized by the Company and provided to the Dealer by the Company. Dealer agrees that it will not show or give to any investor or prospective investor or reproduce any material or writing that is supplied to it by the Company and marked “broker-dealer use only” or otherwise bearing a legend denoting that it is not to be used in connection with the sale of Shares to members of the public. Dealer agrees that it will not show or give to any investor or prospective investor in a particular jurisdiction any material or writing that is supplied to it by the Company if such material bears a legend denoting that it is not to be used in connection with the sale of Shares to members of the public in such jurisdiction.

Dealer agrees that it will not use in connection with the offer or sale of Shares any material or writing that relates to another company supplied to it by the Company bearing a legend that states that such material may not be used in connection with the offer or sale of any securities of the Company. On becoming a Dealer, and in offering and selling Shares, the Dealer agrees to comply with all the applicable requirements under the Securities Act, the Exchange Act, applicable rules and regulations promulgated by the SEC, including Regulation D promulgated under the Securities Act, and applicable state securities laws and regulations.

X. License and Association Membership

Dealer represents and warrants to the Company that it is a properly registered or licensed broker-dealer, duly authorized to offer and sell Shares under federal securities laws and regulations and the securities laws and regulations of all states where it offers or sells Shares and that it is a member of FINRA in good standing. This Agreement shall automatically terminate if the Dealer ceases to be a member of FINRA in good standing or is subject to a FINRA suspension or if the Dealer's registration or license under the Exchange Act or any state securities laws or regulations is terminated or suspended; the Dealer agrees to notify the Company immediately if any of these events occur.

XI. Indemnification

1. The Company will indemnify and hold harmless the Dealer, its officers and directors and each person, if any, who controls the Dealer within the meaning of Section 15 of the Securities Act (collectively, the "**Indemnified Persons**") from and against any losses, claims, damages or liabilities, joint or several (collectively, the "**Losses**"), to which such Indemnified Persons may become subject, under the Securities Act, the Exchange Act or otherwise, insofar as such Losses (or actions in respect thereof) arise out of or are based upon (a) any untrue statement or alleged untrue statement of a material fact contained (i) in the Private Placement Memorandum or any amendment or supplement thereto or (ii) in any federal or state securities filing or other document executed by the Company or on its behalf specifically for the purpose of exempting any or all of the Shares from the registration requirements under the securities laws of any jurisdiction or based upon information furnished by the Company under the securities laws thereof (any such application, document or information being hereinafter called a "**Filing**"), or (iii) in any Authorized Sales Materials, or (b) the omission or alleged omission to state in the Private Placement Memorandum or any amendment or supplement thereto, or in any Filing or Authorized Sales Materials, a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading. The Company will reimburse each Indemnified Person for any legal or other expenses reasonably incurred by such Indemnified Person in connection with investigating or defending such Loss.

Notwithstanding the foregoing provisions of this Section 11.1, the Company will not be liable in any such case to the extent that any such Loss or expense arises out of or is based upon

an untrue statement or alleged untrue statement or omission or alleged omission made in reliance upon and in conformity with written information furnished to the Company by or on behalf of the Dealer, specifically for use in the preparation of the Private Placement Memorandum or any such amendment or supplement thereto, any such Filing or any Authorized Sales Material; and further, the Company will not be liable in any such case if it is determined that the Dealer was at fault in connection with the Loss, expense or action.

The foregoing indemnity agreement of this Section 11.1 is subject to the further condition that, insofar as it relates to any untrue statement, alleged untrue statement, omission or alleged omission made in the Private Placement Memorandum (or amendment or supplement thereto) that was eliminated or remedied in any subsequent amendment or supplement thereto, such indemnity agreement shall not inure to the benefit of an Indemnified Person from whom the person asserting any Losses purchased the Shares that are the subject thereof, if a copy of the Private Placement Memorandum as so amended or supplemented was not sent or given to such person at or prior to the time the subscription of such person was accepted by the Company, but only if a copy of the Private Placement Memorandum as so amended or supplemented had been supplied to the Dealer prior to such acceptance.

2. The Dealer will indemnify and hold harmless the Company, each of its officers and directors, and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act (the "Dealer Indemnified Persons") from and against any Losses to which a Dealer Indemnified Person may become subject, under the Securities Act, the Exchange Act or otherwise, insofar as such Losses (or actions in respect thereof) arise out of or are based upon (a) any untrue statement or alleged untrue statement of a material fact contained (i) in the Private Placement Memorandum or any amendment or supplement thereto, (ii) in any Filing, or (iii) in any Authorized Sales Materials; (b) the omission or alleged omission to state in the Private Placement Memorandum or any such amendment or supplement thereto, in any Filing or in any Authorized Sales Materials, a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading, provided that clauses (a) and (b) apply to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by or on behalf of the Dealer specifically for use with reference to the Dealer in the preparation of the Private Placement Memorandum or any such amendment or supplement thereto or any such Filing or Authorized Sales Materials; (c) any use of sales literature not authorized or approved by the Company or any use of "broker-dealer use only" materials with members of the public by the Dealer in the offer and sale of the Shares or any use of sales literature in a particular jurisdiction if such material bears a legend denoting that it is not to be used in connection with the sale of Shares to members of the public in such jurisdiction; (d) any untrue statement made by the Dealer or its representatives or agents or omission to state a fact necessary in order to make the statements made, in light of the circumstances under which they were made, not

misleading in connection with the offer and sale of the Shares; (e) any material violation of this Agreement; (f) any failure to comply with applicable laws governing privacy issues, money laundering abatement and anti-terrorist financing efforts, including applicable rules of the SEC, FINRA and the USA PATRIOT Act of 2001 and the regulations and programs administered by the OFAC at the U.S. Department of the Treasury; (g) any other failure to comply with applicable rules of FINRA or federal or state securities laws and the rules and regulations promulgated thereunder; or (h) the failure by any subscriber of a Share to comply with the Investor Suitability Requirements set forth in the section captioned "Who May Invest" in the Private Placement Memorandum. The Dealer will reimburse each Dealer Indemnified Person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such Loss, expense or action. This indemnity agreement will be in addition to any liability that the Dealer may otherwise have.

3. Promptly after receipt by an indemnified party under this Section XI of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section XI, notify in writing the indemnifying party of the commencement thereof. The failure of an indemnified party to so to notify the indemnifying party will relieve such indemnifying party from any liability under this Section XI as to the particular item for which indemnification is then being sought, but not from any other liability that it may have to any indemnified party. In case any such action is brought against any indemnified party, and it notifies an indemnifying party of the commencement thereof, the indemnifying party will be entitled, to the extent it may wish, jointly with any other indemnifying party similarly notified, to participate in the defense thereof, with separate counsel. Such participation shall not relieve such indemnifying party of the obligation to reimburse the indemnified party for reasonable legal and other expenses (subject to Section 11.4) incurred by such indemnified party in defending itself, except for such expenses incurred after the indemnifying party has deposited funds sufficient to effect the settlement, with prejudice, of the claim in respect of which indemnity is sought. Any such indemnifying party shall not be liable to any such indemnified party on account of any settlement of any claim or action effected without the consent of such indemnifying party. Any indemnified party shall not be bound to perform or refrain from performing any act pursuant to the terms of any settlement of any claim or action effected without the consent of such indemnified party.

4. The indemnifying party shall pay all legal fees and expenses of the indemnified party in the defense of such claims or actions for which indemnification is sought pursuant to this Section XI; provided, however, that the indemnifying party shall not be obligated to pay legal expenses and fees to more than one law firm in connection with the defense of similar claims arising out of the same alleged acts or omissions giving rise to such claims notwithstanding that such actions or claims are alleged or brought by one or more parties against more than one indemnified party. If such claims or actions are

alleged or brought against more than one indemnified party, then the indemnifying party shall only be obliged to reimburse the expenses and fees of the one law firm that has been selected by a majority of the indemnified parties against which such action is finally brought; and in the event a majority of such indemnified parties is unable to agree on which law firm for which expenses or fees will be reimbursable by the indemnifying party, then payment shall be made to the first law firm of record representing an indemnified party against the action or claim. Such law firm shall be paid only to the extent of services performed by such law firm and no reimbursement shall be payable to such law firm on account of legal services performed by another law firm.

XII. Anti-Money Laundering Compliance Programs

Dealer's acceptance of this Agreement constitutes a representation to the Company that the Dealer has established and implemented an anti-money laundering and customer identification compliance program ("AML Program") in accordance with applicable laws and regulations, including federal and state securities laws, applicable rules of FINRA, and the Bank Secrecy Act, Title 31 U.S.C. Sections 5311-5355, as amended by the USA Patriot Act of 2001, and related regulations (31 C.F.R. Part 103), and will continue to maintain its AML Program consistent with applicable laws and regulations during the term of this Agreement.

In accordance with these applicable laws and regulations and its AML Program, Dealer agrees to verify the identity of its new customers; to maintain customer records; to check the names of new customers against government watch lists, including the Office of Foreign Asset Control's (OFAC) list of Specially Designated Nationals and Blocked Persons. Additionally, Dealer will monitor account activity to identify patterns of unusual size or volume, geographic factors and any other "red flags" described in the USA Patriot Act as potential signals of money laundering or terrorist financing. Dealer will submit to the Financial Crimes Enforcement Network any required suspicious activity reports about such activity and further will disclose such activity to applicable federal and state law enforcement when required by law. Upon request by the Company at any time, the Dealer hereby agrees to furnish (a) a copy of its AML Program to the Company for review, and (b) a copy of the findings and any remedial actions taken in connection with Dealer's most recent independent testing of its AML Program.

XIII. Effectiveness, Termination and Amendment

This Agreement shall become effective upon the execution hereof by the Dealer and the receipt of this executed Agreement by the Company. Dealer will immediately suspend or terminate its offer and sale of Shares upon the request of the Company at any time and will resume its offer and sale of Shares hereunder upon subsequent request of the Company. In addition to termination pursuant to Section X, any party may terminate this Agreement by written notice, which termination shall be effective 48 hours after such notice is given. Upon the sale of all of the Shares, this Agreement shall terminate without obligation on the part of the Dealer or the Company, except as set forth in this Agreement. The respective agreements and obligations of the Company and the Dealer set forth in Sections IV, V, VI, 8.2, 8.5, 8.6, 8.7, IX, XI and XIII through XXV of this Agreement shall remain operative and in full force and effect regardless of the termination of this Agreement.

This Agreement may be amended at any time by the Company by written notice to the Dealer. Any such amendment shall be deemed accepted by the Dealer upon the Dealer placing an order for the sale of Shares after it has received such notice.

XIV. Privacy Laws

The Dealer agrees as follows:

1. The Dealer agrees to abide by and comply in all respects with (a) the privacy standards and requirements of the Gramm-Leach-Bliley Act of 1999 (“GLBA”) and applicable regulations promulgated thereunder, (b) the privacy standards and requirements of any other applicable federal or state law, including the Fair Credit Reporting Act (“FCRA”) and (c) its own internal privacy policies and procedures, each as may be amended from time to time;
2. Dealer shall not disclose nonpublic personal information (as defined under the GLBA) of all customers who have opted out of such disclosures, except to service providers (when necessary and as permitted under the GLBA) or as otherwise required by applicable law;
3. Except as expressly permitted under the FCRA, Dealer shall not disclose any information that would be considered a “consumer report” under the FCRA; and
4. Dealer shall be responsible for determining which customers have opted out of the disclosure of nonpublic personal information by periodically reviewing and, if necessary, retrieving a list of such customers (the “List”) to identify customers that have exercised their opt-out rights. In the event either party expects to use or disclose nonpublic personal information of any customer for purposes other than servicing the customer, or as otherwise required by applicable law, that party must first consult the List to determine whether the affected customer has exercised his or her opt-out rights. Each party understands that it is prohibited from using or disclosing any nonpublic personal

information of any customer that is identified on the List as having opted out of such disclosures.

XV. Customer Complaints

The Dealer agrees to promptly provide to the Company copies of any written or otherwise documented complaints from customers of the Dealer received by the Dealer relating in any way to the Offering (including, but not limited to, the manner in which the Shares are offered by the Dealer).

XVI. Notice

All notices to the Company shall be in writing addressed to the Company at the address set forth below. All notices to Dealer shall be in writing addressed to the Dealer at the address specified by the Dealer at the end of this Agreement. Notices addressed to the intended recipient as described above will be duly given (a) when personally delivered or by commercial messenger, (b) one business day following deposit with a recognized overnight courier service, provided such deposit occurs prior to the deadline imposed by such service for overnight delivery; or (c) when transmitted, if sent by facsimile copy, provided confirmation of receipt is received by sender and such notice is sent by an additional method provided hereunder.

To the Company: EquiAlt Secured Income Portfolio REIT, Inc.
 720 E. Henderson Avenue
 Tampa, Florida 33602

XVII. Confidentiality

In connection with the Dealer's due diligence review of the Offering, the Dealer (or its agent performing due diligence) may request receipt of confidential information regarding the Offering, the Company, the Company's sponsor or the sponsor's affiliates. The Company will reasonably cooperate with the Dealer to accommodate such request; provided, however, any such information provided to Dealer or its agent will be subject to the terms of the confidentiality agreement attached as Appendix A to this Agreement. **The parties hereto acknowledge and agree that the terms of the confidentiality agreement attached as Appendix A hereto are also intended to directly benefit the Company and EquiAlt Capital Advisors LLC ("EquiAlt CA"), its subsidiaries and/or affiliates (which group includes, but is not limited to, EquiAlt Holdings LLC ("EquiAlt Holdings"), and investment programs sponsored by EquiAlt Holdings and/or its respective subsidiaries and/or affiliates (whether such programs are sponsored directly or through joint ventures)), and joint venture partners of EquiAlt Holdings and EquiAlt CA and their affiliates, all of which are intended third-party beneficiaries of the Dealer's obligations under the confidentiality agreement attached as Appendix A hereto and each of which has the right to enforce its terms at law or at equity,**

including the right to seek injunctive relief, against the Dealer.

XVIII. Entire Agreement

This Agreement and the exhibits hereto are the entire agreement of the parties and supersede all prior agreements, if any, relating to the subject matter hereof between the parties hereto.

XIX. Successors and Assigns

No party shall assign this Agreement or any right, interest or benefit under this Agreement without the prior written consent of the other party. This Agreement shall be binding upon the Company and the Dealer and their respective successors and permitted assigns.

