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UNITED STATES DISTRICT COURT
DISTRICT OF OREGON
PORTLAND DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Case No. 3:16-CV-00438-JR

Plaintiff,

vs.

AEQUITAS MANAGEMENT, 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.

**FORMAL JOINT STATUS REPORT
BY SECURITIES AND EXCHANGE
COMMISSION, INDIVIDUAL
DEFENDANTS, AND RECEIVER
PURSUANT TO COURT'S JUNE 1,
2018 ORDER AND [PROPOSED]
ORDER**



Plaintiff Securities and Exchange Commission (the “Commission” or “SEC”), individual Defendants Robert J. Jesenik, Brian A. Oliver, and N. Scott Gillis (the “Individual Defendants”), and the Receiver for the Receivership Defendants Aequis Management, LLC, Aequis Holdings, LLC, Aequis Commercial Finance, LLC, Aequis Capital Management, Inc., and Aequis Investment Management, LLC (the “Receivership Defendants”), (collectively, the “Parties”), by and through their respective undersigned counsel, respectfully submit the following Formal Joint Status Report pursuant to the Court’s June 1, 2018 Order Staying Discovery and Vacating All Pre-Trial Deadlines (ECF No. 616) (“Order”).

As set forth in the Joint Stipulation to Stay Discovery and to Vacate All Pre-Trial Deadlines (ECF No. 615), each of the Individual Defendants has offered settlement terms to the SEC that counsel for the SEC are willing to recommend to the Commission. The Individual Defendants’ offers of settlement are contingent upon ultimate approval by the Commission, as well as execution of a global settlement or settlements involving the Individual Defendants, Receiver, and other third parties. If achieved, satisfaction of these contingencies would resolve, among other things, the SEC’s claims against the Individual Defendants.

Counsel for each of the Individual Defendants, counsel for the Receivership Defendants, the Receiver, and counsel for various third parties have engaged in settlement discussions and have participated in two full days of mediation since the Court’s June 1, 2018 Order. To date, no global settlement has been reached. The discovery stay has now been in place for approximately nine months. The SEC believes that an indefinite continuation of the discovery stay would prejudice the prosecution of its action.

The attendees of the initial mediation continue to be engaged in negotiations and are in the process of scheduling further days of mediation within the next 90 days, which will include additional third parties. The Parties agree that the discovery stay should therefore remain in effect for the next 90 days. The Parties further agree that if no global settlement is reached at the

conclusion of those 90 days, the discovery stay should be lifted and that a case management conference should be scheduled to establish a new scheduling order.

Respectfully Submitted,

DATED: February 25, 2019

SECURITIES AND EXCHANGE COMMISSION

By: /s/ Bernard B. Smyth
BERNARD B. SMYTH
Attorneys for Plaintiff Securities and Exchange
Commission

DATED: February 25, 2019

SCHULTE ROTH & ZABEL LLP

By: /s/ Peter H. White
PETER H. WHITE (*Pro Hac Vice*)
Attorneys for Defendant Robert J. Jesenik

DATED: February 25, 2019

SHARTSIS FRIESE LLP

By: /s/ Jahan P. Raissi
JAHAN P. RAISSI (*Pro Hac Vice*)
Attorneys for Defendant Brian A. Oliver

DATED: February 25, 2019

COVINGTON & BURLING LLP

By: W. Douglas Sprague
W. DOUGLAS SPRAGUE (*Pro Hac Vice*)
Attorneys for Defendant N. Scott Gillis

DATED: February 25, 2019

SNELL & WILMER LLP

By: /s/ Ivan B. Knauer
IVAN B. KNAUER (*Pro Hac Vice*)
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

LR 11-1(D)(2) CERTIFICATION

I attest that all other signatories listed, on whose behalf this filing is submitted, concur in the filing's content and have authorized this filing.

/s/ Bernard B. Smyth

BERNARD B. SMYTH

[PROPOSED] ORDER

The above matter came before the Court, and for good cause shown,

THE COURT ORDERS THAT, the discovery stay in this matter shall be lifted on May 28, 2019;

THE COURT FURTHER ORDERS THAT, a case management conference is set for _____, 2019 to establish a new scheduling order.

IT IS SO ORDERED.

DATED this ____ day of _____, 2019.

THE HONORABLE JUDGE JOLIE A. RUSSO