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Superior Court of California,
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Clerk of the Superior Court
By Adriana Ive Anzalone, Deputy Clerk

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

11 PEOPLE OF THE STATE OF CALIFORNIA,
by and through the COMMISSIONER OF
12 BUSINESS OVERSIGHT,

13 Plaintiff,

14 v.

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

22 Defendants.

23 And,

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

26 Relief Defendants.
27
28

Case No. 37-2019-00049151-CU-MC-CTL

**RECEIVER'S MOTION TO APPROVE
SALE OF REAL PROPERTY OWNED
BY SILVER SADDLE RANCH & CLUB,
INC.**

IMAGED FILE

Date: November 6, 2020
Time: 9:00 a.m. [Via CourtCall]
Judge: Hon. Joel R. Wohlfeil
Dept.: C-73

Action filed: September 9, 2019
Trial Date: July 9, 2021

1 TO THIS HONORABLE COURT, THE PARTIES, AND OTHER PARTIES IN
2 INTEREST AND/OR THEIR COUNSEL OF RECORD:

3 Thomas W. McNamara, as Court-appointed receiver (“Receiver”), hereby moves the
4 Court for permission to sell real property located at 20751 Aristotle Drive, California City, CA
5 93505, APN 457-020-12 and 457-020-27, which is owned by Receivership Defendant Silver
6 Saddle Ranch & Club, Inc.

7 The Silver Saddle Ranch and Club Resort (the “Ranch”) is located on the property. The
8 Receiver has accepted an offer of \$2,100,000 from Aaron Mamann (the “Proposed Buyer”) to
9 purchase the Ranch.¹ The Receiver now brings the sale of the Ranch before the Court for its
10 consideration.²

11 **I.**

12 **INTRODUCTION**

13 The Ranch is the Receivership Estate’s most significant asset, but also its most significant
14 expense. Even when operational, it was not self-sustaining and was subsidized by Defendants’
15 investment scheme (the “Galileo Project,” sometimes marketed to investors as “LandBanking
16 Plus”). The Ranch was used as a loss leader to house and impress potential investors who had
17 traveled to California City to attend Galileo sales events, and regularly ran up losses of nearly
18 \$1.5 million per year. Even though Defendants had shut down the Ranch before the Receiver’s
19 appointment, basic upkeep costs and maintenance are substantial (water bills alone were

20 ///

21 _____
22 ¹ The Proposed Buyer also made an offer for the adjacent Galileo Project land for \$600,000.
23 The Receiver countered at \$900,000 and the Proposed Buyer accepted, resulting in a total of
24 \$3,000,000 for the two properties. In the instant motion, however, the Receiver only seeks the
25 Court’s approval for the sale of the Ranch.

26 ² The Receiver previously asked the Court to approve an offer to purchase the Ranch from
27 Kevin Feterik for \$1,774,500. While the Receiver’s motion to approve the sale was pending, a
28 party interested in purchasing the Ranch raised concerns about the sales process. In light of the
concerns, and in an abundance of caution, the Receiver felt compelled to reopen the offer
process. He did so by establishing a date and time for all interested parties to submit their best
and final offers. No acceptable offers were received by the deadline, however, and as such, the
Receiver instructed the real estate broker to continue to market the Ranch through traditional
channels.

1 staggering when the Receiver took over)³ and constitute the Receivership's largest ongoing
2 expense. The sale of the Ranch for \$2,100,000 will maximize its value and minimize additional
3 property costs to the Receivership Estate and, ultimately, provide funds to initiate a distribution
4 to investors. The Receiver believes the present offer for the Ranch is fair and reasonable and
5 asks the Court to approve the sale.⁴

6 **II.**

7 **FACTUAL BACKGROUND**

8 **A. The Silver Saddle Ranch and Club Resort**

9 The Ranch was the centerpiece of Defendants' marketing efforts. It was used by
10 Defendants to impress potential investors (who were given materials promoting and showcasing
11 the Ranch, tours of the Ranch, and/or a free night's stay at the Ranch) in order to convince them
12 to invest in the nearby Galileo Project. (See generally Receiver's Preliminary Report at pp. 8-
13 11.) The Ranch was pivotal to Defendants' operations; even though it consistently operated at a
14 loss, Defendants kept it running with subsidies from other areas of their business. (*Ibid.*) While
15 the Ranch may be the Receivership Estate's most valuable asset, its costly upkeep, utilities, and
16 insurance will soon deplete the limited funds of the Receivership Estate if it is not sold.⁵

17 The property is owned by Receivership Defendant Silver Saddle Ranch & Club, Inc., and
18 sits on roughly 130 acres of land, 62 of which comprise the Ranch, which was the area that

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20 ³ To date, the Receiver has paid \$285,580.39 for water alone. The highest water bill was
21 \$46,864.18 for mid-October 2019 to mid-November 2019. The lowest water bill was \$4,339.21
22 for mid-March 2020 to mid-April 2020. On September 29, 2020, California City approved the
Ranch for a lower water rate, which should result in lower water bills. Even with the reduced
water rates, however, we expect water will continue to be a substantial expense.

23 ⁴ The Receiver obtained an appraisal of the Ranch and the Galileo Project. A copy of the
24 appraisal has already been provided to counsel for DBO and Defendant Maney. If the Court
wishes to see a copy, it can be submitted under seal for the Court's consideration.

25 ⁵ As noted in the Receiver's Second Interim Status Report (ROA #325), the balance of the
26 Receivership bank accounts was \$204,227.28 as of September 15, 2020. For the period February
27 2020 to July 2020, the Receiver's fees are \$61,145.50 and expenses totaling \$4,415.60. The
Receiver's counsel's fees are \$49,954.00 and \$588.43 in expenses. Because of the Receivership
28 Estate's limited funds, the Receiver has temporarily withheld payment of his and counsel's fees
and expenses in order to ensure the Receivership Estate has sufficient funds to pay ongoing
Ranch expenses.