XX. Dispute Resolution and Applicable Law

20.1 Any dispute, claim, controversy or difference which may arise between or among any two or more parties having rights under this Agreement shall, if possible, be settled by mutual consultation in good faith between the parties. Such mutual consultation shall take place as soon as practicable after the receipt by one party or a written notice from another party describing the dispute, controversy or difference between them. In the event that the dispute is not resolved to the satisfaction of all involved parties by such consultation within fortyfive (45) days of the written notice given to one party pursuant to this Section 20.1, a party to the dispute may initiate the arbitration procedure set forth below. Such arbitration shall be the exclusive method for resolving any such unresolved disputes.

20.2 Any unresolved dispute, controversy, difference or claim will be subject to binding arbitration in New York City, New York, before a single arbitrator (the "Arbitrator"), in accordance with the rules and procedures of the American Arbitration Association and consistent with the provisions of this Section XX. The Arbitrator shall be independent and shall be selected by mutual agreement of the parties involved or, in the absence of such agreement, by two other arbitrators, one of each selected by the disputing parties in their discretion. The parties acknowledge that the following conditions apply to such arbitration: (1) arbitration is final and binding on the parties; (2) the parties are waiving their right to seek remedies in court, including the right to jury trial; (3) prearbitration discovery is generally more limited than and different from court proceedings; and (4) the Arbitrator's award is not required to include factual findings or legal reasoning and any party's right to appeal or to seek modification of rulings is strictly limited. Judgment upon such arbitration award may be entered in any court having jurisdiction over the parties or their assets.

20.3 If any arbitration, legal action or other proceeding is brought for the enforcement or interpretation of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the substantially prevailing party (as determined by the arbitrator) shall be entitled to recover reasonable

attorneys' fees and other costs incurred in that action or proceeding (and any additional proceeding for the enforcement of a judgment) in addition to any other relief to which it or they may be entitled.

20.4 This Agreement shall be construed under the laws of the State of New York, without regard to its conflict of law provisions; provided, however, that the governing law for causes of action for violations of federal or state securities law shall be governed by the applicable federal or state securities law.

XXI. Severability

The invalidity or unenforceability of any provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision was omitted.

XXII. Counterparts

This Agreement may be executed in any number of counterparts. Each counterpart, when executed and delivered, shall be an original contract, but all counterparts, when taken together, shall constitute one and the same agreement.

XXIII. ERISA Matters.

The Dealer acknowledges and agrees as follows:

1. The Company, EquiAlt CA, the sponsor of the Company and each of their respective affiliates and related parties (collectively, the "**EquiAlt Parties**"), may engage in sales and marketing activities with the Dealers. These activities may include, without limitation, attending meetings, conferences and forums, as well as making offering materials, sales literature, educational materials and other resources available in connection with sales and marketing activities regarding the Company to the Dealers and their respective affiliates.
2. With respect to any of the Dealer's customers which is a plan, plan fiduciary, plan participant or beneficiary, individual retirement account ("**IRA**") or IRA owner subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") or Section 4975 of the Internal Revenue Code of 1986, as amended (the "**Code**") (collectively, "**Retirement Customers**"), the EquiAlt Parties are not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with any transaction in the Company ("**Transaction**").
3. Certain of the EquiAlt Parties have financial interests associated with the purchase of Shares of the Company, including the fees, expense reimbursements

and other payments they anticipate receiving in connection with the purchase of Shares of the Company, as described in the Private Placement Memorandum.

4. The EquiAlt Parties are not receiving a fee or other compensation directly from the Dealer or any of their Retirement Customers for the provision of investment advice (as opposed to other services) in connection with any Transaction.
5. By continuing to advise the Dealer's Retirement Customers with respect to any Transaction in the Company, the Dealer represents and warrants that:
 - (a) The Dealer is a broker dealer registered under the Exchange Act;
 - (b) There is no financial interest, ownership interest, or other relationship, agreement, or understanding that would limit the Dealer's ability to carry out its fiduciary responsibility to any of its Retirement Customers beyond the control, direction, or influence of other persons involved in the Transaction;
 - (c) The Dealer is capable of evaluating investment risk independently, both in general and with regard to particular transactions and investment strategies; and
 - (d) The Dealer is a fiduciary under ERISA or the Code, or both, with respect to the Transaction, and the Dealer is responsible for exercising independent judgment in evaluating the Transaction, with respect to its Retirement Customers.

XXIV. No Partnership

Nothing in this Agreement shall be construed or interpreted to constitute the Dealer as an employee, agent or representative of, or in association with or in partnership with the Company or the other Dealers; instead, this Agreement shall only constitute the Dealer as a dealer authorized to sell the Shares according to the terms set forth in the Private Placement Memorandum as amended and supplemented and in this Agreement.

XXV. Confirmation

The Company agrees to confirm all orders for the purchase of Shares that are accepted by the Company.

[signature page follows]

THE COMPANY:

Attest:

EQUALT SECURED INCOME PORTFOLIO
REIT, INC.

By:



Name

By:

Name

Title

Title

We have read the foregoing Agreement and we hereby accept and agree to the terms and conditions set forth therein. We hereby represent that the list below of jurisdictions in which we are registered or licensed as a broker or dealer and are fully authorized to sell securities is true and correct, and we agree to advise you of any change in such list during the term of this Agreement.

1. Identity of Dealer:

Name: Robert Armijo

Type of entity: LLC
(corporation, partnership or proprietorship)

Organized in the State of: CA
(State)

Licensed as broker-dealer in the following States: N/A series 65

Tax I.D. #: _____

2. Person to receive notice pursuant to Section XVI:

Name: _____

Company: _____

Address: _____

City, State and Zip Code: _____

Telephone No.: (____) _____

Telefax No.: (____) _____

E-mail Address: _____

AGREED TO AND ACCEPTED BY THE DEALER:

(Dealer's Firm Name)

By: _____
Authorized Signature

Title: _____

APPENDIX A

Dealer Confidentiality Agreement

EquiAlt Capital Advisors LLC ("EquiAlt CA"), its subsidiaries and/or affiliates (which group includes, but is not limited to, EquiAlt Holdings LLC ("EquiAlt Holdings") and investment programs sponsored by EquiAlt Holdings and/or its respective subsidiaries and/or affiliates (whether such programs are sponsored directly or through joint ventures)), and joint venture partners of EquiAlt Holdings and EquiAlt CA and their affiliates (collectively, "EquiAlt"), may disclose Confidential Information (as defined below) to Dealer and its Representatives (as defined below), in connection with their due diligence efforts in respect of one or more offerings of securities sponsored by EquiAlt (the "Offerings"). This Appendix A constitutes part of the Selected Dealer Agreement between the Company and Dealer (the "Selected Dealer Agreement") and sets forth the agreements and understandings among the Company, Dealer and EquiAlt with respect to the disclosure of Confidential Information.

1. General. As a condition to receiving such Confidential Information, Dealer hereby agrees that it and its Representatives will: (i) hold all such Confidential Information in trust and in the strictest confidence, (ii) protect such Confidential Information from disclosure in accordance with a standard of care that shall be no less than the care such party uses to protect its own confidential information of like importance but in no event with less than reasonable care, (iii) treat all such Confidential Information in accordance with the provisions of this Appendix A and (iv) take or abstain from taking certain other actions hereinafter set forth.

Prior to the receipt of any Confidential Information, each Representative shall have been made aware of and have agreed to be bound by the terms set forth in this Appendix A. Neither the Dealer nor any of its Representatives shall use, copy, disclose, disseminate, or permit any unauthorized person access to, any Confidential Information without EquiAlt's prior written consent. The Dealer and its Representatives may, with EquiAlt's prior written consent, communicate Confidential Information to another broker-dealer that has entered into a separately-negotiated confidentiality agreement with EquiAlt (which agreement with EquiAlt shall be in substantially the form hereof). Any such Confidential Information disseminated pursuant to the immediately preceding sentence shall remain confidential notwithstanding any such communication to another person. To the extent Confidential Information is provided by Dealer pursuant to the terms hereof, the Dealer and each Representative shall ensure that any existing confidentiality notices included on or with the Confidential Information are included in any such disclosures or, if no such notices are included, "Confidential" or some similar notice is stamped on the Confidential Information.

For purposes of this Appendix A, the term "Representative" shall include an officer, director, manager, employee, owner, member or partner of Dealer performing a due diligence review of EquiAlt, a consultant, due diligence provider, accountant or attorney of Dealer

performing a due diligence review of EquiAlt on behalf of Dealer, and any person or committee, as the case may be, responsible for determining whether Dealer will participate in the Offerings, provided that in each case, such person has a need to know such information; provided further that, in no event, may such information be shared with any person involved in retail selling efforts related to any Offerings.

2. Confidential Information. For purposes hereof, "Confidential Information" means all information concerning the business, financial condition, operations, prospects, assets and liabilities of EquiAlt (including materials and matters provided to and discussed by the board of directors of EquiAlt and the committees of the board) that EquiAlt believes is either confidential, proprietary or otherwise not generally available to the public, whether prepared by EquiAlt, its advisors or otherwise (including information received by EquiAlt from third parties under confidential conditions) and which is furnished to Dealer or any of its Representatives in writing, orally or by any other means in connection with the Offerings, and includes all analyses, notes, compilations, summaries, studies or other documents, records or data prepared by Dealer or its Representatives which contain, reflect or are generated from, such information. However, Confidential Information shall not include information that: (A) is generally available to the public other than as a result of a disclosure by the Dealer or its Representatives in breach of this Appendix A; (B) is known to the Dealer or its Representatives prior to the date of the Selected Dealer Agreement; provided, that, such information is not known by the Dealer or its Representatives to be subject to another confidentiality agreement with, or other obligation or undertaking of secrecy to EquiAlt; (C) is independently disclosed to the Dealer or its Representatives by a third-party which the Dealer or its Representative reasonably believes has a bona fide right to do so without violating any obligation of confidentiality or (D) is developed by the Dealer or any of its Representatives completely independent of any information disclosed to the Dealer or any of its Representatives in connection with their due diligence review.

3. Legally Required Disclosures. In the event that the Dealer or any of its Representatives is requested or required (by deposition, interrogatories, requests for information or documents in legal proceedings, subpoena, civil investigative demand or other similar process) by any court or governmental agency or authority or other supervisory body, or by application of law, regulation or legal or regulatory process to disclose any of the Confidential Information, the Dealer shall: (A) provide EquiAlt with prompt written notice of any such request or requirement so that EquiAlt may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Appendix A, (B) if the Dealer or any of its Representatives is required based upon the advice of their respective legal counsel, to disclose Confidential Information, the Dealer or such Representative may, without liability hereunder, disclose only that portion of the Confidential Information which such legal counsel advises is legally required to be disclosed; provided, that, the Dealer or such Representative exercises reasonable efforts to otherwise preserve the confidentiality of the Confidential Information and (C) upon reasonable notice, the Dealer and its Representatives will cooperate with EquiAlt in obtaining a protective order or other appropriate remedy reasonably limiting disclosure to appropriate parties relating to the applicable proceeding; provided, that, the foregoing (i) shall

not require the Dealer or its Representatives to delay production of any Confidential Information and (ii) shall apply only to the extent that EquiAlt bears all costs and expenses of such cooperation, including, but not limited to, payment to the Dealer or its Representative, as applicable, for time expended by its staff relating to any such efforts at its then current billing rates and reimbursement of all reasonable attorney's fees and costs of legal counsel associated therewith. Neither the Dealer nor any of its Representatives is required to take any action pursuant to clause (C) of the immediately preceding sentence without reasonable assurances from EquiAlt that such payment and reimbursement will be provided.

4. Ownership of Confidential Information. Confidential Information, including any copies, printouts and summaries thereof, shall remain the property of EquiAlt and all applicable rights in patents, copyrights, trade secrets and similar intellectual property rights embodied in the Confidential Information shall remain in EquiAlt.

5. Return of Confidential Information. Except for due diligence files and copies maintained to comply with applicable rules and regulations upon advice of counsel, Dealer agrees promptly upon EquiAlt's written request to return all written material, including copies or printouts and summaries thereof, and destroy all material held by Dealer or any of its Representatives in electronic form (including material on disks or tapes) containing Confidential Information, submitted to Dealer or its Representatives or prepared by Dealer or its Representatives based upon such Confidential Information. Notwithstanding the return or destruction of Confidential Information, Dealer and its Representatives will continue to hold in confidence all Confidential Information and be bound by their respective obligations under the terms of this Appendix A.

6. Remedies. Each party agrees that the obligations hereunder are necessary and reasonable in order to protect EquiAlt and its business, and expressly agrees that monetary damages would not be a sufficient remedy for any violation of the terms of this Appendix A and, accordingly, EquiAlt shall be entitled to seek equitable relief, including, but not limited to, specific performance and injunctive relief as remedies for any violation, including, without limitation, the actual or threatened disclosure of Confidential Information without the prior written consent of EquiAlt. Such remedies shall not be deemed to be exclusive remedies for a violation of the terms of this Appendix A, but shall be in addition to all other remedies available to EquiAlt at law or equity. The Dealer agrees that neither it nor any of its Representatives will raise the defense of an adequate remedy at law in any action seeking equitable relief. The Dealer shall indemnify and hold harmless EquiAlt from and against all liabilities, obligations, claims, damages, penalties, causes of action costs and expenses (including reasonable attorneys' fees and expenses actually incurred) imposed upon or incurred by or asserted against EquiAlt by reason of a violation of the terms of this Appendix A by the Dealer or any of its Representatives.

7. Waiver. No delay or failure in exercising any rights hereunder shall be construed to be a waiver of such rights, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right hereunder.

8. Governing Law. THIS APPENDIX A SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES. EACH OF THE PARTIES HEREBY AGREE AND SUBMIT TO THE PERSONAL JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED WITHIN THE STATE OF CALIFORNIA FOR THE RESOLUTION OF ANY DISPUTE THAT MAY ARISE UNDER THIS APPENDIX A, AND THAT THE STATE AND FEDERAL COURTS LOCATED WITHIN THE STATE OF CALIFORNIA HAVE EXCLUSIVE JURISDICTION FOR ANY SUCH DISPUTES.

9. Severability. If for any reason any provision of this Appendix A shall be declared void or invalid, such declaration shall not affect the validity of the remainder of this Appendix A which shall remain in full force and effect as if executed with the void or invalid provision eliminated.

10. Binding Agreement. This Appendix A shall be binding upon, and shall inure to the benefit of EquiAlt (including each of the entities included in the definition of "EquiAlt" in the preamble to this Agreement), the Dealer and their respective successors in interest.

11. Non-Assignment. This Appendix A, and the rights and obligations hereby created, may not be assigned by the Dealer without the express written consent of EquiAlt.

12. Entire Agreement. This Appendix A constitutes the entire agreement and supersedes and replaces any prior or existing agreement relating to treatment of Confidential Information relating to EquiAlt and the Offerings.

