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November 2, 2023

GLOBAL SETTLEMENT OFFER – NOT CONFIDENTIAL

Via E-mail

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Re: *Diane Anderson, et al. v. Davis Wright Tremaine, LLP, et al.*, Case No. 3:20-cv-01194-AR (U.S. District Court for the District of Oregon); *Sherry Beattie, et al. v. Davis Wright Tremaine LLP, et al.*, Case No. 20CV09419 (Multnomah County Circuit Court); *Clyde A. Hamstreet & Assocs. LLC v. American Equities, Inc., et al.*, Case No. 20-2-00507-06 (Clark County Superior Court)

Dear Counsel:

I write to propose a global settlement that would: (1) end all pending litigation between all parties; (2) allow all investors with allowed claims in the Receivership case to immediately receive their share of the \$19 million settlement; and (3) allow the Anderson Plaintiffs, the Beattie Plaintiffs, and the other Oregon investors in the Anderson putative class to immediately

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receive their share of the Davis Wright Tremaine (“DWT”) settlement money. Settling these disputes now is the only way to ensure that all investors are timely reimbursed for their out-of-pocket losses, and the \$19 million settlement is not diminished by protracted and needless litigation.

I know that the Anderson Plaintiffs believe that they have valuable claims in the Oregon federal court action that are not adequately compensated for in the \$19 million settlement entered into by the Receiver. The Anderson Plaintiffs, Beattie Plaintiffs, and the putative class, however, will be compensated for those claims by the DWT settlement. If Pacific Premier and Riverview withdraw their objections to the DWT settlement, the Anderson and Beattie Plaintiffs and the other Oregon investors will receive approximately \$3.3 million in settlement money. If you then add in their respective share of the \$19 million settlement, the Anderson Plaintiffs will recover approximately \$700,000, the remaining Oregon investors will recover approximately \$3.6 million, and the Beattie Plaintiffs will recover approximately \$1.7 million.

As a result of those settlement payments, the Anderson Plaintiffs will recover approximately 250%, and the Beattie Plaintiffs will recover approximately 145%, of their out-of-pocket losses. And that’s not even counting the approximately \$920,000 that the Anderson Plaintiffs’ lawyers will receive or the \$205,000 that the Beattie Plaintiffs’ lawyers will receive as compensation.

Returning money to investors now that represents more than their out-of-pocket losses—instead of less money five years from now—is a worthy goal and a good outcome for everyone involved.

I have heard that counsel for the Anderson Plaintiffs have been assuring the Oregon investors that they will prevail in federal court, and that Judge Gregerson’s order is “invalid.” Judge Hernandez, however, just denied the Anderson plaintiffs’ motion for leave to file a supplemental complaint and that ruling effectively moots the motion for a preliminary injunction. But even if the Anderson Plaintiffs could prevail on the current motions—what will have they won? Attacking Judge Gregerson and his order in federal court, and in a Washington appellate court, only results in years of delay and more expensive litigation. It does not serve any of our clients or any of the investors.

There is no more money to chase for settlement—period. DWT gave the Anderson and Beattie Plaintiffs all the money it had to settle, and Pacific Premier and Riverview gave all the Receiver all the money they had to settle. While the Anderson Plaintiffs might be able to achieve delay, they will not get more money for themselves or the putative class.

The necessary resolution here is for all parties to drop their respective claims or objections against one another and work on distributing the settlement money so the investors, the Anderson and Beattie Plaintiffs (and their lawyers) get paid. Accordingly, Pacific Premier proposes the following global settlement:

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1. Anderson Plaintiffs will dismiss their appeal of the Settlement Order;
2. Anderson Plaintiffs will dismiss their claims against Pacific Premier and Riverview in the Anderson case with prejudice;
3. Beattie Plaintiffs will dismiss their claims against Pacific Premier and Riverview in the Beattie case with prejudice;
4. The Receiver will withdraw its contempt motion against the Anderson Plaintiffs;
5. Pacific Premier and Riverview will withdraw their objections to the Findings and Recommendations on the order approving the settlement with DWT, and agree to not appeal that order. By withdrawing those objections, the Anderson Plaintiffs, the Beattie Plaintiffs, and the putative class have an immediate path to receive at least \$3.3 million; the Receiver will receive \$45,000; and counsel are entitled to receive up to \$1.125 million; and
6. Pacific Premier and Riverview will pay, upon dismissal of the claims above, their respective portions of the \$19 million settlement to the Receiver within 30 days (if not sooner). The Anderson Plaintiffs will receive an immediate payment of approximately \$700,000, the putative class will receive approximately \$3.1 million, the Beattie Plaintiffs will receive an immediate payment of \$1.74 million, and the remaining investors will receive approximately \$11.4 million.

I suggest that all parties—the Anderson Plaintiffs, the Beattie Plaintiffs, the Receiver, Riverview, Pacific Premier, and any interested investor—meet to discuss this settlement proposal no later than November 8. Please let me know if you are amenable to scheduling a settlement meeting.

Sincerely,

HOLLAND & KNIGHT LLP


J. Matthew Donohue

cc: Timothy S. DeJong, Charles Paternoster