

SUPERIOR COURT OF WASHINGTON FOR CLARK COUNTY

In re:

Case No. 19-2-01458-06

RECEIVER’S NOTICE OF PROPOSED SETTLEMENT WITH VANCOUVER TRINITY LUTHERAN FOUNDATION

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 Vancouver Trinity Lutheran Foundation, a Washington nonprofit corporation (“VTLF”), in
2 order to resolve the case known as *Clyde A. Hamstreet & Associates, LLC v. Vancouver Trinity*
3 *Lutheran Foundation*, Clark County Superior Court Case No. 20-2-02304-06 (the “Litigation”).

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

6 1. **Description of the Relationship.** On May 10, 2019, the Receiver was
7 appointed as the general receiver for the above-captioned Washington limited liability companies
8 (the “Pools”) pursuant to the terms of the Order Appointing General Receiver dated May 10,
9 2019 (as amended to date, the “Receivership Order”). The Receiver contends that the Pools are
10 insolvent and have been insolvent since at least January 1, 2007. In the Litigation, the Receiver
11 has alleged that, after January 1, 2007, the Pools made cash transfers to VTLF of \$947,622.00
12 and that such transfers should be avoided and judgment entered in favor of the Receiver for such
13 amounts under RCW 19.40.041(1)(a).

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

17 3. **Amounts to Be Received by the Receiver.** VTLF will pay the Receiver
18 \$148,881.00. The Receiver believes that settlement for these amounts is fair and reasonable
19 under the circumstances. VTLF has alleged certain defenses in the Litigation, and an award of
20 this amount to the Receiver is within the range of potential outcomes were the matter to go to
21 trial.

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

25 a. Payment to be made by VTLF to the Receiver by wire transfer
26 within five business days after entry of an order of Clark County Superior Court approving the

1 Agreement;

2 b. Release to be granted by VTLF of the Receiver, the Pools, and the
3 Estate (as defined in the Receivership Order), along with any and all of the Receiver's present
4 and former members, managers, employees, attorneys, and other agents, subject to the
5 limitations set forth in the Agreement, upon court approval;

6 c. Release to be granted by the Receiver of VTLF, along with any
7 and all of VTLF's present and former directors, officers, transferees, employees, attorneys and
8 other agents, subject to the limitations set forth in the Agreement, upon receipt of the payments
9 following court approval;

10 d. VTLF's proofs of claim to be deemed amended in the total amount
11 of \$638,494.62, subject to allowance and treatment pursuant to further order of the court in this
12 proceeding;

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

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

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

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

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DATED this 18th day of March, 2021.

MILLER NASH GRAHAM & DUNN LLP

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

Attorneys for Receiver
Clyde A. Hamstreet & Associates, LLC