13. Captions. The captions contained in this Appendix A are for convenience only, form no part of this Appendix A and shall not in any manner amplify, limit, modify or otherwise affect the interpretation of this Appendix A.

EXHIBIT 6

WRIGHT, L'ESTRANGE & ERGASTOLO
LAWYERS

Robert Joseph Armijo, Managing Member
JOSEPH FINANCIAL INVESTMENT ADVISORS, LLC
501 West Broadway, Suite 800
San Diego, CA 92101

April 14, 2020

Invoice 30394 Billed through: 3/31/2020

Re: Rubinstein vs. EquiAlt; Joseph Financial Investment File # A1965.003 RCW
Advisors, LLC; Robert Joseph Armijo

Current fees through	3/31/2020	450.00
Current expenses through	3/31/2020	<u>0.00</u>
Total current charges through	3/31/2020	\$450.00
Previous Balance		\$0.00
Less: Current payments		<u>\$0.00</u>
	Total due	\$450.00

Federal Tax ID #95-3843080

402 WEST BROADWAY, SUITE 1800
SAN DIEGO, CALIFORNIA 92101

WRIGHT, L'ESTRANGE & ERGASTOLO
LAWYERS

Robert Joseph Armijo, Managing Member
JOSEPH FINANCIAL INVESTMENT ADVISORS, LLC
501 West Broadway, Suite 800
San Diego, CA 92101

May 15, 2020

Invoice 30439 Billed through: 4/30/2020

Re: Rubinstein vs. EquiAlt; U.S. Securities and Exchange Commission; Joseph Financial Investment Advisors, LLC; Robert Joseph Armijo File # A1965.003 RCW

Current fees through	4/30/2020	15,617.50
Current expenses through	4/30/2020	<u>0.00</u>
Total current charges through	4/30/2020	\$15,617.50

Previous Balance \$450.00

Less: Current payments \$0.00

Total due \$16,067.50

Federal Tax ID #95-3843080

402 WEST BROADWAY, SUITE 1800
SAN DIEGO, CALIFORNIA 92101
(619) 231-4844 FAX (619) 231-6710
WWW.WLELAW.COM

WRIGHT, L'ESTRANGE & ERGASTOLO
LAWYERS

Robert Joseph Armijo, Managing Member
JOSEPH FINANCIAL INVESTMENT ADVISORS, LLC
501 West Broadway, Suite 800
San Diego, CA 92101

June 16, 2020

Invoice 30514 Billed through: 5/31/2020

Re: Rubinstein vs. EquiAlt; U.S. Securities and Exchange Commission; Joseph Financial Investment Advisors, LLC; Robert Joseph Armijo File # A1965.003 RCW

Current fees through	5/31/2020	19,375.00
Current expenses through	5/31/2020	<u>0.00</u>
Total current charges through	5/31/2020	\$19,375.00

Previous Balance \$16,067.50

Less: Current payments \$0.00

Total due \$35,442.50

Federal Tax ID #95-3843080

WRIGHT, L'ESTRANGE & ERGASTOLO
LAWYERS

Robert Joseph Armijo, Managing Member
JOSEPH FINANCIAL INVESTMENT ADVISORS, LLC
501 West Broadway, Suite 800
San Diego, CA 92101

July 17, 2020

Invoice 30538 Billed through: 6/30/2020

Re: Rubinstein vs. EquiAlt; U.S. Securities and Exchange Commission; Joseph Financial Investment Advisors, LLC; Robert Joseph Armijo File # A1965.003 RCW

Current fees through	6/30/2020	13,620.00
Current expenses through	6/30/2020	<u>167.90</u>
Total current charges through	6/30/2020	\$13,787.90

Previous Balance \$35,442.50

Less: Current payments \$0.00

Total due \$49,230.40

Federal Tax ID #95-3843080

WRIGHT, L'ESTRANGE & ERGASTOLO
LAWYERS

Robert Joseph Armijo, Managing Member
JOSEPH FINANCIAL INVESTMENT ADVISORS, LLC
501 West Broadway, Suite 800
San Diego, CA 92101

August 17, 2020

Invoice 30611 Billed through: 7/31/2020

Re: Rubinstein vs. EquiAlt; U.S. Securities and Exchange Commission; Joseph Financial Investment Advisors, LLC; Robert Joseph Armijo File # A1965.003 RCW

Current fees through	7/31/2020	7,412.50
Current expenses through	7/31/2020	<u>0.00</u>
Total current charges through	7/31/2020	\$7,412.50

Previous Balance \$49,230.40

Less: Current payments \$0.00

Total due \$54,642.90

Federal Tax ID #95-3843080

WRIGHT, L'ESTRANGE & ERGASTOLO
LAWYERS

Robert Joseph Armijo, Managing Member
JOSEPH FINANCIAL INVESTMENT ADVISORS, LLC
PO Box 12482
San Diego, CA 92112

September 30, 2020

Invoice 30675 Billed through: 8/31/2020

Re: Rubinstein vs. EquiAlt; U.S. Securities and Exchange Commission; Joseph Financial Investment Advisors, LLC; Robert Joseph Armijo File # A1965.003 RCW

Current fees through	8/31/2020	6,875.00
Current expenses through	8/31/2020	<u>0.00</u>
Total current charges through	8/31/2020	\$6,875.00

Previous Balance		\$54,642.90
Less: Current payments		<u>\$0.00</u>

Total due \$61,517.90

Federal Tax ID #95-3843080

WRIGHT, L'ESTRANGE & ERGASTOLO
LAWYERS

Robert Joseph Armijo, Managing Member
JOSEPH FINANCIAL INVESTMENT ADVISORS, LLC
PO Box 12482
San Diego, CA 92112

October 16, 2020

Invoice 30728 Billed through: 9/30/2020

Re: Rubinstein vs. EquiAlt; U.S. Securities and Exchange Commission; Joseph Financial Investment Advisors, LLC; Robert Joseph Armijo File # A1965.003 RCW

Current fees through	9/30/2020	18,422.50
Current expenses through	9/30/2020	<u>0.00</u>
Total current charges through	9/30/2020	\$18,422.50

Previous Balance \$61,517.90

Less: Current payments \$0.00

Total due \$71,662.90

Federal Tax ID #95-3843080

WRIGHT, L'ESTRANGE & ERGASTOLO
LAWYERS

Robert Joseph Armijo, Managing Member
JOSEPH FINANCIAL INVESTMENT ADVISORS, LLC
PO Box 12482
San Diego, CA 92112

November 13, 2020

Invoice 30776 Billed through: 10/31/2020

Re: Rubinstein vs. EquiAlt; U.S. Securities and Exchange Commission; Joseph Financial Investment Advisors, LLC; Robert Joseph Armijo File # A1965.003 RCW

Current fees through	10/31/2020	2,945.00
Current expenses through	10/31/2020	<u>0.00</u>
Total current charges through	10/31/2020	\$2,945.00

Previous Balance		\$71,662.90
Less: Current payments		<u>\$0.00</u>

Total due \$74,607.90

Federal Tax ID #95-3843080

WRIGHT, L'ESTRANGE & ERGASTOLO
LAWYERS

Robert Joseph Armijo, Managing Member
JOSEPH FINANCIAL INVESTMENT ADVISORS, LLC
PO Box 12482
San Diego, CA 92112

December 7, 2020

Invoice 30808 Billed through: 11/30/2020

Re: Rubinstein vs. EquiAlt; U.S. Securities and Exchange Commission; Joseph Financial Investment Advisors, LLC; Robert Joseph Armijo File # A1965.003 RCW

Current fees through	11/30/2020	8,845.00
Current expenses through	11/30/2020	<u>0.00</u>
Total current charges through	11/30/2020	\$8,845.00

Previous Balance \$74,607.90

Less: Current payments \$0.00

Total due \$83,452.90

Federal Tax ID #95-3843080

WRIGHT, L'ESTRANGE & ERGASTOLO
LAWYERS

Robert Joseph Armijo, Managing Member
JOSEPH FINANCIAL INVESTMENT ADVISORS, LLC
PO Box 12482
San Diego, CA 92112

December 31, 2020

Invoice 30937 Billed through: 12/31/2020

Re: Rubinstein vs. EquiAlt; U.S. Securities and Exchange Commission; Joseph Financial Investment Advisors, LLC; Robert Joseph Armijo File # A1965.003 RCW

Current fees through	12/31/2020	405.00
Current expenses through	12/31/2020	<u>0.00</u>
Total current charges through	12/31/2020	\$405.00

Previous Balance \$83,452.90

Less: Current payments \$0.00

Total due \$83,857.90

Federal Tax ID #95-3843080

WRIGHT, L'ESTRANGE & ERGASTOLO
LAWYERS

Robert Joseph Armijo, Managing Member
JOSEPH FINANCIAL INVESTMENT ADVISORS, LLC
PO Box 12482
San Diego, CA 92112

February 12, 2021

Invoice 31034 Billed through: 1/31/2021

Re: Rubinstein vs. EquiAlt; U.S. Securities and Exchange Commission; Joseph Financial Investment Advisors, LLC; Robert Joseph Armijo File # A1965.003 RCW

Current fees through	1/31/2021	820.00
Current expenses through	1/31/2021	<u>32.61</u>
Total current charges through	1/31/2021	\$852.61

Previous Balance		\$83,857.90
Less: Current payments		<u>\$0.00</u>

Total due \$84,710.51

Federal Tax ID #95-3843080

WRIGHT, L'ESTRANGE & ERGASTOLO
LAWYERS

Robert Joseph Armijo, Managing Member
JOSEPH FINANCIAL INVESTMENT ADVISORS, LLC
PO Box 12482
San Diego, CA 92112

March 15, 2021

Invoice 31084 Billed through: 2/28/2021

Re: Rubinstein vs. EquiAlt; U.S. Securities and Exchange Commission; Joseph Financial Investment Advisors, LLC; Robert Joseph Armijo File # A1965.003 RCW

Current fees through	2/28/2021	4,642.50
Current expenses through	2/28/2021	<u>0.00</u>
Total current charges through	2/28/2021	\$4,642.50
Previous Balance		\$84,710.51
Less: Current payments		<u>(\$18,738.90)</u>
Total due		\$70,614.11

Federal Tax ID #95-3843080

WRIGHT, L'ESTRANGE & ERGASTOLO
LAWYERS

Robert Joseph Armijo, Managing Member
JOSEPH FINANCIAL INVESTMENT ADVISORS, LLC
PO Box 12482
San Diego, CA 92112

April 15, 2021

Invoice 31146 Billed through: 3/31/2021

Re: Rubinstein vs. EquiAlt; U.S. Securities and Exchange Commission; Joseph Financial Investment Advisors, LLC; Robert Joseph Armijo File # A1965.003 RCW

Current fees through	3/31/2021	10,557.50
Current expenses through	3/31/2021	<u>72.00</u>
Total current charges through	3/31/2021	\$10,629.50

Previous Balance \$70,614.11

Less: Current payments \$0.00

Total due \$81,243.61

Federal Tax ID #95-3843080

WRIGHT, L'ESTRANGE & ERGASTOLO
LAWYERS

Robert Joseph Armijo, Managing Member
JOSEPH FINANCIAL INVESTMENT ADVISORS, LLC
PO Box 12482
San Diego, CA 92112

May 14, 2021

Invoice 31245 Billed through: 4/30/2021

Re: Rubinstein vs. EquiAlt; U.S. Securities and Exchange Commission; Joseph Financial Investment Advisors, LLC; Robert Joseph Armijo File # A1965.003 RCW

Current fees through	4/30/2021	8,465.00
Current expenses through	4/30/2021	<u>0.00</u>
Total current charges through	4/30/2021	\$8,465.00

Previous Balance \$81,243.61

Less: Current payments \$0.00

Total due \$89,708.61

Federal Tax ID #95-3843080

WRIGHT, L'ESTRANGE & ERGASTOLO
LAWYERS

Robert Joseph Armijo, Managing Member
JOSEPH FINANCIAL INVESTMENT ADVISORS, LLC
PO Box 12482
San Diego, CA 92112

June 16, 2021

Invoice 31315 Billed through: 5/31/2021

Re: Rubinstein vs. EquiAlt; U.S. Securities and Exchange Commission; Joseph Financial Investment Advisors, LLC; Robert Joseph Armijo File # A1965.003 RCW

Current fees through	5/31/2021	6,830.00
Current expenses through	5/31/2021	<u>570.00</u>
Total current charges through	5/31/2021	\$7,400.00

Previous Balance \$89,708.61

Less: Current payments \$0.00

Total due \$97,108.61

Federal Tax ID #95-3843080

WRIGHT, L'ESTRANGE & ERGASTOLO
LAWYERS

Robert Joseph Armijo, Managing Member
JOSEPH FINANCIAL INVESTMENT ADVISORS, LLC
PO Box 12482
San Diego, CA 92112

July 12, 2021

Invoice 31340 Billed through: 6/30/2021

Re: Rubinstein vs. EquiAlt; U.S. Securities and Exchange Commission; Joseph Financial Investment Advisors, LLC; Robert Joseph Armijo File # A1965.003 RCW

Current fees through	6/30/2021	4,135.00
Current expenses through	6/30/2021	<u>0.00</u>
Total current charges through	6/30/2021	\$4,135.00

Previous Balance	\$97,108.61
Less: Current payments	<u>(\$10,000.00)</u>

Total due \$91,243.61

Federal Tax ID #95-3843080

WRIGHT, L'ESTRANGE & ERGASTOLO
LAWYERS

Robert Joseph Armijo, Managing Member
JOSEPH FINANCIAL INVESTMENT ADVISORS, LLC
PO Box 12482
San Diego, CA 92112

August 13, 2021

Invoice 31446 Billed through: 7/31/2021

Re: Rubinstein vs. EquiAlt; U.S. Securities and Exchange Commission; Joseph Financial Investment Advisors, LLC; Robert Joseph Armijo File # A1965.003 RCW

Current fees through	7/31/2021	1,710.00
Current expenses through	7/31/2021	<u>0.00</u>
Total current charges through	7/31/2021	\$1,710.00
Previous Balance		\$91,243.61
Less: Current payments		<u>(\$3,504.75)</u>
Total due		\$89,448.86

Federal Tax ID #95-3843080

WRIGHT, L'ESTRANGE & ERGASTOLO
LAWYERS

Robert Joseph Armijo, Managing Member
JOSEPH FINANCIAL INVESTMENT ADVISORS, LLC
PO Box 12482
San Diego, CA 92112

