

**Silver Saddle Receivership
FAQs
Updated as of 11/26/2019**

1. What is this case about and what is the status?

The California Department of Business Oversight (“DBO”) filed its civil lawsuit on September 9, 2019 against Defendants. The DBO alleged that Defendants committed securities fraud in connection with the sale of undivided interests in 1,020 acres of vacant desert property near California City, California in Kern County. The DBO alleges that Defendants’ sale of fractionalized interests in that property violated California securities laws because such sales constituted the sale of unqualified or unregistered securities and were based on fraudulent and deceptive misrepresentations.

On September 24, 2019, the Court entered a Temporary Restraining Order (“TRO”) and appointed a Receiver to take control of operations and preserve assets. (See FAQ No. 2 below for details on the Receiver’s role and duties.) On October 30, 2019, the Court entered a Preliminary Injunction, which continues the asset freeze and confirms the Mr. McNamara as Receiver.

Copies of the DBO Complaint, TRO, Preliminary Injunction, and the Receiver’s Preliminary Report can be viewed in the Documents section of this webpage.

2. What is a receivership and how does it work?

When the DBO filed its civil action, it asked the Court to appoint a Receiver to immediately secure the assets and take over operations. The order appointing the Receiver grants the Receiver broad powers over the business. In that role, the Receiver is an independent party. He does not work for the DBO or for the Defendants.

The Receiver operates as an agent of the Court, reports directly to the Court, is supervised by the Court, and can make no payments for fees of the Receiver or his professionals without the Court’s approval based on detailed written application.

The Receiver has suspended all business operations, including the Silver Saddle Ranch & Club.

3. How do I keep up with what the Receiver is doing?

The Receiver’s website is the most efficient vehicle for investors to keep up with developments. Go to <http://regulatoryresolutions.com/> and click the link for cases and then *People v. Silver Saddle Commercial Development, LP, et al.*

As required, the Receiver will regularly file Status Reports and accountings with the Court which will also be posted on the Receiver’s website.

4. What about Silver Saddle Ranch & Club – is it still open?

No. The Ranch is closed and will remain closed indefinitely.

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5. Should owners continue to pay monthly payments?

Based on the findings and directions of the TRO and Preliminary Injunction, the Receiver has determined he cannot lawfully accept payments on promissory notes, ranch membership fees, and Capital Improvement Fund (“CIF”) charges. As such, the Receiver has instructed the servicing company to suspend collection of monthly payments from owners. However, please be aware that Silver Saddle Commercial Development sold some of the promissory notes to third parties. We understand that at least one third party purchaser of the notes intends to continue to collect payments.

6. Will there be additional sales of undivided interests in the 1,020-acre Galileo Project?

All sales activity has been suspended.

7. I am the owner of an undivided interest in the Galileo Project. What do I do now?

You do not need to take any action immediately. The Receiver has access to Defendants’ records and ownership information on each owner.

8. I just received a property tax statement for a lot, do I pay it?

Yes, if the property is titled in your name, it will not be affected by this case and you should continue to pay your property taxes on that property.

9. What about free lots?

Our understanding is that Defendants offered free lots in Pahrump, Nevada or Kern County to investors who paid off their investment within 120 days. If your property is one of those free lots and, is titled in your name, it is not part of the receivership.

10. Can I get a refund?

At this very early stage of the case, the Receiver is still conducting his investigation and marshalling the assets of the Receivership Defendants. If the California Department of Business Oversight (“DBO”) prevails in the case, the matter of refunds will be an issue for the DBO and the Court to resolve. This determination is a long way down the road. As further information becomes available on the subject of refunds, we will post it on the Receiver’s website.