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7
8 **UNITED STATES DISTRICT COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**

10 SECURITIES AND EXCHANGE
11 COMMISSION,

12 Plaintiff,

13 v.

14 ZACHARY J. HORWITZ and 1inMM
CAPITAL, LLC,

15 Defendants.

Case No. 2:21-cv-02927-CAS-PD

**NOTICE OF MOTION AND
UNOPPOSED MOTION OF
RECEIVER MICHELE VIVES FOR
ORDER APPROVING
SETTLEMENT WITH JEREMY J.
SALVADOR, JAMES T. RUSSELL,
GRANT WHITCHER AND MOVIE
FUND, LLC AND FOR RELATED
RELIEF; MEMORANDUM OF
POINTS AND AUTHORITIES IN
SUPPORT THEREOF**

Date: January 27, 2025
Time: 10:00 a.m. PT
Judge: Hon. Christina A. Snyder
Courtroom: 8D

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1 TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

2 PLEASE TAKE NOTICE THAT, on January 27, 2025, at 10:00 a.m., or as
3 soon thereafter as the matter may be heard in Courtroom 8D, located at the United
4 States Courthouse, 350 West First Street, Los Angeles, California 90012, Michele
5 Vives, not individually, but solely as the federal equity receiver (the “Receiver”) of
6 defendant 1inMM Capital, LLC and its subsidiaries, affiliates and over the assets
7 more particularly described in the *Order on Appointment of Permanent Receiver*,
8 dated January 14, 2022 [ECF #70] (the “Receiver Order”), will and hereby does
9 move the Court for entry of an order approving the settlement with Jeremy J.
10 Salvador, James T. Russell, Grant Witcher and Movie Fund, LLC, and for related
11 relief (the “Motion”).

12 The Motion is based on the Memorandum of Points and Authorities below
13 and is supported by: (a) the *Settlement Agreement and Mutual Release*, dated August
14 8, 2024 (the “Principal Settlement Agreement”) (**Exhibit 1**); (b) the *Settlement and*
15 *Claim Reduction Agreement*, dated August 2, 2024 (the “Receiver Settlement
16 Agreement”) (**Exhibit 2**); (c) the *Declaration of Michele Vives*, dated December 20,
17 2024 (“Vives Decl.”) (**Exhibit 3**); (d) the *Declaration of Christopher D. Kircher*,
18 dated December 20, 2024 (“Kircher Decl.”) (**Exhibit 4**); and the *Declaration of*
19 *Gregory A. Gordillo*, dated December 20, 2024 (“Gordillo Decl.”) (**Exhibit 5**).

20 This Motion is made following the Local Rule 7-3 conference of counsel
21 which took place on December 19, 2024. **No party requests a hearing on the**
22 **Motion.**

23 Dated: December 20, 2024

Respectfully submitted,

24 **KATTEN MUCHIN ROSENMAN LLP**

25 By: /s/Terence G. Banich
26 Terence G. Banich

27 *Attorneys for the Receiver*
28 Michele Vives

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TABLE OF CONTENTS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Table of Authorities.....iii

Factual Background..... 1

 A. The Ponzi Scheme..... 1

 B. Movie Fund and the Witcher-Russell Claims..... 1

 C. The Transfers 2

 D. The Settlement Agreements..... 3

 E. Assessment of the Settlement 6

Legal Standards 7

Argument 9

 I. Probability of success..... 10

 II. Collection difficulties 12

 III. Complexity/expense 12

 IV. Creditors 12

Notice to Creditors..... 14

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TABLE OF AUTHORITIES

Cases

1

2

3 *Burton v. Ulrich (In re Schmitt)*, 215 B.R. 417 (B.A.P. 9th Cir. 1997) 9

4 *Commodity Futures Trading Comm’n v. Topworth Int’l, Ltd.*, 205 F.2d 1107
 5 (9th Cir.1999) 8

6 *Fed. Trade Comm’n v. Cardiff*, 2020 WL 9938072 (C.D. Cal. Mar. 10, 2020) 8

7 *Gordon v. Dadante*, 336 F. App’x 540 (6th Cir. 2009)..... 8

8 *Greif & Co. v. Shapiro (In re W. Funding Inc.)*, 550 B.R. 841 (B.A.P.
 9 9th Cir. 2016)..... 11

10 *Grimm v. City of Portland*, 971 F.3d 1060 (9th Cir. 2020)..... 14

11 *In re Aguina*, 2022 WL 325579 (B.A.P. 9th Cir. Feb. 3, 2022)..... 13

12 *In re Baroni*, 2021 WL 3011907 (B.A.P. 9th Cir. July 13, 2021)..... 13

13 *In re Bondanelli*, 2020 WL 1304140 (B.A.P. 9th Cir. Mar. 18, 2020) 13

14 *In re DiCostanzo*, 2008 WL 4068897 (C.D. Cal. Aug. 28, 2008), *aff’d*, 399 F.
 15 App’x 307 (9th Cir. 2010) 13

16 *In re Douglas J. Roger, M.D., Inc., APC*, 393 F. Supp. 3d 940 (C.D.
 17 Cal. 2019) 9

18 *In re Hunt*, 2019 WL 2323771 (Bankr. C.D. Cal. Feb. 19, 2019) 14

19 *In re Isom*, 2020 WL 1950905 (B.A.P. 9th Cir. Apr. 22, 2020) 12

20 *In re Lahijani*, 325 B.R. 282 (B.A.P. 9th Cir. 2005)..... 10

21 *In re Law*, 308 F. App’x 152 (9th Cir. 2009) 12

22 *In re Meridien Energy, LLC*, 2023 WL 6542665 (Bankr. E.D. Va.
 23 Oct. 6, 2023) 10, 13

24 *In re MGS Mktg.*, 111 B.R. 264 (B.A.P. 9th Cir. 1990)..... 10

25 *In re Nevada Fire Safe Council*, 2017 WL 6553395 (B.A.P. 9th Cir.
 26 Dec. 21, 2017)..... 10-11

27 *In re Open Med. Inst., Inc.*, 639 B.R. 169 (B.A.P. 9th Cir. 2022) 9

28 *In re TBH19, LLC*, 2022 WL 16782946 (B.A.P. 9th Cir. Nov. 8, 2022)..... 9, 12

In re Tidwell, 2018 WL 1162511 (Bankr. C.D. Cal. Mar. 1, 2018)..... 14

In re Transcontinental Energy Corp., 764 F.2d 1296 (9th Cir. 1985)..... 10, 13

KATTEN MUCHIN ROSENMAN LLP
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1 *In re Woodson*, 839 F.2d 610 (9th Cir. 1988) 9

2 *Liberte Cap. Grp., LLC v. Capwill*, 462 F.3d 543 (6th Cir. 2006)..... 8, 14

3 *Martin v. Kane (In re A&C Props.)*, 784 F.2d 1377 (9th Cir. 1986) 9

4 *Mullane v. Central Hanover Trust Co.*, 339 U.S. 306 (1950)..... 14

5 *Muñoz v. United States Dep’t of State*, 50 F.4th 906 (9th Cir. 2022) 14

6 *Perez v. Safety-Kleen Sys., Inc.*, 253 F.R.D. 508 (N.D. Cal. 2008) 14

7 *Sec. & Exch. Comm’n v. Adams*, 2021 WL 8016843 (S.D. Miss. Feb. 25, 2021) 15

8 *Sec. & Exch. Comm’n v. Cap. Consultants, LLC*, 397 F.3d 733 (9th Cir. 2005)..... 8

9 *Sec. & Exch. Comm’n v. Champion-Cain*, 2022 WL 126114 (S.D. Cal. Jan. 13, 2022)..... 8-9

10 *Sec. & Exch. Comm’n v. Hardy*, 803 F.2d 1034 (9th Cir. 1986) 7

11 *Sec. & Exch. Comm’n v. Kaleta*, 530 F. App’x 360 (5th Cir. 2013)..... 8

12 *Sec. & Exch. Comm’n v. Nadel*, 2012 WL 12910648 (M.D. Fla. Feb. 10, 2012) 15

13 *Sec. & Exch. Comm’n v. Stanford Int’l Bank, Ltd.*, 927 F.3d 830 (5th Cir. 2019)..... 8

14 *Sec. & Exch. Comm’n v. Total Wealth Mgmt., Inc.*, 2019 WL 13179068 (S.D. Cal. Sept. 18, 2019)..... 9

15 Statutes, Rules and Other

16 Cal. Civ. Code § 3439.04(a)(1) 3

17 Cal. Civ. Code § 3439.04(b)(1)(A)..... 3

18 L.R. 66-8..... 8

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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **Factual Background**

3 **A. The Ponzi Scheme**

4 On April 5, 2021, the SEC commenced this action against Zachary Horwitz
5 (“Horwitz”) and 1inMM Capital, LLC (“1inMM”; together, “Defendants”), alleging
6 they committed an offering fraud and Ponzi scheme in violation of the federal
7 securities laws (“Ponzi Scheme”). On January 14, 2022, the Court appointed Ms.
8 Vives as receiver of 1inMM, its subsidiaries, affiliates and the assets that are
9 attributable to funds derived from investors or clients of Defendants or were
10 fraudulently transferred by Defendants (the “Estate”). The Receiver Order
11 authorizes the Receiver to prosecute claims.

12 **B. Movie Fund and the Whitcher-Russell Claims**

13 The Receiver determined that Horwitz raised investor funds mostly using
14 certain entities that pooled large amounts of money from many individual investors
15 for upstream loans to, or investments in, 1inMM. (Vives Decl. ¶ 9.) One of these
16 entities was Movie Fund, LLC (“Movie Fund”), of which Jeremy Salvador
17 (“Salvador”), James Russell (“Russell”), Grant Whitcher (“Whitcher”), Jason Page
18 (“Page”) and Romik Yeghnazary (“Yeghnazary,” and collectively with Movie Fund,
19 Salvador, Russell, Whitcher and Page, the “Movie Fund Parties”) were members.
20 (*Id.*) The purpose of Movie Fund was to be a vehicle for its members to contribute
21 and aggregate money for loans to 1inMM and profit from their transactions with
22 1inMM. (*Id.*; Kircher Decl. ¶ 5; Gordillo Decl. ¶ 5.)

23 After the 1inMM Ponzi Scheme became public knowledge, and after
24 receiving other information, the Movie Fund Parties realized that they had been
25 investors in the 1inMM Ponzi Scheme and that all of the distributions of profits
26 Movie Fund made to its members were likely fictitious profits. (Kircher Decl. ¶ 6;
27 Gordillo Decl. ¶ 6.) This resulted in an inter-Movie Fund dispute between its
28 members, including, among other things, litigation commenced by an affiliate of

1 Yeghnazary and out-of-court settlement discussions between Whitcher and Russell,
2 on the one hand, and Salvador, on the other hand. (Kircher Decl. ¶ 6; Gordillo Decl.
3 ¶ 6.)

4 Whitcher and Russell contended that Salvador was liable to them because he
5 and/or various entities he owned and controlled (namely, Trinity Equity Group LLC,
6 JSalvador Roth IRA LLC and JSalvador Consulting (collectively with Salvador, the
7 “Salvador Parties,” and collectively with Movie Fund, Whitcher and Russell, the
8 “Settling Parties”) received distributions from Movie Fund in excess of the amounts
9 permissible under Movie Fund’s operating agreement (the “Whitcher-Russell
10 Claims”). (Kircher Decl. ¶ 7; Gordillo Decl. ¶ 7.) Salvador, in response, claimed he
11 did not approve the challenged Movie Fund distributions and was unaware that they
12 were allegedly inconsistent with its operating agreement. (Kircher Decl. ¶ 7;
13 Gordillo Decl. ¶ 7.) The Salvador Parties asserted various defenses to the Whitcher-
14 Russell Claims and denied that they were liable to Whitcher or Russell on account
15 of them. (Kircher Decl. ¶ 7; Gordillo Decl. ¶ 7.)

16 **C. The Transfers**

17 Because Movie Fund existed only to aggregate investments into 1inMM, the
18 dispute between the Settling Parties necessarily implicated the Receiver’s
19 administration of the Estate. The Receiver worked closely and cooperatively with
20 counsel for the Settling Parties, Gregory A. Gordillo of The Gordillo Law Firm LLC
21 on behalf of Whitcher and Russell, and Christopher D. Kircher of The Kircher Law
22 Firm PLLC on behalf of the Salvador Parties. (Vives Decl. ¶ 10.) Messrs. Gordillo
23 and Kircher and their respective clients gathered and produced to the Receiver a
24 large volume of financial documents and related information. (*Id.*) The Receiver
25 then performed a forensic accounting analysis of those documents and information
26 in conjunction with banking documents already in her possession. (*Id.*)

1 From that analysis, the Receiver determined that the Salvador Parties received
2 (primarily through Movie Fund) transfers from 1inMM totaling \$1,077,744 (the
3 “Transfers”) and are thus net winners of the 1inMM Ponzi Scheme. (*Id.* ¶ 11.) By
4 contrast, the Receiver determined that Witcher and Russell are net losing investors
5 of the 1inMM Ponzi Scheme, and thus have approximately \$4,162,472.10 of claims
6 against the Estate to recover their unrecouped investments (the “Investment
7 Losses”). (*Id.*)

8 The Receiver asserted that she may avoid and recover the Transfers from the
9 Salvador Parties as actual fraudulent transfers pursuant to § 3439.04(a)(1) of the
10 California Uniform Voidable Transactions Act, Cal. Civ. Code § 3439 *et seq.*
11 (“UVTA”) (the “Receiver Claims,” and together with the Witcher-Russell Claims,
12 the “Claims”). (*Id.* ¶ 12.) As the Receiver contended, 1inMM and Horwitz made the
13 Transfers with the actual intent to hinder, delay, or defraud their creditors, as
14 Horwitz pled guilty and admitted that he used 1inMM to operate a Ponzi scheme,
15 which conclusively establishes intent for purposes of a UVTA actual fraudulent
16 transfer claim. (*Id.*) The Receiver argued that she could recover the Transfers from
17 the Salvador Parties under UVTA § 3439.08(b)(1)(A) as their first transferee,
18 because even though 1inMM made many of the Transfers to them indirectly through
19 Movie Fund, Movie Fund was a mere conduit that had no dominion over the money
20 1inMM transferred to it. (*Id.* ¶ 13.) The Salvador Parties asserted several defenses.
21 (*See infra* Part I.A.2.)

