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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 AMERICAN EQUITIES, INC.

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 (the “Agreement”)

1 with American Equities, Inc. (“AEI”) in order to (a) resolve certain clouds on title on two AEI
2 properties existing by reason of the Receiver’s litigation against AEI, (b) loan money to AEI
3 secured by one of the properties to satisfy a tax lien and prevent foreclosure of such property,
4 and (c) use the proceeds of sale of the property to pay the Receiver the amount sufficient to
5 satisfy such loan, with the balance of the proceeds to be split equally between AEI and the
6 Receiver, and the Receiver’s share to be applied to other outstanding loans owed by AEI to the
7 Pools (as defined below).

8 The following information regarding the proposed settlement is provided pursuant
9 to the Settlement Procedures Order:

10 1. **Description of the Loan or Other Relationship.** On May 10, 2019, the
11 Receiver was appointed as the general receiver for the above-captioned Washington limited
12 liability companies (the “Pools”). The Pools made loans to AEI for amounts in excess of
13 \$50,000.00. The Receiver has named AEI as a defendant in litigation adjunct to the receivership
14 under *Clyde A. Hamstreet & Associates, LLC v. American Equities, Inc., et al.*, Case No. 20-2-
15 00507-06. Such litigation is a cloud on the title of certain property owned by AEI in Cowlitz
16 County, Washington, one parcel of which is also encumbered by a tax lien in the amount of
17 \$5,252.85. The Agreement does not settle the litigation, but strictly relates to treatment of the
18 two parcels of AEI real property while the Receiver’s litigation against AEI and the other
19 defendants continues unaffected.

20 2. **Relationship to the Pools, American Equities, Inc., or Ross Miles.** The
21 other party to the Agreement with the Receiver is AEI, and Ross Miles is AEI’s president.

22 3. **Consideration to Be Received by the Receiver.** The Agreement will
23 prevent the commencement of a tax foreclosure proceeding with regard to one of the subject
24 parcels owned by AEI and will facilitate sales of the two parcels of real property. The Receiver
25 will earn 12% interest on its loan to AEI of \$5,252.85 to satisfy the tax lien on the first property.
26 The Receiver will also be repaid on the loan and receive half of the remaining proceeds of the

1 sale of the first property, net of closing costs.

2 4. **Summary of the Material Terms and Conditions of the Settlement.**

3 The material terms and conditions of the settlement, as set forth more fully in the Agreement,
4 include the following:

5 a. The Receiver will loan AEI \$5,252.85 to be repaid on or before the
6 earlier of (1) closing of the sale of the first property, and (2) December 31, 2020, at 12% interest
7 per annum;

8 b. To secure repayment of the loan, the Receiver will receive a deed
9 of trust on the first property. AEI will seek to sell the property, subject to the Receiver's
10 approval. When the property is sold, the Receiver and AEI will each receive half of the
11 proceeds, net of closing costs and repayment of the \$5,252.85 loan;

12 c. In exchange for the Agreement's provision for sharing of the sale
13 proceeds of the first property, the Receiver will consent to AEI's sale of the second parcel (from
14 which the Receiver will not receive any proceeds); and

15 d. The Agreement will become effective only upon execution and
16 delivery of the Agreement, execution and delivery of the deed of trust, and court approval.

17 YOU ARE NOTIFIED that unless a creditor or other party in interest notifies the
18 Receiver and the Receiver's attorneys, in writing within 14 calendar days after the date of this
19 notice, that such party objects to the proposed settlement, the Receiver will apply for an *ex parte*
20 order approving the settlement described above. Objections to the proposed settlement must
21 refer to this notice and be delivered or sent, so as to be actually received by the Receiver within
22 14 calendar days after the date of this notice, as follows:

23 AEM Receiver
24 c/o Miller Nash Graham & Dunn LLP
25 Attn: John R. Knapp, Jr.
26 2801 Alaskan Way, Suite 300
Seattle, Washington 98121
Email: john.knapp@millernash.com
Email: AEMReceiver@Hamstreet.net

1 DATED this 5th day of June, 2020.

2 MILLER NASH GRAHAM & DUNN LLP

3
4 /s/ John R. Knapp, Jr.
John R. Knapp, Jr., P.C., WSB No. 29343

5 Attorneys for Receiver
6 Clyde A. Hamstreet & Associates, LLC

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