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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 DANIELSON CONTRACTORS, INC., DONALD DANIELSON, AND DAVID DANIELSON

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 dated March 5, 2021 (the "Settlement Procedures Order").

1           The Receiver proposes to enter into a Settlement Agreement (the "Agreement")  
2 with Danielson Contractors, Inc., Donald Danielson, and David Danielson (collectively,  
3 "Danielson"), in order to resolve the case known as *Clyde Hamstreet & Associates, LLC v.*  
4 *Danielson Contractors, Inc. et al.*, Clark County Superior Court Case No. 20-2-00781-06 (the  
5 "Litigation").

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

8           1.       **Description of the Relationship.** On May 10, 2019, the Receiver was  
9 appointed as the general receiver for the above-captioned Washington limited liability companies  
10 (the "Pools") pursuant to the terms of the Order Appointing General Receiver dated May 10,  
11 2019 (as amended to date, the "Receivership Order"). The Receiver alleges that, prior to entry of  
12 the Receivership Order, on November 3, 2006, Danielson executed and delivered to one of the  
13 Pools, American Eagle Mortgage Mexico 300, LLC, a promissory note in the principal amount  
14 of \$200,000.00, bearing interest at the rate of 12% per annum. As of February 24, 2020, the total  
15 amount due and owing under the note, including principal and interest, was \$554,115.38. The  
16 Receiver commenced the Litigation in order to collect on that note. Danielson filed an answer,  
17 affirmative defenses, and counterclaim in the Litigation, alleging, among other things, that the  
18 note was created without their knowledge and for the benefit of Ross Miles and related entities,  
19 and Danielson alleges that it was and is owed substantial funds for its work on the Ridgecrest  
20 developments which offset, or more than offset, this amount.

21           2.       **Relationship to the Pools, American Equities, Inc., or Ross Miles.** The  
22 Receiver is aware that Danielson Contractors, Inc. did work for Ridgecrest III and potentially  
23 other entities owned by Ross Miles.

24           3.       **Amounts to Be Received by the Receiver.** Danielson will pay the  
25 Receiver a total of \$12,000.00 in twelve monthly installments of \$1,000.00. The Receiver  
26 believes that settlement for this amount is fair and reasonable under the circumstances.

1 Danielson has alleged certain defenses in the Litigation, and an award of this amount to the  
2 Receiver is within the range of potential outcomes were the matter to go to trial.

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

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

6 a. Danielson to be jointly and severally liable to and shall pay the  
7 Receiver a total of \$12,000.00 (the "Settlement Amount") in twelve monthly installments of  
8 \$1,000.00 by wire transfer commencing on the first day of the month after court approval and  
9 continuing on the first day of each month thereafter until paid in full;

10 b. In the event of default by Danielson, the Receiver may accelerate  
11 the payment obligation, with interest at 12% until paid in full, or re-file the Litigation.

12 c. Release to be granted by the Danielson of the Receiver, the Pools,  
13 and the Estate (as defined in the Receivership Order), along with any and all of the Receiver's  
14 present and former members, managers, employees, attorneys, and other agents, subject to the  
15 limitations set forth in the Agreement, upon court approval;

16 d. Release to be granted by the Receiver of Danielson, subject to the  
17 limitations set forth in the Agreement, on the 91<sup>st</sup> day following payment in full of the Settlement  
18 Amount;

19 e. Danielson will not submit any claims in the receivership  
20 proceeding;

21 f. The Receiver to move to dismiss the Litigation with prejudice  
22 within five business days after court approval, subject to tolling pending release of Danielson by  
23 the Receiver; and

24 f. Agreement to become effective only upon court approval.

25 YOU ARE NOTIFIED that unless a creditor or other party in interest notifies the  
26 Receiver and the Receiver's attorneys, in writing within 14 calendar days after the date of this

1 notice, that such party objects to the proposed settlement, the Receiver will apply for an *ex parte*  
2 order approving the settlement described above. Objections to the proposed settlement must  
3 refer to this notice and be delivered or sent, so as to be actually received by the Receiver within  
4 14 calendar days after the date of this notice, as follows:

5 AEM Receiver  
6 c/o Miller Nash Graham & Dunn LLP  
7 Attn: John R. Knapp, Jr.  
8 2801 Alaskan Way, Suite 300  
9 Seattle, Washington 98121  
10 Email: john.knapp@millernash.com  
11 Email: AEMReceiver@Hamstreet.net

12 DATED this 12<sup>th</sup> day of March, 2021.

13 MILLER NASH GRAHAM & DUNN LLP

14 /s/ John R. Knapp, Jr.  
15 John R. Knapp, Jr., P.C., WSB No. 29343

16 Attorneys for Receiver  
17 Clyde A. Hamstreet & Associates, LLC