22 **D. The Settlement Agreements**

23 Two settlement agreements resulted from months of negotiations. The
24 Salvador Parties (plus Salvador’s affiliate, Miod and Company LLP (“Miod”)),
25 Witcher and Russell entered into that certain *Settlement Agreement and Mutual*
26 *Release*, dated August 8, 2024 (the “Principal Settlement Agreement”), to resolve
27
28

1 the Whitcher-Russell Claims.¹ (Kircher Decl. ¶ 8; Gordillo Decl. ¶ 8.) Under the
2 Principal Settlement Agreement, the Salvador Parties agreed to pay Whitcher and
3 Russell the sum of \$1,077,744 (i.e., 100% of the Transfers) with interest over ten
4 years, for a total settlement payment of \$1,591,071.81 (the “Salvador Settlement
5 Payment”). (Ex. 1.)

6 Whitcher and Russell, as noted above, are net losing investors of the 1inMM
7 Ponzi Scheme and thus are entitled to file claims against the Estate to recover their
8 Investment Losses. (Vives. Decl. ¶ 14.) But, as a result of the Principal Settlement
9 Agreement, Whitcher and Russell will recover a significant percentage of their
10 Investment Losses directly from the Salvador Parties. (*Id.*) It was, therefore,
11 critically important to the Receiver that Whitcher and Russell do not double recover
12 their Investment Losses from the Estate from a future claims process. (*Id.*)
13 Accordingly, the Receiver insisted that Whitcher and Russell must agree that
14 payment of the Salvador Settlement Payment to them will reduce, on a dollar-for-
15 dollar basis, their respective Investment Losses as well as any claim they may file
16 against the Estate in connection therewith. (*Id.*)

17 Thus, in conjunction with the Principal Settlement Agreement, the Receiver
18 and the Settling Parties reached a separate, related settlement (the “Settlement”)
19 whereby, in resolution of the Receiver Claims, Whitcher and Russell agreed that
20 their receipt of the Salvador Settlement Payment will reduce their Investment Losses
21 on a dollar-for-dollar basis, meaning that any claims they may file against the Estate
22 will be reduced by the same amount (the “Claim Reduction”). (*Id.* ¶ 15.) As a result
23 of the Settlement, the total amount of Whitcher and Russell’s claims against the
24 Estate will be reduced from \$4,162,472.10 to \$2,571,400.29. The Settlement is

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27 ¹ Miod is a party to the Principal Settlement Agreement because it provided professional services
28 to Movie Fund, and Russell, Whitcher and Movie Fund have agreed to release Miod as well.

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1 documented in that certain *Settlement and Claim Reduction Agreement*, dated
2 August 2, 2024 (the “Receiver Settlement Agreement”). (Ex. 2.)

3 Recognizing that the Salvador Settlement Payment greatly exceeds the
4 amount of the Transfers and that the Claim Reduction will considerably increase the
5 amount available for distribution to all creditors, the Receiver agreed to release the
6 Salvador Parties for any claims arising out of or relating to the 1inMM Ponzi
7 Scheme. (Vives Decl. ¶ 15; Kircher Decl. ¶ 9.) For the avoidance of any doubt,
8 however, the releases that the Receiver grants to the Salvador Parties do not extend
9 to any other Movie Fund member, such as Yeghnazary, Page² or Levesque. (Vives
10 Decl. ¶ 15.) So any claims that the Receiver may have against those other Movie
11 Fund members and their successors and affiliates are preserved and not extinguished
12 by the Receiver Settlement Agreement.

13 As recited in the Receiver Settlement Agreement, Witcher and Russell
14 agreed that the Receiver may apply to or move the Court to enter an order
15 disallowing any proofs of claim Witcher and/or Russell file in this action to the
16 extent either does not credit the amount of the Salvador Settlement Payment against
17 their claimed Investment Losses resulting from the 1inMM Ponzi Scheme. (*Id.* ¶ 16;
18 Gordillo Decl. ¶ 9.) The parties also agreed that Movie Fund and the Salvador Parties
19 do not hold a claim against the Estate, will not file any proof of claim in this action
20 and are not entitled to any distributions from the Estate. (Vives Decl. ¶ 16; Kircher
21 Decl. ¶ 10; Gordillo Decl. ¶ 10.) Finally, the validity of the Receiver Settlement
22 Agreement is subject to the condition precedent that the Court approves it. (Vives
23 Decl. ¶ 16; Kircher Decl. ¶ 11; Gordillo Decl. ¶ 11.)

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28 ² Page died on March 5, 2020.

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E. Assessment of the Settlement

The Receiver believes the Settlement is in the best interest of the Estate and its creditors—the net losing investors in the Ponzi Scheme. (Vives Decl. ¶ 17.)

While the Receiver, Whitcher and Russell were confident in their respective Claims, there was a significant risk of an adverse result. (*Id.* ¶ 18.) The Salvador Parties asserted meaningful defenses that, if successful, may have resulted in the Receiver, Whitcher and Russell recovering nothing. (*Id.*) The Salvador Settlement Payment resolves the Whitcher-Russell Claims as well as the Receiver Claims. (*Id.* ¶ 19.) The Settlement thus avoids protracted and expensive litigation, thereby avoiding litigation risk and conserving Estate resources. (*Id.*)

Even though the Estate will not receive cash as a result of this Settlement, the Claim Reduction constitutes a substantial benefit to the Estate more valuable than had the Receiver been entirely successful in litigation against the Salvador Parties. (*Id.* ¶ 20.) That is because the Claim Reduction is the full amount of the Transfers plus over \$500,000 of interest. As a consequence, the Estate is receiving \$1,591,071.81 of settlement value (i.e., reducing Whitcher and Russell’s claims from \$4.16 million to \$2.57 million)—\$513,327 more than the Receiver could have obtained had she received a judgment, in full, against the Salvador Parties for the Transfers alone.³ Thus, although the Claim Reduction does not involve a direct payment of funds to the Estate, it nonetheless represents a substantial benefit to the Estate because it reduces the overall claims pool by over \$1.5 million, thereby increasing the amount available to distribute to all net losing investors. (*Id.*)

Moreover, the Salvador Settlement Payment and the corresponding Claim Reduction resolve a particularly complex multiparty dispute. (*Id.* ¶ 21.) The

³ The Receiver would, however, be entitled to a substantial amount of prejudgment interest.

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1 Whitcher-Russell Claims and the Receiver Claims arise from a common nucleus of
2 operative facts—the 1inMM Ponzi Scheme—but the parties’ objectives were not
3 necessarily the same. (*Id.*) Specifically, Whitcher and Russell pursued the Salvador
4 Parties to remedy their own personal damages, while the Receiver focused on
5 benefitting the Estate as a whole. (*Id.*) Those goals often conflicted, resulting in
6 disagreements between the Receiver, Whitcher and Russell about settlement terms
7 and how to proceed. (*Id.*)

8 The Whitcher-Russell Claims are, nonetheless, derivative of the Receiver
9 Claims and compete with the Receiver for the Salvador Parties’ assets. (*Id.* ¶ 22.)
10 The Receiver and Whitcher and Russell are pursuing the same parties on account of
11 the same conduct arising out of the same transactions and occurrences involving the
12 same actors. (*Id.*) As such, the Whitcher-Russell Claims affected the Estate’s assets
13 and ultimate recoveries; every dollar Whitcher and Russell managed to recover from
14 the Salvador Parties was arguably a dollar the Receiver could not recover from them.
15 (*Id.*)

16 The Salvador Parties wanted to achieve finality with a settlement, which they
17 really could only accomplish through a deal with the Receiver. (*Id.* ¶ 23.) At the
18 same time, the Receiver did not think it advisable or practical to exclude from those
19 discussions Whitcher and Russell, who were net losing investors of the 1inMM
20 Ponzi Scheme seeking the same recoveries from the Salvador Parties. (*Id.*) The
21 Receiver continually focused on achieving a settlement that properly resolved all of
22 the Claims. (*Id.* ¶ 24.) These factors, among others, made the Claims complex and
23 particularly difficult to settle on a global basis. (*Id.*)

24 Legal Standards

25 District courts have “extremely broad” power and “wide discretion” in
26 overseeing the administration of a receivership. *Sec. & Exch. Comm’n v. Hardy*, 803
27 F.2d 1034, 1037 (9th Cir. 1986). The Ninth Circuit “affords ‘broad deference’ to the
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1 [district] court’s supervisory role” in receivership cases, and “generally uphold[s]
2 reasonable procedures instituted by the district court that serve th[e] purpose of
3 orderly and efficient administration of the receivership for the benefit of creditors.”
4 *Commodity Futures Trading Comm’n v. Topworth Int’l, Ltd.*, 205 F.2d 1107, 1115
5 (9th Cir. 1999) (cleaned up).

6 That broad authority to oversee the administration of receivership extends to
7 approving settlements. “[N]o federal rules prescribe a particular standard for
8 approving settlements in the context of an equity receivership; instead, a district
9 court has wide discretion to determine what relief is appropriate.” *Gordon v.*
10 *Dadante*, 336 F.App’x 540, 549 (6th Cir. 2009) (citing *Liberte Cap. Grp., LLC v.*
11 *Capwill*, 462 F.3d 543, 551 (6th Cir. 2006)); see also *Sec. & Exch. Comm’n v.*
12 *Kaleta*, 530 F. App’x 360, 362 (5th Cir. 2013) (“because this is a case in *equity*, it is
13 neither surprising nor dispositive that there is no case law directly controlling”
14 receiver settlements).

15 Local Rule 66-8 directs a receiver to “administer the estate as nearly as
16 possible in accordance with the practice in the administration of estates in
17 bankruptcy.” District courts sitting in receivership may look to bankruptcy law for
18 guidance about the administration of a receivership. See, e.g., *Sec. & Exch. Comm’n*
19 *v. Cap. Consultants, LLC*, 397 F.3d 733, 745 (9th Cir. 2005) (bankruptcy law
20 “analogous” and therefore persuasive in receiverships). “[T]he purpose of
21 bankruptcy receiverships and equity receiverships is essentially the same—to
22 marshal assets, preserve value, equally distribute to creditors, and, either reorganize,
23 if possible, or orderly liquidate.” *Sec. & Exch. Comm’n v. Stanford Int’l Bank, Ltd.*,
24 927 F.3d 830, 841 (5th Cir. 2019) (internal citation and quotations omitted).

25 Courts often apply bankruptcy principles to evaluate approval of settlements
26 in receivership cases. *Sec. & Exch. Comm’n v. Champion-Cain*, 2022 WL 126114,
27 at *1 (S.D. Cal. Jan. 13, 2022) (applying bankruptcy cases regarding approval of
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1 settlements in receivership cases); *Sec. & Exch. Comm’n v. Total Wealth Mgmt.,*
2 *Inc.*, 2019 WL 13179068, at *2 (S.D. Cal. Sept. 18, 2019) (same). Bankruptcy courts
3 evaluate whether a compromise is “fair and equitable,” considering “[a] the
4 probability of success in litigation, [b] any difficulties that may be encountered in
5 collection, [c] the complexity of the litigation, the expense, inconvenience, and delay
6 necessarily attending, and [d] the interest of the receivership entities’ creditors and
7 their reasonable views.” *Champion-Cain*, 2022 WL 126114, at *1 (quoting *In re*
8 *Woodson*, 839 F.2d 610, 620 (9th Cir. 1988)); *see also Martin v. Kane (In re A&C*
9 *Props.)*, 784 F.2d 1377, 1381 (9th Cir. 1986)). Applying those factors, “courts need
10 not conduct a mini trial on the merits, but need only canvass the issues.” *In re*
11 *TBHI9, LLC*, 2022 WL 16782946, at *6 (B.A.P. 9th Cir. Nov. 8, 2022).

12 “The analysis under these factors is holistic; the Court must canvass the issues
13 and see whether the settlement falls below the lowest point in the range of
14 reasonableness...[I]t is not necessary to satisfy each of these factors provided that
15 the factors as a whole favor approving the settlement.” *Total Wealth Mgmt., Inc.*,
16 2019 WL 13179068, at *3 (internal citations and quotations omitted); *accord In re*
17 *Open Med. Inst., Inc.*, 639 B.R. 169, 185 (B.A.P. 9th Cir. 2022) (“a settlement can
18 satisfy the *A&C Properties* test even if the evidence supporting one or more of the
19 four factors is relatively weak”). The Court should consider these factors “as a
20 whole, and not individually in a vacuum, to ascertain whether the settlement is a
21 good deal compared to litigation.” *Open Med. Inst.*, 639 B.R. at 185. Further, when
22 assessing a settlement, the Court need not decide disputed facts or legal questions
23 raised in the controversies sought to be settled. *Burton v. Ulrich (In re Schmitt)*, 215
24 B.R. 417, 423 (B.A.P. 9th Cir.1997).

25 Ultimately, “courts generally should give deference to a [receiver’s] business
26 judgment in deciding whether to settle a matter for the benefit of the estate.” *In re*
27 *Douglas J. Roger, M.D., Inc., APC*, 393 F. Supp. 3d 940, 961 (C.D. Cal. 2019)

1 (cleaned up); *see also In re Lahijani*, 325 B.R. 282, 289 (B.A.P. 9th Cir. 2005).
2 “Approving a proposed compromise is an exercise of discretion that should not be
3 overturned except in cases of abuse leading to a result that is neither in the best
4 interests of the estate nor fair and equitable for the creditors.” *In re MGS Mktg.*, 111
5 B.R. 264, 266-67 (B.A.P. 9th Cir. 1990).

6 **Argument**

7 The Receiver believes the Settlement is fair, equitable and in the best interests
8 of the Estate and thus satisfies the *A&C Properties* test. (Vives Decl. ¶ 25.)

9 **I. Probability of success**

10 The Salvador Settlement Payment—which is far more than the total amount
11 of the Transfers—exceeds any result that the Receiver could have obtained had she
12 entirely prevailed in litigation against the Salvador Parties. (*Id.* ¶ 26.)