1 guests and employees regularly frequented. The Ranch includes six primary buildings: a Club
2 House with a restaurant, saloon, game room, library, hotel lobby, fitness center, and offices; an
3 Administration building used by staff; a Sales Pavilion⁶; and three buildings with a total of
4 48 motel-type rooms to house guests. In addition to these structures, the Ranch includes a stable
5 and adjacent corrals for animals, as well as a variety of amenities which were offered to guests:
6 two swimming pools, a hot tub, man-made lakes, an RV park, and space for various sporting
7 activities (miniature golf, basketball, tennis, volleyball, and badminton courts, etc.).^{7, 8}

8 On June 11, 2020, the Receiver sent an email to all Galileo Project investors informing
9 them of the Receiver's intention to list and sell the Ranch. (See ROA #161.)⁹ Since then,
10 approximately thirty investors have contacted the Receiver via a coordinated email and letter
11 writing campaign expressing opposition to the sale. While these investors certainly have a right
12 to express their opinion and be heard, the Galileo Project investors *do not* have an interest in the
13 property as the Ranch is owned solely by Receivership Defendant Silver Saddle Ranch & Club,
14 Inc. Nonetheless, the Receiver has carefully considered the investors' objections but determined
15 that given the significant and ongoing operating expenses, the sale of the property is necessary
16 and in the investors' best interests, as it will eliminate operating costs in addition to providing an
17 initial recovery for the investors. Since the Receivership Estate has limited funds, it cannot

18
19 ⁶ The Sales Pavilion, parking, and other related improvements are located on a 24-acre parcel,
20 APN 457-020-11, which is owned by the City of California City and leased to Silver Saddle
21 Ranch & Club, Inc. under a long-term ground lease which expires April 17, 2027. As part of the
22 proposed sale, the Receiver and the Proposed Buyer will work cooperatively during the escrow
23 period to secure the City of California City's consent to an assignment of the ground lease to the
24 Proposed Buyer.

25 ⁷ Previously, certain activities offered at the Ranch actually occurred on Galileo Project land.
26 Specifically, a portion of a large man-made lake, camp group, archery range, and trap and skeet
27 shooting range are located on approximately 19.7 acres of the Galileo Project (APN 457-020-
28 05). The Proposed Buyer has also offered to purchase the Galileo Project parcels. After the sale
of the Ranch is complete, the Receiver will file a separate motion to sell the Galileo Project
parcels free and clear of liens and encumbrances to the Proposed Buyer for \$900,000.

⁸ We note that many of these amenities were modestly constructed, outdated, and poorly
maintained.

⁹ The Receiver sent another update on August 5, 2020, explaining that the motion to approve the
sale was cancelled and that a round of best and final offers was planned.

1 continue to pay the costly expenses necessary to maintain and protect the property indefinitely.
2 For the reasons discussed below, the Proposed Buyer's purchase price of \$2,100,000 is fair, and
3 accordingly the Receiver asks the Court to approve the sale of the Ranch.¹⁰

4 **B. Offer History and the Present Offer**

5 The Receiver originally accepted an offer for the property from Kevin Feterik on July 2,
6 2020. (ROA #160 at pp. 5-6.)¹¹ In accepting Mr. Feterik's offer, the Receiver also agreed to sell
7 Mr. Feterik the Galileo Project land, should the Court approve its sale. (*Id.*) Defendant Thomas
8 Maney and a third party, Rick Jones, who claimed his offer was not given a full and fair
9 evaluation, both opposed the Receiver's motion. (ROA #174, 180.) Because of the concerns
10 raised by Mr. Jones, the Receiver determined it was necessary to reopen the sales process. (ROA
11 #256 at p. 3.) Mr. Feterik initially resisted cancellation of the two escrows (one for the Ranch
12 and one for the Galileo Project land), forcing the Receiver to ask the Court to intervene. (See
13 generally *id.*) Ultimately, Mr. Feterik agreed to cancel the escrows, which were cancelled on
14 August 3, 2020, and Mr. Feterik's deposits were returned. The Receiver withdrew his motion.
15 (ROA #285 at p. 1.) Throughout this period, the Ranch remained listed for sale with the broker
16 and available on LoopNet (the largest commercial real estate marketplace) and other websites.

17 Following cancellation of the escrows, the Receiver reopened the sales process to allow
18 all parties which had previously expressed an interest in the Ranch (including Mr. Feterik) to
19 submit their best and final offers for the Ranch directly to the Receiver by September 14, 2020 at
20 10:00 a.m. All the parties were provided certain due diligence materials (*e.g.*, preliminary title
21 report, seller disclosures, etc.) and given another opportunity to tour the property. (Knight Decl.

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23 ¹⁰ As noted above, the Receiver will be filing a second motion in which he will seek Court
24 permission to sell the Galileo Project parcels. These parcels are less valuable than the Ranch and
25 are presently encumbered by more than 1,700 fractional interests issued to Galileo investors by
26 the Defendants as part of the investment scheme at the heart of this case. The Receiver will seek
the Court's authorization to sell the parcels free and clear of liens and encumbrances. Absent the
ability to sell the parcels free and clear of liens and encumbrances, the Galileo parcels will not be
sellable. And, like the sale of the Ranch, the proceeds from the sale of the Galileo parcels will
ultimately be distributed to the investors.

27 ¹¹ Offers which were made prior to the Receiver's submission of Mr. Feterik's offer for the
28 Court's approval are detailed in the Receiver's prior motion to approve the sale of the Ranch.
(See ROA #160.)

1 ¶ 10.) A total of 48 parties were contacted during this best and final round, two of which
2 submitted offers. (*Id.* ¶¶ 10-11.)

