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Superior Court of California,
County of San Diego
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Clerk of the Superior Court
By Melissa Reyes, Deputy Clerk

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8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 COUNTY OF SAN DIEGO

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11 PEOPLE OF THE STATE OF CALIFORNIA,
by and through the COMMISSIONER OF
12 FINANCIAL PROTECTION AND
INNOVATION,

13 Plaintiff,

14 v.

15 SILVER SADDLE COMMERCIAL
16 DEVELOPMENT, LP, a California limited
partnership; SILVER SADDLE RANCH &
17 CLUB, INC., a California corporation; THE
GALILEO COMMERCIAL PROPERTY
18 OWNERS ASSOCIATION, INC., a California
non-profit corporation; THOMAS M. MANEY,
19 an individual; ACCELERATED ASSETS,
LLC, an Arizona limited liability company; SS
20 PURCHCO, LLC, a Delaware limited liability
company; PAHRUMP VALLEY REAL
21 ESTATE CO., LLC, a Nevada limited liability
company; and DOES 1 through 100, inclusive,

22 Defendants.

23 And,

24 MARIAN G. DUCREUX, an individual;
25 CLIFFORD J. REYNOLDS, an individual;
WAYNE A. PEDERSEN, an individual; and
26 Relief Does 1 through 10, inclusive,

27 Relief Defendants.
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Case No. 37-2019-00049151-CU-MC-CTL

**AMENDED ~~(PROPOSED)~~ ORDER
DENYING IN PART AND GRANTING IN
PART RECEIVER'S MOTION FOR
APPROVAL OF PROPOSED
DISTRIBUTION METHOD AND
PROCEDURES**

IMAGED FILE

Judge: Hon. Joel R. Wohlfeil
Dept.: C-73
Action filed: September 9, 2019
Trial Date: July 9, 2021

Hearing Date: March 19 and 23, 2021
Time: 9:00 a.m.

1 On March 19 and 23, 2021, the Court heard oral argument on receiver Thomas W.
2 McNamara's (the "Receiver") Motion for Approval of Proposed Distribution Method and
3 Procedures (ROA # 425, the "Motion"). For the reasons discussed in the hearings and
4 memorialized in the Court's minute orders (ROA # 481 and #495), the Receiver's request to
5 conduct an interim distribution to investors is DENIED, while the Receiver's proposed
6 distribution method and procedures is GRANTED.

7 Accordingly, it is hereby

8 **ORDERED, ADJUDGED, and DECREED:**

9 1. The most equitable way to distribute the assets of the Receivership Estate to the
10 investors is to do so on a pro rata basis. (Cf. *Mills v. Superior Court of Fresno County* (1937)
11 20 Cal.App.2d 360, 363; *Commodity Futures Trading Com'n v. Topworth Intern., Ltd.* (9th Cir.
12 1999, as amended Mar. 23, 2000) 205 F.3d 1107, 1109; *S.E.C. v. Schooler* (S.D. Cal., June 17,
13 2019) Case No. 3:12-CV-2164-GPC-JMA, 2019 WL 2501881, at *1.)

14 2. When authorized by the Court, the Receiver may make distributions to investors
15 on the terms set forth below.

16 3. The Receiver shall begin by making a preliminary determination of each
17 investor's claim based on the records available to the Receiver. Each investor's claim will be
18 comprised of the total that the investor paid into the Galileo Project and the Capital Improvement
19 Fund (the "Preliminary Determination of Claims").

20 4. The Receiver shall then provide notice of these determinations to the investors
21 through: (i) notice posted on the Receiver's website, (ii) emails to investors (where email contact
22 information is available), and (iii) letters sent via the U.S. mail to investors using the approved
23 notice and letter attached as Exhibit A to the Motion.

24 5. The notice shall explain that investors have thirty (30) days from the date the
25 notice was transmitted to challenge the Receiver's Preliminary Determination of Claims in
26 writing. If no challenge is received before this thirty-day deadline has passed, the Receiver's
27 determination of the investors' claims shall become final the following day (the "Bar Date").
28 Challenges to the Receiver's determinations submitted after the deadline shall be rejected. The

1 deadline shall be extended an additional fourteen (14) days after the Bar Date, however, for any
2 claimant whose mailed notice was returned to the Receiver as undeliverable and who did not
3 open or view his or her emailed notice. In such cases, the Receiver will make a reasonable effort
4 to obtain accurate mailing and email addresses and resend the notice, if feasible.

5 6. The Receiver and his counsel or staff shall review and evaluate all challenges
6 transmitted to the Receiver on or before the Bar Date. The Receiver will exercise his discretion
7 in determining whether to alter the preliminary determinations based on the evidence provided
8 by challenging investors.

9 7. The Receiver shall notify challenging investors of his determination within
10 fourteen (14) days of the Bar Date, or as soon thereafter as practicable, by sending his Final
11 Determination of Claims to investors through a notice on the case website and by sending email
12 and/or mail to investors.

13 8. At the time the Court authorizes a distribution, the Receiver shall then file a
14 Notice of Final Determination of Claims and Proposed First Interim Distribution with the Court.
15 Those investors who sent written challenges to the Receiver's claims determinations which were
16 denied by the Receiver may submit a written objection to the Court within fourteen (14) days of
17 the Receiver's filing of the Final Determination of Claims. The deadline to object to the Court is
18 referred to herein as the "Court Objection Bar Date."

19 9. Once the Court Objection Bar Date has passed, the Receiver shall file a response
20 to any investor objections filed with the Court, so that the Court can evaluate the Receiver's
21 calculations. Once the Court has resolved any investor objections, the Receiver shall file a
22 Proposed Order of Final Determination of Claims and First Interim Distribution. Once the Court
23 has approved and issued the Order of Final Determination of Claims and First Interim
24 Distribution, the Receiver shall initiate a first interim distribution. Investor payments shall be
25 made by check.

26 10. Investors shall have ninety (90) days from the date of mailing to negotiate their
27 check. If a distribution check is not cashed within 90 days after it is mailed to the claimant, the
28 Receiver shall cancel payment on that check and shall not make any further distributions to that

1 claimant. Any claimant who is otherwise entitled to a distribution, but who fails to cash a
2 distribution check within the 90 days, may provide the Receiver with a written notice asserting
3 his or her claim to that cancelled distribution check and setting forth a current, deliverable
4 address within 45 days after payment on that check has been canceled. Investors who take
5 neither of these actions (cashing the check within 90 days or sending written notice of a claim to
6 the Receiver in the 45 days thereafter) shall be deemed to waive any claim to that distribution
7 and will be forever barred from receiving that distribution or asserting any claim against the
8 Receivership Estate or the Receiver. The claim will be expunged, and the claimant will not be
9 eligible to receive any further distributions.

10 11. The Receiver will make subsequent interim and final distributions at his
11 discretion consistent with Order of Final Determination of Claims. Expunged claims will be
12 deducted from the aggregate claim amount when calculating subsequent distributions.

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14 **IT IS SO ORDERED.**

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16 Dated: 4-9-21

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19 Hon. Joel R. Wohlfeil
20 Judge of the Superior Court
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