13 Where, as here, a settlement surpasses the best possible result that a receiver
14 could have achieved in litigation, the probability of success factor is effectively
15 irrelevant. *See, e.g., In re Nevada Fire Safe Council*, 2017 WL 6553395, at *4
16 (B.A.P. 9th Cir. Dec. 21, 2017) (finding that proposed settlement, which included
17 claim reduction, “would provide a better outcome for creditors than could be
18 obtained through litigation,” such that “a finding regarding the probability of success
19 in the litigation would have added nothing of substance”); *In re Meridien Energy,*
20 *LLC*, 2023 WL 6542665, at *8 (Bankr. E.D. Va. Oct. 6, 2023) (finding “probability
21 of success” element to be a non-factor where proposed settlement involving
22 substantial reduction in settling parties’ claims provided “value to the bankruptcy
23 estate close to the Debtor’s \$800,000 estimate of its maximum potential recovery”
24 while avoiding time and expense of further litigation); *In re Transcontinental Energy*
25 *Corp.*, 764 F.2d 1296 (9th Cir. 1985) (approving settlement where creditor agreed
26 to reduce face value of its claim against estate, and estate would also “receive the
27 benefit of seven years of inflation”).
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1 In *Nevada Fire Safe Council*, for instance, a major component of a court-
2 approved settlement was the settling party’s agreement to waive and release claims
3 totaling approximately \$9.6 million against a chapter 7 estate. 2017 WL 6553395, at
4 *1. An opposing creditor challenged the bankruptcy court’s refusal to make a finding
5 regarding the “probability of success” factor, arguing that such refusal was fatal to
6 approval of the settlement. *Id.* at *4. The Ninth Circuit Bankruptcy Appellate Panel
7 deemed this argument as “not persuasive,” as the *A&C Properties* test “does not
8 require an explicit finding as to each factor.” *Id.* More to the point, the objecting
9 creditor did not dispute that litigation of the claims would be expensive and that “the
10 settlement would provide a better outcome for creditors than could be obtained
11 through litigation.” *Id.* Indeed, “the settlement resulted in a recovery that was
12 \$400,000 greater than what the [t]rustee had initially expected to receive,” so “a
13 finding regarding the probability of success in the litigation would have added
14 nothing of substance.” *Id.* Therefore, even without an express finding regarding the
15 probability of success in litigation, “the record as a whole” supported “the
16 bankruptcy court’s ultimate conclusion that the settlement was fair and in the best
17 interest of creditors” because it “compared favorably with the expected rewards of
18 litigation.” *Id.* (quoting *Greif & Co. v. Shapiro (In re W. Funding Inc.)*, 550 B.R.
19 841, 852 (B.A.P. 9th Cir. 2016)) (cleaned up).

20 Just so here. The Receiver could not have achieved a better outcome in
21 litigation, as the Settlement *exceeds the total value of the Transfers by over*
22 *\$500,000*. Plus, as described in greater detail below, the Claim Reduction is in the
23 best interest of all creditors because it will reduce the overall claims pool in the same
24 amount as the Settlement (i.e., \$1,591,071.81) and avoid any further litigation costs.
25 While this factor is neutral, if anything it weighs in favor of the Settlement
26 considering the expected costs of litigation against the Settling Parties.

1 **II. Collection difficulties**

2 When collectability is “not of particular concern to either side,” this factor is
3 “neutral.” *TBH19*, 2022 WL 16782946, at *7; *In re Isom*, 2020 WL 1950905, at *7
4 (B.A.P. 9th Cir. Apr. 22, 2020). It is unclear whether the Salvador Parties would
5 have had sufficient assets to satisfy an adverse judgment entered in favor of
6 Whitcher, Russell and/or the Receiver (Vives Decl. ¶ 27.) So, this factor is also
7 neutral.

8 **III. Complexity/expense**

9 It would be complex, expensive and time-consuming for the parties to litigate
10 the Claims. (*Id.* ¶ 28.) This factor is particularly important in liquidations like this
11 one, where the goal is “obtaining the best possible realization upon the available
12 assets and without undue waste by needless or fruitless litigation.” *In re Law*, 308 F.
13 App’x 152, 153 (9th Cir. 2009). The Salvador Parties’ defenses present questions of
14 fact necessarily requiring discovery and trial to resolve.

15 Given her review of the available evidence, the Receiver believes litigation
16 against the Salvador Parties would be expensive and time-consuming, as it would
17 likely require extensive discovery, retention of multiple experts and the testimony
18 of numerous witnesses. (Vives Decl. ¶ 29.) Discovery, trial and an appeal would
19 likely take at least two years to complete and cost the estate at least several hundred
20 thousand dollars in fees and expenses. (*Id.*) This factor, therefore, weighs heavily in
21 favor of approving the Settlement. *See, e.g., TBH19*, 2022 WL 16782946, at *3
22 (complexity element weighed in favor of settlement under similar circumstances).

23 **IV. Creditors**

24 “The opposition of the creditors of the estate to approval of a compromise
25 may be considered by the court, but is not controlling and will not prevent approval
26 of the compromise where it is evident that the litigation would be unsuccessful and
27 costly...In short, creditors have a voice but not a veto.” *In re Bondanelli*, 2020 WL
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1 1304140, at *4 (B.A.P. 9th Cir. Mar. 18, 2020). As discussed below, the Receiver is
2 giving notice of this Motion to all known creditors of the Estate.

3 Moreover, courts in this circuit hold that settlements involving a claim
4 reduction/waiver are in the best interests of creditors because they increase ultimate
5 recoveries for other creditors and avoid further litigation costs. *See, e.g., In re*
6 *Aguina*, 2022 WL 325579, at *4-7 (B.A.P. 9th Cir. Feb. 3, 2022) (affirming
7 settlement pursuant to *A&C Properties* test where settling creditor’s waiver of \$1.3
8 million in claims against bankruptcy estate was “more than enough consideration to
9 support” settlement); *In re Baroni*, 2021 WL 3011907, at *6-7 (B.A.P. 9th Cir. July
10 13, 2021) (same, where 50% reduction in settling creditor’s claim was “the very
11 essence of the compromise” and the “overall impact” of the reduction allowed the
12 bankruptcy estate to retain additional funds while avoiding litigation costs); *In re*
13 *DiCostanzo*, 2008 WL 4068897 (C.D. Cal. Aug. 28, 2008), *aff’d*, 399 F. App’x 307
14 (9th Cir. 2010) (finding settlement involving withdrawal of claims to be “an
15 excellent solution” in best interests of estate under *A&C Properties* test given that
16 bankruptcy trustee had the “responsibility to marshal assets [and] to develop funds
17 for the creditors”); *cf. Transcontinental Energy Corp.*, 764 F.2d at 1299 (holding
18 that compromise “benefited the estate” by “reduc[ing] the face value of [the
19 creditor’s] claim against the estate” and allowing the estate to avoid bearing
20 litigation expenses or the risk of an adverse decision).

21 The Receiver believes the Claim Reduction is in the best interests of the
22 Estate. (Vives Decl. ¶ 30.) In particular, the Claim Reduction will “reduce the overall
23 claims pool and minimize the time, cost, and uncertainty associated with litigating”
24 the Claims. *Meridien Energy*, 2023 WL 6542665, at *3 (approving settlement
25 involving approximately \$800,000 in claim reductions). Because Witcher and
26 Russell have effectively agreed to reduce the claims pool by over \$1.5 million, all
27 creditors will receive higher distributions than they otherwise would have received
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1 without the Settlement. (Vives Decl. ¶ 30.) The Claim Reduction will also allow the
2 Receiver to avoid litigating the Claims, thereby preserving additional Estate funds.
3 (*Id.*) Therefore, the “net effect” of the Claim Reduction will be to augment
4 distributions to *all* creditors. *In re Hunt*, 2019 WL 2323771, at *2 (Bankr. C.D. Cal.
5 Feb. 19, 2019).

6 In sum, the Receiver believes the Settlement is fair, equitable and adequate
7 under the circumstances to realize the value of the Claims. (Vives Decl. ¶ 31.)
8 Litigation is, certainly, an alternative course, but “while the [Receiver] might do
9 better in litigation, she is not likely to do so.” *In re Tidwell*, 2018 WL 1162511, at
10 *3 (Bankr. C.D. Cal. Mar. 1, 2018) (cleaned up).

11 Notice to Creditors

12 “Creditors are entitled to ‘notice reasonably calculated, under all the
13 circumstances, to apprise interested parties of the pendency of the action and afford
14 them an opportunity to present their objections.’” *Perez v. Safety-Kleen Sys., Inc.*,
15 253 F.R.D. 508, 518 (N.D. Cal. 2008) (quoting *Mullane v. Central Hanover Trust*
16 *Co.*, 339 U.S. 306, 314 (1950)). “[D]ue process...is not a technical conception with
17 a fixed content unrelated to time, place and circumstances[.]” *Grimm v. City of*
18 *Portland*, 971 F.3d 1060, 1065 (9th Cir. 2020). Instead, “due process is flexible and
19 calls for such procedural protections as the particular situation demands.” *Muñoz v.*
20 *United States Dep’t of State*, 50 F.4th 906, 922 (9th Cir. 2022). The Court may
21 “exercise[] significant control over the time and manner” of any proceeding to hear
22 a creditor’s objections. *Liberte Cap. Grp.*, 462 F.3d at 552.

23 The Receiver will give notice of the Motion by: (a) CM/ECF to
24 parties/interested parties; (b) email to all known creditors of the Estate (or, if
25 represented, their counsel) with a link to this Motion and supporting exhibits; and
26 (c) posting it on the receivership website. (Vives Decl. ¶ 32.) These communications
27 will include instructions on how to advise the Receiver of any objections to the
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1 Motion by no later than seven days before the hearing. (*Id.*) The Receiver will
2 thereafter file a status report. (*Id.*)

3 The Court should deem this notice sufficient under the circumstances. *See,*
4 *e.g., Fed. Trade Comm’n v. Cardiff*, 2020 WL 9938072, at *4 (C.D. Cal. Mar. 10,
5 2020) (receiver’s notice of settlement satisfied due process where receiver posted
6 motion to its website and served on all parties, known creditors and interested
7 parties); *Sec. & Exch. Comm’n v. Adams*, 2021 WL 8016843, at *2 (S.D. Miss. Feb.
8 25, 2021) (same, where receiver provided mail notice to interested parties,
9 publicized settlement on receivership website and gave interested parties
10 instructions how to submit comment or objection to settlement); *Sec. & Exch.*
11 *Comm’n v. Nadel*, 2012 WL 12910648, at *1 (M.D. Fla. Feb. 10, 2012 (same, where
12 receiver published notice once in two newspapers).

13 **WHEREFORE**, the Receiver respectfully requests that the Court enter an
14 order: (a) granting the Motion; (b) finding notice of the Motion is sufficient under
15 the circumstances and satisfies due process, and waiving any further notice
16 otherwise required by Local Rule 66-7; (c) approving the terms of the Settlement
17 memorialized in the Receiver Settlement Agreement as fair and equitable; (d)
18 authorizing the Receiver to take such further actions as may be necessary to
19 consummate the transactions in the Receiver Settlement Agreement, including,
20 without limitation, administering the Claim Reduction; and (e) granting such further
21 relief as the Court deems necessary and appropriate.

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Dated: December 20, 2024

Respectfully submitted,

KATTEN MUCHIN ROSENMAN LLP

By: */s/Terence G. Banich*
Terence G. Banich

Attorneys for the Receiver
Michele Vives

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Certificate of Compliance with L.R. 11-6.2

The undersigned, counsel of record for the Receiver, Michele Vives, certifies that this brief contains 4,605 words, which complies with the word limit of L.R. 11-6.1.

Dated: December 20, 2024

Respectfully submitted,

/s/ Terence G. Banich
Terence G. Banich
Attorney for the Receiver

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PROOF OF SERVICE

STATE OF ILLINOIS, COUNTY OF COOK

At the time of service, I was over 18 years of age and not a party to this action. I am employed in the County of Cook, State of Illinois. My business address is 525 W. Monroe St., Chicago, Illinois 60661. On December 20, 2024, I served the following document(s) described as:

UNOPPOSED MOTION OF RECEIVER MICHELE VIVES FOR ORDER APPROVING SETTLEMENT WITH JEREMY J. SALVADOR, JAMES T. RUSSELL, GRANT WHITCHER AND MOVIE FUND, LLC AND FOR RELATED RELIEF

as follows:

BY MAIL: I enclosed the document(s) in a sealed envelope or package addressed to the persons at the addresses listed above and placed the envelope for collection and mailing, following our ordinary business practices. I am readily familiar with Katten Muchin Rosenman LLP practice for collecting and processing correspondence for mailing. On the same day that the correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.

BY E-MAIL OR ELECTRONIC TRANSMISSION: I caused the document(s) to be sent from e-mail address terence.banich@katten.com to the persons at the e-mail address(es) listed below. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

Gregory A. Gordillo (greg@gordillolawfirm.com)
Christopher D. Kircher (CDK@kircherlawfirm.com)

BY OVERNIGHT MAIL (FedEx): I enclosed said document(s) in an envelope or package provided by FEDEX and addressed to the persons at the addresses listed above. I placed the envelope or package for collection and overnight delivery at an office or a regularly utilized drop box of FEDEX or delivered such document(s) to a courier or driver authorized by FEDEX to receive documents.

BY PERSONAL SERVICE: I caused said document to be personally delivered the document(s) to the person at the addresses listed above by leaving the documents in an envelope or package clearly labeled to identify the attorney being served with a receptionist or an individual in charge of the office.

E-FILING: By causing the document to be electronically filed via the Court’s CM/ECF system, which effects electronic service on counsel who are registered with the CM/ECF system.

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

Executed on December 20, 2024 at Winnetka, Illinois.

/s/Terence G. Banich
Terence G. Banich

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CONFIDENTIAL DOCUMENT FOR THE EYES OF ONLY THE PARTIES, MICHELE VIVES AS RECEIVER, AND THEIR RESPECTIVE COUNSEL

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Mutual Release (this "**Agreement**") is entered into as of August 8th, 2024 by and between (a) Jeremy J. Salvador, Trinity Equity Group LLC ("Trinity"), JSalvador Roth IRA LLC, JSalvador Consulting and Miod and Company LLP, a California limited liability partnership (collectively "**SALVADOR**") on one hand and (b) Movie Fund LLC, a Nevada limited liability company ("**Movie Fund, LLC**"), James T. Russell ("**RUSSELL**"), and Grant Whitcher ("**WHITCHER**") (collectively "**Movie Fund**") on the other hand. Collectively, Salvador and Movie Fund shall be referred to as the "**Parties**" and individually as a "Party."