3 Ultimately, neither of the two offers submitted was acceptable. The proposed purchase
4 price of the first offer was too low. The second offer, which was made the night of Sunday,
5 September 13 by Rick Jones, was for \$1,800,000 for the Ranch (with an offer of \$800,000 for
6 the Galileo Project land) and was submitted along with a joint venture proposal involving the
7 Galileo Project investors. The morning following Mr. Jones' offer, and prior to the 10 a.m.
8 deadline for the receipt of offers, the Receiver asked Mr. Jones' counsel to clarify whether or not
9 his offer was contingent on acceptance of the joint venture proposal. Mr. Jones did not respond.
10 The deadline came and went.¹²

11 Because neither offer was acceptable, the Receiver continued to market the Ranch, which
12 had remained listed during the entirety of the best and final round. (Knight Decl. ¶ 11.) The
13 Proposed Buyer made an initial offer of \$1,800,000 for the Ranch, with a concurrent offer for
14 \$600,000 for the Galileo Project land. (*Id.* ¶ 13.) Four days later, the Proposed Buyer increased
15 his offer to \$1,900,000 for the Ranch and \$650,000 for the Galileo Project land. (*Id.* ¶ 14.) On
16 September 23, 2020, the Receiver countered at \$2,100,000 for the Ranch and \$900,000 for the
17 Galileo Project land. (*Id.* ¶ 15.)¹³ The Proposed Buyer agreed to the Receiver's counteroffer and
18 on September 29, 2020 escrow was opened. (*Id.* ¶ 17.)

19
20 ¹² A week later, the Receiver reached out to Mr. Jones' counsel and informed him that Mr.
21 Jones' offer was rejected, based on the fact that it appeared to be contingent upon acceptance of
22 the joint venture proposal (which would require a rescission of the securities offering made by
23 Defendant Thomas Maney and would have to be approved by the DBO, adding further
24 complications to the sale) and that his latest offer came with financing contingencies, whereas
25 his previous offer was all cash.

26 The following day, counsel clarified that Mr. Jones' offer was not contingent on the joint venture
27 proposal. Given the deadline for best and final offers had passed, the Receiver informed him that
28 he would not consider it as part of that round, though Mr. Jones was welcome to make an offer
through the Receiver's broker for the Ranch. Subsequently, Mr. Jones did not reach out to the
broker. (Knight Decl. ¶ 12.)

¹³ Since another party submitted an offer to purchase both the Ranch and the Galileo Project, the
Receiver provided the counter to the other party as well. (Knight Decl. ¶ 16.) The deadline to
respond was September 28 at 4:00 p.m. (*Ibid.*) On the evening of September 28, the Receiver
signed the Proposed Buyer's purchase agreement.

1 **C. Marketing Efforts for the Property**

2 The Receiver’s team interviewed several brokers before selecting the real estate firm
3 Kidder Mathews to market and sell the property. Teresia Knight and Greg Myers are the listing
4 agents with Ms. Knight being primarily responsible for marketing the Ranch. She is eminently
5 qualified to do so: with 23 years of experience, Ms. Knight specializes in the sale of retreat/camp
6 properties throughout California as well as commercial real estate sales and leasing throughout
7 the Inland Empire area of Southern California, and is involved in more than two million square
8 feet worth of transactions on a yearly basis. (Knight Decl. ¶ 3.)

9 The Ranch was initially listed on May 8, 2020 and remains listed to date. (Knight Decl.
10 ¶ 5.) The original listing included one of the Galileo Project parcels of approximately 158 acres
11 (APN 457-020-05), resulting in approximately 288 acres. (*Ibid.*). The initial listing price of
12 \$1,895,000 was later adjusted downward to \$1,769,500 to reflect the removal of a 158-acre
13 Project Galileo parcel. (*Ibid.*) The listing price was later adjusted to \$1,874,500 to reflect
14 increased interest in the property. (*Ibid.*)

15 Kidder Mathews and Ms. Knight actively marketed the property, using a customized
16 marketing strategy and promoting it through a number of channels. (*Id.* ¶ 6.) To date, more than
17 33,000 emails have been sent directly to brokers in Kidder Mathews’ west coast offices
18 (including Phoenix, Arizona), the American Industrial Real Estate Association, LoopNet internet
19 listing service, and all parties who previously expressed an interest in the property. (*Id.* ¶¶ 6-7.)
20 Kidder Mathews also developed a promotional brochure to distribute directly to potential buyers
21 or brokers who expressed an interest, and to date, at least 348 such brochures have been
22 distributed. (*Id.* ¶ 8.) Kidder Mathews communicated with all 48 individuals who expressed
23 interest in the Ranch and provided tours of the property for 12 groups. (*Id.* ¶ 9.) The marketing
24 campaign resulted in the offer for \$2,100,000 that the Receiver now brings to the Court for
25 approval.

26 **D. Opening of Escrow**

27 Escrow for the sale of the Ranch opened on September 29, 2020. (Knight Decl. ¶ 17.)
28 The Proposed Buyer has deposited \$100,000 into escrow. (*Ibid.*) He will have 21 days from

1 September 29 to satisfy his contingencies with an estimated closing date of 60 days after the
2 Court approves the sale of the property.¹⁴ (*Id.* ¶ 18.) The Proposed Buyer’s deposit of \$100,000
3 will become non-refundable on day 22 of the escrow period (October 21), at which point it will
4 be released to the Receiver. (*Id.* ¶ 19.)