September 15, 2021

Invoice 31491 Billed through: 8/31/2021

Re: Rubinstein vs. EquiAlt; U.S. Securities and Exchange Commission; Joseph Financial Investment Advisors, LLC; Robert Joseph Armijo File # A1965.003 RCW

Current fees through	8/31/2021	12,880.00
Current expenses through	8/31/2021	<u>0.00</u>
Total current charges through	8/31/2021	\$12,880.00

Previous Balance		\$89,448.86
Less: Current payments		<u>(\$35,000.00)</u>

Total due \$67,328.86

Federal Tax ID #95-3843080

WRIGHT, L'ESTRANGE & ERGASTOLO
LAWYERS

Robert Joseph Armijo, Managing Member
JOSEPH FINANCIAL INVESTMENT ADVISORS, LLC
PO Box 12482
San Diego, CA 92112

October 13, 2021

Invoice 31567 Billed through: 9/30/2021

Re: Rubinstein vs. EquiAlt; U.S. Securities and Exchange Commission; Joseph Financial Investment Advisors, LLC; Robert Joseph Armijo File # A1965.003 RCW

Current fees through	9/30/2021	14,282.50
Current expenses through	9/30/2021	<u>0.00</u>
Total current charges through	9/30/2021	\$14,282.50

Previous Balance \$67,328.86

Less: Current payments \$0.00

Total due \$81,611.36

Federal Tax ID #95-3843080

WRIGHT, L'ESTRANGE & ERGASTOLO
LAWYERS

Robert Joseph Armijo, Managing Member
JOSEPH FINANCIAL INVESTMENT ADVISORS, LLC
PO Box 12482
San Diego, CA 92112

November 15, 2021

Invoice 31632 Billed through: 10/31/2021

Re: Rubinstein vs. EquiAlt; U.S. Securities and Exchange Commission; Joseph Financial Investment Advisors, LLC; Robert Joseph Armijo File # A1965.003 RCW

Current fees through	10/31/2021	10,245.00
Current expenses through	10/31/2021	<u>0.00</u>
Total current charges through	10/31/2021	\$10,245.00
Previous Balance		\$81,611.36
Less: Current payments		<u>(\$9,000.00)</u>
Total due		\$82,856.36

Federal Tax ID #95-3843080

WRIGHT, L'ESTRANGE & ERGASTOLO
LAWYERS

Robert Joseph Armijo, Managing Member
JOSEPH FINANCIAL INVESTMENT ADVISORS, LLC
PO Box 12482
San Diego, CA 92112

December 10, 2021

Invoice 31688 Billed through: 11/30/2021

Re: Rubinstein vs. EquiAlt; U.S. Securities and Exchange Commission; Joseph Financial Investment Advisors, LLC; Robert Joseph Armijo File # A1965.003 RCW

Current fees through	11/30/2021	10,900.00
Current expenses through	11/30/2021	15.35
Total current charges through	11/30/2021	<u>\$10,915.35</u>
Previous Balance		\$82,856.36
Less: Current payments		<u>(\$10,000.00)</u>
Total due		\$83,771.71

Federal Tax ID #95-3843080

EXHIBIT 11

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

Case No. 8:20-cv-325-T-35MRM

BRIAN DAVISON,
BARRY M. RYBICKI,
EQUIALT LLC,
EQUIALT FUND, LLC
EQUIALT FUND II, LLC,
EQUIALT FUND III, LLC,
EA SIP, LLC,

Defendants,

and

128 E. DAVIS BLVD., LLC;
et al.,

Relief Defendants.

**RECEIVER'S MOTION TO (1) APPROVE DETERMINATION AND
PRIORITY OF CLAIMS, (2) APPROVE PLAN OF DISTRIBUTION,
AND (3) ESTABLISH OBJECTION PROCEDURE**

B.R. 698, 713 (S.D. Fla. 2007), *aff'd*, 567 F.3d 1307 (11th Cir. 2009) (“The court recognized that a former spouse may be considered an insider, as that term is used in bankruptcy law, where the relationship puts the non-debtor party in a position to exercise some degree of control or influence over the debtor.”); *In re Kunz*, 489 F.3d 1072, 1079 (10th Cir. 2007) (“[A] general partner or a relative is an insider *per se*, without need for showing the specific nature of the relationship with the debtor in a particular case.”).

The Receiver recommends denial of several claims that were submitted by or on behalf of spouses of unregistered sales agents who received illegal commissions for selling unregistered securities. *See, e.g.*, Claim Nos. 1684, 1685, 1765, 1766, 1841, 1842. Given the involvement by their sales agent spouses with the Receivership Entities and the sale of EquiAlt securities, these claimants should not profit to the detriment of innocent investors.

2. Sales agent Bobby Armijo’s claim should be denied.

Sales agent Bobby Armijo filed a claim seeking \$14,993,805.79 based on several purported causes of action, including intentional or negligent misrepresentation, fraudulent concealment, breach of contract, promissory fraud, and “tort of another doctrine.” *See* Claim No. 1856. Armijo’s claim warrants additional discussion in comparison to those submitted by other sales agents, but it should nevertheless be denied for three primary reasons: (1) the Net Investment Method requires denial of Armijo’s claim; (2) Armijo is not

entitled to contractual indemnification; and (3) Armijo is not entitled to equitable indemnification. Importantly, even if the Court recognizes any portion of Armijo’s claim, he is nevertheless an unsecured general creditor, and as such, no portion of his claim will be paid until the claims submitted by all investor-claimants have been fully satisfied. *See infra* § IV.

a. The Net Investment Method requires denial of Armijo’s claim.

Armijo’s claim should be denied because the Net Investment Method does not recognize consequential damages like the “claimed losses” listed on an addendum to his Proof of Claim Form.¹⁰ Courts have determined that “recognizing ... damages beyond the original investment would not be practical or equitable.” *S.E.C. v. Homeland Commc'ns Corp.*, 2010 WL 2035326, at *3 (S.D. Fla. May 24, 2010). “These types of claims are difficult to verify, both as to their existence and as to their proper amount.” *Id.* “Awarding consequential damages would also potentially lead to inequitable results” because, “[i]f some claimants were granted consequential damages, the pool of funds available to be distributed to ... other victims would be reduced.” *Id.* As such, “[c]laims for consequential damages will not be allowed.” *Id.* (rejecting claims for “cancelled

¹⁰ Armijo invested in the scheme through a related entity – Joseph Financial, Inc. – and received False Profits. The Receiver has sued Armijo and his entity to recover those False Profits as fraudulent transfers. To the extent his claimed losses implicate his False Profits, including consequential damages stemming from related litigation, his claim should be denied for the reasons explained above in Sections II.B.1. and III.A.

check fees, late night telephone calls from ... agents, harassment, phone disconnection and telephone number changes, and adverse health consequences”).

Armijo seeks repayment of incurred attorneys’ fees in the amount of \$214,935.36 and “estimated” attorneys’ fees in the amount of \$359,000. The Net Investment Method does not authorize the payment of attorneys’ fees, much less “estimated” fees. *Id.*; see also *S.E.C. v. Francisco*, 2019 WL 13026869, at *4 (C.D. Cal. Sept. 20, 2019) (“barring claims based on interest, consequential damages, or attorneys’ fees”); cf. *S.E.C. v. Quinn*, 997 F. 2d 287, 289 (7th Cir. 1993) (“Just as a bank robber cannot use the loot to wage the best defense money can buy, so a swindler in securities markets cannot use the victims’ assets to hire counsel who will help him retain the gleanings of crime.”).¹¹ In addition to attorneys’ fees, Armijo seeks the “value of [his] lost time in dealing with EquiAlt-related claims” at the rate of \$500 per hour (*i.e.*, more than the Receiver or any of his counsel) for an estimated 593 hours or \$296,500 in total. Such purported “losses” are frivolous and unrecoverable for the reasons discussed above and in § II.B.2. Armijo also seeks compensation for “reputational loss” in the amount of \$1,500,00. Again, that purported “loss”

¹¹ Even if Armijo was successful in his defense of the SEC action and the action brought by the Receiver, he would not be entitled to the recovery of fees. To allow such a claim through this claims process would not be appropriate or equitable.

is frivolous and unrecoverable under the Net Investment Method. In fact, the Receiver has been unable to identify a single case in which a claimant even attempted to seek compensation for “reputational loss.” *Cf. Illarramendi*, 2018 WL 1122352 at *2 (affirming denial of claim based on “non-cash investments” and “sweat equity”).

b. Armijo is not entitled to contractual indemnification.

Armijo demands payment from Receivership assets of “unliquidated losses” in the amount of \$12,583,370.43 for “potential future investor claims.” Armijo essentially demands indemnification for his misconduct and any resultant liability to his defrauded clients. This portion of his claim amount is derived from the damages sought in *O’Neal et al. v. Joseph Financial, Inc., Joseph Financial Investment Advisors, LLC, and Robert Joseph Armijo*, Case No. 8:22-cv-939-MSS-JSS (M.D. Fla), but that case was dismissed on December 6, 2022. *See id.* Doc. 42. As such, Armijo’s demand for more than \$12 million is moot. Even ignoring the claim’s mootness, Armijo is also not entitled to contractual indemnification for the reasons discussed below.

Armijo appears to premise his demand on a provision in a purported “Selected Dealer Agreement,” attached to his Proof of Claim Form as Exhibit 5 (the “SDA”). As an initial matter, “[t]he court’s powers to administer the receivership ... are not limited by the terms of private contracts.” *S.E.C. v. Path*

Am., LLC, 2016 WL 3865919, at *3 (W.D. Wash. July 15, 2016). “The court’s authority over the assets of a receivership estate derives from the court’s inherent power to exercise jurisdiction over assets taken into the receivership, rather than from underlying contracts.” *Id.* In addition, the SDA appears to be unexecuted (or at least not fully executed), and the only purported counterparty is EquiAlt Secured Income Portfolio REIT, Inc. – not any of the other Receivership Entities. In any event, Armijo is not entitled to contractual indemnification under the SDA or otherwise for at least three reasons.

First, Section X of the SDA required Armijo to be registered, licensed, and compliant with state and federal securities laws:

Dealer represents and warrants to the Company that it is a properly registered or licensed broker-dealer, duly authorized to offer and sell Shares under federal securities laws and regulations and the securities laws and regulations of all states where it offers or sells Shares and that it is a member of FINRA in good standing. This Agreement shall automatically terminate if the dealer ceases to be a member of FINRA in good standing or is subject to a FINRA suspension or if the Dealer’s registration or license under the Exchange Act or any state securities laws or regulations is terminated or suspended....

Despite these representations and warranties, however, Armijo was never licensed by the SEC or any self-regulatory agency to sell EquiAlt debentures and REIT shares. He did not have a Series 7 license, as required by both law and contract, and he was not an associated person of a licensed brokerage firm.

As such, pursuant to Section X, the SDA was void *ab initio*, or at most, it “automatically terminated” immediately upon its alleged execution.

Second, it is illegal to sell securities without a license from a state or registration with FINRA. *See* 15 U.S.C. § 77e(a) & 15 U.S.C. § 78o(a)(1). Any contract made in violation of these statutes is void and unenforceable because, among other reasons, a private contract cannot authorize an individual to violate state and federal securities laws.¹² In addition, “indemnification of participants in the context of securities violations is inconsistent with the policies underlying the securities laws.” *In re HealthSouth Corp. Sec. Litig.*, 572 F.3d 854, 862 (11th Cir. 2009) (“The cases have noted that ... before-the-fact indemnification of participants would undermine a primary goal of securities legislation—i.e., to encourage diligence and discourage negligence in securities transactions.”). As matters of both law and public policy, the SDA is unenforceable, and Armijo is not entitled to contractual indemnification for liability arising from his noncompliance with securities laws.

Third, even if the SDA was enforceable, the indemnification provision in Section XI puts the risk of noncompliance with securities laws squarely on

¹² *See* 15 U.S.C. § 78cc(b); *Hays v. Adam*, 512 F. Supp. 2d 1330, 1342 (N.D. Ga. 2007). Such violations are strict liability offenses. *See S.E.C. v. Martino*, 255 F. Supp. 2d 268, 283 (S.D. N.Y. 2003); *S.E.C. v. Randy*, 38 F. Supp. 2d 657, 667 (N.D. Ill. 1999); *S.E.C. v. Curshen*, 888 F. Supp. 2d 1299, 1308 (S.D. Fla. 2012); *S.E.C. v. Friendly Power Co., LLC*, 49 F. Supp. 2d 1363, 1367-68 (S.D. Fla. 1999).

Armijo – not the REIT. Specifically, Armijo agreed to indemnify the REIT against “any material violation” of the SDA (*see* § XI.2.), which necessarily includes Armijo’s violation of Section X. Armijo also agreed to indemnify the REIT against “any other failure to comply with applicable rules of FINRA or federal or state securities laws and the rules and regulations promulgated thereunder.” *See id.* The purported losses Armijo seeks to recover through the claims process all stem from his unauthorized sale of unregistered securities in violation of federal and state securities laws. His indemnification demand is backwards because, if the SDA was enforceable, Armijo would be required to indemnify the REIT for losses caused by his illegal conduct.

c. Armijo is not entitled to equitable indemnification.

Armijo is not entitled to equitable indemnification for at least three independent reasons. First, one who seeks equity must do equity, but Armijo’s conduct has been deeply inequitable and, in many cases, illegal. For example, Armijo mislead his own clients. He never told any client that he was not licensed to sell securities. He never told any investor or client that EquiAlt and its funds were insolvent. He claimed to use “fundamental analysis” to analyze securities but did not conduct required due diligence or “fundamental analysis” in connection with his sale or recommendation of EquiAlt securities because the funds (except the REIT) did not even have audited financial statements to

review. Finally, he never disclosed that he had been sued for selling securities without a license and for selling unregistered securities. Rewarding sales agents for misleading their clients and engaging in illegal acts is not the purpose of this equitable claims process.

Second, seeking indemnification against losses and associated, purported costs like attorneys' fees and reputational damages is an inverse form of seeking to recover unpaid commissions. Like many others, Armijo was a sales agent whose activities brought at least \$10 million to the scheme, and his claim should thus be denied for the reasons discussed above in § III.B. *See, e.g., Pension Fund of America L.C.*, 377 Fed. Appx. at 963 (denying claim for "commissions" because "commissions were derived from the funds of investors who were victimized by the fraudulent scheme"); *Warfield v. Byron*, 436 F.3d 551, 559-560 (5th Cir. 2006) (requiring return of "commissions" received for recruiting investors); *Miller v. Taber*, 2014 WL 317938, at *2 (D. Utah 2014) (requiring return of all "commissions and salaries for referring investors").