BACKGROUND

WHEREAS, Jeremy J. Salvador, RUSSELL, WHITCHER and two other individuals, Romik Yeghnazary and Jason Page, were the founding members of Movie Fund, LLC;

WHEREAS, SALVADOR possessed less than a two-percent (2%) membership interest in Movie Fund LLC;

WHEREAS, Movie Fund, LLC was established to provide loans to 1inMM Capital, LLC for 1inMM Capital to obtain certain film rights;

WHEREAS, Movie Fund was the target and victim of a Ponzi scheme (the "**HORWITZ PONZI SCHEME**") perpetrated by Zachary Horwitz, 1inMM Capital, LLC and other Horwitz related entities (hereinafter collectively, "**HORWITZ**") with the assistance of others;

WHEREAS, Movie Fund, LLC made disproportional distributions to its members pursuant to its operating agreement;

WHEREAS, RUSSELL, as manager of Movie Fund, LLC, made the distributions to the Movie Fund, LLC members;

WHEREAS, SALVADOR at no cost worked with RUSSELL regarding the amount of particular distributions made to Movie Fund, LLC members;

WHEREAS, at RUSSELL's request and at no cost to Movie Fund, SALVADOR caused Movie Fund, LLC's tax returns to be prepared and filed, and caused Movie Fund, LLC's books to be prepared in certain periods;

WHEREAS, each of the Movie Fund, LLC members except RUSSELL and WHITCHER received distributions in total that exceeded the capital provided to Movie Fund, LLC by the individual member;

WHEREAS, after Movie Fund, LLC made the distributions to its members, the Parties learned that any monies distributed by Movie Fund, LLC greater than the contributions made by its members were distributions of monies received from the HORWITZ PONZI SCHEME;

WHEREAS, upon discovering the HORWITZ PONZI SCHEME, Movie Fund ceased business operations and is now in a revoked status as a Nevada limited liability company;

WHEREAS, Salvador and Movie Fund were unaware that the distributions made by Movie Fund, LLC greater than the contributions made by its members were as a result of the fraud committed by HORWITZ;

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WHEREAS, the Securities and Exchange Commission ("**SEC**") commenced a legal action against Zachary Horwitz, 1inMM Capital, LLC in the United States District Court, Central District of California (the "**Federal Court**") (Case No. 2:21-CV-02927) (the "**Lawsuit**"), and the court has appointed Michele Vives as Receiver (the "**Receiver**");

WHEREAS, Jeremy J. Salvador, individually and/or through related entities and accounts in his name, including Trinity, JSalvador Roth IRA LLC and JSalvador Consulting, received distributions from Movie Fund inconsistent with Movie Fund's operating agreement and Movie Fund and SALVADOR desire to correct that error and have returned the entire sum of monies Salvador received from the Ponzi Scheme greater than the contributions he made, which net sum is \$1,077,744 (hereinafter "**AMOUNT IN CONTROVERSY**");

WHEREAS, RUSSELL has lost not less than \$2,667,421 as a Movie Fund member and victim of the HORWITZ PONZI SCHEME;

WHEREAS, WHITCHER has lost not less than \$1,495.050 as a Movie Fund member and victim of the HORWITZ PONZI SCHEME;

WHEREAS, MOVIE FUND alleges distributions Move Fund, LLC provided to SALVADOR were inconsistent with Movie Fund's operating agreement, which distributions SALVADOR did not have involvement in approving and was wholly unaware that the distributions were allegedly inconsistent with Movie Fund, LLC's operating agreement, and Movie Fund, LLC may have potential claims against SALVADOR arising from these distributions which potential claims SALVADOR denies;

WHEREAS, the Parties desire to avoid future litigation, avoid incurring attorneys fees, costs and other expenses, and resolve current controversies between them;

WHEREAS, the Parties are simultaneously entering into that certain *Settlement and Claim Reduction Agreement* (the "**Receiver Agreement**") with the Receiver, pursuant to which the Receiver and the Parties give effect to the transactions contemplated by this Agreement for purposes of the receivership established in the Lawsuit (the "**Receivership Estate**");

NOW, THEREFORE, without the Parties admitting liability to the other, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, SALVADOR and MOVIE FUND hereby agree as follows:

AGREED TERMS

1. Conditional Payment. As a condition precedent prior to SALVADOR paying or being obligated to pay any sum in the future hereunder and the attached Exhibits to this Agreement shall be the Receiver providing reasonable assurances in writing to the Parties that a subsequent adverse action will not be taken against the Parties in the Lawsuit, or by the SEC, including, but not limited to, the Receiver asserting a claim to the Settlement Payment (as defined below), in whole or in part, or any other amount that has been paid by SALVADOR to Movie Fund, LLC, WHITCHER and/or RUSSELL pursuant to this Agreement, or refusing to recognize the validity or purpose of this Agreement. Approval of the Receiver Agreement by the Federal Court shall satisfy the condition precedent in this paragraph.

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2. Payment by SALVADOR. SALVADOR will pay to RUSSELL and WHITCHER jointly the total sum of One Million Seventy-Seven Thousand Seven Hundred Forty-Four Dollars (\$1,077,744) plus interest as described below and provided herein (the "**Settlement Payment**"):

(a) Not later than 5 business days after satisfaction of the condition precedent in paragraph 1, SALVADOR shall pay by wire the first installment of the Settlement Payment of One Hundred Eighty-Five Thousand dollars (\$185,000) pursuant to instructions provided by RUSSELL.

(b) Not later than 5 business days after satisfaction of the condition precedent in paragraph 1, Jeremy J. Salvador shall execute a negotiable promissory note and security agreement(s) in favor of RUSSELL that is substantially in the same form as the attached Exhibit A for the principal sum of Five Hundred Seventy Seven Thousand Two Hundred Ninety Three dollars (\$577,293), plus annual interest at the rate of 5.75% (hereinafter, the "**Russell Note**"). Jeremy J. Salvador shall be obligated to provide to RUSSELL monthly, interest-only payments on the outstanding principal amount until the principal sum is satisfied in full. The principal sum of the Note (\$577,293) shall be due on or before 3,650 days after satisfaction of the condition precedent in paragraph 1, which sum may be prepaid without penalty.

(c) Not later than 5 business days after satisfaction of the condition precedent in paragraph 1, Jeremy J. Salvador shall execute a negotiable promissory note and security agreement(s) in favor of WHITCHER that is substantially in the same form as the attached Exhibit B for the principal sum of Three Hundred Fifteen Thousand Four Hundred Fifty One dollars (\$315,451), plus annual interest at the rate of 5.75% (hereinafter, the "**Whitcher Note**"). Jeremy J. Salvador shall be obligated to provide to WHITCHER and monthly, interest-only payments on the outstanding principal amount until the principal sum is satisfied in full. The principal sum of the Note (\$315,451) shall be due on or before 3,650 days after satisfaction of the condition precedent in paragraph 1, which sum may be prepaid without penalty.

(d) Not later than 5 business days after satisfaction of the condition precedent in paragraph 1, Jeremy J. Salvador shall execute an assignment of interest in favor of RUSSELL and WHITCHER that is substantially in the same form as the attached Exhibit C, pursuant to which Jeremy J. Salvador will assign any interest in income tax refunds he may receive for the tax years 2017, 2018, 2019, 2020, 2021, 2022, and 2023, and which sum of the refund, if any, received by RUSSELL and/or WHITCHER will be credited against and reduce the principal due on the Note.

3. Attorneys Fees. The Parties acknowledge and agree that they are solely responsible for paying any attorneys' fees and costs they incurred and that neither Party nor its attorney(s) will seek any award of attorneys' fees or costs from the other Party, except as provided herein.

4. Covenant Not to Sue. The Parties agree that they shall not commence or institute any legal actions against any other Party or the persons and entities set forth in Section 6(c) below, including litigation, arbitration or any other legal proceedings of any kind whatsoever, in law or equity, or assert any claim, demand, action or cause of action concerning the business of Movie Fund,

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LLC, including but not limited to distributions of monies by Movie Fund LLC, and any transaction in connection with the HORWITZ PONZI SCHEME. This paragraph shall not affect any Party's ability to defend or litigate any action brought by or against an individual or entity not a Party to this Agreement including, but not limited to HORWITZ, Romik Yeghnazary, any entity controlled by YEGHNAZARY, including but not limited to Lending Arena LLC (collectively "YEGHNAZARY"); The Estate of Jason Page, Laura Page, and any entity controlled by Jason Page, The Estate of Jason Page or Laura Page, including but not limited to Pure Health and Movie Matrix (collectively, "PAGE"). Further this paragraph shall not impair or otherwise limit in any way the ability of any Party to this Agreement to litigate any action or defend any controversy arising from this Agreement.

5. Confidentiality of Agreement. The Parties expressly understand and agree that this Agreement and its contents (including, but not limited to, the fact of payment and the amounts to be paid hereunder) shall remain CONFIDENTIAL and shall not be disclosed to any third party whatsoever, except the Parties' counsel, accountants, financial advisors, tax professionals retained by them, any federal, state, or local governmental taxing or regulatory authority, and the Parties' management, officers, and except as required by law or order of court. Any person identified in the preceding sentence to whom information concerning this Agreement is disclosed is bound by this confidentiality provision and the disclosing party shall be liable for any breaches of confidentiality by persons to whom he/she/it has disclosed information about this Agreement in accordance with this paragraph. Nothing contained in this paragraph shall prevent any Party from stating that the Parties have "amicably resolved all differences," provided, however, that in so doing, the Parties shall not disclose the fact or amount of any payments made or to be made hereunder and shall not disclose any other terms of this Agreement or the settlement described herein. If any subpoena, order, or discovery request (the "**Document Request**") is received by any of the Parties hereto calling for the production of the Agreement, such Party shall promptly notify the other Party hereto prior to any disclosure of same. In such case, the subpoenaed Party shall: (a) make available as soon as practicable (and in any event prior to disclosure), for inspection and copying, a copy of the Agreement it intends to produce pursuant to the Document Request unless such disclosure is otherwise prohibited by law; and (b) to the extent possible, not produce anything in response to the Document Request for at least ten (10) business days following such notice. If necessary, the subpoenaed Party shall take appropriate actions to resist production, as permitted by law, so as to allow the Parties to try to reach agreement on what shall be produced. This paragraph is a material part of this Agreement. The confidentiality requirements set forth in this paragraph 5 shall not apply to the extent: (a) disclosure of some or all of the contents of this Agreement is necessary for the Federal Court to approve the Receiver Agreement; or (b) each of the Parties mutually agree in writing to the disclosure of some or all of the Agreement or its contents.

6. Mutual Release.

(a) Nothing in this Agreement, including but not limited to the following references to members, agents, representatives in paragraph 6(c) below, is intended by the Parties to include within the definition of "Parties" for any purpose in connection with this Agreement, HORWITZ, YEGHNAZARY, and/or PAGE.

(b) Nothing in this Agreement, including but not limited to the following references to "members", "agents", and "representatives" in paragraph 6(c) below, is intended

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by the Parties to include within the definition of "Parties" for any purpose in connection with this Agreement, HORWITZ, YEGHNAZARY, and/or PAGE, their heirs, executors, personal representatives, personal administrators, personal agents, insurers, predecessors, successors, direct and indirect parent companies, direct and indirect subsidiary companies, companies under common control with any of the foregoing, affiliates, and assigns, and their past, present, and future officers, directors, shareholders, interest holders, members, partners, attorneys, entity agents, employees, managers, entity representatives, assigns, and successors in interest, and all persons acting by, through, under, or in concert with them, and each of them.

(c) The Parties, on behalf of themselves, their heirs, executors, personal representatives, personal administrators, personal agents, insurers, their predecessors, successors, direct and indirect parent companies, direct and indirect subsidiary companies, companies under common control with any of the foregoing, affiliates, and assigns, and its and their past, present, and future officers, directors, shareholders, interest holders, members, partners, attorneys, agents, employees, managers, representatives, assigns, and successors in interest, and all persons acting by, through, under, or in concert with them, and each of them, hereby release and discharge the other Party, together with their heirs, executors, personal representatives, personal administrators, personal agents, insurers predecessors, successors, direct and indirect parent companies, direct and indirect subsidiary companies, companies under common control with any of the foregoing, affiliates and assigns and its and their past, present, and future officers, directors, shareholders, interest holders, members, partners, attorneys, agents, employees, managers, representatives, assigns, and successors in interest, and all persons acting by, through, under, or in concert with them, and each of them, from all known and unknown charges, complaints, claims, grievances, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, penalties, fees, wages, medical costs, pain and suffering, mental anguish, emotional distress, expenses (including attorneys' fees and costs actually incurred), and punitive damages, of any nature whatsoever, known or unknown, which either Party has, or may have had, against the other Party, whether or not apparent or yet to be discovered, or which may hereafter develop, for any acts or omissions related to or arising from:

- (i) the distribution of funds by Movie Fund LLC to its members (the "**Dispute**");
- (ii) any agreement between the Parties, except this Agreement; and
- (iii) any other matter between the Parties concerning the business of Movie Fund, LLC, including but not limited to the distributions of monies by Movie Fund LLC, and the HORWITZ PONZI SCHEME.

This Agreement resolves any claim for relief that is, or could have been alleged, no matter how characterized, including, without limitation, compensatory damages, damages for breach of contract, bad faith damages, reliance damages, liquidated damages, damages for humiliation and embarrassment, punitive damages, costs, and attorneys' fees related to or arising from the Dispute.

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7. No Effect on Receivership Estate. Notwithstanding anything herein to the contrary, this Agreement is not binding on the Receiver and does not impair, abridge or effect either (a) any claims the Receiver may have against a Party to this Agreement or (b) any claims any Party to this Agreement may have against the Receivership Estate. The Parties acknowledge and agree that the matters embraced by the previous sentence are governed solely by the Receiver Agreement, the effectiveness of which is subject to the condition precedent that the Federal Court approves its material terms.

8. No Outstanding or Known Future Claims/Causes of Action. Each Party affirms that it has not filed with any governmental agency or court any type of action or report against the other Party and currently knows of no existing act or omission by the other Party that may constitute a claim or liability excluded from the release in paragraph 6 above.

9. Acknowledgment of Settlement. The Parties, as broadly described in paragraph 6(c) above, acknowledge that (a) the consideration set forth in this Agreement, which includes, but is not limited to, the Settlement Payment, is in full settlement of all claims or losses of whatsoever kind or character that they have, or may ever have had, against the other Party, as broadly described in paragraph 6 above, including by reason of the Dispute and (b) by signing this Agreement, and accepting the consideration provided herein and the benefits of it, they are giving up forever any right to seek further monetary or other relief from the other Party, as broadly described in paragraph 6 above, for any acts or omissions up to and including the Effective Date, as set forth in paragraph 22, including, without limitation, the Dispute.

10. No Admission of Liability.

(a) The Parties acknowledge that the Settlement Payment was agreed upon as a compromise and final settlement and that payment of the Settlement Payment is not, and may not be construed as, an admission of liability by SALVADOR and is not to be construed as an admission that SALVADOR engaged in any wrongful, negligent, tortious, or unlawful activity. SALVADOR specifically disclaims and denies (i) any liability to MOVIE FUND, (ii) engaging in any wrongful, negligent, tortious, or unlawful activity, and (iii) that there is any factual or legal basis to assert that SALVADOR engaged in any unreasonable, wrongful, negligent, tortious, or unlawful activity whatsoever as an investor, and ultimately a victim, of the HORWITZ PONZI SCHEME.