5 **III.**

6 **LEGAL STANDARD**

7 “Most matters related to receiverships rest in the sound discretion of the trial court.”
8 (*City of Sierra Madre v. SunTrust Mortg., Inc.* (2019) 32 Cal.App.5th 648, 657.) Likewise,
9 “[t]here is wide discretion in the court in accepting a bid and confirming a judicial sale.” (*Lesser*
10 *& Son v. Seymour* (1950) 35 Cal.2d 494, 503.) “Judicial confirmation of a receiver’s sale rests
11 upon the appointing court’s sound discretion exercised in view of all the surrounding facts and
12 circumstances and in the interest of fairness, justice and the rights of the respective parties.
13 [Citation.] The proper exercise of discretion requires the court to consider all material facts and
14 evidence and to apply legal principles essential to an informed, intelligent, and just decision.
15 [Citation.]” (*Cal-Am. Income Prop. Fund VII v. Brown Dev. Corp.* (1982) 138 Cal.App.3d 268,
16 274.) When evaluating whether to approve a sale, “[a] court must engage in a two-level analysis,
17 first deciding whether a sale is required and then determining when the sale should take place.”
18 (*Id.* at p. 275 and footnote 7.) “Deference to the trial court’s decision “is the rule, even where the
19 court confirms extraordinary action by the receiver, such as a sale of real property.” (*City of*
20 *Santa Monica v. Gonzalez* (2008) 43 Cal.4th 905, 931.) “Where there is no evidence of fraud,
21 unfairness, or oppression, the court has wide discretion in approving the receiver’s proposed
22 actions.” (*Ibid.*)

23 A receiver’s sale of property, absent a court order, is controlled by California Code of
24 Civil Procedure Section 568.5. Section 568.5 states that a receiver may sell real property in his
25 or her possession “upon the notice and in the manner prescribed by Article 6 (commencing with
26 Section 701.510) of Chapter 3 of Division 2 of Title 9.” However, this statute does not affect

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28 ¹⁴ In order to obtain title insurance, the property cannot close prior to 60 days after this Court’s order.

1 “the inherent equitable power of the court to prescribe the manner in which a receiver may sell
2 property.” (*People v. Riverside Univ.* (1973) 35 Cal.App.3d 572, 585.) “[T]he trial court
3 appointing the receiver has broad power to prescribe and, as necessary, change the manner in
4 which property is to be sold.” (*People v. Stark* (2005) 131 Cal.App.4th 184, 205.) Courts may,
5 for example, authorize a receiver to sell property “at private sale, at the best price attainable
6 under the circumstances.” (*People v. Riverside Univ., supra*, at p. 585.)

7 IV.

8 DISCUSSION

9 The order appointing the Receiver authorizes him “to preserve investors’ assets and to
10 foreclose and/or actively seek and negotiate with potential buyers, assignees or other parties who
11 may be interested in acquiring, purchasing, leasing, subleasing or renting real or personal
12 property of Receivership Defendants and to sell, lease, sublease or rent such real or personal
13 property of Receivership Defendants, subject to court approval.” (PI ¶ 13.) As such, the PI
14 issued by this Court authorizes the Receiver to market and sell real and personal property of the
15 Receivership Defendants.¹⁵ For the reasons discussed below, the Receiver asks the Court to
16 approve the sale of the property to the Proposed Buyer for \$2,100,000, a price which reflects the
17 fair market value of the property under the present circumstances.

18 A. Sale of the Property Is Necessary

19 Courts must engage in a “two-level analysis” before permitting a receiver to sell property,
20 “first deciding whether a sale is required and then determining when the sale should take place.”
21 (*Cal-Am. Income Prop. Fund VII v. Brown Dev. Corp., supra*, 138 Cal.App.3d at p. 275 and
22 footnote 7.) The present circumstances satisfy that two-level analysis. Maintenance and
23 protection of the Ranch property constitute the Receivership’s largest monthly expense. (See
24 generally Receiver’s Second Interim Status Report at pp. 2-4.) As previously reported,
25 Defendants shut down the Ranch before the Receiver’s appointment. But the Ranch was never
26 profitable when it was operating, losing nearly \$1.5 million per year. As noted above and in the

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28 ¹⁵ The Receiver has kept both the DBO and Defendant Maney’s counsel apprised of the property appraisal results and the intention to list and sell the property.

1 Receiver's Preliminary Report, Defendants used the Ranch as a loss leader to lure investors.
2 (See Receiver's Preliminary Report at p. 2.) Even though the Receiver has gone to great lengths
3 to minimize expenses, if the property is not sold in the near term, its upkeep will exhaust the
4 Receivership Estate's remaining funds – even with the reduced water rates. As such, the sale of
5 the property is necessary (the Ranch cannot operate profitably and will continue to drain the
6 Receivership Estate's resources absent a sale) and must take place soon (the longer the property
7 goes unsold, the greater the cost to the Receivership Estate).

8 **B. The Current Offer Should Be Approved**

9 When evaluating a receiver's potential sale of property, courts look to "the surrounding
10 facts and circumstances and in the interest of fairness, justice and the rights of the respective
11 parties." (See *Cal-Am. Income Prop. Fund VII v. Brown Dev. Corp.*, *supra*, 138 Cal.App.3d at p.
12 274.) The Receiver submits that the facts and circumstances present here support approval of the
13 sale to the Proposed Buyer. As discussed above, the property has been extensively marketed by
14 the listing agents since early May 2020, including by solicitation of best and final offer requests.
15 The Proposed Buyer's offer is the result of a competitive process among motivated buyers,
16 making the offer inherently fair and reasonable.

17 **C. Private Sale Should Be Authorized**

18 The PI authorizes the Receiver to market and sell real and personal property of the
19 Receivership Defendants. A receiver's sale of such property is governed by Code of Civil
20 Procedure § 568.5, which (absent a court order directing otherwise) provides for a sale "upon the
21 notice and in the manner prescribed by Article 6." (Code Civ. Proc., § 568.5.) Article 6 contains
22 a number of antiquated and restrictive requirements, however, which would almost certainly
23 result in a smaller amount of net proceeds to the estate. (See, e.g., Code Civ. Proc., §§ 701.540
24 [requiring posting of notice, service of notice on property occupant, publication of notice],
25 701.545 [notice of sale cannot be given until 120 days after notice was served on judgment
26 debtor], & 701.570 [sale at auction to highest bidder].) Complying with these requirements
27 would cause the Receivership Estate to expend what little resources it has on unnecessary
28 expenses without providing any value and, in fact, almost certainly resulting in decreased net

1 proceeds to the estate. Compliance with Article 6 would inevitably push out the date of sale (at a
2 minimum) and cause the Receivership Estate to incur more expenses in the interim. It would
3 also jeopardize the present proposed sale to the Proposed Buyer. In short, the statutory
4 mechanism is not a realistic alternative to a private sale here.