Third, even if the Court recognizes any portion of Armijo's claim, the Receiver is entitled to reduce the claim by the amount of losses caused by Armijo's misconduct. *Cf. Homeland Commc'ns Corp.*, 2010 WL 2035326 at *9 (reducing claim due to losses caused by misconduct, including frivolous litigation). For example, the claimants to whom Armijo sold unregistered securities collectively lost approximately \$7 million in connection with their

investments. Because such losses would overwhelm any legitimate portion of Armijo's purported damages, his claim should be denied.

C. Other Issues Affecting Denied Claims

While the issues discussed in the preceding sections are the most common reasons a claim might be denied, certain claimants present additional or unique circumstances. For example, certain investors submitted duplicative or otherwise redundant claims, which should be denied. This occurred in most instances because Goldstar Trust Company, who acted as custodian over certain qualified accounts, submitted duplicative claims on behalf of investors with Goldstar accounts. *See, e.g.*, Claim Nos. 1621, 1622, 1792, 1820. In another case, a sales agent submitted a claim on behalf of an investor, but the investor also submitted her own claim. *See* Claim No. 1805. Similarly, a sales agent submitted a claim on behalf of an investor, but the investor did not approve or even review the claim and the investor could not be located. *See* Claim No. 1727. Additional idiosyncratic issues requiring denial include (1) the absence of any record of the claimant's purported investment; (2) the release of all claims through a prior settlement agreement; (3) the lack of authority to submit a claim on behalf of the estate of a deceased investor; (4) submission of a claim with respect to an investment belonging to another claimant; and (5) duplicative/competing claims filed by co-executors of an estate. *See, e.g.*, Claim Nos. 1623, 1635, 1666, 1740, 1814. For the reasons discussed in

EXHIBIT 12

ARMIJO’S CLAIMS AGAINST THE LAWYER DEFENDANTS ARISE FROM THE SAME COMMON NUCLEUS OF OPERATIVE ACTS AND ARE BASED ON ACTS AND OMISSIONS SIMILAR TO THOSE ALLEGED IN THE RECEIVER’S COMPLAINT AND THE INVESTORS’ AMENDED COMPLAINT AGAINST THE LAWYER DEFENDANTS

Armijo’s Complaint against the Lawyer Defendants	Receiver’s Complaint against the Lawyer Defendants	Investor’s Amended Complaint against the Lawyer Defendants
<p>13. DLA is a Maryland limited liability partnership and a United States affiliate of a global law firm headquartered in London, United Kingdom, which has approximately 4,200 attorneys worldwide. DLA is headquartered in Baltimore, Maryland, and has offices throughout the United States, including offices in San Diego and Los Angeles, California.</p>	<p>12. DLA Piper LLP (US) is a United States affiliate of a global law firm headquartered in London, the United Kingdom with approximately 4,200 attorneys; DLA Piper LLP (US) is headquartered in Baltimore, Maryland and it has partners in multiple offices, including offices located in Los Angeles, California.</p>	<p>17. Defendant DLA Piper is a Maryland limited liability partnership operating as a law firm with its principal place of business at 6225 Smith Avenue, Baltimore, MD 21209. DLA Piper is thus a citizen of Maryland. DLA Piper does business in Florida at 200 South Biscayne Boulevard, Suite 2500, Miami, Florida.</p>
<p>14. Fox Rothschild is a Pennsylvania limited liability general partnership and a law firm with approximately 950 attorneys and 29 offices in the United States, including offices in Los Angeles, California.</p>	<p>11. Fox Rothschild is a 900 +/- attorney law firm headquartered in Philadelphia, Pennsylvania, and it has partners in multiple offices throughout the United States, including Los Angeles, California and Las Vegas, Nevada.</p>	<p>18. Defendant Fox Rothschild is a Pennsylvania limited liability partnership operating as a law firm with its principal place of business located at 2000 Market St, 20th Floor, Philadelphia, PA, 19103. Fox Rothschild is thus a citizen of Pennsylvania. Fox Rothschild does business in Florida at One Biscayne Tower, 2 South Biscayne Blvd., Suite 2750, Miami Florida.</p>

<p>Armijo’s Complaint against the Lawyer Defendants</p>	<p>Receiver’s Complaint against the Lawyer Defendants</p>	<p>Investor’s Amended Complaint against the Lawyer Defendants</p>
<p>16. Wassgren worked at, was a partner at, and was an agent of Fox Rothschild from approximately July of 2010 until May of 2017. Between July of 2010 and May of 2017, Fox Rothschild was responsible for the supervision of Wassgren and for any improper, negligent or illegal actions undertaken by Wassgren in connection with his practice of law. Legal work that forms a basis of this action, and misrepresentations made by Wassgren and Fox Rothschild, occurred while Wassgren was working for Fox Rothschild out of Fox Rothschild’s Los Angeles, California, office.</p>	<p>Overview Section ¶ 4</p> <p>¶4. Wassgren, as an attorney working first at Fox Rothschild and later at DLA Piper, either was grossly negligent or he knowingly aided, abetted and conspired with EquiAlt and the “EquiAlt Insiders” (Davison, Rybicki and BR Support Services, LLC) in the creation and perpetration of the fraudulent and illegal investment scheme, by preparing inadequate security disclosure and compliance materials and other sales documents, and by aiding in the operation of an illegal sales program and otherwise providing legal services to EquiAlt and its principals, in order to further their Ponzi scheme.</p> <p>9. During the period of July 2010 through May 2017, Fox Rothschild was responsible for the supervision of Wassgren and for any improper, negligent or illegal actions taken by Wassgren.</p>	<p>37. Wassgren represented EquiAlt for several years as a partner at Fox Rothschild. Wassgren brought EquiAlt with him as a client when he joined DLA Piper as a partner in 2017. Wassgren had primary responsibility for the EquiAlt engagements of Fox Rothschild and DLA Piper. As recently as 2018, and after defending the Arizona investigation into EquiAlt’s operations described below, Wassgren led a team of DLA Piper attorneys assisting EquiAlt in the formation and offering of \$500 million fund to purchase and develop properties within Qualified Opportunity Zones.</p>
<p>17. Wassgren worked at, was a partner at, and was an agent of DLA from</p>	<p>See Overview Section ¶ 4</p>	<p>See ¶37 above.</p>

<p>Armijo’s Complaint against the Lawyer Defendants</p>	<p>Receiver’s Complaint against the Lawyer Defendants</p>	<p>Investor’s Amended Complaint against the Lawyer Defendants</p>
<p>approximately 18 May of 2017 until November 2020, when he was asked to resign from DLA.... Between May of 2017 until November 2020, DLA was responsible for the supervision of Wassgren and for any improper, negligent or illegal actions undertaken by Wassgren in connection with his practice of law. Legal work that is a basis of this action, and misrepresentations made by Wassgren and DLA, occurred while Wassgren was working for DLA out of DLA’s Los Angeles, California, office.</p>	<p>10. During the period of May 2017 through the present, DLA Piper was responsible for the supervision of Wassgren and for any improper, negligent or illegal actions taken by Wassgren.</p>	
<p>30. The SEC and the Receiver have concluded that the EquiAlt Parties were operating a “Ponzi scheme.” According to the SEC and the Receiver, EquiAlt and the EquiAlt Managers commingled and diverted investors’ funds for improper purposes and they wrongfully enriched themselves by looting millions of dollars from the EquiAlt Funds for their own personal benefit. Investor moneys were used by EquiAlt and EquiAlt Managers to purchase personal real estate, luxury cars, jewelry, jets, and the like, and applied to charging fees, commissions and expenses that were neither disclosed nor</p>	<p>Overview Section ¶¶ 3 & 5 ¶3 The S.E.C. and the Receiver have found that Fund 1, Fund 2, Fund 3 and the EA SIP Fund were operating as a classic “Ponzi scheme”, which continued with the establishment and operation of the QOZ Fund and the REIT. On February 14, 2020, the Court in The Enforcement Action appointed Burton W. Wiand as the Receiver and granted him broad authority to institute actions and legal proceedings on behalf of the Funds and their Investors. On July 1, 2020, the Court authorized the Receiver to</p>	<p>29. EquiAlt was formed in 2011 by its Chief Executive Officer Davison and its Managing Director Rybicki (collectively, the “Managers”). EquiAlt represented to its investors in offering documents that substantially all of their invested funds would be used to purchase, rehabilitate and sell for profit single-family properties located in distressed markets throughout the United States, thereby generating generous returns of 8–12% for the investors. Instead, EquiAlt, Davison, and Rybicki with the active assistance of Defendants perpetrated</p>

<p>Armijo’s Complaint against the Lawyer Defendants</p>	<p>earned. If the SEC’s and Receiver’s conclusions are correct, rather than providing the promised returns on investments, EquiAlt and the EquiAlt Managers – with the active assistance of Defendants – fraudulently misappropriated millions of dollars for their own personal benefit by selling the EquiAlt Securities, which the SEC claims to have been fraudulent, unregistered securities.</p>	<p>Receiver’s Complaint against the Lawyer Defendants</p>	<p>retain the undersigned counsel to pursue claims against law firms that provided services to EquiAlt and The Funds, resulting in this suit.</p> <p>¶5 EquiAlt and the EquiAlt Insiders raised more than \$170 million from at least 1,100 unsuspecting investors around the country, including numerous California residents, by selling them fraudulent, unregistered securities, and then comingling and diverting Investors funds for improper purposes. The Defendants knew or should have known that these unregistered securities were being issued and sold in violation of applicable securities laws, and that the Fund’s assets were being used for improper and fraudulent purposes. This operation was a classic “Ponzi scheme” operation: the promised returns on investments were inadequate, so investors were paid with the money of other, subsequent investors. Along the way, EquiAlt and the EquiAlt Insiders enriched themselves by looting multi-millions of dollars from The Funds for things such as personal real estate, luxury</p>	<p>Investor’s Amended Complaint against the Lawyer Defendants</p>	<p>an illegal Ponzi scheme by which they fraudulently misappropriated millions of dollars for their own personal benefit from the offer and sale of unregistered securities in violation of the federal and state securities laws, through a network of unlicensed sales agents located in Florida, California, Arizona, Colorado, and Nevada, and other states.</p> <p>30. According to the Declaration of Mark Dee filed in the SEC action, EquiAlt morphed into a Ponzi scheme soon after its inception in 2011.... Mr. Dee, a Senior Accountant for the SEC, attested that Davison and Rybicki misappropriated millions of dollars for their own personal benefit, misused investor funds for purposes inconsistent with the Private Placement Memorandums used to offer and sell the EquiAlt Securities (“PPMS”), and saddled the Funds with financial losses stemming from excessive fees, bonuses and payments to insiders and affiliated entities. These excessive misappropriated fees rendered EquiAlt insolvent and unable to pay the amounts due to investors</p>
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<p>Armijo’s Complaint against the Lawyer Defendants</p>	<p>Receiver’s Complaint against the Lawyer Defendants</p>	<p>Investor’s Amended Complaint against the Lawyer Defendants</p>
	<p>cars, jewelry, jets, and the like, and by charging fees, commissions and expenses that were not disclosed and were not earned.</p>	<p>other than by raising new investor funds as part of the resulting Ponzi scheme. In short order the proceeds received by the Funds from property sales and loan receipts were inadequate to pay the high payments due to investors under the unregistered EquiAlt Securities, which obligated the Funds to pay interest to investors at rates ranging from 8% to 12%. Consequently, EquiAlt systematically diverted monies from one Fund to another and used investment proceeds raised from new investors to make the interest payments due to existing investors.</p> <p>230. The Non-Promoter Defendants conducted a massive Ponzi scheme raising more than \$170 million from over 1,000 investors nationwide, many of them elderly, through the fraudulent sale of unregistered securities. The scheme was perpetuated through material misrepresentations and omissions concerning the Funds’ compliance with the federal and State securities laws, the safety and risks of the EquiAlt Securities, and the financial performance and solvency of</p>

<p>Armijo’s Complaint against the Lawyer Defendants</p>	<p>Receiver’s Complaint against the Lawyer Defendants</p>	<p>Investor’s Amended Complaint against the Lawyer Defendants</p>
		<p>EquiAlt and the Funds, all with the intent to deceive prospective investors, causing Plaintiffs’ damages. In particular, the Non-Defendant Promoters in the PPM made the following materially false misrepresentations and omissions, among others:</p> <ul style="list-style-type: none"> a. Falsely stated that “[t]his Offering is being made pursuant to the private offering exemption of Section 4(2) of the [Securities] Act and/or Regulation D promulgated under the Act;” b. Falsely stated that “[t]his Offering is also being made in strict compliance with the applicable state securities laws;” c. Falsely stated that “[u]nder no circumstances will the Company admit more than thirty-five (35) non-accredited Investors as computed under Rule 501 of Regulation D promulgated under the [Securities] Act;” d. Falsely stated that “[t]he Company may utilize the services of one or more registered broker/dealers” to sell the unregistered EquiAlt Securities;

<p>Armijo’s Complaint against the Lawyer Defendants</p>	<p>Receiver’s Complaint against the Lawyer Defendants</p>	<p>Investor’s Amended Complaint against the Lawyer Defendants</p>
		<p>e. Falsely overstated the percentage of investor funds that would be used to invest in properties;</p> <p>f. Misleadingly omitted to disclose that millions of dollars would be used to pay undisclosed fees and bonuses to EquiAlt and its principals;</p> <p>g. Misleadingly omitted to disclose that EquiAlt would pocket “discount fees” rather than passing on to the Funds purported savings from listed sale prices;</p> <p>h. Misleadingly omitted to disclose that monies would be transferred from one Fund to another to pay interest due to investors and failed to adequately disclose that commissions would be paid to unlicensed sales agents; and</p> <p>i. Misleadingly omitted to disclose that Davison and Rybicki had both filed bankruptcy proceedings during the years prior to the formation of EquiAlt.</p>
<p>37. Wassgren and his law firms, first at Fox Rothschild and then at DLA, drafted</p>	<p>28. Wassgren also consulted directly with Rybicki and directly with</p>	<p>41. Indeed, Wassgren drafted the EquiAlt PPMs from the very beginning</p>

