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18 Attorneys for Receiver
19 Thomas A. Seaman

20 UNITED STATES DISTRICT COURT
21 CENTRAL DISTRICT OF CALIFORNIA
22 WESTERN DIVISION

23 SECURITIES AND EXCHANGE
24 COMMISSION,

25 Plaintiff,

26 v.

27 STEVE CHEN, USFIA, INC.,
28 ALLIANCE FINANCIAL GROUP,
INC., AMAUCTION, INC., ABORELL
MGMT I, LLC, ABORELL ADVISORS
I, LLC, ABORELL REIT II, LLC,
AHOME REAL ESTATE, LLC,
ALLIANCE NGN, INC., APOLLO
REIT I, INC., APOLLO REIT II, LLC,
AMKEY, INC., US CHINA
CONSULTATION ASSOCIATION, and
QUAIL RANCH GOLF COURSE, LLC,

Defendants.

Case No. 2:15-cv-07425 RGK-PLA

**STIPULATION TO WITHDRAW
MOTION TO APPROVE
RECEIVER'S AMENDED
DISTRIBUTION PLAN; TO
APPROVE ALLOWANCE AND
TREATMENT OF INTERNAL
REVENUE SERVICE CLAIM; AND
AUTHORIZE THE RECEIVER TO
DISTRIBUTE RECEIVERSHIP
PROCEEDS [Doc. Nos. 481-482]**

Date: July 11, 2022
Time: 9:00 a.m.
Ctm: 850
Judge: Hon. R. Gary Klausner

1 Plaintiff Securities and Exchange Commission (“Commission”) and Thomas
2 A. Seaman, the Court-appointed permanent receiver (“Receiver”) for Defendants
3 USFIA, Inc., Alliance Financial Group, Inc., Amauction, Inc., Aborell
4 Mgmt I, LLC, Aborell Advisors I, LLC, Aborell REIT II, LLC, Ahome Real
5 Estate, LLC, Alliance NGN, Inc., Apollo REIT I, Inc., Apollo REIT II, LLC,
6 Amkey, Inc., US China Consultation Association, Quail Ranch Golf Course, LLC,
7 and their subsidiaries and affiliates (collectively, “Receivership Entities”), stipulate
8 to withdraw the Motion to Approve Receiver’s Amended Distribution Plan set for
9 hearing on **July 11, 2022** at 9:00 a.m., in Courtroom 850 of the above-entitled
10 Court; to allow and approve the treatment of the present and future claims of the
11 Internal Revenue Service (the “IRS”); and authorize the Receiver to distribute the
12 receivership proceeds in accordance with the Receiver’s Distribution Plan
13 previously approved by the Court (the “Stipulation”).

14 **RECITALS**

15 A. The Receiver filed a Motion to Approve the Receiver’s Amended
16 Distribution Plan [Doc. No. 481] (the “Motion”), in which he proposed certain
17 modifications to the original Distribution Plan of Receiver, Thomas A. Seaman,
18 approved by the Court on February 18, 2021 (“Original Plan”). [Doc. No. 455].
19 Among other things, the Motion seeks to establish that the approximately
20 \$62 million which was recovered and is held by the Receiver in connection with the
21 receivership (the “Receivership Proceeds”), is held in constructive trust for payment
22 of the administrative expenses of the receivership estate and the investor victims. In
23 addition, the Motion seeks to clarify the allowance and payment of present and
24 future claims of the IRS.

25 B. The United States, on behalf of the IRS, the SEC and the Receiver have
26 met and conferred with regard to the Motion and resolved their issues by this
27 Stipulation, whereby the United States agrees that the claims of investors with
28

1 Allowed Claims and the Administrative Expenses of the Receiver and the
2 receivership shall have priority over the present and future claims of the IRS.

3 C. The Receiver believes that this Stipulation eliminates the need to
4 amend the Original Plan. Instead, the Receiver requests the Court to approve this
5 Stipulation and authorize the Receiver to proceed with the distribution of
6 receivership proceeds to those with Allowed Claims in accordance with the Original
7 Plan.

8 **STIPULATION AND AGREEMENT**

9 In consideration of the foregoing, the Receiver, the SEC and the United States
10 of America (“United States”), on behalf of claimant the Internal Revenue Service,
11 hereby stipulate and agree as follows:

12 1. The Receiver agrees to withdraw the Motion, concurrently with the
13 filing of this Stipulation;

14 2. The United States, on behalf of claimant Internal Revenue Service,
15 stipulates that the Allowed Claims of investor victims and the Administrative
16 Expenses of the receivership, as defined in the Original Plan, have priority over the
17 present and future claims of the Internal Revenue Service arising out of or related to
18 any tax obligations of the Receivership Entities and the receivership.

