



October 9, 2023

In re: American Eagle Mortgage Receivership Settlement Agreement

Dear Investors –

Given the significance of the recent \$19 million settlement between the Receiver and Pacific Premier Bank and Riverview Bank, and the planned \$17 million distribution of funds flowing from those settlements, we believe it is important to provide periodic updates on the process of having those the settlements approved by the courts. This letter is to update you on the current status of that process.

On August 31, Judge Gregerson granted the Receiver's motion to approve the two bank settlements and the Receiver's motion to distribute \$17 million to AEM investors after the banks have paid the settlement funds. A group of seven investors from Oregon objected to the settlements. These investors, represented by the law firms of Larkins Vacura Kayser LLP and Esler, Stephens & Buckley LLP, are the same seven investors who have filed a putative class action in Oregon in which they are trying to form a class through which they would purport to represent the interests of all Oregon AEM investors.

Following Judge Gregerson's August 31 order approving the settlement, these seven Oregon investors filed a motion for reconsideration in which they asked the judge to undo the approval order based on a new argument they did not raise in their original objection. Judge Gregerson denied this motion on September 22.

On September 28, these seven investors filed a notice of appeal, indicating that they will ask the Washington Court of Appeals to overturn Judge Gregerson's order approving the settlement and order denying their request for reconsideration. The appellate process in Washington typically takes between one and two years. During this time, the settlement will be in limbo—the banks are not obligated to pay the \$19 million until all appeals of the settlement order have been exhausted and the Oregon case has been dismissed. The Receiver does not anticipate being able to make distributions to investors from other sources of funds during this period. If the Court of Appeals overturns Judge Gregerson's orders and the Washington Supreme Court upholds the Court of Appeals decision, then the litigation against the banks will likely resume.

We will continue to periodically provide mailed updates as the case progresses. For interim updates, we encourage you to visit the Receivership website: www.aeminvestors.com. As always, please feel free to contact our office with any feedback or questions at 503-223-6222 or by email at AEMReceiver@hamstreet.net.

Sincerely,

A handwritten signature in blue ink, appearing to read "Clyde A. Hamstreet", is positioned above the printed name.

Clyde A. Hamstreet