<p>Armijo’s Complaint against the Lawyer Defendants</p>	<p>Receiver’s Complaint against the Lawyer Defendants</p>	<p>Investor’s Amended Complaint against the Lawyer Defendants</p>
<p>and revised PPMs and other offering/sales documents for EquiAlt and the EquiAlt Funds, which Defendants knew would be utilized: (a) to lure sales agents to sell EquiAlt Securities and (b) to lure investors to purchase EquiAlt Securities. Defendants rendered legal advice on regulatory compliance, selling practices and other legal matters related to EquiAlt and the EquiAlt Funds, to the EquiAlt Parties and sales agents that the EquiAlt Parties courted. Defendants participated in the selling process by receiving and approving questionnaires and subscription documents from investors before they were issued EquiAlt Securities. And Defendants counseled the EquiAlt Parties regarding transactions alleged to have resulted in the improper payment or diversion of assets of the EquiAlt Funds for the benefit of EquiAlt and the EquiAlt Managers. Defendants also actively assisted EquiAlt in developing and implementing strategic long-term planning, going well beyond the scope of the routine rendition of legal services.</p>	<p>the unlicensed and unregistered sales agents who were selling investments in the Funds; Wassgren advised Rybicki and these unlicensed agents in ways to attempt to disguise and mischaracterize the illegal selling fees.</p> <p>29. Wassgren, first at Fox Rothschild, and later at DLA Piper, from their Los Angeles County offices, provided legal representation and acted as counsel to EquiAlt, the EquiAlt Insiders and to the Funds for compensation; this included the drafting and revision of private placement memoranda, other sales documents, and rendering advice on regulatory compliance, selling practices, and numerous legal matters.</p> <p>30. Wassgren, through his offices at Fox Rothschild and DLA Piper in Los Angeles County, California, participated in the selling process by receiving and approving questionnaires and subscription documents from Investors before they were issued investment securities, thus making Wassgren the gatekeeper</p>	<p>of its existence. As Davison testified in his deposition that “[g]enerally speaking, on a transactional basis, I created documents like these [PPMs] with counsel about the time period of 2000—I’m sorry—2011, private placement memorandum generally.” . . .</p> <p>42. Wassgren also drafted the Subscription Agreements, the EquiAlt Securities, and the Prospective Purchaser Questionnaires (“Investor Questionnaires”) used to attest that the investors were “accredited,” a requirement for the securities to be exempt from registration as a “private offering” under Rule 506(b) of SEC Regulation D (“Regulation D”) As drafted, the Investor Questionnaires were addressed to Fox Rothschild or DLA Piper, such that prospective investor was directed to complete the questionnaire and send the signed document to the Defendants’ offices. Through their receipt of such Investor Questionnaires, and otherwise, Defendants kept themselves informed of the number and level of financial sophistication of the prospective</p>

<p>Armijo’s Complaint against the Lawyer Defendants</p>	<p>Receiver’s Complaint against the Lawyer Defendants</p>	<p>Investor’s Amended Complaint against the Lawyer Defendants</p>
	<p>for the fraudulent scheme to admit new Investors.</p>	<p>investors to whom the EquiAlt Securities were being offered and sold.</p> <p>44. Although the PPMs made partial disclosures that Davison and Rybicki would be compensated through management fees and undefined “substantial compensation and benefits” these disclosures were misleading half-truths because the PPMs also assured the prospective investors that the Company “does not anticipate significant operating costs” and the projected sources and uses of cash failed to disclose the exorbitant amounts misappropriated and diverted by Davison and Rybicki. More importantly, the PPMs failed to disclose that, as Davison and Rybicki knew and intended, the exorbitant amounts that they stripped from the EquiAlt Funds quickly rendered the funds insolvent and incapable of paying the amounts due to investors other than with funds raised from new investors through the Ponzi platform.</p> <p>58. In addition to actively assisting EquiAlt and the Non-Defendant Promoters by drafting false offering</p>

<p>Armijo’s Complaint against the Lawyer Defendants</p>	<p>Receiver’s Complaint against the Lawyer Defendants</p>	<p>Investor’s Amended Complaint against the Lawyer Defendants</p>
<p>39. Defendants were aware of, and knowingly permitted, the EquiAlt Parties to represent to investors and sales agents that Defendants would vouch for the legality of EquiAlt’s Securities offering and use of the funds raised thereby. What better way to instill confidence in the EquiAlt Securities and EquiAlt Parties than by having two very large law firms – one among the largest in the world – endorse them.</p> <p>40. Defendants were aware of and encouraged such messaging, knowing that the EquiAlt Parties did this with the</p>	<p>57. P. In addition to preparing and drafting the Private Placement Memoranda, Wassgren consented to the inclusion of his name, along with the law firm Defendants, in various offering materials utilized by Davison and Rybicki to promote The Funds, and he assisted, aided and abetted the illegal sales activities.</p>	<p>documents, preparing organizational documents for the Funds and for other entities in which properties were held, advising and assisting EquiAlt’s efforts to avoid registration under the applicable securities laws and providing false assurances to the sales agents, CEO Davison has testified that Wassgren actively assisted him in developing and implementing strategic long-term planning for EquiAlt, again assistance beyond the scope of the routine rendition of legal services.</p> <p>45. In addition to drafting and providing information for the PPMs, Wassgren and the law firm Defendants consented to the inclusion of their names in the PPMs and the associated offering materials incorporated in the PPMs. As just noted, while Wassgren was a partner at Fox Rothschild, the Investor Questionnaires attached as exhibits to the PPMs named the law firm and directed the investors to mail the completed questionnaires to the law firm’s offices in Nevada. When Wassgren moved to DLA Piper in 2017, the Investor Questionnaires were</p>

<p>Armijo’s Complaint against the Lawyer Defendants</p>	<p>Receiver’s Complaint against the Lawyer Defendants</p>	<p>Investor’s Amended Complaint against the Lawyer Defendants</p>
<p>intent of creating apparent legitimacy of their operation and to cause sales agents and investors to believe the EquiAlt Parties were operating in compliance with all applicable laws. Defendants further believed it would benefit the EquiAlt Parties (and Defendants themselves) to publicly advertise Defendants as being EquiAlt’s counsel, and Defendants intended for investors and sales agents to develop a sense of trust in the EquiAlt Parties and the EquiAlt Securities because of Defendants’ involvement, all to the benefit of Defendants and Defendants’ clients.</p> <p>41. Similarly, the PPMs and other offering documents prepared by Defendants, and supplied to EquiAlt’s sales agents and investors, represented that: (a) the EquiAlt Securities were offered subject to the approval of Defendants; (b) that Defendants would review documents used to effectuate the real estate transactions by which the EquiAlt Funds intended to acquire properties; (c) the EquiAlt Funds would rely on Defendants’ opinions; and (d) the EquiAlt Securities would not be</p>		<p>changed to name DLA Piper and set forth the new law firm’s mailing address in California. The PPMs also stated that: (a) the securities were offered “subject to ... [the] approval of counsel;” (b) the fund’s “counsel will review certain documents” used to effectuate the real estate transactions by which the Funds intended to acquire properties; (c) the Fund “will rely on the opinion of ... its legal counsel with respect to its classification as a limited liability company for Federal income tax purposes;” and (d) the securities could not be transferred unless, among other things, “in the opinion of counsel to the company, registration is not required....” These statements concerning the legal advice to be obtained from EquiAlt’s counsel all referred to Wassgren and the law firm Defendants.</p> <p>46. Wassgren and the law firm Defendants furthermore prepared false and misleading marketing materials distributed to prospective investors and knowingly allowed EquiAlt to use their names and professional reputations in the marketing materials.</p>

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<p>transferred unless, among other things, Defendants’ opinion was that registration with the SEC was not required. These statements were made by Defendants to induce sales agents to want to partake in selling EquiAlt Securities, and to induce investors to purchase EquiAlt Securities. Defendants included such representations in documents they prepared to help further the EquiAlt Parties’ scheme.</p>			<p>While Wassgren was a partner at Fox Rothschild, EquiAlt marketing brochures... prominently featured Wassgren and Fox Rothschild as the investment firm’s legal counsel, thereby providing comfort to prospective investors that EquiAlt was a legitimate, financially sound investment firm that complied with all applicable regulatory and legal requirements. When Wassgren subsequently became a partner at DLA Piper, the EquiAlt marketing brochure... was changed to reflect that Wassgren and DLA Piper served as legal counsel for EquiAlt. Both EquiAlt marketing brochures invited prospective investors to contact Defendants directly, identifying them as “independent” professionals who offered to give the investors “insight into the fund and its activities.” <i>Id.</i>¹</p>

¹ DLA Piper through numerous press releases also touted to the public the law firm’s involvement and major role in assisting EquiAlt, but has since removed these specific website announcements:

DLA Piper advises EquiAlt on the formation and offering of its ... www.dlapiper.com/news/2018/11/dla-piper-advises-EquiAlt-on-q...

Nov 15, 2018 – DLA Piper represented EquiAlt LLC, in the formation and offering of their recently formed EquiAlt Qualified Opportunity Zone Fund, LP that ...

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		<p>74. Fourth, Defendants aware of, and knowingly permitted, EquiAlt’s promotion of Wassgren, DLA Piper, and Fox Rothschild as legal counsel who could vouch for EquiAlt and the legality of the unregistered offer and sale of EquiAlt Securities. For example, EquiAlt’s general solicitation materials not only identified DLA Piper or Fox Rothschild as its attorney in connection with EquiAlt’s offering, but furthermore supplied the address and phone number for their California offices, and explicitly told investors that Defendants would vouch for the legality of EquiAlt’s securities offering and its use of the funds raised through it:</p> <ul style="list-style-type: none"> ● Can I contact

Paul Wassgren | People | DLA Piper Global Law Firm www.dlapiper.com › people › wassgren-paul

DLA Piper represented EquiAlt LLC, in the formation and offering of their recently formed EquiAlt Qualified Opportunity Zone Fund, LP that purchases and ...

<https://www.leopardsolutions.com/hotspot/ListSummaryDetails.aspx?categoryId=0&month=11&year=2018>

DLA Piper advises EquiAlt on the formation and offering of its US\$500 million Qualified Opportunity Zone fund

DLA Piper - @DLA_Piper Twitter Profile | Twipuwwww.twipu.com › DLA_piper

Explore @DLA_Piper Twitter Profile | DLA Piper, a global law firm operating through ... We advised EquiAlt on the formation and offering of its US\$500 million ...

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		<p>EquiAlt’s CPA or Attorney? Absolutely, both are independent from EquiAlt LLC and can give you some insight into the fund and its activities. Ex. G; Ex. H.</p> <p>75. Defendants continued to permit EquiAlt to promote Wassgren and DLA Piper as “independent” legal counsel who investors could contact to obtain information about the EquiAlt Funds and their activities as the Ponzi scheme unfolded, even during the SEC investigation in 2019. Exhibit L.</p> <p>76. Defendants thus agreed to actively assist in the offer and sale of the EquiAlt Securities in order to generate fees and enhance their professional reputation. Indeed, DLA Piper specifically touted its relationship with EquiAlt in other online posts, press releases, and tweets. <i>See supra</i>, ¶ 41 n.4 (collectively, the “DLA-EquiAlt Posts”).</p>

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<p>43. Based on information learned since the SEC initiated its action against EquiAlt and the EquiAlt Managers, the PPMs relative to the EquiAlt Funds, and other offering/sales documents prepared and/or reviewed and approved by Defendants, contained numerous statements that Defendants knew or should have known were false, or omitted material facts which Defendants knew or should have known were necessary for Plaintiff, other sales agents and investors to make informed decisions relative to EquiAlt and the EquiAlt Securities. These misrepresentations and omissions, relied upon by Plaintiff and others, included but are not necessarily limited to:</p> <p>a. PPMs indicated that approximately 90% of investor funds would be used to “invest in property.” But, if the SEC and Receiver are correct, less than 50% of investor funds were actually used for that purpose. Defendants knew or should have known this based on all information Defendants had relative to the EquiAlt Parties’ operations;</p> <p>b. PPMs failed to disclose that investment monies would be used to</p>	<p>56. Wassgren, from the Defendants’ offices in Los Angeles County, California, prepared all of the offering documents used by The Investment Funds to improperly solicit investments. These disclosure documents in the form of Private Placement Memoranda (the “PPMs”) were deficient in various and numerous respects.</p> <p>57. The PPMs made misrepresentations of material fact and omitted facts which were necessary in order to make an informed investment decision. Among the failure of the PPMs and the sales of The Investment Funds, are the following:</p> <p>E. All of the PPMs use of proceeds charts show that at least 90% of the investor’s money would be placed in real estate and investment assets. This was a false representation and Wassgren, who was involved in monitoring real estate transactions, knew that the acquisitions for real estate were</p>	<p>47. Wassgren knew the representations in the PPMs that the EquiAlt Securities were exempt from registration under the federal securities laws pursuant to Regulation D and were made “in strict compliance with the applicable state securities laws” were false and misleading. Among other things, Wassgren knew that: (a) EquiAlt intended to sell and did in fact sell its securities to more than 35 non-accredited investors through the Funds, which were all part of a single integrated offering; (b) EquiAlt engaged directly and through its agents in general solicitations and advertising to market its unregistered securities; (c) EquiAlt made commission payments to its unlicensed sales agents not disclosed in its SEC filings claiming the Reg D exemption from registration; and (d) EquiAlt would and did fail to provide investors with information and disclosures required by Regulation D, including audited financial statements.</p> <p>48. Aware that EquiAlt failed to qualify for its claimed registration exemption yet was offering and selling</p>

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<p>pay EquiAlt extraneous fees. Defendants knew of the fees being collected by EquiAlt; f. Investors were told no management fees would be paid to EquiAlt, yet EquiAlt collected substantial management fees from the EquiAlt Funds and there was never any disclosure to investors as to what or how management fees would be paid. Wassgren knew this;</p>	<p>no where near 90% of the investment funds. M. Wassgren knew and failed to disclose that the amount of selling commission compensation that was being paid by The Funds which, in and of itself, prevented The Funds from allocating at least 90% of The Funds invested money in real estate, and that other expenses would further reduce the funds available for real estate investment.</p>	<p>the unregistered securities using unlicensed sales agents, Wassgren knew that his clients were engaged in multiple ongoing violations of the applicable federal and state securities laws.</p>
<p>43.c. Investors were not informed that invested funds would be transferred between the EquiAlt Funds to use monies from one EquiAlt Fund to pay the debts of another EquiAlt Fund. Defendants knew of these transfers;</p>	<p>57.L. Wassgren knew and omitted from any disclosures that funds would be transferred from one Fund to another to pay interest and expenses between The Funds.</p>	<p>128. EquiAlt and Defendants never disclosed or suggested to Plaintiffs and the class members that EquiAlt and the EquiAlt funds were being operated as part of a massive Ponzi scheme or that the EquiAlt managers were diverting millions of dollars in EquiAlt assets for their own personal gain. Nor did EquiAlt or Defendants disclose to the investors that properties and assets were being transferred between and among the EquiAlt Funds in furtherance of the ongoing Ponzi scheme and breaches of fiduciary duties.</p>