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1 3. In accordance with the Original Plan, this Stipulation, and the prior
2 orders of the Court, the Receiver is authorized to proceed with the distribution of
3 Receivership Proceeds to Claimants with Allowed Claims.

4 **IT IS SO STIPULATED:**

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6 Dated: June 1, 2022

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP
DAVID R. ZARO

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9 By: /s/ David R. Zaro

10 DAVID R. ZARO
Attorneys for Receiver
Thomas A. Seaman

11
12 Dated: June 1, 2022

SECURITIES AND EXCHANGE
COMMISSION

13
14 By: /s/ Douglas Miller

15 DOUGLAS MILLER
Attorneys for Plaintiff SECURITIES
AND EXCHANGE COMMISSION

16
17 Dated: June 1, 2022

UNITED STATES OF AMERICA
on behalf of the Internal Revenue Service

18
19 By: /s/ Melissa Briggs

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28 Attorneys for Claimant
UNITED STATES OF AMERICA

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

STEVE CHEN, USFIA, INC.,
ALLIANCE FINANCIAL GROUP,
INC., AMAUCTION, INC., ABORELL
MGMT I, LLC, ABORELL ADVISORS
I, LLC, ABORELL REIT II, LLC,
AHOME REAL ESTATE, LLC,
ALLIANCE NGN, INC., APOLLO
REIT I, INC., APOLLO REIT II, LLC,
AMKEY, INC., US CHINA
CONSULTATION ASSOCIATION, and
QUAIL RANCH GOLF COURSE, LLC,

Defendants.

Case No. 2:15-cv-07425 RGK PLA

~~PROPOSED~~ ORDER APPROVING
STIPULATION TO WITHDRAW
MOTION TO APPROVE
RECEIVER'S AMENDED
DISTRIBUTION PLAN; TO
APPROVE ALLOWANCE AND
TREATMENT OF INTERNAL
REVENUE SERVICE CLAIM; AND
AUTHORIZE THE RECEIVER TO
DISTRIBUTE RECEIVERSHIP
PROCEEDS [Doc. Nos. 481-482]

Date: July 11, 2022 [483]
Time: 9:00 a.m.
Ctrm: 850
Judge: Hon. R. Gary Klausner

Before this Court is the Stipulation (“Stipulation”) of Thomas A. Seaman, the Court-appointed permanent receiver (“Receiver”) for Defendants USFIA, Inc., Alliance Financial Group, Inc., Amauction, Inc., Aborell Mgmt I, LLC, Aborell Advisors I, LLC, Aborell REIT II, LLC, Ahome Real Estate, LLC, Alliance NGN, Inc., Apollo REIT I, Inc., Apollo REIT II, LLC, Amkey, Inc., US China Consultation Association, Quail Ranch Golf Course, LLC, and their subsidiaries and affiliates (collectively, “Receivership Entities”), Plaintiff, the Securities and

1 Exchange Commission, and the United States on behalf of the Internal Revenue
2 Service (the “IRS”), to withdraw the Motion of Receiver to Approve the Receiver’s
3 Amended Distribution Plan set for hearing on July 11, 2022 at 9:00 a.m., in
4 Courtroom 850 of the above-entitled Court; to allow and approve the treatment of
5 the present and future claims of the IRS; and authorize the Receiver to distribute the
6 receivership proceeds in accordance with the Receiver’s Original Distribution Plan
7 (“Original Plan”) [Doc. No. 455], previously approved by the Court, as modified by
8 this Stipulation.

9 Having considered the Stipulation, and good cause appearing therefor,

- 10 1. The Stipulation is GRANTED.
- 11 2. The Motion to Approve the Receiver’s Amended Distribution Plan set
12 for hearing on July 11, 2022 is withdrawn and the hearing vacated.
- 13 3. Proposed treatment of the present and future claims of the IRS reflected
14 in the Stipulation is approved.
- 15 4. In accordance with the Original Plan, the prior orders of the Court, and
16 the Stipulation, the Receiver is authorized to proceed with the distribution of
17 Receivership Proceeds to Claimants with Allowed Claims.

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19 **SO ORDERED.**

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21 Dated: **June 9, 2022** _____

Jay Klausner
Hon. R. Garv Klausner
Judge, United States District Court

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