(b) The Parties acknowledge that the Settlement Payment was agreed upon as a compromise and final settlement and that payment of the Settlement Payment is not, and may not be construed as, an admission of liability by MOVIE FUND and is not to be construed as an admission that MOVIE FUND engaged in any wrongful, negligent, tortious, or unlawful activity. MOVIE FUND specifically disclaims and denies (i) any liability to SALVADOR, (ii) engaging in any wrongful, negligent, tortious, or unlawful activity, and (iii) that there is any factual or legal basis to assert that MOVIE FUND engaged in any unreasonable, wrongful, negligent, tortious, or unlawful activity whatsoever as an investor, and ultimately a victim, of the HORWITZ PONZI SCHEME.

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11. Special Relief Provided. MOVIE FUND agrees to make any and all good faith efforts necessary to assist Jeremy J. Salvador in obtaining the maximum tax refund possible for the tax years 2017, 2018, 2019, 2020, 2021, 2022, and 2023.

12. Movie Fund Capital Account Reconciliations.

(a) Upon SALVADOR's satisfaction of his obligations pursuant to paragraph 2 (a) and (b) above, the Movie Fund Capital account for Jeremy J. Salvador shall be adjusted to a ZERO balance;

(b) Upon SALVADOR's satisfaction of his obligations pursuant to paragraph 2 (a) and (b) above, the Movie Fund Capital account for James Russell shall be adjusted to reduce his balance by \$696,923; and

(c) Upon SALVADOR's satisfaction of his obligations pursuant to paragraph 2 (a) and (b) above, the Movie Fund Capital account for Grant Witcher shall be adjusted to reduce his balance by \$380,821.

13. Agreement is Legally Binding. The Parties intend this Agreement to be legally binding upon and shall inure to the benefit of each of them and their respective successors, assigns, executors, administrators, heirs, and estates. Moreover, the persons and entities referred to in paragraph 6(c) above, but not a Party, are third-party beneficiaries of this Agreement.

14. Entire Agreement. The recitals set forth at the beginning of this Agreement are incorporated by reference and made a part of this Agreement. This Agreement constitutes the entire agreement and understanding of the Parties and supersedes all prior negotiations and/or agreements, proposed or otherwise, written or oral, concerning the subject matter hereof. Furthermore, no modification of this Agreement shall be binding unless in writing and signed by each of the parties hereto.

15. New or Different Facts: No Effect. Except as provided herein, this Agreement shall be, and remain, in effect despite any alleged breach of this Agreement or the discovery or existence of any new or additional fact, or any fact different from that which either Party now knows or believes to be true. Notwithstanding the foregoing, nothing in this Agreement shall be construed as, or constitute, a release of any Party's rights to enforce the terms of this Agreement.

16. Interpretation. Should any provision of this Agreement be declared or be determined by any court to be illegal or invalid, the validity of the remaining parts, terms, or provisions shall not be affected thereby and said illegal or invalid part, term, or provision shall be deemed not to be a part of this Agreement. The headings within this Agreement are purely for convenience and are not to be used as an aid in interpretation. Moreover, this Agreement shall not be construed against either Party as the author or drafter of the Agreement.

17. Choice of Law. This Agreement and all related documents including all exhibits attached hereto, and all matters arising out of or relating to this Agreement, whether sounding in contract, tort, or statute are governed by, and construed in accordance with, the laws of the State of Nevada, United States of America (including Nevada Choice of Law Statutes), without giving effect

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to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of the State of Nevada.

In the event of any litigation arising from this Agreement, the prevailing party will be entitled to recover its reasonable attorneys' fees and other costs of collection.

18. Choice of Forum. The state or federal courts of Nevada located in Clark County shall be the exclusive forums for litigation concerning this Agreement. All parties to this Agreement consent to personal jurisdiction in such courts as well as service of process by notice sent by regular mail to SALVADOR at 27200 Tourney Road, Suite 290, Valencia, California 91355; and MOVIE FUND at 817 S. 7th Street, Las Vegas, Nevada 89113, or by any means authorized by Nevada law.

19. No Third-Party Beneficiaries. Except for the persons and entities referred to in paragraph 6(c) above, this Agreement solely benefits the Parties to this Agreement and their respective successors and assigns and nothing in this Agreement, express or implied, confers on any other person any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

20. Reliance on Own Counsel. In entering into this Agreement, the Parties acknowledge that they have relied upon the legal advice of their respective attorneys, who are the attorneys of their own choosing, that such terms are fully understood and voluntarily accepted by them, and that, other than the consideration set forth herein, no promises or representations of any kind have been made to them by the other Party. The Parties represent and acknowledge that in executing this Agreement they did not rely, and have not relied, upon any representation or statement, whether oral or written, made by the other Party or by that other Party's agents, representatives, or attorneys with regard to the subject matter, basis, or effect of this Agreement or otherwise.

21. Counterparts. This Agreement may be executed by the Parties in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

22. Authority to Execute Agreement. By signing below, each Party warrants and represents that the person signing this Agreement on its behalf has authority to bind that Party and that the Party's execution of this Agreement is not in violation of any by-law, covenants, and/or other restrictions placed upon them by their respective entities.

23. Effective Date. The terms of the Agreement will be effective when an executed copy of this Agreement is delivered to Russell as described in paragraph 1(a) above (the "**Effective Date**").

[SIGNATURE PAGE FOLLOWS]

CONFIDENTIAL DOCUMENT FOR THE EYES OF ONLY THE PARTIES, MICHELE VIVES AS RECEIVER, AND THEIR RESPECTIVE COUNSEL

READ THE FOREGOING DOCUMENT CAREFULLY. IT INCLUDES A RELEASE OF KNOWN AND UNKNOWN CLAIMS.

IN WITNESS WHEREOF, and intending to be legally bound, each of the Parties hereto has caused this Agreement to be executed as of the date(s) set forth below.

_____ for MIOD AND COMPANY LLP

Title: managing Director

Dated: 8/8/24

_____ JEREMY J. SALVADOR

Dated: 8/8/24

_____ for TRINITY EQUITY GROUP LLC

Title: member

Dated: 8/8/24

_____ for JSALVADOR CONSULTING, sole proprietorship

Title: proprietor

Dated: 8/8/24

_____ for JSALVADOR ROTH IRA LLC

Title: beneficiary

Dated: 8/8/24

_____ JAMES T. RUSSELL

Dated: _____

_____ GRANT WHITCHER

Dated: _____

_____ for MOVIE FUND, LLC

Title: _____

Dated: _____

CONFIDENTIAL DOCUMENT FOR THE EYES OF ONLY THE PARTIES, MICHELE VIVES AS RECEIVER, AND THEIR RESPECTIVE COUNSEL

READ THE FOREGOING DOCUMENT CAREFULLY. IT INCLUDES A RELEASE OF KNOWN AND UNKNOWN CLAIMS.

IN WITNESS WHEREOF, and intending to be legally bound, each of the Parties hereto has caused this Agreement to be executed as of the date(s) set forth below.


for MIOD AND COMPANY LLP
Title: _____
Dated: _____

JEREMY J. SALVADOR
Dated: _____

for TRINITY EQUITY GROUP LLC
Title: _____
Dated: _____


for JSALVADOR CONSULTING, sole proprietorship
Title: _____
Dated: _____

for JSALVADOR ROTH IRA LLC
Title: _____
Dated: _____



JAMES T. RUSSELL
Dated: 8-10-24

GRANT WHITCHER
Dated: _____



for MOVIE FUND, LLC
Title: Managing Member
Dated: 8-10-24

CONFIDENTIAL DOCUMENT FOR THE EYES OF ONLY THE PARTIES, MICHELE VIVES AS RECEIVER, AND THEIR RESPECTIVE COUNSEL

READ THE FOREGOING DOCUMENT CAREFULLY. IT INCLUDES A RELEASE OF KNOWN AND UNKNOWN CLAIMS.

IN WITNESS WHEREOF, and intending to be legally bound, each of the Parties hereto has caused this Agreement to be executed as of the date(s) set forth below.

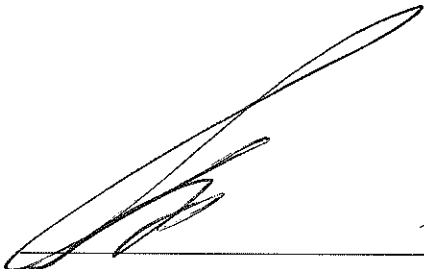
for MIOD AND COMPANY LLP
Title: _____
Dated: _____

JEREMY J. SALVADOR
Dated: _____

for TRINITY EQUITY GROUP LLC
Title: _____
Dated: _____

for JSALVADOR CONSULTING, sole
proprietorship
Title: _____
Dated: _____

for JSALVADOR ROTH IRA LLC
Title: _____
Dated: _____



GRANT WHITCHER
Dated: 8-12-24

JAMES T. RUSSELL
Dated: _____

for MOVIE FUND, LLC
Title: _____
Dated: _____

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EXHIBIT A

NEGOTIABLE PROMISSORY NOTE

| | |
|-----------|----------------------------|
| \$577,293 | LAS VEGAS, NEVADA DATE: |
|-----------|----------------------------|

FOR VALUE RECEIVED, JEREMY SALVADOR (the "**Borrower**") hereby unconditionally promises to pay to the order of James Russell, as Trustee of the James Russell Revocable Trust (the "**Noteholder**"), the principal amount of Five Hundred Seventy Seven Thousand Two Hundred Ninety Three dollars (\$577,293) (the "**Loan**"), together with all accrued interest thereon, as provided in this Promissory Note (this "**Note**").

1. Payment Dates.

(a) Payment Date. The aggregate unpaid principal amount of the Loan, all accrued and unpaid interest not otherwise paid in accordance with subsection (b) below, and all other amounts payable under this Note shall be due and payable on _____.

(b) Payment of Interest. The Borrower shall pay monthly interest payments on the Loan on or before the 30th calendar day of each month in the amount set forth in Section 2(a).

(c) Late Fees. If Borrower fails for any reason to satisfy all amounts due and owing on the Loan by _____, a late fee of ONE HUNDRED THOUSAND AND 00/100 dollars (\$100,000) shall be added to the principal amount and become immediately due and owing for payment on _____.

2. Interest.

(a) Interest Rate. Except as provided in Section 2(b), principal amounts outstanding under this Note shall bear interest at a rate per annum (the "**Interest Rate**") equal to 5.75%.

(b) Default Interest. If any amount payable hereunder is not paid when due (without regard to any applicable grace period), whether at stated maturity, by acceleration, or otherwise, such overdue amount shall bear interest at the Interest Rate plus eighteen percent (18%) per annum (the "**Default Rate**").

(c) Computation of Interest. All computations of interest hereunder shall be made on the basis of a year of 365/366 days, as the case may be, and the actual number of days elapsed. Interest shall begin to accrue on the Loan on the date of this Note. On any portion of the Loan that is repaid, interest shall not accrue on the date on which such payment is made.

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(d) Interest Rate Limitation. If at any time the interest rate payable on the Loan shall exceed the maximum rate of interest permitted under applicable law, such interest rate shall be reduced automatically to the maximum rate permitted.

3. Payment Mechanics.

(a) Manner of Payment. All payments shall be made in US dollars no later than 5:00 PM on the date on which such payment is due. Such payments shall be made by wire transfer of immediately available funds to the Noteholder's account at a bank specified by the Noteholder in writing to the Borrower from time to time.

(b) Application of Payments. All payments shall be applied, *first*, to fees or charges outstanding under this Note, *second*, to accrued interest, and, *third*, to principal outstanding under this Note.

(c) Business Day. Whenever any payment hereunder is due on a day that is not a Business Day (as defined as follows), such payment shall be made on the next succeeding Business Day, and interest shall be calculated to include such extension. "**Business Day**" means a day other than Saturday, Sunday, or other day on which commercial banks in Las Vegas, Nevada are authorized or required by law to close.

(d) Evidence of Debt. The Borrower authorizes the Noteholder to record on the grid attached as Exhibit 1, or another similar form, the Loan made to the Borrower and the date and amount of each payment or prepayment of the Loan. The entries made by the Noteholder shall be *prima facie* evidence of the existence and amount of the obligations of the Borrower recorded therein in the absence of manifest error. No failure to make any such record, nor any errors in making any such records, shall affect the validity of the Borrower's obligation to repay the unpaid principal of the Loan with interest in accordance with the terms of this Note.

4. Permitted Prepayment. Borrower shall have the right to prepay all or any principal portion of the Loan Amount at any time during the term of this Note without penalty *provided that* all then-owing interest and any other applicable fee or penalty payments on the date of payment have been fully satisfied.

5. Representations and Warranties. The Borrower represents and warrants to the Noteholder as follows:

(a) Use of Proceeds. The Borrower is seeking the Loan for commercial purposes, and more specifically, as consideration to settle a disputed claim of an LLC's distributions related to a business investment.

(b) Note as Valid Legal Obligation. The Borrower represents that the Note is legal, valid, binding, and enforceable in accordance with its terms. The Borrower further represents that the Note is a legal (not moral) obligation and is not void.

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(c) USA PATRIOT Act, OFAC and Other Regulations.

(i) Borrower represents and warrants that he has not (a) violated any Anti-Terrorism Laws or (b) engaged in any transaction, investment, undertaking or activity that conceals the identity, source or destination of the proceeds from any category of prohibited offenses designated by the Organization for Economic Co-operation and Development's Financial Action Task Force on Money Laundering.

(ii) Borrower represents and warrants that he is not: (a) the target of any Sanctions, or (b) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions, including, without limitation, Cuba, Iran, North Korea, Sudan and Syria. "**Sanctions**" means, sanctions administered or enforced by the US Department of the Treasury's Office of Foreign Assets Control (OFAC), US Department of State, United Nations Security Council, European Union, Her Majesty's Treasury, or other relevant sanctions authority.

(iii) Borrower represents and warrants that he does not: (a) conduct any business or engage in making or receiving any contribution of goods, services or money to or for the benefit of any person, entity, or organization, or any country or territory, that is the target of any Sanctions, (b) deal in, or otherwise engage in any transaction related to, any property or interests in property blocked pursuant to any Anti-Terrorism Law or (c) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(d) Accuracy of Information Provided. The Borrower represents and warrants that all information Borrower provided to Noteholder in connection with the request for this Loan and every prior Loan Borrower has obtained from Noteholder is complete and correct in all material respects and does not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading.