5 The property has already been extensively marketed as discussed above and received
6 multiple offers from competing parties. The Court has the authority to authorize a receiver to
7 sell property "at private sale, at the best price attainable under the circumstances." (*People v.*
8 *Riverside Univ., supra*, at p. 585.) The Receiver asks that the Court authorize him to sell the
9 property as proposed to the Proposed Buyer.

10 V.

11 **CONCLUSION**

12 For the foregoing reasons, the Receiver asks that the Court approve the sale of the Ranch
13 with clear title to the Proposed Buyer for \$2,100,000.

14 Dated: October 13, 2020

MCNAMARA SMITH LLP

15
16 By. 

Edward Chang
Attorneys for Receiver,
Thomas W. McNamara

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1 **PROOF OF SERVICE**

2 I, Jill Jacobs, declare as follows:

3 I am an employee of a member of the bar of this Court at whose direction was made in the
4 County of San Diego, State of California. I am over the age of 18 and not a party to the within
action; my business address is 655 West Broadway, Suite 1680, San Diego, California 92101.

5 On October 13, 2020, I served the foregoing document(s) described as:

- 6 • **RECEIVER’S MOTION TO APPROVE SALE OF REAL PROPERTY OWNED BY SILVER SADDLE RANCH & CLUB, INC.**
- 7
- 8 • **DECLARATION OF TERESIA KNIGHT IN SUPPORT OF RECEIVER’S MOTION TO APPROVE SALE OF REAL PROPERTY OWNED BY SILVER SADDLE RANCH & CLUB, INC.**
- 9

10 on interested parties in this action by sending the original true copy(ies) thereof as follows:

11 By First Class Mail: I am readily familiar with the firm’s practice of collection and
12 processing correspondence for mailing with the United States Postal Service. Under that
13 practice, it would be deposited with United States postal service on that same day with postage
thereon fully prepaid at San Diego, California in the ordinary course of business. The envelope
was sealed and placed for collection and mailing on that date following ordinary business
practices.

14 By Email: I caused the documents to be sent to the persons at the email address(es) listed
15 below. I did not receive, within a reasonable time after the transmission, any electronic message
or other indication that the transmission was unsuccessful.

16 **VIA E-SERVICE**
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13 *Relief Defendant, In Pro Per*

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11 **VIA U.S. MAIL**

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13 Association, Inc.
14 3430 E. Flamingo Road, Suite 251
15 Las Vegas, NV 89121
16 Tel.: 702-351-6560

15 (STATE): I declare under penalty of perjury under the laws of the State of California that the
16 above is true and correct.

16 Executed October 13, 2020, in San Diego, California.

17 
18 _____
19 Jill Jacobs

1 Edward Chang (SBN 268204)
echang@mcnamarallp.com
2 Cornelia J. B. Gordon (SBN 320207)
cgordon@mcnamarallp.com
3 MCNAMARA SMITH LLP
655 West Broadway, Suite 1680
4 San Diego, California 92101
Tel.: 619-269-0400
5 Fax: 619-269-0401

6 *Attorneys for Receiver,*
Thomas W. McNamara

ELECTRONICALLY FILED
Superior Court of California,
County of San Diego
10/13/2020 at 04:58:00 PM
Clerk of the Superior Court
By Adriana Ive Anzalone, Deputy Clerk

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

11 PEOPLE OF THE STATE OF CALIFORNIA,
by and through the COMMISSIONER OF
12 BUSINESS OVERSIGHT,

13 Plaintiff,

14 v.

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

22 Defendants.

23 And,

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

26 Relief Defendants.
27
28

Case No. 37-2019-00049151-CU-MC-CTL

**DECLARATION OF TERESIA KNIGHT
IN SUPPORT OF RECEIVER'S MOTION
TO APPROVE SALE OF REAL
PROPERTY OWNED BY SILVER
SADDLE RANCH & CLUB, INC.**

IMAGED FILE

Date: November 6, 2020
Time: 9:00 a.m. [Via CourtCall]
Judge: Hon. Joel R. Wohlfeil
Dept.: C-73

Action filed: September 9, 2019

Trial Date: July 9, 2021

1 I, Teresia Knight, hereby declare as follows:

2 1. I am over the age of eighteen (18) and I have personal knowledge of the facts set
3 forth in this Declaration and if called as a witness I could and would competently testify to the
4 facts stated herein.

5 2. I make this declaration in connection with the Receiver's concurrently filed
6 Motion to Approve Sale of Real Property Owned by Silver Saddle Ranch & Club, Inc.

7 3. I am a licensed real estate agent and Senior Vice President at Kidder Mathews. I
8 specialize in the sale of retreat/camp properties throughout California as well as in commercial
9 real estate sales and leasing throughout the Inland Empire area of Southern California. For the
10 past 23 years, I have been a top producing agent, and have consistently been recognized as a top
11 producer and a noted top broker in the industry. On a yearly basis, I am involved in over two
12 million square feet worth of transactions.

13 4. On or about May 6, 2020, I was retained by Thomas W. McNamara, the Court-
14 appointed Receiver of the Receivership Defendants (Silver Saddle Commercial Development,
15 LP, Silver Saddle Ranch & Club, Inc., and The Galileo Commercial Property Owners
16 Association, Inc.) to market and sell real property owned by the Receivership Defendants.