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<p>43.d. Many of the subscription agreements stated that investments in the EquiAlt Funds were being sold without the payment of a commission. And PPMs stated only that the EquiAlt Funds “may” pay commissions to sales agents. In reality, as Defendants knew, an amount equal to a percentage of the investments was always paid to sales agents in connection with the sale of EquiAlt Securities regardless of the licensure status of the sales agents.</p> <p>e. The Offering Memoranda for Fund 1 states “Securities are being offered directly through the Company. No commissions of any kind will be paid to selling agents or brokers.” That representation – drafted by Wassgren – was false and was known (or should have been known) by Wassgren to be</p>	<p>28. Wassgren also consulted directly with Rybicki and directly with the unlicensed and unregistered sales agents who were selling investments in the Funds; Wassgren advised Rybicki and these unlicensed agents in ways to attempt to disguise and mischaracterize the illegal selling fees.</p> <p>57.D. The Offering Memoranda for The Funds failed to disclose the nature and amount of commissions that would be paid for selling agents. The Offering Memoranda for Fund 1 states “Securities are being offered directly through the Company. No commissions of any kind will be paid to selling agents or brokers.”</p>	<p>230.h. Misleadingly omitted to disclose that monies would be transferred from one Fund to another to pay interest due to investors and failed to adequately disclose that commissions would be paid to unlicensed sales agents;</p>
<p>43.d. Many of the subscription agreements stated that investments in the EquiAlt Funds were being sold without the payment of a commission. And PPMs stated only that the EquiAlt Funds “may” pay commissions to sales agents. In reality, as Defendants knew, an amount equal to a percentage of the investments was always paid to sales agents in connection with the sale of EquiAlt Securities regardless of the licensure status of the sales agents.</p> <p>e. The Offering Memoranda for Fund 1 states “Securities are being offered directly through the Company. No commissions of any kind will be paid to selling agents or brokers.” That representation – drafted by Wassgren – was false and was known (or should have been known) by Wassgren to be</p>	<p>28. Wassgren also consulted directly with Rybicki and directly with the unlicensed and unregistered sales agents who were selling investments in the Funds; Wassgren advised Rybicki and these unlicensed agents in ways to attempt to disguise and mischaracterize the illegal selling fees.</p> <p>57.D. The Offering Memoranda for The Funds failed to disclose the nature and amount of commissions that would be paid for selling agents. The Offering Memoranda for Fund 1 states “Securities are being offered directly through the Company. No commissions of any kind will be paid to selling agents or brokers.”</p>	<p>230.e. Falsely overstated the percentage of investor funds that would be used to invest in properties;</p> <p>h. Misleadingly omitted to disclose that monies would be transferred from one Fund to another to pay interest due to investors and failed to adequately disclose that commissions would be paid to unlicensed sales agents;</p>

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<p>false. The EquiAlt Funds paid a 12% commission to Rybicki and/or BRSS, who, in turn, paid at least one-half of that amount to various sales agents regardless of their licensure status. All of this was known (or should have been known) by Wassgren, who was often in direct contact with sales agents and knew how they were being paid;</p>	<p>That representation drafted by Wassgren was false and was known by Wassgren to be false. The Funds paid a 12% commission to Rybicki and/or BR, who, in turn, paid at least one-half of that commission to various unlicensed sales agents. All of this was known by Wassgren, who was often in direct contact with these unlicensed sales agents.</p>	
<p>43. h. The EquiAlt Securities were not sold with either state or federal securities registration, but instead were purportedly sold under a Regulation D (“Reg D”) exemption from registration; however, if the SEC and Receiver are correct, none of EquiAlt Securities qualified for a Reg D exemption or any other exemption from registration since inception. Wassgren knew or should have known this. And, even if the EquiAlt Securities somehow could initially have qualified for the Reg D exemption, Wassgren knew or should have known that, based on</p>	<p>57.B. The investments were improperly sold without either state or federal securities registration. The Funds purportedly were sold under a Regulation D (“Reg D”) exemption from registration, however, none of The Funds qualified for a Reg D exemption or any other exemption from registration.</p> <p>57.C The Funds were offered and sold as one continuous integrated offering such that the offering of all The Funds are, under the securities laws, a single offering, negating any attempt to</p>	<p>70. However, through their active involvement in the documentation, offering and sales of the EquiAlt Securities, their interactions with EquiAlt and its principals and its interactions with the EquiAlt sales agents and securities regulators, Defendants knew that the EquiAlt Securities were in fact offered and sold in non-compliance with the requirements of Regulation D.</p> <p>88. Knowing that the securities issued by Fund 1 were not exempt from registration because, among other things, the sales to unaccredited</p>

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<p>all facts and circumstances, the SEC could assert that all requirements to satisfy and maintain a Reg D exemption did not occur. Accordingly, Wassgren knew or should have known that the EquiAlt Parties’ continued sale of EquiAlt Securities as unregistered securities could be found to be unlawful;</p> <p>i. PPMs stated that under no circumstances would the EquiAlt Funds admit more than 35 non-accredited investors, as computed under Rule 501 of Reg D. All of the investors submitted questionnaires and subscription documents to Defendants, who were to review them and advise as to whether that investor should be accepted. As a result, Defendants knew (or should have known) that the funds, if deemed integrated, had in excess of 35 unaccredited investors;</p>	<p>construe or interpret the offerings as separate and distinct.</p> <p>64. In order to qualify for Reg D exemption, the shares or units in The Investment Funds could not be offered to the public under a general solicitation, but rather the solicitation had to be targeted, by way of private placement, only to Investors who were known or believed to be accredited Investors. An accredited investor is one with certain minimum levels of income and/or net worth. Reg D allows up to 35 non-accredited investors, provided however that no general solicitation of investors is made.</p> <p>65. With Wassgren acting as the Investors’ gatekeeper, the Defendants knew or should have known that The Investment Funds had been sold to more than the allowable 35 “unaccredited investors.”</p>	<p>investors greatly exceeded the numerical limit permitted by Regulation D and other requirements for the claimed registration exemption, Wassgren hatched a scheme to paper over and conceal the ongoing securities law violations. Based on the advice and with the active and knowing assistance of Wassgren, EquiAlt formed a new investment fund known as EquiAlt Fund II LLC (Fund 2) on April 24, 2013. Wassgren prepared and filed the Articles of Organization for Fund 2 with the Nevada Secretary of State. Fund 2 began selling unregistered securities on May 2, 2013, approximately one week after Fund 2 was formed. However, Fund 2 did not file the required Form D with the SEC until March 31, 2016, nearly three years later. This late-filed Form D was untimely, as Regulation D requires that the necessary notice be filed no later than 15 days after the securities are first sold by the issuer. In the Form D for Fund 2, CEO Davison attested that the securities issued by Fund 2 were exempt from registration under Regulation D.</p>

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		<p>91. Moreover, as Wassgren knew, the scheme to split unaccredited investors between Fund 1 and Fund 2 was wholly ineffective to salvage the claimed registration exemption because the unregistered securities were being sold as part of an ongoing, integrated single offering. Among other things, the offerings were part of a single plan of financing, involved issuance of the same class of security, were made at or about the same time, involved the same type of consideration and were made for the same general purpose. Furthermore, the safe harbor allowed by 17 CFR § 230.502 was not available because the offerings were not made more than six months apart with no offers of the same or similar securities being made in between. Thus, even if the number of unaccredited investors reported for Fund 1 and Fund 2 in the Form D filings were correct (which they were not), Wassgren knew there were at least 41 unaccredited investors in the single integrated offering (31 unaccredited investors in Fund 1 and 10 unaccredited investors in Fund 2),</p>

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		<p>once again confirming that the funds were illegally selling unregistered securities using unlicensed sales agents in violation of the federal and state securities laws.</p>
<p>43.k. Prior to starting the EquiAlt Funds, the EquiAlt Managers filed for personal bankruptcy. Defendants knew, or should have known, this. But Defendants drafted the PPMs to all describe the EquiAlt Managers’ business experience in flattering terms, and omitted from disclosure the facts that the EquiAlt Managers’ prior real estate ventures ended in personal bankruptcy for each of them;</p>	<p>57.A. Prior to starting The Funds, both Rybicki and Davison filed for personal bankruptcy. The PPMs all describe Davison and Rybicki’s business experience in glowing terms, and their previously failed business careers involving real estate and mortgage financing (the business of the Funds) but the PPM omitted from disclosure the facts that both Davison’s and Rybicki’s prior real estate ventures ended in personal bankruptcy for each of them.</p>	<p>230.i. Misleadingly omitted to disclose that Davison and Rybicki had both filed bankruptcy proceedings during the years prior to the formation of EquiAlt.</p>
<p>45. If what the SEC and Receiver have uncovered is true, then Defendants knew the representations in the PPMs (that the EquiAlt Securities were exempt from registration under the federal securities laws pursuant to Reg D and were made “in strict compliance with the applicable</p>	<p>57.I. Wassgren designed the investments to purportedly be exempt from registration under Regulation D of the securities laws. Under Regulation D, one of the requirements for qualification is that there be no more than 35 unaccredited investors. In</p>	<p>71. First, Defendants knew that investments in the EquiAlt Securities were being solicited through general solicitations and advertisements, including: (a) newspaper ads such as in the attached Exhibit J, and (b) group presentations such as the slideshow attached as Exhibit K ; and (c) sales</p>

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<p>state securities laws”) were false and misleading. Among other things, Wassgren knew that: (a) EquiAlt intended to sell and did in fact sell EquiAlt Securities to more than 35 non-accredited investors through the EquiAlt Funds, which Wassgren knew (or should have known) could result in the SEC considering all EquiAlt Securities to be considered part of a single integrated offering and, therefore, create risk that the EquiAlt Securities would be found not to be exempt from registration; (b) the EquiAlt Parties engaged directly and through its agents in general solicitations and advertising to market its unregistered securities; (c) the EquiAlt Parties made payments to unlicensed sales agents that were not disclosed in its SEC filings claiming the Reg D exemption from registration; and (d) the EquiAlt Parties would and did fail to provide investors with information and disclosures required by Reg D, including audited financial statements.</p> <p>46. Wassgren assisted the EquiAlt Parties in claiming an exemption from registration under Reg D, and had actual knowledge of the requirements the EquiAlt Parties were required to follow in</p>	<p>addition, unaccredited investors, to the extent admitted into the investment, are required to receive the heightened degree of financial disclosure. All of the Investors submitted questionnaires and subscription documents to Wassgren who would review them and advise the company as to whether that investor should be accepted into The Funds. As a result, Wassgren knew the integrated funds had well in excess of 35 unaccredited investors. This process placed Wassgren as an active participant in this program to illegally sell unregulated securities through unlicensed agents to unaccredited investors.</p> <p>J. It appears that in each and every instance an Investor was accepted, and no Investors were rejected. Well in excess of 35 Investors into this continuous integrated offering were non-accredited Investors thereby violating the Regulation D offering exemption. Because Wassgren was the gatekeeper for the Subscription</p>	<p>brochures such as the attached Exhibits G and H. Defendants also knew that in-house employees at EquiAlt were soliciting investments from the general public through cold-calling campaigns, social media, websites, in-person meetings, and info-dinners.</p> <p>72. Second, Defendants drafted the subscription materials to be completed by potential investors to confirm the accredited or non-accredited status of the potential investors. Defendants drafted those subscription materials for completion and return directly to their offices for review by Wassgren, and thereby received direct reports of the number, age, geographic location, and financial sophistication of the investors to whom the EquiAlt Securities were being offered and sold. Defendants thus knew that many of the investors had indicated they were unaccredited or unsophisticated in that they lacked knowledge and expertise in financial or business matters, were not capable of evaluating the merits and risks of the investment, and were not otherwise capable of bearing the</p>

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<p>order to qualify as exempt; however, through Defendants’ active involvement in the documentation, offering and sales of the EquiAlt Securities, and their interactions with the EquiAlt Parties and their interactions with the EquiAlt sales agents and securities regulators, Defendants knew that the EquiAlt Securities were in fact offered and sold in a manner that could be deemed to not comply with the requirements of Reg D. Yet Defendants continued to represent to sales agents and investors – without qualification – that the EquiAlt Parties were operating in full compliance with all applicable laws.</p> <p>47. Defendants knew that investments in the EquiAlt Securities were being solicited in such a manner that could render the EquiAlt Securities to not be in compliance with maintaining a Reg D exemption.</p>	<p>Agreements, he well knew that the number of accredited Investors had been exceeded.</p> <p>65. The sale of securities to unaccredited investors, even if such securities are otherwise exempt from registration, triggers a requirement that investors be furnished with audited or other full and complete financial statements. Even if a Reg D exemption had been available to The Funds, the financial disclosure requirements of the 1933 Securities Act were required to be met, because The Funds were being offered and sold to many non-accredited Investors.</p> <p>67. The Investment Funds were sold as purported “private placements” but in fact the sale of the securities was conducted as a general public solicitation with the use of advertisements and solicitation practices prohibited in private placements, all of which was well known to Defendants.</p>	<p>economic risks of the investment. Defendants also knew that far more than the maximum permitted number of the unaccredited investors had been sold the EquiAlt Securities, a prohibition which they attempted to circumvent through the creation of purportedly distinct Funds.</p> <p>87. As a result of its aggressive solicitation of elderly and unsophisticated investors with limited assets and modest income, EquiAlt soon sold fixed rate debentures issued by Fund 1 to far more than 35 unaccredited and unsophisticated investors, thereby forfeiting its claimed registration exemption under Regulation D. EquiAlt further forfeited its registration exemption by soliciting investments from the general public through cold call solicitations, seminar presentations, media advertisements, websites and social media campaigns. As alleged above, Wassgren knew that EquiAlt had exceeded the limit on sales of unregistered securities issued by Fund 1 to unaccredited investors because the Investor Questionnaires</p>

