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SUPERIOR COURT OF WASHINGTON FOR CLARK COUNTY

In re:

AMERICAN EAGLE MORTGAGE 100, LLC; AMERICAN EAGLE MORTGAGE 200, LLC; AMERICAN EAGLE MORTGAGE 300, LLC; AMERICAN EAGLE MORTGAGE 400, LLC; AMERICAN EAGLE MORTGAGE 500, LLC; AMERICAN EAGLE MORTGAGE 600, LLC; AMERICAN EAGLE MORTGAGE MEXICO 100, LLC; AMERICAN EAGLE MORTGAGE MEXICO 200, LLC; AMERICAN EAGLE MORTGAGE MEXICO 300, LLC; AMERICAN EAGLE MORTGAGE MEXICO 400, LLC; AMERICAN EAGLE MORTGAGE MEXICO 500, LLC; AMERICAN EAGLE MORTGAGE MEXICO 600, LLC; AMERICAN EAGLE MORTGAGE I, LLC; AMERICAN EAGLE MORTGAGE II, LLC; and AMERICAN EAGLE MORTGAGE SHORT TERM, LLC.

Case No. 19-2-01458-06

RECEIVER’S NOTICE OF PROPOSED SETTLEMENT WITH HANES-ZOLLER JOINT VENTURE, THE ZOLLER FAMILY LIMITED PARTNERSHIP, AND R.C. HANES LIMITED PARTNERSHIP

Clyde A. Hamstreet & Associates, LLC, the duly appointed general receiver herein (the “Receiver”), gives this notice in accordance with paragraph 1 of the Order Establishing Procedures for Seeking Approval of Proposed Settlements with Borrowers and with Occupants of Owned Real Estate dated November 22, 2019 (the “Settlement Procedures Order”).

The Receiver proposes to enter into a Settlement Agreement and Release (the

1 “Agreement”) with Hanes-Zoller Joint Venture, the Zoller Family Limited Partnership, and R.C.  
2 Hanes Limited Partnership (collectively, “Hanes-Zoller”) in order to resolve the case known as  
3 *Clyde & Hamstreet & Associates, LLC v. Hanes-Zoller Joint Venture, et al.*, Clark County  
4 Superior Court Case No. 20-2-00632-06 (the “Litigation”).

5 The following information regarding the proposed settlement is provided pursuant  
6 to the Settlement Procedures Order:

7 1. **Description of the Loan or Other Relationship.** On May 10, 2019, the  
8 Receiver was appointed as the general receiver for the above-captioned Washington limited  
9 liability companies (the “Pools”). The Pools made two loans to Hanes-Zoller—in the principal  
10 amounts of \$65,000.00 on May 17, 2007, and \$32,000.00 on September 6, 2012—with  
11 respective amounts owing of \$155,438.04 and \$55,829.04 (or \$211,267.08 in the aggregate) as  
12 of February 14, 2020.

13 2. **Relationship to the Pools, American Equities, Inc., or Ross Miles.**  
14 Counsel for Hanes-Zoller has disclosed the following to the Receiver: Ross Miles is a 9.5%  
15 limited partner in R.C. Hanes Limited Partnership. Ross Miles is also the President and a 50%  
16 owner of R.C. Hanes Management, Inc., which is the general partner and 5% owner of R.C.  
17 Hanes Limited Partnership. R.C. Hanes Limited Partnership is a 50% owner in Hanes-Zoller  
18 Joint Venture.

19 3. **Amount to Be Received by the Receiver.** Hanes-Zoller will pay the  
20 Receiver \$120,829.04. The Receiver believes that this discounted amount is fair and reasonable  
21 under the circumstances because Hanes-Zoller has denied ever receiving the funds related to the  
22 2007 loan and has asserted a statute of limitations defense to both loans. The settlement amount  
23 reflects payment of the \$65,000 principal amount of the 2007 loan and the \$55,829.04  
24 outstanding balance of the 2012 loan.

25 4. **Summary of the Material Terms and Conditions of the Settlement.**  
26 The material terms and conditions of the settlement, as set forth more fully in the Agreement,

1 include the following:

- 2 a. Payment to be made by wire transfer within three business days  
3 after entry of an order of Clark County Superior Court approving the Agreement;  
4 b. Mutual release to be granted by Hanes-Zoller and the Receiver,  
5 subject to limitations set forth in the Agreement, upon court approval and receipt of the payment;  
6 c. Receiver to move to dismiss the Litigation with prejudice within  
7 three business days after receipt of payment; and  
8 d. Agreement to become effective only upon court approval.

9 YOU ARE NOTIFIED that unless a creditor or other party in interest notifies the  
10 Receiver and the Receiver's attorneys, in writing within 14 calendar days after the date of this  
11 notice, that such party objects to the proposed settlement, the Receiver will apply for an *ex parte*  
12 order approving the settlement described above. Objections to the proposed settlement must  
13 refer to this notice and be delivered or sent, so as to be actually received by the Receiver within  
14 14 calendar days after the date of this notice, as follows:

15 AEM Receiver  
16 c/o Miller Nash Graham & Dunn LLP  
17 Attn: John R. Knapp, Jr.  
18 2801 Alaskan Way, Suite 300  
19 Seattle, Washington 98121  
20 Email: john.knapp@millernash.com  
21 Email: AEMReceiver@Hamstreet.net

22 DATED this 6<sup>th</sup> day of April, 2020.

23 MILLER NASH GRAHAM & DUNN LLP

24 /s/ John R. Knapp, Jr.  
25 John R. Knapp, Jr., P.C., WSB No. 29343

26 Attorneys for Receiver  
Clyde A. Hamstreet & Associates, LLC