17 5. On May 8, 2020, I arranged for the property located at 20751 Aristotle Drive,
18 California City, CA 93505 (approximately 288 acres (APN 457-020-12, 457-020-27, and 457-
19 020-05) comprising the Silver Saddle Ranch & Club and referred to herein as the "Ranch") to be
20 listed for sale for \$1,895,000.00. Prior to its listing, my partner and I toured the property,
21 reviewed the appraisal, and decided that based on the location and condition of the property, a
22 listing price of \$1,895,000.00 was appropriate. In consultation with the Receiver, my partner
23 and I decided that after the 158-acre Galileo Project parcel was removed, the initial listing price
24 of \$1,895,000 should be (and later was) adjusted downward to \$1,769,500. After the sales
25 process reopened, and again in consultation with the Receiver, my partner and I decided an
26 adjustment of the listing price upward to \$1,874,500 was appropriate, based on increased interest
27 in the property.

28 ///

1 6. Since it was listed, with the exception of the period of time during which it has
2 been under contract, I have actively marketed the Ranch. I discussed the marketing process with
3 the Receiver and it was decided that showings would be by appointment only. Kidder Mathews
4 and I prepared a unique marketing strategy for the Ranch, which is attached hereto as
5 Attachment A. That strategy utilizes a number of different channels to market the property,
6 including the use of direct mailings (primarily to owners of resorts and camps within Southern
7 California, but also to others who may have a non-standard use for the property); multiple listing
8 services (AIR (American Industrial Real Estate Association), LoopNet Internet listing service,
9 Co-Star Internet listing service, MLS (Multiple Listing Service), and the Kidder Mathews of
10 California Internal listing service); broker networks, and personal broker contact.

11 7. To date, more than 33,000 emails have been sent out directly to brokers with all
12 Kidder Mathews offices on the entire West Coast (including Phoenix, Arizona), the AIR, and
13 LoopNet.

14 8. At least 348 brochures have been provided to potential buyers and brokers (for
15 their clients) to date. The marketing brochure for the property, attached hereto as Attachment B,
16 is a professional, glossy publication with a detailed map of the property and pictures of the
17 grounds. In addition to distribution of the brochures, information has been provided to interested
18 buyers and brokers by telephone.

19 9. I communicated with all 48 individuals who previously expressed interest in the
20 Ranch and arranged tours of the property for 12 groups.

21 10. When a decision was made to re-open the sales process and allow a best and final
22 round of offers, I, at the Receiver's direction, contacted all 48 parties who had previously
23 expressed an interest in purchasing the Ranch to invite them to participate. I provided the parties
24 included in the best and final offer round with certain due diligence materials (including a
25 preliminary title report and seller disclosures) and informed them that they would be given
26 another opportunity to tour the property if they were interested.

27 ///

28 ///

1 11. Two of the 48 parties who were contacted during this best and final round
2 submitted offers to the Receiver. The Receiver informed me that neither offer was acceptable
3 and that I should continue to market the Ranch (which had remained listed during the entirety of
4 the best and final round), which I did.

5 12. From speaking with the Receiver and his counsel, Edward Chang, I understand
6 that Rick Jones was one of the two parties in the best and final round who submitted an offer, but
7 that the offer as presented was not acceptable. Mr. Chang informed me that Mr. Jones had been
8 instructed to reach out to me if he wanted to make another offer on the Ranch. Mr. Jones never
9 contacted me to make another offer, even though my partner and I reached out multiple times:
10 we spoke to Rick Jones twice, I emailed Mr. Jones the submittal forms for the offer, I confirmed
11 via telephone with Mr. Jones that he received the documents, I offered to arrange tours for Mr.
12 Jones and his associates (Mr. Jones stated that he did not feel another tour was necessary), and I
13 responded to an email from Mr. Jones confirming the acreage of the Ranch. Despite this
14 significant outreach, I did not receive any offers from Mr. Jones, nor have I received any further
15 communications from him.

16 13. Aaron Mamann, the Proposed Buyer, initially made an offer of \$1.8 million for
17 the Ranch, with a concurrent offer for \$600,000 for the Galileo Project land.

18 14. Four days later, the Proposed Buyer contacted me with a new, increased offer of
19 \$1.9 million for the Ranch and \$650,000 for the Galileo Project land.

20 15. On September 23, 2020, I conveyed the Receiver's counteroffer of \$2.1 million
21 for the Ranch and \$900,000 for the Galileo Project land to the Proposed Buyer and another party
22 who submitted an offer through me.

23 16. The Proposed Buyer informed me that he would accept the Receiver's
24 counteroffer and on September 28, 2020 the Receiver agreed. On September 29, 2020, I
25 arranged for escrow to be opened. The title company notified me when the Proposed Buyer
26 subsequently deposited \$100,000 into escrow in compliance with the terms of the purchase
27 agreement.

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Attachment

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A	Kidder Mathews Marketing Strategy	1
B	Kidder Mathews Sales Brochure.....	2

ATTACHMENT A



MARKETING STRATEGY

PROCESS & STRATEGY

DIRECT MAILINGS

We prepare and distribute a mailing piece to owners of resorts and camps within Southern California using SIC Codes. We believe that targeting owners of this specific type of property will uncover potential Buyers.

We have also identified three uses for this property outside of the standard Camp/resort use as prospective Buyers that will also receive a direct mail piece.

MULTIPLE LISTING SERVICES

Immediately upon being appointed exclusive agent to market a property, we prepare a custom informational brochure and then forward it for publication in the following multiple

services. The AIR (American Industrial Real Estate Association), Loop Net Internet listing service, Co-Star Internet listing service, MLS (Multiple Listing Service) and the Kidder Mathews of California Internal listing service.

INTERNAL DISTRIBUTION

At our first staff meeting after receiving the assignment, we discuss the specifications of the property with our entire office teams of Kidder Mathews of California product specialists. The team brainstorms the current inventory or prospects whose requirements could be fulfilled by the features of the listed property. We make available to the entire company, the information they need to provide it to their prospective clients and we stand ready to assist them at all times.