6. Events of Default. The occurrence and continuance of any of the following shall constitute an "**Event of Default**" hereunder:

(a) Failure to Pay. The Borrower fails to pay, within ten (10) days after such amount is due, (i) any principal amount of the Loan when due; (ii) any interest on the Loan when due; or (iii) any other amount due hereunder.

(b) Breach of Representations and Warranties. Any representation or warranty made by the Borrower to the Noteholder herein contains an untrue or misleading statement of a material fact as of the date made.

(c) Bankruptcy; Insolvency.

(i) The Borrower institutes a voluntary case seeking relief under any law relating to bankruptcy, insolvency, reorganization, or other relief for debtors.

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(ii) An involuntary case is commenced seeking the liquidation or reorganization of the Borrower under any law relating to bankruptcy or insolvency, and such case is not dismissed or vacated within sixty (60) days of its filing.

(iii) The Borrower makes a general assignment for the benefit of his creditors.

(iv) The Borrower is unable, or admits in writing his inability, to pay his debts as they become due.

(v) A case is commenced against the Borrower or his assets seeking attachment, execution, or similar process against all or a substantial part of his assets, and such case is not dismissed or vacated within sixty (60) days of its filing.

(d) Failure to Give Notice. The Borrower fails to give the notice of Event of Default specified in this Section 6.

7. Notice of Event of Default. As soon as possible after it becomes aware that an Event of Default has occurred, and in any event within five (5) Business Days, the Borrower shall notify the Noteholder in writing of the nature and extent of such Event of Default and the action, if any, it has taken or proposes to take with respect to such Event of Default.

8. Remedies.

(a) Upon the occurrence and during the continuance of an Event of Default, the Noteholder may, at his option, by ten (10) days written notice to the Borrower declare the outstanding principal amount of the Loan, accrued and unpaid interest thereon, and all other amounts payable hereunder immediately due and payable; *provided, however*, if an Event of Default described in Sections 6(c)(i), 6(c)(iii), or 6(c)(iv) shall occur, the outstanding principal amount, accrued and unpaid interest, and all other amounts payable hereunder shall become immediately due and payable without notice, declaration, or other act on the part of the Noteholder.

(b) **Confession of Judgment.** Upon the occurrence of any Event of Default, Borrower authorizes and empowers Noteholder to file the Confession of Judgment executed concurrently herewith in the amount of in the principal amount of \$577,293, less any amounts paid pursuant to this Note, plus interest thereon at the default rate of 18.00% per annum, plus all costs, including reasonable attorney fees, incurred by Noteholder in the course of collection of said Confession of Judgment. Any attorney admitted to practice before any court of record in the United States to appear on behalf of Borrower and confess judgment on behalf of Borrower against Borrower in the full amount due under this Agreement plus attorneys' fees. Notwithstanding the amount of any such judgment, Noteholder agrees by accepting this Note to use reasonable efforts to obtain legal counsel who will charge Noteholder for services on an hourly basis, at his or her customary hourly rates and only for time expended and actual expenses incurred, and Noteholder agrees not to enforce a judgment for legal fees against Borrower in an amount in excess of the fees and expenses actually charged to Noteholder for services rendered by, and for actual expenses incurred by its counsel in connection with such

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confession of judgment and the collection of all amounts owed by Borrower to Noteholder. In any action brought by Noteholder under this Agreement, Borrower consents to the exercise of personal jurisdiction over it by the courts of the State of Nevada and agrees that venue shall be proper in any County of the State of Nevada, in addition to any other court where venue may be proper. Borrower waives and releases, to the extent permitted by law, all errors and all rights of exemption, appeal, stay of execution, inquisition and extension upon any levy on real estate or personal property to which Borrower may otherwise be entitled under the laws of the United States of America now in force or which may hereafter be passed, as well as the benefit of any or every statute, ordinance, or rule of court which may be lawfully waived conferring upon Borrower any right or privilege of exemption, stay of exercise, or supplementary proceedings, or other relief from the enforcement or immediate enforcement of a judgment or related proceedings on a judgment. The authority and power to appear for and enter judgment against Borrower shall be exercisable concurrently in one or more jurisdictions and shall not be exhausted or extinguished by one or more exercises thereof, or by any imperfect exercise thereof or by any judgment entered pursuant thereto. Such authority and power may be exercised on one or more occasions, from time to time, in the same or different jurisdictions, as often as Noteholder shall deem necessary or desirable, for all of which this Agreement shall be sufficient warrant.

(c) **Expenses.** Upon the occurrence of any Event of Default, the Borrower shall reimburse the Noteholder on demand for all reasonable out-of-pocket costs, expenses, and fees, including the reasonable fees and expenses of counsel, incurred by the Noteholder in connection with the negotiation, documentation, and execution of this Note and the enforcement of the Noteholder's rights hereunder.

9. **Security Agreement.** This Note is secured by the liens, assignments, and security interests created by that certain Collateral Assignment of Accounts of even date herewith more particularly described on Exhibit 2 attached hereto and incorporated herein by reference.

10. **Notices.** All notices and other communications relating to this Note shall be in writing and shall be deemed given upon the first to occur of (x) deposit with the United States Postal Service or overnight courier service, properly addressed and postage prepaid; (y) transmittal by facsimile or e-mail properly addressed (with written acknowledgment from the intended recipient such as "return receipt requested" function, return e-mail, or other written acknowledgment); or (z) actual receipt by an employee or agent of the other party. Notices hereunder shall be sent to the following addresses, or to such other address as such party shall specify in writing:

(a) If to the Borrower:

Jeremy Salvador
27200 Torrey Road, #290
Valencia, CA 91355
E-mail: jeremy@miod-cpa.com

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(b) If to the Noteholder:

James Russell
817 S. 7th Street
Las Vegas, NV 89101
Attention: James T. Russell
E-mail: jimr@performancesteel.com

11. Governing Law. This Note and any claim, controversy, dispute, or cause of action (whether in contract, tort, or otherwise) based on, arising out of, or relating to this Note and the transactions contemplated hereby shall be governed by and construed in accordance with the laws of the State of Nevada.

12. Disputes.

(a) Submission to Jurisdiction.

(i) The Borrower irrevocably and unconditionally (A) agrees that any action, suit, or proceeding arising from or relating to this Note may be brought in the courts of the State of Nevada sitting in Clark County, and (B) submits to the jurisdiction of such courts in any such action, suit, or proceeding. Final judgment against the Borrower in any such action, suit, or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(ii) Nothing in this Section 12(a) shall affect the right of the Noteholder to bring any action, suit, or proceeding relating to this Note against the Borrower or its properties in the courts of any other jurisdiction.

(iii) Nothing in this Section 12(a) shall affect the right of the Noteholder to serve process upon the Borrower in any manner authorized by the laws of any such jurisdiction.

(b) Venue. The Borrower irrevocably and unconditionally waives, to the fullest extent permitted by law, (i) any objection that it may now or hereafter have to the laying of venue in any action, suit, or proceeding relating to this Note in any court referred to in Section 13(a), and (ii) the defense of inconvenient forum to the maintenance of such action, suit, or proceeding in any such court.

(c) Waiver of Jury Trial. THE BORROWER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT HE MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY RELATING TO THIS NOTE OR THE TRANSACTIONS CONTEMPLATED HEREBY, WHETHER BASED ON CONTRACT, TORT, OR ANY OTHER THEORY.

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13. Successors and Assigns. This Note may be assigned or transferred by the Noteholder to any individual, corporation, company, limited liability company, trust, joint venture, association, partnership, unincorporated organization, governmental authority, or other entity.
14. Integration. The Settlement Agreement and Mutual Release, Collateral Assignment of Accounts, and Assignment of Rights to Tax Refund Agreement, executed concurrently herewith and this Note constitute the entire contract between the Borrower and the Noteholder with respect to the subject matter hereof and supersedes all previous agreements and understandings, oral or written, with respect thereto.
15. Amendments and Waivers. No term of this Note may be waived, modified, or amended, except by an instrument in writing signed by the Borrower and the Noteholder. Any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.
16. No Waiver; Cumulative Remedies. No failure by the Noteholder to exercise and no delay in exercising any right, remedy, or power hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, or power hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, or power. The rights, remedies, and powers herein provided are cumulative and not exclusive of any other rights, remedies, or powers provided by law.
17. Severability. If any term or provision of this Note is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Note or render such term or provision invalid or unenforceable in any other jurisdiction.
18. Counterparts. This Note and any amendments, waivers, consents, or supplements hereto may be executed in counterparts, each of which shall constitute an original, but all of which taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Note by facsimile or in electronic ("pdf" or "tif") format shall be as effective as delivery of a manually executed counterpart of this Note.
19. Electronic Execution. The words "execution," "signed," "signature," and words of similar import in this Note shall be deemed to include electronic and digital signatures and the keeping of records in electronic form, each of which shall be of the same effect, validity, and enforceability as manually executed signatures and paper-based recordkeeping systems, to the extent and as provided for under applicable law, including the Electronic Signatures in Global and National Commerce Act of 2000 (15 U.S.C. § 7001 *et seq.*), Nevada's Uniform Electronic Transactions Act, N.R.S. Chapter 79, and any other similar state laws based on the Uniform Electronic Transactions Act.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the Borrower has executed this Note as of _____.

JEREMY SALVADOR, individually

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EXHIBIT 2

COLLATERAL ASSIGNMENT OF ACCOUNTS

This COLLATERAL ASSIGNMENT OF ACCOUNTS, dated as of _____ (as amended, supplemented or otherwise modified from time to time in accordance with the provisions hereof, this "**Agreement**"), made by and among Jeremy J. Salvador a resident of the State of California (the "**Grantor**") on one hand, in favor of James Russell and Grant Witcher on the other hand (the "**Secured Parties**").

WHEREAS, the Grantor is a partner of Miod and Company LLP, a California limited liability partnership ("**Miod**") and, as a result, has rights to a capital account with Miod (the "**Capital Account**");

WHEREAS, the Grantor has the reasonable expectation that in connection with prior cash distributions made by Movie Fund LLC to Grantor before Movie Fund LLC or Grantor realized that Movie Fund had received all of its funds, that were not contributions by its members, from the Ponzi Scheme, and the subsequent discovery that Grantor received \$1,077,744 from Ponzi Scheme proceeds, Grantor will submit amended tax returns for the tax years 2017 through 2023 that may result in Grantor receiving tax refunds the ("**Tax Refunds**") (which Tax Refunds together with the Capital Account shall be collectively referred to herein as the "**Accounts**");

WHEREAS, on the date hereof, the Secured Parties have made and may make loans to the Grantor in an aggregate unpaid principal amount not exceeding Eight Hundred Ninety Two Thousand Seven Hundred Forty Four dollars (\$892,744) (the "**Loans**"), evidenced by that certain Settlement Agreement and Mutual Release together with two Negotiable Promissory Notes of even date herewith (as amended, supplemented or otherwise modified from time to time, the "**Loan Agreement**") made by the Grantor and payable to the order of the Secured Parties;

WHEREAS, this Agreement is given by the Grantor in favor of the Secured Parties to secure the payment and performance of all of the Secured Obligations (as defined in Section 3); and

WHEREAS, it is a condition to the obligations of the Secured Parties to make the Loans under the Loan Agreement that the Grantor execute and deliver this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions.

(a) Unless otherwise specified herein, all references to Sections herein are to Sections of this Agreement.

(b) Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Loan Agreement.

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(c) Unless otherwise defined herein, terms used herein that are defined in the UCC shall have the meanings assigned to them in the UCC. However, if a term is defined in Article 9 of the UCC differently than in another Article of the UCC, the term has the meaning specified in Article 9.

(d) For purposes of this Agreement, the following terms shall have the following meanings:

"Collateral" has the meaning set forth in Section 2.

"Secured Obligations" has the meaning set forth in Section 3.

"UCC" means the Uniform Commercial Code as in effect from time to time in the State of Nevada or, when the laws of any other state govern the method or manner of the perfection or enforcement of any security interest in any of the Collateral, the Uniform Commercial Code as in effect from time to time in such state.

2. Grant of Security Interest. The Grantor hereby assigns, pledges, transfers and sets over to the Secured Parties, and grants to the Secured Parties a continuing lien upon and security interest in and to, all of the Grantor's now existing or hereafter from time to time arising or acquired right, title and interest in and to the Accounts and all proceeds thereunder, including, but not limited to, (a) all rights of the Grantor to receive monies due or to become due to it thereunder or in connection therewith; (b) all rights of the Grantor to indemnification and claims for damages or other relief pursuant to or in respect of the Accounts; (c) all rights of the Grantor to perform and exercise all remedies thereunder and to require performance by the other parties to the Accounts of their obligations thereunder; and (d) all proceeds, collections, recoveries and rights of subrogation with respect to the foregoing (all of the foregoing being collectively referred to herein as the **"Collateral"**).

3. Secured Obligations. The Collateral secures the due and prompt payment and performance of:

(a) the obligations of the Grantor from time to time arising under the Loan Agreement, this Agreement or otherwise with respect to the due and prompt payment of (i) the principal and interest on the Loans (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise and (ii) all other monetary obligations, including fees, costs, attorneys' fees and disbursements, reimbursement obligations, contract causes of action, expenses and indemnities, whether primary, secondary, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of the Grantor under or in respect of the Loan Agreement and this Agreement; and

(b) all other covenants, duties, debts, obligations and liabilities of any kind of the Grantor under or in respect of the Loan Agreement, this Agreement or any other document

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made, delivered or given in connection with any of the foregoing, in each case whether evidenced by a note or other writing, whether allowed in any bankruptcy, insolvency, receivership or other similar proceeding, whether arising from an extension of credit, issuance of a letter of credit, acceptance, loan, guaranty, indemnification or otherwise, and whether primary, secondary, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, fixed or otherwise (all such obligations, covenants, duties, debts, liabilities, sums and expenses set forth in Section 3 being herein collectively called the "**Secured Obligations**").

4. No Assumption of Duties. This Agreement is executed only as security for the Secured Obligations and, therefore, the execution and delivery of this Agreement shall not subject the Secured Parties to, or transfer or pass to the Secured Parties or in any way affect or modify, the liability of the Grantor under the Accounts. In no event shall the acceptance of this Agreement by the Secured Parties or the exercise by the Secured Parties of any rights hereunder or assigned hereby, constitute an assumption of any liability or obligation of the Grantor to any of the other parties to the Accounts or any other Persons.

