

Troy D. Greenfield, OSB #892534

Email: tgreenfield@schwabe.com

Joel A. Parker, OSB #001633

Email: jparker@schwabe.com

Alex I. Poust, OSB #925155

Email: apoust@schwabe.com

Lawrence R. Ream (Admitted *Pro Hac Vice*)

Email: lream@schwabe.com

Schwabe, Williamson & Wyatt, P.C.

Pacwest Center

1211 SW 5th Ave., Suite 1900

Portland, OR 97204

Telephone: 503.222.9981

Facsimile: 503.796.2900

Ivan B. Knauer (Admitted *Pro Hac Vice*)

Email: knaueri@pepperlaw.com

Brian M. Nichilo (Admitted *Pro Hac Vice*)

Email: nichilob@pepperlaw.com

Pepper Hamilton, LLP

600 14th Street, NW, Suite 500

Washington, DC 20005

Telephone: 202.220.1219

Facsimile: 202.220.1665

Attorneys for the Receiver for Defendants

AEQUITAS MANAGEMENT, LLC; AEQUITAS HOLDINGS, LLC; AEQUITAS COMMERCIAL FINANCE, LLC; AEQUITAS CAPITAL MANAGEMENT, INC.; AEQUITAS INVESTMENT MANAGEMENT, LLC

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF OREGON

PORTLAND DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

AEQUITAS MANAGEMENT, LLC;

No. 3:16-cv-00438-PK

[PROPOSED] ORDER GRANTING
RECEIVER'S MOTIONS FOR (1)
APPROVAL OF RESTRUCTURING
AGREEMENT RE AEQUITAS WRFF I,
LLC, and (2) AUTHORITY TO DISSOLVE
AEQUITAS WRFF I, LLC



AEQUITAS HOLDINGS, LLC;
AEQUITAS COMMERCIAL FINANCE,
LLC; AEQUITAS CAPITAL
MANAGEMENT, INC.; AEQUITAS
INVESTMENT MANAGEMENT, LLC;
ROBERT J. JESENİK, BRIAN A. OLIVER;
and N. SCOTT GILLIS,

Defendants.

This matter having come before the Honorable Paul Papak on Receiver's Motions for (1) Approval of Restructuring Agreement re Aequitas WRFF I, LLC, and (2) Authority to Dissolve Aequitas WRFF I, LLC [Dkt. 376] (the "Motion"), and the Court, having given all counsel an opportunity to oppose the Motion and being fully advised in the premises, now, therefore,

THE COURT FINDS as follows:

A. On March 10, 2016, the Securities and Exchange Commission ("SEC") filed a complaint in this Court against the Receivership Defendants¹ and three individual defendants, Robert J. Jesenik, Brian A. Oliver, and N. Scott Gillis.

B. On March 16, 2016, pursuant to the Stipulated Interim Order Appointing Receiver, the Receiver was appointed as receiver for the Receivership Defendants and 43 related entities (together, the "Receivership Entity") on an interim basis (the "Interim Receivership Order"). On April 14, 2016, pursuant to the Order Appointing Receiver, the Receiver was appointed as receiver of the Receivership Entity on a final basis (the "Final Receivership Order").

C. Due, timely, and adequate notice of the Motion was given, and such notice was good, sufficient, and appropriate under the circumstances. No other or further notice of the Motion is or shall be required.

¹ Capitalized terms not otherwise defined in this Order shall have the meanings ascribed to them in the Motion.

D. Approval of the Restructuring Agreement Regarding Aequitas WRFF I, LLC (the “Agreement”) that was submitted with the Motion, the transactions described therein, and the dissolution and winding of WRFF in accordance with applicable law, is in the best interests of the Receivership Entity and its estate.

E. The Restructuring Transaction was negotiated in a fair and reasonable manner under the circumstances. There is no evidence that the Receivership Entity, Receiver, or any of the parties to the Agreement engaged in any conduct (including but not limited to collusion or fraud of any kind) that would cause or permit the Restructuring Transaction to be avoided.

