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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

RECEIVER'S APPLICATION TO EMPLOY
COUNSEL [UNOPPOSED]
(Snell & Wilmer LLP)



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.

LR 7-1 CERTIFICATION

On April 26, 2018, the undersigned circulated to the approximately 70 counsel of record, via email, a version of this motion (and supporting declaration and proposed form of order) that is substantially the same as this filed version. The conferral requested that counsel respond by 12:00 noon (Pacific Time) on May 1, 2018, as to whether their clients object or consent to the motion. As of the time of filing this motion the undersigned had received one (1) consent and no objections.

APPLICATION

Ronald F. Greenspan, the duly appointed Receiver (“Receiver”) for the Receivership Entity¹ hereby applies to this Court for entry of an order, *nunc pro tunc* to May 1, 2018, employing Ivan B. Knauer and Snell & Wilmer LLP as counsel for the benefit of the Receiver and the Receivership Entity. Mr. Knauer has been counsel to the Receiver since the beginning of this Receivership with respect to the SEC investigation and litigation matters, as well as other regulatory and government investigations. Mr. Knauer has moved from Pepper Hamilton LLP to Snell & Wilmer LLP, and the Receiver wishes for him to continue in this matter in this same capacity.

¹ Capitalized terms not otherwise defined in this Application shall have the meanings ascribed to them in the April 14, 2016, Order Appointing Receiver (“Final Receivership Order”) [Dkt. 156].

This Application is supported by a declaration from proposed counsel submitted herewith. In further support of this Application, the Receiver represents as follows:

A. Procedural and Fact Background

1. On March 10, 2016, the Securities and Exchange Commission (“SEC”) filed a complaint in this Court against the Receivership Defendants and three individuals, Robert J. Jesenik, Brian A. Oliver, and N. Scott Gillis.

2. On March 16, 2016, pursuant to the Stipulated Interim Order Appointing Receiver (“Interim Order”), the Receiver was appointed as receiver for the Receivership Entity on an interim basis. On April 14, 2016, pursuant to the Final Receivership Order, the Receiver was appointed as receiver for the Receivership Entity on a final basis.

3. Pursuant to the Final Receivership Order the Receiver is authorized, among other things, “[t]o engage and employ persons in his discretion to assist him in carrying out his duties and responsibilities hereunder, including . . . attorneys” (Final Receivership Order, ¶ 6.F.) Court approval is required for the Receiver to retain professionals other than those previously approved in the Final Receivership Order. (Final Receivership Order, ¶ 44.) Retention of professionals *nunc pro tunc* is authorized, subject to the Court’s discretion. (*Id.*)

4. As detailed below, the Receiver and Receivership Entity need the continued assistance and advice of proposed counsel in order to address ongoing litigation and investigations and related matters. Representation of the Receiver and Receivership Entity in connection with these matters requires special knowledge of these matters and particularized expertise with respect to this area of law. The proposed attorneys are familiar with these matters,

having represented the Receiver and Receivership Entity as counsel since the Receiver was appointed by this Court.

5. The proposed rates of compensation for all counsel, subject to final court approval, do not exceed 85% of the customary hourly rates charged by such counsel. The hourly rates for the timekeepers primarily responsible for providing services to the Receiver and Receivership Entity are set forth on Exhibit 1 attached hereto.

6. To the best of the Receiver's knowledge, the proposed professionals have no connection with the Receivership Entity except as may otherwise be disclosed in their Declarations submitted herewith.

B. Proposed Counsel for Receiver and Receivership Entity

7. On March 16, 2016, pursuant to the Interim Order, the Receiver engaged the law firm of Pepper Hamilton LLP ("Pepper"), including Mr. Knauer, among other professionals, on an interim basis. On April 14, 2016, pursuant to the Final Receivership Order, the Receiver engaged Pepper, including Mr. Knauer, among other professionals, on behalf of the Receivership Entity. (Final Receivership Order, ¶ 1.)

8. Mr. Knauer has continually represented the Receiver and Receivership Entity in connection with the litigation and investigations being conducted by the SEC and other federal and state government agencies.

9. As of May 1, 2018, Ivan B. Knauer has left Pepper Hamilton LLP and joined the law firm of Snell & Wilmer LLP ("Snell").

10. The Receiver seeks to retain Mr. Knauer and Snell with respect to the matters involving the SEC and other government agencies. The Receiver wishes to employ Mr. Knauer

because of his experience and knowledge with respect to this matter and also his expertise in the areas for which he will be employed. Mr. Knauer will continue to work collaboratively with attorneys at Pepper Hamilton LLP (and other retained professionals) in an effort to continue to provide efficient and cost-effective legal services to the Receiver and Receivership Entity.

11. Mr. Knauer and Snell have indicated their willingness to serve as counsel for the Receivership Entity and to follow the directions of the Receiver regarding the scope of their activities on its behalf, and to receive compensation for professional services rendered and expenses incurred in accordance with the provisions of the Final Receivership Order.

WHEREFORE, the Receiver requests that it be authorized to employ counsel as set forth above.

Dated this 1st day of May, 2018.

Respectfully submitted,

SCHWABE, WILLIAMSON & WYATT, P.C.

By: /s/ Alex Poust
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