Securities and Exchange Commission v. Beasley et al

Doc. 433

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The following Stipulation and [Proposed] Order (the "Stipulation") regarding the sale of the real property located at 516 11th Street, Huntington Beach, CA 92648 and bearing the legal description appended hereto as **Exhibit A** (the "Property"), with proceeds from the sale to be transferred from escrow directly to Geoff Winkler (the "Receiver"), the Court-appointed receiver in the above-entitled action, is made by and between Geoff Winkler, in his capacity as Receiver in the above-entitled action and the plaintiff Securities and Exchange Commission (the "Commission"), on the one hand, and Christopher R Humphries and Jessica Humphries ("Seller"), on the other hand, and with respect to the following facts:

- 1. The Receiver was appointed on June 3, 2022 pursuant to this Court's Order Appointing Receiver [ECF No. 88] which was amended on July 28, 2022 [ECF 207] (collectively the "Appointment Order");
- 2. Among other things, the Appointment Order required the turnover of certain personal and real property to the Receiver, including the Property;
- 3. The proposed buyer for the Property is John Elias Haddad and Meredith Ann Carter (collectively "Buyer"). Buyer has agreed to purchase the Property for the sum of \$2,600,000 in accordance with that certain California Residential Purchase Agreement and Joint Escrow Instructions dated November 14, 2022, as amended by Addendums 1-4 (the "PSA"). Per the PSA, the Buyer has deposited \$78,000 into an escrow established at Escrow of the West (the "Escrow"), pursuant to that certain escrow agreement dated November 14, 2022, as an earnest money deposit;
- 4. The Buyer, Seller, and Receiver, have agreed that all proceeds of the foregoing sale shall be transmitted from the Escrow to the Receiver, via wire transfer, immediately upon the closing of the sale. It is anticipated that the sale will close within thirty (30) days of the Court's approval of this Stipulation. The Receiver and Seller, understand that Buyer's offer represents fair market value for the Property;
- 5. The Receiver is seeking to close the sale via this Stipulation in lieu of a receiver's auction process because recent changes and uncertainties in the real estate marketplace jeopardize the sale of the Property, and the recovery of the maximum sale proceeds for the benefit of the receivership estate in the immediate term. In most cases, transfers of title from the defendants in the above-entitled

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action to the Receiver would be necessary in order for the Receiver to conduct the auctions contemplated by 28 U.S.C. § 2001, and the sales procedures already approved by this Court (which include sale pursuant to stipulation, in certain circumstances). However, delays in connection with the closing of the sale that result from the auction process, and the time required by the title company to underwrite title policies, have created untenable delays that could result in the Buyer walking away from the sale;

- 6. The Receiver and his real estate broker believe that delays in the closing beyond the timing contemplated by the PSA will jeopardize the sale. As noted above, the market is deteriorating as a result of, among other things, the extraordinary rise in mortgage rates over the past six months. It is possible that if this sale does not close, the Property may remain on the market through the winter;
- 7. Seller has agreed that, after payment of closing costs and brokers' commissions, as reflected in the PSA, all sale proceeds from the sale of the Property shall be wired directly to the Receiver from Escrows, as provided above. It is estimated that the net proceeds of the sale, which will be wired from the Escrows to the Receiver, will be approximately \$737,062.00;
- 8. Based upon the time that the Property has been on the market, the terms of the Buyer's offer, and anticipated market conditions for homes in this price range, the Receiver, Seller, and the Commission have agreed to the immediate sale of the Property to the Buyer, on the terms set forth in the PSA; and
- 9. Accordingly, in light of the unique facts and circumstances surrounding the proposed sale of the Property including but not limited to the limited market for an "as is" sale of real property, the all-cash terms of the sale, as well as the Receiver's concerns that failing to immediately move forward with this sale may lead to the receipt of significantly less recovery for the receivership estate, the undersigned parties believe this Stipulation is necessary, and in the best interest of all parties and the receivership estate. Therefore, the undersigned agree that it is appropriate to waive any requirements imposed by 28 U.S.C. § 2001, et. seq. to the extent they are applicable to the offer, the PSA, and the proposed sale.

