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UNITED STATES DISTRICT COURT  
DISTRICT OF OREGONSECURITIES AND EXCHANGE  
COMMISSION, et al.,

Plaintiffs,

v.

AEQUITAS MANAGEMENT, LLC, et al.,

Defendants.

NO. 3:16-cv-00438-JR

DECLARATION OF ANGELO J.  
CALFO IN SUPPORT OF NON-PARTY  
BRIAN RICE'S MOTION TO  
INTERVENE AND FOR LIMITED  
RELIEF FROM STAY TO PERMIT  
PAYMENT OF DEFENSE COSTS BY  
STARR INDEMNITY & LIABILITY  
COMPANY

I, Angelo J. Calfo, declare as follows:

1. I am a lawyer with Calfo Eakes & Ostrovsky PLLC. We are defense counsel for Mr. Rice in connection with the investigation by the United States Attorney's Office. I make this declaration based on personal knowledge.

2. Attached as Exhibit A is true and correct copy of a May 30, 2019, letter from me to the Receiver.



3. Mr. Rice has and will incur substantial defense costs through my firm as a result of the investigation by the United States Attorney's Office.

4. Attached as Exhibit B is a true and correct copy of a June 6, 2019, letter from counsel for the Receiver to me.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

Dated: August 7, 2019

/s Angelo J. Calfo [signed with permission]  
Angelo J. Calfo



**Angelo J. Calfo**  
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May 30, 2019

**VIA EMAIL**  
**ron.greenspan@fticonsulting.com**

Ronald F. Greenspan  
350 S. Grand Av, Suite 2000  
Los Angeles, CA 90071

Re: Brian Rice

Dear Mr. Greenspan:

We write to you in your capacity as Receiver in the lawsuit entitled *Securities & Exchange Commission v. Aequitas Management, LLC*, filed in U.S. District Court in Portland, Oregon.

As you are aware, we have been retained by Brian Rice to represent him in connection with matters relating to the SEC proceedings (in which he has been identified as a witness) and the parallel grand jury proceedings being overseen by the United States Attorney for the District of Oregon ("USAO") (as to which he has been identified as a subject). These proceedings are closely related and arise out of, in substantial part, the same general set of facts.

Mr. Rice retained us following the withdrawal of Receiver's counsel, Pepper Hamilton and Snell & Wilmer (collectively, "Receiver's Counsel"), from joint representation of Mr. Rice. As you know, this withdrawal was occasioned by a conflict of interest arising out of the joint representation of the Receiver and current and former employees of the Aequitas in connection with the SEC investigation and related proceedings. It is our understanding that Receiver's Counsel has also interacted with the USAO on matters relating to the SEC investigation on behalf of its jointly-represented clients.

Now that Receiver's Counsel has withdrawn, we write to request that the Receiver continue to pay Mr. Rice's attorneys' fees in connection with the Aequitas investigations, in accordance with its past practice of doing so. We have submitted to you a proposed budget for that representation and are awaiting a response. A copy of our letter to you enclosing our budget estimate is attached for your convenience. Given the status of the grand jury proceedings (which has involved the entry of guilty pleas by a former Aequitas officer), your commitment to continue to pay Mr. Rice's attorneys' fees has taken on significant urgency.

Ronald F. Greenspan  
May 30, 2019  
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Based on the Receiver's prior agreement to pay Mr. Rice's fees, and the existence of mandatory indemnification provisions in the Articles of Incorporation and/or Bylaws of the applicable Aequitas entities, the pertinent issue is, in our view, negotiating with the Receiver on a reasonable budget for payment of Mr. Rice's fees.

We would be pleased to have a conference call with you and/or your counsel to discuss this matter further and determine a path forward. We are available at your convenience.

Sincerely,

CALFO EAKES & OSTROVSKY PLLC

A handwritten signature in blue ink, consisting of a stylized 'A' followed by a horizontal line with a small upward tick at the end.

Angelo J. Calfo

Enclosure

cc: Ivan B. Knauer  
Brian Nichilo  
Troy Greenfield  
Stanley Shure  
(all via email)  
(all w/encls.)



June 6, 2019

**Troy Greenfield**

Admitted in Washington and Oregon

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tgreenfield@schwabe.com

**VIA E-MAIL (ANGELOC@CALFOEAKS.COM)**

Angelo J. Calfo  
Calfo Eaks & Otrotsky  
1301 Second Avenue, Ste. 2800  
Seattle, WA 98101

RE: Brian Rice - Request for Payment of Attorney Fees  
Our File No.: 129912-215141

Dear Angelo:

As general counsel to the Receiver and Receivership Entity, I am responding to your May 30, 2019 letter requesting payment of attorney fees incurred by Mr. Rice after he was identified as a subject of grand jury proceedings overseen by the United States Attorney for the District of Oregon.

At the request of Mr. Rice, the Receiver allowed one of the attorneys representing the Receivership Entity in the SEC enforcement action to represent Mr. Rice in connection with an interview conducted by the SEC. As a courtesy, the related fees were paid from the assets of the receivership estate.

The attorney fees incurred by Mr. Rice, whether relating to criminal proceedings or any matters other than the interview conducted by the SEC, will not be paid from the assets of the receivership estate other than possibly in accordance with the terms of the distribution plan ultimately approved by the Court.

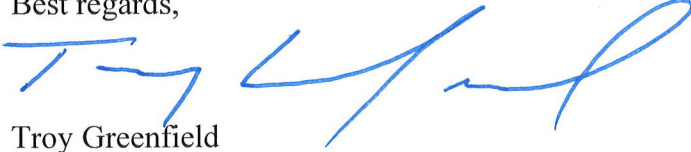
You reference indemnification provisions in the Articles of Incorporation and/or Bylaws of Aequitas entities. If you believe Mr. Rice has a claim based upon the referenced indemnification provisions, we encourage you to review the Court's Order (1) Establishing Claims Bar Date, (2) Approving the Form and Manner of Notice, and (3) Approving the Proof of Claim Form, Procedures and Other Related Relief ("Claims Order" – Dkt. No. 683). Detailed information about the process, key documents, and answers to FAQs can be found at [www.aequitasclaims.com](http://www.aequitasclaims.com).

Further, as you are likely aware, the Receivership Entity and various insurers have commenced coverage litigation. Prior to initiation of the coverage actions, the D&O insurance carriers reimbursed attorney fees purportedly incurred by the Individual Defendants in defense of the SEC's claims. We would be happy to provide you with copies of the relevant insurance policies.

Angelo J. Calfo  
June 6, 2019  
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If you have any questions, please feel free to give me a call.

Best regards,

A handwritten signature in blue ink, appearing to read 'Troy Greenfield', with a stylized, flowing script.

Troy Greenfield

TGR:tg

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