F. The Restructuring Transaction is an arm’s-length transaction, proposed in the sound exercise of the Receiver’s business judgment, in good faith and for fair value. The Restructuring Transaction is in the best interests of the Receivership Entity, and its creditors and investors.

G. The Management Fee Payment and the Master Fund GP Payment are the result of good faith negotiations at arm’s-length between the Receiver, Window Rock Residential Recovery Fund C, L.P., formerly known as Window Rock/Aequitas Residential Recovery Fund, L.P. (the “Master Fund”), and Window Rock Capital Partner, LLC, the Master Fund’s general partner (the “Master Fund General Partner”).

H. The transactions contemplated under this Order and the Agreement do not amount to a consolidation, merger, or *de facto* merger of the Master Fund or Master Fund General Partner and the Receivership Entity. There is no substantial continuity between Master Fund and Master Fund General Partner, on the one hand, or the Receivership Entity, on the other hand. Neither the Master Fund nor the Master Fund General Partner are a successor to the Receivership Entity or its estate.

I. The Court having reviewed the Motion, having considered the presentations of counsel any objections filed to the Motion, and it appearing that the Agreement is in the best

interest of the Receivership Entity and its estate, and for good cause shown,

IT IS HEREBY ORDERED AND DECREED as follows:

1. The Motion is granted in its entirety.
2. All objections to the Motion that have not been withdrawn, waived, settled, or expressly reserved pursuant to the terms of this Order are hereby overruled.
3. The Agreement (a copy of which is attached as Exhibit 1), including but not limited to the Restructuring Transaction, is approved.
4. The Receiver (including in his capacity acting for Aequitas WRFF I, LLC, and Aequitas Investment Management, LLC), Master Fund, and Master Fund General Partner are authorized to execute, deliver, and perform all obligations and related documents as are necessary or appropriate to close the transactions contemplated by this Order and the Agreement, including but not limited to the Restructuring Transaction.
5. The Master Fund and the Master Fund General Partner, and each of them, are not successors to the Receivership Entity or its estate by reason of any theory of law or equity. The Master Fund, the Master Fund General Partner, and their respective affiliates and subsidiaries shall not assume, nor be deemed to assume, nor in any way be responsible for, any liability or obligation of the Receivership Entity and/or its estate, including, but not limited to, any successor liability or similar liability.
6. Aequitas WRFF I, LLC is authorized to dissolve and wind up its affairs in accordance with applicable law. This Order is without prejudice to the rights of the Receiver, the SEC, or another interested party to apply to this Court for the removal of Aequitas WRFF I, LLC from the Receivership Entity, or similar relief.
7. This Court shall retain jurisdiction over any issues relating to the Restructuring Transaction and to enforce this Order.

8. This Order shall be binding in all respects on all creditors and interest holders of the Receivership Entity, and their successors and assigns.

Dated this _____ day of _____, 2017.

United States Magistrate Judge Paul Papak

SUBMITTED BY:

SCHWABE, WILLIAMSON & WYATT, P.C.

By: s/ Alex I. Poust, OSB #925155
Troy D. Greenfield, OSB #892534
tgreenfield@schwabe.com
Joel A. Parker, OSB #001633
jparker@schwabe.com
Alex I. Poust, OSB #925155
apoust@schwabe.com
Lawrence R. Ream (Admitted *Pro Hac Vice*)
lream@schwabe.com
Telephone: 503.222.9981
Facsimile: 503.796.2900

Ivan B. Knauer (Admitted *Pro Hac Vice*)
knaueri@pepperlaw.com
Brian M. Nichilo (Admitted *Pro Hac Vice*)
nichilob@pepperlaw.com
PEPPER HAMILTON LLP
600 Fourteenth Street, N.W.
Washington, DC 2005
Tel: (202) 220-1665

Attorneys for the Receiver for Defendants
Aequitas Management, LLC, Aequitas
Holdings, LLC, Aequitas Commercial Finance,
LLC, Aequitas Capital Management, Inc., and
Aequitas Investment Management, LLC