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the

	1	ACCORDINGLY, IT IS HEREBY	Y STIPULATED AND AGREED by and between the	
	2	undersigned counsel that:		
	3	A. Seller may sell the Property pursuant to the terms of the PSA.		
	4	B. The deposit received by the E	Escrow pursuant to the PSA shall be immediately	
	5	transferred to the Receiver; as	nd	
	6	C. Upon the Closing of the sale of the Property pursuant to the PSA, all of the new		
	7	proceeds shall be wired directly from the Escrow to the Receiver.		
	8			
	9	DATED this 20th day of January, 2023.	DATED this 20th day of January, 2023.	
	10	GREENBERG TRAURIG, LLP	SECURITIES & EXCHANGE COMMISSION	
	11	By: /s/ Kara B. Hendricks	By: <u>/s/ Tracy Combs</u>	
-	2	KARA B. HENDRICKS, Bar No. 07743 JASON K. HICKS, Bar No. 13149	TRACY S. COMBS, ESQ. (California Bar No. 298664)	
89135 89135 12-3773	3	KYLE A. EWING, Bar No. 014051	CASEY R. FRONK, ESQ.	
ffith Peak Lite 600 , Nevada (702) 79 (702) 79	4	JARROD L. RICKARD, Bar No. 10203	(Illinois Bar No. 6296535) 351 South West Temple, Suite 6.100	
10845 Griffith Peak Drive 10845 Griffith Peak Drive Suite 600 Las Vegas, Nevada 89133 Telephone: (702) 792-377; Facsimile: (702) 792-900)	5	KATIE L. CANNATA, Bar No. 14848 SEMENZA KIRCHER RICKARD	Salt Lake City, Utah 84101 Tel: (810) 524-5796	
, , , , ,	6	10161 Park Run Drive, Suite 150 Las Vegas, Nevada 89145	Fax: (810) 524-3558	
	7	Telephone: (702) 835-6803		
	18	Facsimile: (702) 920-8669		
	19	DAVID R. ZARO* JOSHUA A. del CASTILLO*		
	20	MATTHEW D. PHAM* *admitted pro hac vice		
	21	ALLEN MATKINS LECK GAMBLE		
	22	MALLORY & NATSIS LLP 865 South Figueroa Street		
	23	Suite 2800 Los Angeles, California 90017-2543		
	24	Telephone: (213) 622-5555 Facsimile: (213) 620-8816		
	25	Attorneys for Receiver Geoff Winkler		
	26			
	27	[signatures continued on next page]		
	28			
	I	1		

GREWINER GT WAD RIGH, LLP 10845 Griffith Peak Drive Las Vegas, Nevada 89135 Telephone, (702) 792-3073 Facsimile: (702) 792-9002	1	[signatures continued on next page]		
	2		10	
	3	DATED this day of January, 2023.	DATED this / 9 day of January, 2023.	
	4	CHRISTIANSEN TRIAL LAWYERS	By: Celle	
	5	By:	CHRISTOPHER HUMPHRIES	
	7	PETER S. CHRISTIANSEN, ESQ. (#5254)	DATED this 19 day of January, 2023.	
	8	KENDELEE L. WORKS, ESQ. (#9611) KEELY A. PERDUE, ESQ. (#13931)	2 / 2/2	
	9	keely@christiansenlaw.com 710 S. 7 _{th} Street, Suite B	By: JESSICA HUMPHRIES	
	10	Las Vegas, Nevada 89101 Telephone: (702) 240-7979		
	11	Facsimile: (866) 412-6992		
	12	Attorneys for Christopher Humphries		
	13			
	14			
	15			
	16	IT IS HEREBY ORDERED that:		
	17	TI IS HEREDI GRODRED MAIL		
	18	A. Seller may sell the Property purs	suant to the terms of the PSA.	
	19		row pursuant to the PSA shall be immediately	
	20	transferred to the Receiver; and		
	21		the Property pursuant to the PSA, all of the net sale	
	22	proceeds shall be wired directly from the Escrow to the Receiver.		
	23			
	24	Dated:		
	25		Hon. Cristina D. Silva	
	26		Judge, United States District Court	
	27 28			

EXHIBIT A

EXHIBIT A

Legal Description

EXHIBIT "A" LEGAL DESCRIPTION

Order No.: 1885526 Escrow No.: 1885526

The land referred to herein is situated in the State of California, County of Orange, City of

Huntington

Beach and described as follows:

Lot 16 of Block 510 Main Street Section of Huntington Beach, in the City of Huntington Beach, County of

Orange, State of California, as per Map recorded in Book 3, Page 43 of Miscellaneous Maps, in the Office

of the County Recorder of said Orange County.

APN: 024-101-34

(End of Legal Description)