5. Perfection of Security Interest and Further Assurances.

(a) The Grantor hereby irrevocably authorizes the Secured Parties at any time and from time to time to file in any relevant jurisdiction any financing statements and amendments thereto that contain the information required by Article 9 of the UCC of such applicable jurisdiction for the filing of any financing statement or amendment relating to the Collateral, including any financing or continuation statements or other documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the security interest granted by the Grantor hereunder, without the signature of the Grantor where permitted by law. The Grantor agrees to provide all information required by any Secured Party pursuant to this Section promptly to the Secured Party upon request. The Secured Parties agree to provide notice to Grantor of any such filings within three (3) business days. Grantor also accepts this Agreement as sufficient notice of any such filings made within 30 calendar days of this Agreement's effective date.

(b) The Grantor agrees that at any time and from time to time, at the expense of the Grantor, the Grantor will promptly execute and deliver all further instruments and documents, obtain such agreements from third parties, and take all further action, that may be necessary or desirable, or that any Secured Party may reasonably request, in order to create and/or maintain the validity, perfection or priority of and protect any security interest granted or purported to be granted hereby or to enable the Secured Parties to exercise and enforce their rights and remedies hereunder or under any other agreement with respect to any Collateral.

6. Representations, Warranties and Covenants. The Grantor represents, warrants and covenants with and to the Secured Parties the following (all of such representations, warranties and covenants being continuing as long as any of the Secured Obligations are outstanding):

(a) Each of the Loan Agreements is and shall be a legal, valid and binding obligation of the Grantor enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors'

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rights generally and subject to equitable principles (regardless of whether enforcement is sought in equity or at law).

(b) No default or event of default under or with respect to the Accounts exists or has occurred.

(c) The Grantor has obtained or will obtain all consents required for the valid and binding assignment of the Accounts.

(d) The Grantor shall promptly and faithfully abide by, perform and discharge the obligations, covenants, conditions and duties which the Accounts provide are to be performed by the Grantor.

(e) At the Grantor's sole cost and expense, the Grantor shall appear in and defend any action or proceedings affecting any Secured Party and arising under, growing out of or in any manner connected with the obligations, covenants, conditions, duties, agreements or liabilities of the Grantor pursuant to the Accounts.

(f) The Grantor shall: (i) promptly notify the Secured Parties of each and every dispute with, proceeding or claim against, cause of action or litigation involving any Person for which the Grantor has or may have any right to indemnification or claim for damages or other relief or remedies, whether at law or in equity, arising under or in connection with the Accounts, (ii) keep the Secured Parties reasonably informed of all material circumstances bearing upon the Collateral/circumstances bearing adversely upon the Collateral, (iii) diligently enforce all rights to indemnification or claim for damages or other relief or remedies, whether at law or in equity, arising under or in connection with the Accounts and (iv) not take or permit, any action that adversely affects, in the good faith judgment of any Secured Party, the Secured Obligations or the Collateral.

(g) The Grantor shall promptly deliver, or cause to be delivered, to the Secured Party a copy of every written notice or communication received by the Grantor regarding his rights and obligations to the Capital Account and the Tax Refunds, in the manner and at the place provided for notices contained herein.

(h) Upon the occurrence and continuance of an Event of Default, the Grantor shall not, without the prior written consent of the Secured Parties, waive, release or discharge any of his rights or any of the obligations, duties or liabilities of any other party to the Accounts, or compromise or settle any right or any claim or dispute with respect to any of his rights to the Accounts. No such waiver, release, discharge, compromise or settlement shall be effective without the prior written consent of the Secured Parties.

(i) The Grantor will not assign, pledge or otherwise encumber any of his rights, title or interest under, in or to any of the Accounts or any of the Collateral except for the assignment to the Secured Parties and their successors or assigns as set forth herein.

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7. Events of Default. All Secured Obligations shall become immediately due and payable, without notice or demand, at the option of any Secured Party, upon the occurrence of any Event of Default, as such term is defined in the Loan Agreement ("**Event of Default**").

8. Rights and Remedies.

(a) At any time an Event of Default exists or has occurred and is continuing, the Secured Parties shall have all rights and remedies under this Agreement, the UCC and other applicable law, and shall have the absolute right, but not the obligation, to enforce, in its name, any and all rights to indemnification or claim for damages or other relief or remedies, whether at law or in equity, arising under or in connection with the Accounts, or otherwise and apply the proceeds thereof to the Secured Obligations in such order or manner as the Secured Parties shall determine.

(b) In order to effectuate the foregoing, the Grantor hereby appoints each of the Secured Parties and each officer and employee thereof the Grantor's attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor or otherwise, from time to time during the continuance of an Event of Default in the Secured Party's discretion to take any action and to execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement (but the Secured Party shall not be obligated to, and shall have no liability to the Grantor or any third party for failure to, do so). This appointment, being coupled with an interest, shall be irrevocable. The Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof.

(c) No failure to exercise, and no delay in exercising on the part of the Secured Party any right, power or privilege under this Agreement, the Loan Agreement, any of the other Loan Documents or other documents referred to herein or therein shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power and privilege. The rights and remedies of the Secured Party under this Agreement, the other Loan Documents or applicable law, are cumulative and not exclusive and all such rights and remedies may be exercised alternatively, successively or concurrently.

(d) The Grantor, Miod, the United States Department of Treasury, and the United States Internal Revenue Service are hereby authorized to recognize, and the Grantor hereby does recognize, the Secured Parties' claim and rights hereunder without investigating any reason for any action taken by the Secured Parties or the validity or the amount of the obligations under the Loan Agreement and the Loan Documents or the existence of any default thereunder.

9. Indemnification.

(a) The Grantor shall indemnify and hold the Secured Parties, agents and counsel, harmless from and against any and all losses, claims, damages, liabilities, costs or expenses imposed on, incurred by or asserted against any of them in connection with any litigation, investigation, claim or proceeding commenced or threatened related to the negotiation,

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preparation, execution, delivery, enforcement, performance, or administration of this Agreement, any other Loan Documents, or any undertaking or proceeding related to any of the transactions contemplated within this Agreement or any act, omission, event or transaction related or attendant thereto, including amounts paid in settlement, court costs, and the fees and expenses of counsel. To the extent that the undertaking to indemnify, pay and hold harmless set forth in this Section may be unenforceable because it violates any law or public policy, the Grantor shall pay the maximum portion which it is permitted to pay under applicable law to the Secured Party in satisfaction of indemnified matters under this Section 9. The foregoing indemnity shall survive the termination of this Agreement and the termination of the Loan Agreement.

(b) Nothing in Section 9(a) is intended by the parties to provide any duty to indemnify any individual member of Movie Fund LLC except for James Russell and Grant Whitcher related to the matters set forth therein. In addition, nothing in Section 9(a) shall include a duty or obligation by Grantor to indemnify and hold harmless the Secured Parties from any losses, claims, damages, liabilities, costs or expenses imposed on, incurred by or asserted against any of them by: (1) Zachary Horwitz, 1inMM Capital, LLC and other Horwitz related entities; (2) Romik Yeghnazary, any entity controlled by Romik Yeghnazary, including but not limited to Lending Arena LLC; (3) The Estate of Jason Page, Laura Page, and any entity controlled by Jason Page, The Estate of Jason Page or Laura Page, including but not limited to Pure Health and Movie Matrix.

10. Reasonable Care. The Secured Parties shall have no duty with respect to the care and preservation of the Collateral beyond the exercise of reasonable care. The Secured Parties shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Secured Parties accords their own property, it being understood that the Secured Parties shall not have any responsibility for (a) ascertaining or taking action with respect to any claims, the nature or sufficiency of any payment or performance by any party under or pursuant to any agreement relating to the Collateral or other matters relative to any Collateral, whether or not the Secured Parties have or are deemed to have knowledge of such matters, or (b) taking any necessary steps to preserve rights against any parties with respect to any Collateral.

11. Amendments. None of the terms or provisions of this Agreement may be amended, modified, supplemented, terminated or waived, and no consent to any departure by the Grantor therefrom shall be effective unless the same shall be in writing and signed by the Secured Parties and the Grantor, and then such amendment, modification, supplement, waiver or consent shall be effective only in the specific instance and for the specific purpose for which made or given.

12. Addresses For Notices. All notices and other communications provided for in this Agreement shall be in writing and shall be given in the manner and become effective as set forth in the Loan Agreement, and addressed to the respective parties at their addresses as specified on the signature pages hereof or as to either party at such other address as shall be designated by such party in a written notice to each other party.

13. Continuing Security Interest; Further Actions. This Agreement shall create a continuing lien and security interest in the Collateral and shall (a) subject to Section 14, remain in full

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force and effect until payment and performance in full of the Secured Obligations, (b) be binding upon the Grantor, his successors and assigns, and (c) inure to the benefit of the Secured Parties and their successors, transferees and assigns; *provided*, that the Grantor may not assign or otherwise transfer any of his rights or obligations under this Agreement without the prior written consent of the Secured Parties. Without limiting the generality of the foregoing clause (c), any assignee of any Secured Party's interest in any agreement or document which includes all or any of the Secured Obligations shall, upon assignment, become vested with all the benefits granted to the Secured Party herein with respect to such Secured Obligations.

14. Termination; Release. On the date on which all Secured Obligations have been paid and performed in full, the Secured Parties will, at the request and sole expense of the Grantor, execute and deliver to the Grantor a proper instrument or instruments acknowledging the satisfaction and termination of this Agreement.

15. Governing Law. This Agreement and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement and the transactions contemplated hereby shall be governed by, and construed in accordance with, the laws of the State of Nevada.

16. No Third-Party Beneficiaries. This Agreement benefits solely the parties to this Agreement and their respective successors and assigns and nothing in this Agreement, express or implied, confers on any other Person any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement. This Agreement expressly excludes Romik Yeghnazary, any entity controlled by Yeghnazary, including but not limited to Lending Arena LLC; The Estate of Jason Page, Laura Page, and any entity controlled by Jason Page, The Estate of Jason Page or Laura Page, including but not limited to Pure Health and Movie Matrix from receiving any benefit hereunder.

17. Miscellaneous. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement. This Agreement and the Loan Agreement constitute the entire contract among the parties with respect to the subject matter hereof and supersede all previous agreements and understandings, oral or written, with respect thereto. If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Agreement as a whole but this Agreement shall be construed as though it did not contain the particular provision or provisions held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by law.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Jeremy Salvador, as Grantor

James Russell, as Secured Party

Grant Witcher, as Secured Party

Miod and Company LLP hereby consents and agrees to the provisions of this Agreement as of this __ day of _____, 2024.

Miod and Company LLP

By: _____

Name: _____

Title: _____

Address for Notices: _____

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Exhibit B

NEGOTIABLE PROMISSORY NOTE

| | |
|-----------|----------------------------|
| \$315,451 | LAS VEGAS, NEVADA DATE: |
|-----------|----------------------------|

FOR VALUE RECEIVED, JEREMY SALVADOR (the "**Borrower**") hereby unconditionally promises to pay to the order of Grant Witcher, as Trustee of the Grant Witcher Living Trust (the "**Noteholder**"), the principal amount of Three Hundred Fifteen Thousand Four Hundred Fifty One dollars (\$315,451) (the "**Loan**"), together with all accrued interest thereon, as provided in this Promissory Note (this "**Note**").

1. Payment Dates.

(a) Payment Date. The aggregate unpaid principal amount of the Loan, all accrued and unpaid interest not otherwise paid in accordance with subsection (b) below, and all other amounts payable under this Note shall be due and payable on _____.

(b) Payment of Interest. The Borrower shall pay monthly interest payments on the Loan on or before the 30th calendar day of each month in the amount set forth in Section 2(a).

(c) Late Fees. If Borrower fails for any reason to satisfy all amounts due and owing on the Loan by _____, a late fee of ONE HUNDRED THOUSAND AND 00/100 dollars (\$100,000) shall be added to the principal amount and become immediately due and owing for payment on _____.

2. Interest.

(a) Interest Rate. Except as provided in Section 2(b), principal amounts outstanding under this Note shall bear interest at a rate per annum (the "**Interest Rate**") equal to 5.75%.

(b) Default Interest. If any amount payable hereunder is not paid when due (without regard to any applicable grace period), whether at stated maturity, by acceleration, or otherwise, such overdue amount shall bear interest at the Interest Rate plus eighteen percent (18%) per annum (the "**Default Rate**").

(c) Computation of Interest. All computations of interest hereunder shall be made on the basis of a year of 365/366 days, as the case may be, and the actual number of days elapsed. Interest shall begin to accrue on the Loan on the date of this Note. On any portion of the Loan that is repaid, interest shall not accrue on the date on which such payment is made.

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(d) Interest Rate Limitation. If at any time the interest rate payable on the Loan shall exceed the maximum rate of interest permitted under applicable law, such interest rate shall be reduced automatically to the maximum rate permitted.

3. Payment Mechanics.

(a) Manner of Payment. All payments shall be made in US dollars no later than 5:00 PM on the date on which such payment is due. Such payments shall be made by wire transfer of immediately available funds to the Noteholder's account at a bank specified by the Noteholder in writing to the Borrower from time to time.

(b) Application of Payments. All payments shall be applied, *first*, to fees or charges outstanding under this Note, *second*, to accrued interest, and, *third*, to principal outstanding under this Note.

(c) Business Day. Whenever any payment hereunder is due on a day that is not a Business Day (as defined as follows), such payment shall be made on the next succeeding Business Day, and interest shall be calculated to include such extension. "**Business Day**" means a day other than Saturday, Sunday, or other day on which commercial banks in Las Vegas, Nevada are authorized or required by law to close.

(d) Evidence of Debt. The Borrower authorizes the Noteholder to record on the grid attached as Exhibit 1, or another similar form, the Loan made to the Borrower and the date and amount of each payment or prepayment of the Loan. The entries made by the Noteholder shall be *prima facie* evidence of the existence and amount of the obligations of the Borrower recorded therein in the absence of manifest error. No failure to make any such record, nor any errors in making any such records, shall affect the validity of the Borrower's obligation to repay the unpaid principal of the Loan with interest in accordance with the terms of this Note.

4. Permitted Prepayment. Borrower shall have the right to prepay all or any principal portion of the Loan Amount at any time during the term of this Note without penalty *provided that* all then-owing interest and any other applicable fee or penalty payments on the date of payment have been fully satisfied.

5. Representations and Warranties. The Borrower represents and warrants to the Noteholder as follows:

(a) Use of Proceeds. The Borrower is seeking the Loan for commercial purposes, and more specifically, as consideration to settle a disputed claim of an LLC's distributions related to a business investment.

(b) Note as Valid Legal Obligation. The Borrower represents that the Note is legal, valid, binding, and enforceable in accordance with its terms. The Borrower further represents that the Note is a legal (not moral) obligation and is not void.