KIDDER MATHEWS OF CALIFORNIA

As the exclusive member of Kidder Mathews of California, we offer our clients expert representation and experience on a local, national and international level.

HORIZONTAL MARKETING

We identify certain segments of the market, which would most likely benefit from the features of your property. We then conduct a comprehensive and continuous program of marketing to Buyers in that particular type of business so that they are constantly kept apprised of the availability of the property.

BROKER NETWORK

We email our marketing brochure to every commercial brokerage office throughout Southern California including all of the Kidder Mathews offices in California, Oregon, Washington, Arizona and Nevada. We continue to follow-up this program with a broker direct mail piece.

BROKER MAILINGS

The Cooperation of other Brokers and our frequent communication with them is crucial to our success in marketing the project. We shall insure all cooperating brokers receive the following on an on-going basis.

Marketing flyers including fact sheets on listed properties or modifications which reflect changes in offering terms for previously listed properties.

Site plans, property layout plans and parcel maps as well as brochures and marketing instructions.

PERSONAL BROKER CONTACT

We personally contact Brokers on a regular basis to discuss the listed property. There is nothing like the personal touch to reinforce our good relationships with cooperating Brokers while elaborating on various intangibles that are difficult to express in a brochure.

We aggressively cultivate our established close working relationships with cooperating Brokers in order to maximize our effectiveness in representing your property. With our Stellar reputations and our collective years of 60 years' experience, our listings are noticed quickly by Brokers.

RESPONSIVENESS

Our unique team concept allows us to be immediately responsive to a cooperating Broker's request, whether it is for a last-minute showing, a weekend tour, or dealing with a client if the client's Broker is unavailable. Selling your property and providing the best customer service possible is our priority.

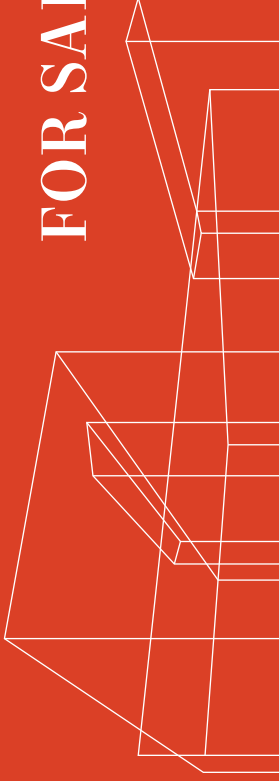
ATTACHMENT B



Silver Saddle Ranch and Club Resort

20751 ARISTOTLE DRIVE, CALIFORNIA CITY, CA 93505

FOR SALE



Approximately 129.44 acres of land, including multiple buildings totaling approximately 50,721 SF. Price \$1,874,500.00

APNS 457-020-12, 457-020-27

BUILDING A (Two Story) 17 guest rooms

BUILDING B (Two Story) 20 guest rooms

BUNGALOWS (Two Buildings) 8 guest rooms

COTTAGES (One Building) 3 guest rooms

CLUBHOUSE BUILDING features a lobby, game room, billiards room, lounge, restaurant facility, commercial kitchen, and outdoor dining area

TWO swimming pools and Hot Tub with restrooms.

ADMINISTRATION building

EQUESTRIAN CENTER with stables

CORRALS and Rodeo Ring

LARGE central private lake with boat launch

20 pull-through RV spaces with full hookups

48 space campground for tents/ small RV's

CONFERENCE center

TWO small Movie Theaters

TRADING post building

ONE Mobile Home

BOAT house

SPA facility

FOR SALE

Silver Saddle Ranch and Club Resort

20751 ARISTOTLE DRIVE, CALIFORNIA CITY, CA 93505



KEY

- Hotel, Club House, & Pavilion
- Parking
- Amenities
- Pools
- Ponds & Lakes
- Camping & CRV Sites
- Park
- Gas Tank 250 Gallons
- Diesel Tank 500 Gallons
- Propane Tank 500-1,000 Gallons
- Designated smoking areas

EMERGENCY EVACUATION AREAS

- 1** Hotel A & B and Bungalows
- 2** Club house, Restaurant, Bar, & Stables
- 3** Sales Pavilion
- 4** Sales

RECREATIONAL FACILITIES

- Miniature Golf Course
- Driving Range
- Petting Zoo area
- Tennis, Basketball and Shuffleboard courts
- Children's Playground
- Exercise Room

This property is under Receivership. The Sale must be approved by the Court. Property is sold in it's "AS-IS, WHERE-AS" Condition.

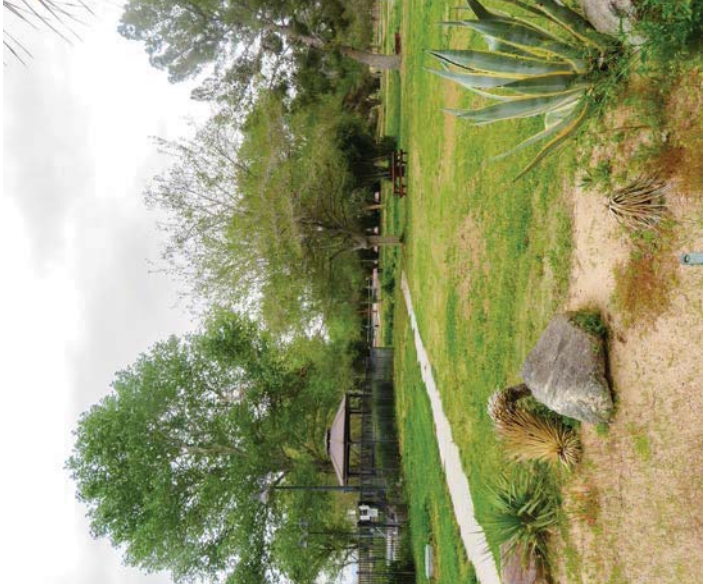
TERESIA KNIGHT
951.217.4229
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LIC N° 01228241

