

SUPERIOR COURT OF WASHINGTON FOR CLARK COUNTY

In re:

Case No. 19-2-01458-06

RECEIVER’S NOTICE OF PROPOSED SETTLEMENT WITH CLARK EISERT, IN HIS CAPACITY AS TRUSTEE OF THE CHARLOTTE EISERT LIVING TRUST, AND CHARLOTTE EISERT, INDIVIDUALLY

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 Clark Eisert (the “Trustee”), in his capacity as trustee of the Charlotte Eisert Living Trust  
2 (the “Eisert Trust”), and Charlotte Eisert, individually, in order to resolve the case known as  
3 *Clyde A. Hamstreet & Associates, LLC v. Clark Eisert, in his capacity as Trustee of the*  
4 *Charlotte Eisert Living Trust*, Clark County Superior Court Case No. 20-2-01769-06 (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 contends that the Pools are  
12 insolvent and have been insolvent since at least January 1, 2007. In the Litigation, the Receiver  
13 has alleged that, after January 1, 2007, the Pools made cash transfers to the Eisert Trust of  
14 \$831,661.59 and that such transfers should be avoided and judgment entered in favor of the  
15 Receiver for such amounts under RCW 19.40.041(1)(a).

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

20 3. **Amount to Be Received by the Receiver.** The Trustee will pay the  
21 Receiver \$276,161.59 (the “Settlement Amount”). The Receiver believes that settlement for this  
22 amount is fair and reasonable under the circumstances. The Trustee has alleged certain defenses  
23 in the Litigation, and an award of this amount to the Receiver is within the range of potential  
24 outcomes were the matter to go to trial.

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 the Trustee to the Receiver by wire transfer  
3 in three installments, commencing with an installment of \$92,053.87 on the first day of the  
4 month after entry of an order of Clark County Superior Court approving the Agreement (the  
5 “Initial Due Date”), and continuing with the second installment of \$92,053.86 on the first day of  
6 the month three months after the Initial Due Date and the third installment of \$92,053.86 on the  
7 first day of the month six months after the Initial Due Date until paid in full;

8 b. Release to be granted by the Trustee, on his own behalf and on  
9 behalf of the Eisert Trust, and Charlotte Eisert, individually, of the Receiver, the Pools, and the  
10 Estate (as defined in the Receivership Order), along with any and all of the Receiver’s present  
11 and former members, managers, employees, assigns, attorneys, and other agents, subject to the  
12 limitations set forth in the Agreement, upon court approval;

13 c. Release to be granted by the Receiver of the Trustee, the Eisert  
14 Trust, and Charlotte Eisert, individually, along with any and all of their present and former  
15 trustees, beneficiaries, transferees, employees, assigns, attorneys, and other agents subject to the  
16 limitations set forth in the Agreement, on the first business day following the 91st day after the  
17 date on which the Settlement Amount is paid in full by the Trustee to the Receiver, unless a  
18 petition for relief under any chapter of title 11 of the United States Code is filed by or against the  
19 Trustee, the Eisert Trust, or Charlotte Eisert, individually, on or prior to such business day;

20 d. The Eisert Trust will be deemed to have filed a proof of unsecured  
21 claim for the Settlement Amount, subject to allowance and treatment pursuant to further order of  
22 the court in this proceeding;

23 e. The Receiver to move to dismiss the Litigation without prejudice  
24 within five business days after court approval, to be treated as with prejudice upon the Receiver’s  
25 release of the Trustee, the Eisert Trust, and Charlotte Eisert, individually; and

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

