

SUPERIOR COURT OF WASHINGTON FOR CLARK COUNTY

In re:

Case No. 19-2-01458-06

RECEIVER’S NOTICE OF PROPOSED SETTLEMENT WITH DREW HONZEL, IN HIS CAPACITY AS TRUSTEE OF THE DREW AND BETSY HONZEL FAMILY TRUST

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.

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”).

The Receiver proposes to enter into a Settlement Agreement (the “Agreement”)

1 with Drew Honzel (the “Trustee”), in his capacity as trustee of the Drew and Betsy Honzel
2 Family Trust (the “Honzel Trust”), in order to resolve the case known as *Clyde A. Hamstreet &*
3 *Associates, LLC v. Drew Honzel, in his capacity as Trustee of the Drew and Betsy Honzel*
4 *Family Trust*, Clark County Superior Court Case No. 20-2-01772-06 (the “Litigation”).

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

7 1. **Description of the Relationship.** On May 10, 2019, the Receiver was
8 appointed as the general receiver for the above-captioned Washington limited liability companies
9 (the “Pools”) pursuant to the terms of the Order Appointing General Receiver dated May 10,
10 2019 (as amended to date, the “Receivership Order”). The Receiver contends that the Pools are
11 insolvent and have been insolvent since at least January 1, 2007. In the Litigation, the Receiver
12 has alleged that, after January 1, 2007, the Pools made cash transfers to the Honzel Trust of
13 \$766,501.78 and that such transfers should be avoided and judgment entered in favor of the
14 Receiver for such amounts under RCW 19.40.041(1)(a).

15 2. **Relationship to the Pools, American Equities, Inc., or Ross Miles.**
16 Other than the Honzel Trust’s investments in the Pools, the Receiver is unaware of any
17 relationship between the Pools, American Equities, Inc., or Ross Miles and the Trustee or the
18 Honzel Trust.

19 3. **Amount to Be Received by the Receiver.** The Trustee will pay the
20 Receiver \$283,416.31 on behalf of the Honzel Trust. The Receiver believes that settlement for
21 this amount is fair and reasonable under the circumstances. The Trustee has alleged certain
22 defenses in the Litigation, and an award of this amount to the Receiver is within the range of
23 potential outcomes were the matter to go to trial.

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

1 a. Payment to be made by the Trustee to the Receiver by wire transfer
2 within five business days after entry of an order of Clark County Superior Court approving the
3 Agreement;

4 b. Release to be granted by the Trustee, on his own behalf and on
5 behalf of the Honzel Trust, of the Receiver, the Pools, and the Estate (as defined in the
6 Receivership Order), along with any and all of the Receiver's present and former members,
7 managers, employees, attorneys, and other agents, subject to the limitations set forth in the
8 Agreement, upon court approval;

9 c. Release to be granted by the Receiver of the Trustee and the
10 Honzel Trust, along with any and all of the Trustee's and the Honzel Trust's present and former
11 trustees, beneficiaries, transferees, employees, attorneys, and other agents subject to the
12 limitations set forth in the Agreement, upon receipt of the payment following court approval;

13 d. The Honzel Trust will be deemed to have filed a proof of
14 unsecured claim in the total amount of \$283,416.31, subject to allowance and treatment pursuant
15 to further order of the court in this proceeding;

16 e. The Receiver to move to dismiss the Litigation with prejudice
17 within five business days after the Receiver's receipt of payment; and

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

19 YOU ARE NOTIFIED that unless a creditor or other party in interest notifies the
20 Receiver and the Receiver's attorneys, in writing within 14 calendar days after the date of this
21 notice, that such party objects to the proposed settlement, the Receiver will apply for an *ex parte*
22 order approving the settlement described above. Objections to the proposed settlement must
23 refer to this notice and be delivered or sent, so as to be actually received by the Receiver within
24 14 calendar days after the date of this notice, as follows:

25 AEM Receiver
26 c/o Miller Nash Graham & Dunn LLP
Attn: John R. Knapp, Jr.

1 2801 Alaskan Way, Suite 300
2 Seattle, Washington 98121
3 Email: john.knapp@millernash.com
4 Email: AEMReceiver@Hamstreet.net

5 DATED this 19th day of March, 2021.

6 MILLER NASH GRAHAM & DUNN LLP

7 /s/ John R. Knapp, Jr.
8 John R. Knapp, Jr., P.C., WSB No. 29343

9 Attorneys for Receiver
10 Clyde A. Hamstreet & Associates, LLC