GREG MYERS
951.217.4329
LIC N° 01176067

FOR SALE

Silver Saddle Ranch and Club Resort

20751 ARISTOTLE DRIVE, CALIFORNIA CITY, CA 93505



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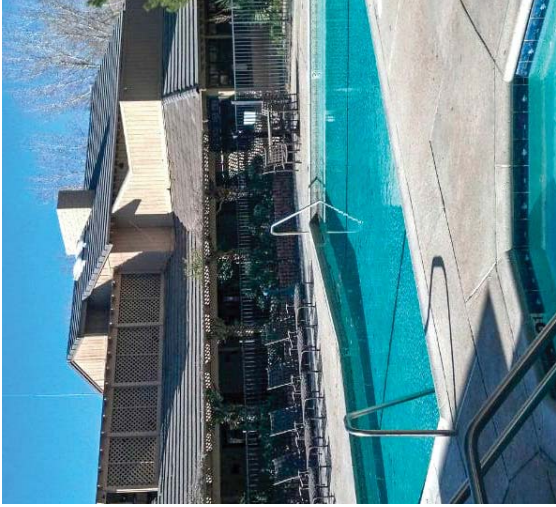
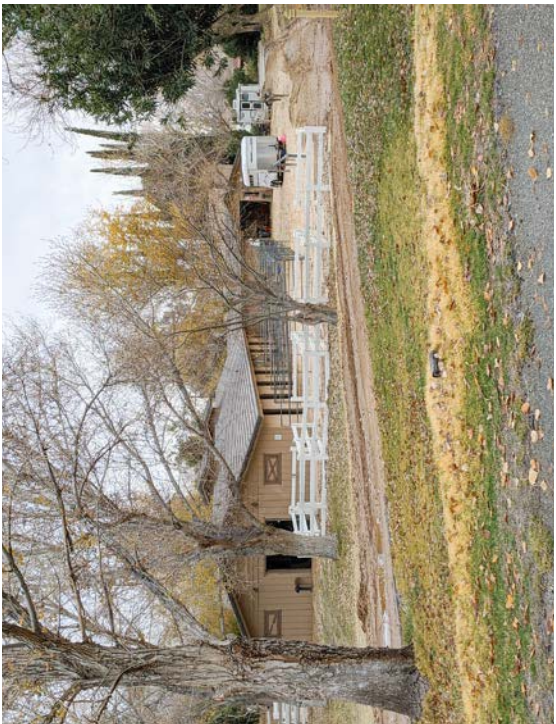
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FOR SALE

Silver Saddle Ranch and Club Resort

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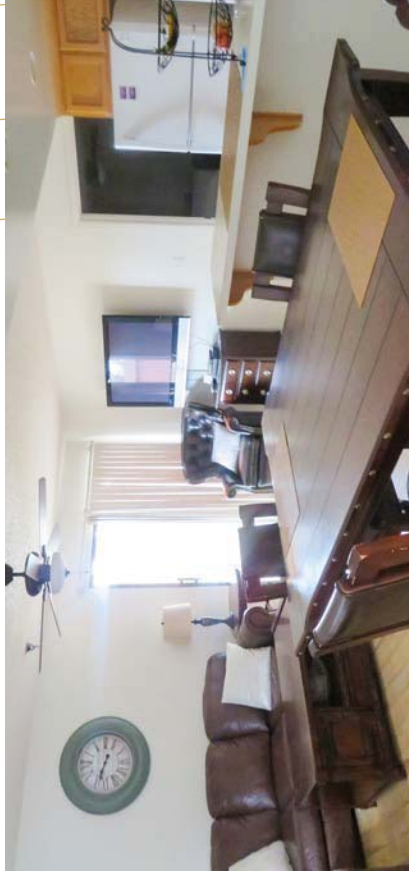
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km Kidder Mathews

FOR SALE

Silver Saddle Ranch and Club Resort

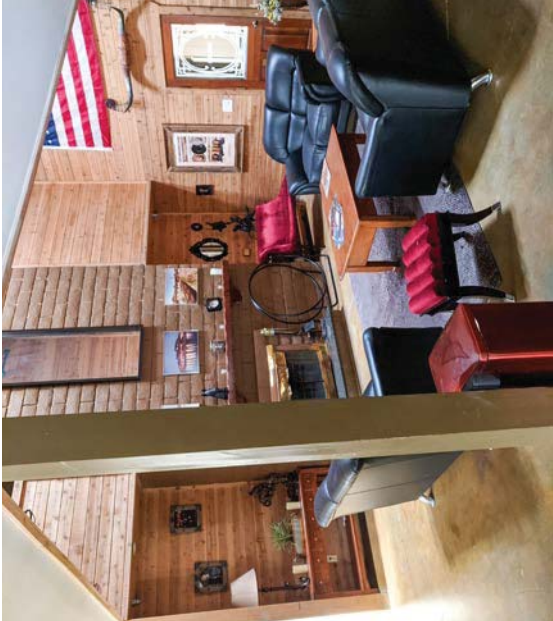
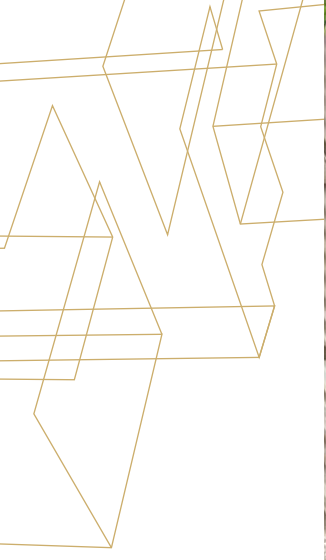
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