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	<p>68. The Defendants knew, or should have known, that The Funds would legally be treated as “integrated,” meaning that the investment funds were one continuous offering.</p>	<p>were addressed and sent to Fox Rothschild and to DLA Piper.</p>
<p>49. Defendants knew, were willfully blind to knowing, or were reckless in not knowing, that EquiAlt had not satisfied the general condition that the offerors supply all non-accredited investors with the EquiAlt financial reports and information required under Rule 502(b).</p>	<p>57.K. Additionally, Wassgren well knew that there was virtually no financial disclosure or performance track records given to Investors, including the unaccredited Investors thereby omitting from disclosure material and required information.</p>	<p>47(d) EquiAlt would and did fail to provide investors with information and disclosures required by Regulation D, including audited financial statements.</p>
<p>51. Defendants were also aware of sales agents who did not possess the required licensing necessary to likely be deemed lawfully permitted to participate in the sale of EquiAlt Securities.</p> <p>58. Wassgren was regularly in contact with EquiAlt’s sales agents, knew that they were not licensed securities brokers, and knew that securities regulatory and self-regulatory organizations like FINRA could very well take the position that the sales agents could not legally participate in the sale of EquiAlt Securities. Despite this, Wassgren advised Rybicki and</p>	<p>57.F. Wassgren regularly was in contact with selling agents for The Funds. None of these selling agents were registered or licensed to sell securities and could not legally engage in the transactions of selling these securities to the Investors. This fact is well known to Wassgren.</p> <p>57.G. Wassgren advised Rybicki, who was in charge of sales efforts, as well as numerous selling agents, that they were allowed to sell these investments without license or registration, in violation of securities</p>	<p>54. Not only that, but Wassgren’s actions in assistance to and in concert with the Non-Defendant Promoters went far beyond his role as legal counsel to EquiAlt. Wassgren even went so far as to affirmatively provide legal advice to potential and existing <i>sales agents</i>, falsely assuring them that EquiAlt complied with all applicable securities laws and that the unlicensed agents could lawfully sell the EquiAlt unregistered and unqualified securities.</p>

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<p>numerous sales agents – including Plaintiff – without equivocation or qualification, that they were allowed to sell EquiAlt Securities without a Series 7 license.</p> <p>60. Wassgren knew that the sales agents selling the EquiAlt Securities were not registered as brokers under federal, FINRA or state securities laws. Nonetheless, in furtherance of his client’s fraudulent scheme, Wassgren personally, systematically, affirmatively, and falsely represented to the sales agents that they could lawfully participate in the sale of the unregistered EquiAlt Securities.</p>	<p>laws.</p> <p>57.H. Additionally, Wassgren advised Rybicki and selling agents as to methods and manners in which they could operate in order to accept commissions as “finder’s fees,” “seminar expenses” or other classifications that were intended to falsely characterize selling compensation so as to improperly avoid the securities laws licensing requirements.</p>	<p>55. Wassgren spoke directly with many of the unlicensed broker-dealer sales agents to provide them with false assurances that EquiAlt complied with all securities laws and that the agents could lawfully offer and sell the EquiAlt Securities, even though they were not registered. For example, attorney Wassgren told sales agent Dale Tenhulzen that Wassgren “wrote the PPM” and explained how Tenhulzen would be compensated for selling EquiAlt Securities. Attorney Wassgren advised Tenhulzen that he did not need a license to legally sell and get paid for the sale of the EquiAlt Securities. [ECF No. 152-2 at 27-30]</p> <p>56. Another EquiAlt sales agent, John Friedrichsen, received the same advice from attorney Wassgren. When he first began selling the EquiAlt Securities, Rybicki told him that Wassgren had advised that the sales agents did not need to be registered to sell EquiAlt Funds. [ECF No.152-4, ¶ 8]. After Davison and Wassgren created EquiAlt’s REIT Fund, Mr. Friedrichsen wondered whether he could receive commissions for selling</p>

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		<p>the REIT Fund and, at Mr. Rybicki’s suggestion, called Mr. Wassgren to inquire. <i>Id.</i>, ¶ 10. During the call, Mr. Wassgren, who “knew I [Friedrichsen] was a sales agent for EquiAlt Funds... explained that financial agents needed to acquire a Series 7 license to sell debentures for the REIT Fund.” <i>Id.</i>, ¶ 11.</p> <p>57. Yet Attorney Wassgren knew the EquiAlt Securities did not qualify for a public offering exemption under federal or state law. Wassgren also knew that the sales agents selling the EquiAlt Securities were not registered as dealers or salespersons under federal and state securities laws. Nonetheless, in furtherance of the ongoing Ponzi scheme, Wassgren personally, systematically, affirmatively, and falsely represented to the sales agents that they could lawfully sell the unregistered EquiAlt Securities—never disclosing that EquiAlt and the agents were violating the federal and state securities laws by selling unregistered securities and by selling investments for EquiAlt</p>

<p>Armijo’s Complaint against the Lawyer Defendants</p>	<p>Receiver’s Complaint against the Lawyer Defendants</p>	<p>Investor’s Amended Complaint against the Lawyer Defendants</p>
		<p>without registering as a securities dealer.</p> <p>77. Fifth, Defendants also knew that the EquiAlt Securities were being offered and sold in California, Arizona, Florida, Colorado, Nevada and elsewhere by unlicensed securities broker-dealers and sales agents who were paid commissions by EquiAlt to do so. But Defendants further knew those commissions were not reported in EquiAlt’s SEC filings.</p> <p>78. Sixth, Defendants actively assisted the offer and sale of the EquiAlt Securities by unlicensed securities broker-dealers and sales agents by assuring them that such sales complied with the operative securities laws.</p>

EXHIBIT 13

COMPARISON OF DAMAGES SOUGHT BY ARMIJO IN HIS PROOF OF CLAIM TO THE DAMAGES HE SEEKS IN HIS COMPLAINT AGAINST THE LAWYER DEFENDANTS

In his proof of claim, Armijo asserted the following claims:

- (i) Intentional or negligent misrepresentation;
- (ii) Fraudulent concealment;
- (iii) Breach of contract;
- (iv) Promissory fraud; and
- (v) Tort of another.

In his complaint against the Lawyer Defendants, Armijo asserts substantially similar claims as follows:

- (i) Professional negligence/gross negligence;
- (ii) Negligent misrepresentation;
- (iii) Aiding and abetting fraud;
- (iv) Equitable indemnity;
- (v) Tort of another; and
- (vi) Violation of Unfair Competition Law.

Damages that Armijo seeks to recover from the receivership as stated in his proof of claim are virtually identical to the damages that he seeks to recover from the Lawyer Defendants in his complaint.

Armijo’s Proof of Claim	Armijo’s Complaint against the Lawyer Defendants
<p>The damages Armijo seeks to recover against the Receivership estate with respect to his claims for intentional or negligent misrepresentation and fraudulent concealment are as follows:</p> <ul style="list-style-type: none"> ●“The misrepresentations were falsely made and were a substantial factor in causing persons purchasing EquiAlt securities through Armijo to bring a class action for securities fraud (now subject to a tolling agreement) against Armijo and Joseph Financial Investment Advisors, LLC; investigation and pending litigation by the SEC against the Defendants in Federal District Court, San Diego, CA, including a request for civil penalties and disgorgement against Armijo; the Receiver’s claim for 	<p>The damages alleged in Armijo’s complaint against the Lawyer Defendants are as follows:</p> <p>11. “Plaintiff’s reputation and business as a financial investment advisor are ruined. Plaintiff has suffered significant financial harm having to spend time and money to defend actions pursued by the SEC, and Defendants’ clients’ receiver and investors. Plaintiff has also suffered serious emotional distress and serious health conditions”....</p> <p>85. “Wassgren’s misrepresentations to Plaintiff, and fraudulent concealment of facts from Plaintiff, was a substantial factor in causing Plaintiff to become an EquiAlt</p>

Armijo’s Proof of Claim	Armijo’s Complaint against the Lawyer Defendants
<p>disgorgement; the destruction of Armijo’s reputation among his clients in the insurance and financial industry. Armijo has incurred attorneys’ fees and costs, financial damages, and lost time as a result. He has also sustained serious physical harm and pain and suffering, including heart problems and depression.”</p> <ul style="list-style-type: none"> • “The fraudulent concealment was a substantial factor in causing persons purchasing EquiAlt securities through Armijo to bring a class action for securities fraud (now subject to a tolling agreement) against them; investigation and pending litigation by the SEC against Armijo in Federal District Court, San Diego, CA including a request for civil penalties and disgorgement; the Receiver’s claims for disgorgement; and the destruction of Armijo’s reputation among his clients in the insurance and financial advising industry. Armijo has incurred attorneys’ fees and costs, financial damages, and lost time, as a result. He has also sustained serious physical harm and pain and suffering, including heart problems and depression. • “The breach of contract was a substantial factor in causing persons purchasing EquiAlt securities through Armijo to bring a class action for securities fraud (now subject to a tolling agreement) against them; investigation and pending litigation by the SEC against the Defendants in Federal District Court, San Diego, California, including a request for civil penalties and disgorgement; the Receiver's claims for disgorgement; and the destruction of Armijo's reputation among his clients in the insurance and financial advising 	<p>sales agent and for investors to purchase EquiAlt Securities through Plaintiff, and ultimately was a substantial factor in causing (a) such investors to bring individual and class actions for securities fraud against Plaintiff; (b) an investigation and pending litigation by the SEC against Plaintiff, including a request for civil penalties and disgorgement; (c) the Receiver to pursue claims against Plaintiff; (d) the destruction of Plaintiff’s reputation among his clients in the insurance and financial advising industry; (e) Plaintiff incurring significant attorneys’ fees and time to respond to the foregoing matters; (f) Plaintiff being forced leave the financial advising industry; (g) Plaintiff losing investment opportunities due to financial institutions closing Plaintiff’s investment accounts and various financial institutions refusing to do business with Plaintiff; and (h) Plaintiff suffering serious emotional distress and serious physical harm, including heart problems and depression.</p> <p>98. “Defendants’ professional negligence and/or gross negligence was a substantial factor in causing Plaintiff’s harm. As a proximate result of Defendants’ professional negligence and/or gross-negligence, Plaintiff has suffered millions of dollars in damages including but not limited to lost business opportunities, forced closure of Plaintiff’s investment advising business, destruction of Plaintiff’s insurance business, lost personal investment opportunities given involuntary closure of numerous investment, credit and banking accounts previously held by Plaintiff), reputational harm (every person who conducts an internet search of Plaintiff quickly sees allegations of Plaintiff’s connection to the EquiAlt scheme, which</p>

Armijo’s Proof of Claim	Armijo’s Complaint against the Lawyer Defendants
<p>industry. Armijo has incurred attorneys' fees and costs, financial damages, and lost time as a result.”</p> <ul style="list-style-type: none"> • “The promissory fraud was a substantial factor in causing persons purchasing EquiAlt securities through Armijo to bring a class action for securities fraud (now subject to a tolling agreement) against Armijo and Joseph Financial Investment Advisor, LLC; investigation and pending litigation by the SEC against the Defendants in Federal District Court, San Diego, California, including a request for civil penalties and disgorgement; the Receiver's claims for disgorgement; and the destruction of Armijo's reputation among his clients in the insurance and financial advising industry. Armijo has incurred attorneys' fees and costs, and financial damages and lost time, as a result. He has also sustained serious physical harm and pain and suffering, including heart problems and depression.” • “As a direct, proximate and foreseeable result of the tortious conduct by EquiAlt, as alleged above, Armijo has been damaged in that he has lost time and incurred attorneys' fees and costs in an amount according to proof at trial.” 	<p>could have been avoided had Defendants not facilitated the EquiAlt Parties’ scheme and had Defendants not provided the representations, legal advice and assurances that they did), serious emotional distress, lost personal relationships and serious physical harm and pain and suffering, including heart problems and depression, all of which shall be according to proof at trial.”</p> <p>105. “Plaintiff’s reliance on Defendants’ misrepresentations was a substantial factor in causing Plaintiff’s harm. As a proximate result of Plaintiff’s reliance on Defendants’ misrepresentations, Plaintiff has suffered millions of dollars in damages (including but not limited to lost business opportunities, forced closure of Plaintiff’s investment advising and insurance businesses, lost personal investment opportunities given involuntary closure of numerous investment, credit and banking accounts previously held by Plaintiff), reputational harm, serious emotional distress, lost personal relationships and serious physical harm and pain and suffering, including heart problems and depression, all of which shall be according to proof at trial.”</p> <p>113. “Defendants’ conduct was a substantial factor in causing Plaintiff’s harm. As a proximate result of Plaintiff’s reliance on Defendants’ misrepresentations, Plaintiff has suffered millions of dollars in damages (including but not limited to lost business opportunities, forced closure of Plaintiff’s investment advising and insurance businesses, lost personal investment opportunities given involuntary closure of numerous investment, credit and banking accounts previously held by</p>

Armijo’s Proof of Claim	Armijo’s Complaint against the Lawyer Defendants
	<p>Plaintiff), reputational harm, serious emotional distress, lost personal relationships and serious physical harm and pain and suffering, including heart problems and depression, all of which shall be according to proof at trial.”</p> <p>119. “Plaintiff alleges, however, that if Plaintiff is held liable to the Receiver, any EquiAlt Parties, any EquiAlt investors or the SEC, which liability is expressly denied, such liability will attach only by reason of the wrongful actions of Defendants, and that Defendants are therefore bound by implication of law to indemnify and save harmless Plaintiff, not only for the amount of any judgments or settlements, but also for costs of defense of such matters, all of which shall be according to proof at trial.”</p> <p>122. “As a proximate result of Defendants’ tortious conduct and/or omissions, Plaintiff was and has been forced to incur significant expense and time defending against the actions filed against him by the SEC, harmed investors and the Receiver (including attorneys’ fees and costs of defending such actions), in the protection of Plaintiff’s interests, all of which shall be according to proof at trial.”</p> <p>126. “Defendants’ conduct was a substantial factor in causing Plaintiff’s harm. As a proximate result of Plaintiff’s reliance on Defendants’ misrepresentations, Plaintiff has suffered millions of dollars in damages (including but not limited to lost business opportunities, forced closure of Plaintiff’s investment advising and insurance businesses, lost personal investment opportunities given involuntary closure of numerous investment, credit</p>

Armijo’s Proof of Claim	Armijo’s Complaint against the Lawyer Defendants
	<p>and banking accounts previously held by Plaintiff), reputational harm, serious emotional distress, lost personal relationships and serious physical harm and pain and suffering, including heart problems and depression, all of which shall be according to proof at trial.”</p> <p style="text-align: center;"><u>PRAYER FOR RELIEF</u></p> <p>WHEREFORE, Plaintiff prays for judgment against Defendants, and each of them, as follows:</p> <ol style="list-style-type: none">1. For all past and future economic damages Plaintiff has or will incur as a result of Defendants’ misrepresentations and advice that fell below the standard of care, in an amount to be proven at trial, including but not limited to: all attorneys’ fees and costs spent defending against the actions filed against Plaintiff by the SEC, EquiAlt investors and the Receiver; for the reasonable value of Plaintiff’s time defending such actions; for Plaintiff’s lost business and lost business opportunities; for lost investment opportunities; and for any amounts Plaintiff were or are [sic] ordered to pay to the SEC, EquiAlt investors and/or the Receiver;2. For general damages, including but not limited to the reputational harm and serious emotional distress Plaintiff has been caused to suffer;”... .