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(c) USA PATRIOT Act, OFAC and Other Regulations.

(i) Borrower represents and warrants that he has not (a) violated any Anti-Terrorism Laws or (b) engaged in any transaction, investment, undertaking or activity that conceals the identity, source or destination of the proceeds from any category of prohibited offenses designated by the Organization for Economic Co-operation and Development's Financial Action Task Force on Money Laundering.

(ii) Borrower represents and warrants that he is not: (a) the target of any Sanctions, or (b) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions, including, without limitation, Cuba, Iran, North Korea, Sudan and Syria. "**Sanctions**" means, sanctions administered or enforced by the US Department of the Treasury's Office of Foreign Assets Control (OFAC), US Department of State, United Nations Security Council, European Union, Her Majesty's Treasury, or other relevant sanctions authority.

(iii) Borrower represents and warrants that he does not: (a) conduct any business or engage in making or receiving any contribution of goods, services or money to or for the benefit of any person, entity, or organization, or any country or territory, that is the target of any Sanctions, (b) deal in, or otherwise engage in any transaction related to, any property or interests in property blocked pursuant to any Anti-Terrorism Law or (c) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(d) Accuracy of Information Provided. The Borrower represents and warrants that all information Borrower provided to Noteholder in connection with the request for this Loan and every prior Loan Borrower has obtained from Noteholder is complete and correct in all material respects and does not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading.

6. Events of Default. The occurrence and continuance of any of the following shall constitute an "**Event of Default**" hereunder:

(a) Failure to Pay. The Borrower fails to pay, within ten (10) days after such amount is due, (i) any principal amount of the Loan when due; (ii) any interest on the Loan when due; or (iii) any other amount due hereunder.

(b) Breach of Representations and Warranties. Any representation or warranty made by the Borrower to the Noteholder herein contains an untrue or misleading statement of a material fact as of the date made.

(c) Bankruptcy; Insolvency.

(i) The Borrower institutes a voluntary case seeking relief under any law relating to bankruptcy, insolvency, reorganization, or other relief for debtors.

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(ii) An involuntary case is commenced seeking the liquidation or reorganization of the Borrower under any law relating to bankruptcy or insolvency, and such case is not dismissed or vacated within sixty (60) days of its filing.

(iii) The Borrower makes a general assignment for the benefit of his creditors.

(iv) The Borrower is unable, or admits in writing his inability, to pay his debts as they become due.

(v) A case is commenced against the Borrower or his assets seeking attachment, execution, or similar process against all or a substantial part of his assets, and such case is not dismissed or vacated within sixty (60) days of its filing.

(d) Failure to Give Notice. The Borrower fails to give the notice of Event of Default specified in this Section 6.

7. Notice of Event of Default. As soon as possible after it becomes aware that an Event of Default has occurred, and in any event within five (5) Business Days, the Borrower shall notify the Noteholder in writing of the nature and extent of such Event of Default and the action, if any, it has taken or proposes to take with respect to such Event of Default.

8. Remedies.

(a) Upon the occurrence and during the continuance of an Event of Default, the Noteholder may, at his option, by ten(10) days written notice to the Borrower declare the outstanding principal amount of the Loan, accrued and unpaid interest thereon, and all other amounts payable hereunder immediately due and payable; *provided, however*, if an Event of Default described in Sections 6(c)(i), 6(c)(iii), or 6(c)(iv) shall occur, the outstanding principal amount, accrued and unpaid interest, and all other amounts payable hereunder shall become immediately due and payable without notice, declaration, or other act on the part of the Noteholder.

(b) **Confession of Judgment.** Upon the occurrence of any Event of Default, Borrower authorizes and empowers Noteholder to file the Confession of Judgment executed concurrently herewith in the amount of in the principal amount of \$315,451, less any amounts paid pursuant to this Note, plus interest thereon at the default rate of 18.00% per annum, plus all costs, including reasonable attorney fees, incurred by Noteholder in the course of collection of said Confession of Judgment. Any attorney admitted to practice before any court of record in the United States to appear on behalf of Borrower and confess judgment on behalf of Borrower against Borrower in the full amount due under this Agreement plus attorneys' fees. Notwithstanding the amount of any such judgment, Noteholder agrees by accepting this Note to use reasonable efforts to obtain legal counsel who will charge Noteholder for services on an hourly basis, at his or her customary hourly rates and only for time expended and actual expenses incurred, and Noteholder agrees not to enforce a judgment for legal fees against Borrower in an amount in excess of the fees and expenses actually charged to Noteholder for services rendered by, and for actual expenses incurred by its counsel in connection with such

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confession of judgment and the collection of all amounts owed by Borrower to Noteholder. In any action brought by Noteholder under this Agreement, Borrower consents to the exercise of personal jurisdiction over it by the courts of the State of Nevada and agrees that venue shall be proper in any County of the State of Nevada, in addition to any other court where venue may be proper. Borrower waives and releases, to the extent permitted by law, all errors and all rights of exemption, appeal, stay of execution, inquisition and extension upon any levy on real estate or personal property to which Borrower may otherwise be entitled under the laws of the United States of America now in force or which may hereafter be passed, as well as the benefit of any or every statute, ordinance, or rule of court which may be lawfully waived conferring upon Borrower any right or privilege of exemption, stay of exercise, or supplementary proceedings, or other relief from the enforcement or immediate enforcement of a judgment or related proceedings on a judgment. The authority and power to appear for and enter judgment against Borrower shall be exercisable concurrently in one or more jurisdictions and shall not be exhausted or extinguished by one or more exercises thereof, or by any imperfect exercise thereof or by any judgment entered pursuant thereto. Such authority and power may be exercised on one or more occasions, from time to time, in the same or different jurisdictions, as often as Noteholder shall deem necessary or desirable, for all of which this Agreement shall be sufficient warrant.

(c) **Expenses.** Upon the occurrence of any Event of Default, the Borrower shall reimburse the Noteholder on demand for all reasonable out-of-pocket costs, expenses, and fees, including the reasonable fees and expenses of counsel, incurred by the Noteholder in connection with the negotiation, documentation, and execution of this Note and the enforcement of the Noteholder's rights hereunder.

9. Security Agreement. This Note is secured by the liens, assignments, and security interests created by that certain Collateral Assignment of Accounts of even date herewith more particularly described on Exhibit 2 attached hereto and incorporated herein by reference.

10. Notices. All notices and other communications relating to this Note shall be in writing and shall be deemed given upon the first to occur of (x) deposit with the United States Postal Service or overnight courier service, properly addressed and postage prepaid; (y) transmittal by facsimile or e-mail properly addressed (with written acknowledgment from the intended recipient such as "return receipt requested" function, return e-mail, or other written acknowledgment); or (z) actual receipt by an employee or agent of the other party. Notices hereunder shall be sent to the following addresses, or to such other address as such party shall specify in writing:

(a) If to the Borrower:

Jeremy Salvador
27200 Torrey Road, #290
Valencia, CA 91355
E-mail: jeremy@miod-cpa.com

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(b) If to the Noteholder:

Grant Whitcher
817 S. 7th Street
Las Vegas, NV 89101
Attention: Grant Whitcher
E-mail: steelpro2@aol.com

11. Governing Law. This Note and any claim, controversy, dispute, or cause of action (whether in contract, tort, or otherwise) based on, arising out of, or relating to this Note and the transactions contemplated hereby shall be governed by and construed in accordance with the laws of the State of Nevada.

12. Disputes.

(a) Submission to Jurisdiction.

(i) The Borrower irrevocably and unconditionally (A) agrees that any action, suit, or proceeding arising from or relating to this Note may be brought in the courts of the State of Nevada sitting in Clark County, and (B) submits to the jurisdiction of such courts in any such action, suit, or proceeding. Final judgment against the Borrower in any such action, suit, or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(ii) Nothing in this Section 12(a) shall affect the right of the Noteholder to bring any action, suit, or proceeding relating to this Note against the Borrower or its properties in the courts of any other jurisdiction.

(iii) Nothing in this Section 12(a) shall affect the right of the Noteholder to serve process upon the Borrower in any manner authorized by the laws of any such jurisdiction.

(b) Venue. The Borrower irrevocably and unconditionally waives, to the fullest extent permitted by law, (i) any objection that it may now or hereafter have to the laying of venue in any action, suit, or proceeding relating to this Note in any court referred to in Section 13(a), and (ii) the defense of inconvenient forum to the maintenance of such action, suit, or proceeding in any such court.

(c) Waiver of Jury Trial. THE BORROWER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT HE MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY RELATING TO THIS NOTE OR THE TRANSACTIONS CONTEMPLATED HEREBY, WHETHER BASED ON CONTRACT, TORT, OR ANY OTHER THEORY.

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13. Successors and Assigns. This Note may be assigned or transferred by the Noteholder to any individual, corporation, company, limited liability company, trust, joint venture, association, partnership, unincorporated organization, governmental authority, or other entity.
14. Integration. The Settlement Agreement and Mutual Release, Collateral Assignment of Accounts, and Assignment of Rights to Tax Refund Agreement, executed concurrently herewith and this Note constitute the entire contract between the Borrower and the Noteholder with respect to the subject matter hereof and supersedes all previous agreements and understandings, oral or written, with respect thereto.
15. Amendments and Waivers. No term of this Note may be waived, modified, or amended, except by an instrument in writing signed by the Borrower and the Noteholder. Any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.
16. No Waiver; Cumulative Remedies. No failure by the Noteholder to exercise and no delay in exercising any right, remedy, or power hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, or power hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, or power. The rights, remedies, and powers herein provided are cumulative and not exclusive of any other rights, remedies, or powers provided by law.
17. Severability. If any term or provision of this Note is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Note or render such term or provision invalid or unenforceable in any other jurisdiction.
18. Counterparts. This Note and any amendments, waivers, consents, or supplements hereto may be executed in counterparts, each of which shall constitute an original, but all of which taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Note by facsimile or in electronic ("pdf" or "tif") format shall be as effective as delivery of a manually executed counterpart of this Note.
19. Electronic Execution. The words "execution," "signed," "signature," and words of similar import in this Note shall be deemed to include electronic and digital signatures and the keeping of records in electronic form, each of which shall be of the same effect, validity, and enforceability as manually executed signatures and paper-based recordkeeping systems, to the extent and as provided for under applicable law, including the Electronic Signatures in Global and National Commerce Act of 2000 (15 U.S.C. § 7001 *et seq.*), Nevada's Uniform Electronic Transactions Act, N.R.S. Chapter 79, and any other similar state laws based on the Uniform Electronic Transactions Act.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the Borrower has executed this Note as of _____.

JEREMY SALVADOR, individually

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EXHIBIT 2

COLLATERAL ASSIGNMENT OF ACCOUNTS

This COLLATERAL ASSIGNMENT OF ACCOUNTS, dated as of _____, 2024 (as amended, supplemented or otherwise modified from time to time in accordance with the provisions hereof, this "**Agreement**"), made by and among Jeremy J. Salvador a resident of the State of California (the "**Grantor**") on one hand, in favor of James Russell, and Grant Witcher on the other hand (the "**Secured Parties**").

WHEREAS, the Grantor is a partner of Miod and Company LLP, a California limited liability partnership ("**Miod**") and, as a result, has rights to a capital account with Miod (the "**Capital Account**");

WHEREAS, the Grantor has the reasonable expectation that in connection with prior cash distributions made by Movie Fund LLC to Grantor before Movie Fund LLC or Grantor realized that Movie Fund had received all of its funds, that were not contributions by its members, from the Ponzi Scheme, and the subsequent discovery that Grantor received \$1,077,744 from Ponzi Scheme proceeds, Grantor will submit amended tax returns for the tax years 2017 through 2023 that may result in Grantor receiving tax refunds the ("**Tax Refunds**") (which Tax Refunds together with the Capital Account shall be collectively referred to herein as the "**Accounts**");

WHEREAS, on the date hereof, the Secured Parties have made and may make loans to the Grantor in an aggregate unpaid principal amount not exceeding Eight Hundred Ninety Two Thousand Seven Hundred Forty Four dollars (\$892,744) (the "**Loans**"), evidenced by that certain Settlement Agreement and Mutual Release together with two Negotiable Promissory Notes of even date herewith (as amended, supplemented or otherwise modified from time to time, the "**Loan Agreement**") made by the Grantor and payable to the order of the Secured Parties;

WHEREAS, this Agreement is given by the Grantor in favor of the Secured Parties to secure the payment and performance of all of the Secured Obligations (as defined in Section 3); and

WHEREAS, it is a condition to the obligations of the Secured Parties to make the Loans under the Loan Agreement that the Grantor execute and deliver this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions.

(a) Unless otherwise specified herein, all references to Sections herein are to Sections of this Agreement.

(b) Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Loan Agreement.

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(c) Unless otherwise defined herein, terms used herein that are defined in the UCC shall have the meanings assigned to them in the UCC. However, if a term is defined in Article 9 of the UCC differently than in another Article of the UCC, the term has the meaning specified in Article 9.

(d) For purposes of this Agreement, the following terms shall have the following meanings:

"Collateral" has the meaning set forth in Section 2.

"Secured Obligations" has the meaning set forth in Section 3.

"UCC" means the Uniform Commercial Code as in effect from time to time in the State of Nevada or, when the laws of any other state govern the method or manner of the perfection or enforcement of any security interest in any of the Collateral, the Uniform Commercial Code as in effect from time to time in such state.

2. Grant of Security Interest. The Grantor hereby assigns, pledges, transfers and sets over to the Secured Parties, and grants to the Secured Parties a continuing lien upon and security interest in and to, all of the Grantor's now existing or hereafter from time to time arising or acquired right, title and interest in and to the Accounts and all proceeds thereunder, including, but not limited to, (a) all rights of the Grantor to receive monies due or to become due to it thereunder or in connection therewith; (b) all rights of the Grantor to indemnification and claims for damages or other relief pursuant to or in respect of the Accounts; (c) all rights of the Grantor to perform and exercise all remedies thereunder and to require performance by the other parties to the Accounts of their obligations thereunder; and (d) all proceeds, collections, recoveries and rights of subrogation with respect to the foregoing (all of the foregoing being collectively referred to herein as the **"Collateral"**).

3. Secured Obligations. The Collateral secures the due and prompt payment and performance of:

(a) the obligations of the Grantor from time to time arising under the Loan Agreement, this Agreement or otherwise with respect to the due and prompt payment of (i) the principal and interest on the Loans (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise and (ii) all other monetary obligations, including fees, costs, attorneys' fees and disbursements, reimbursement obligations, contract causes of action, expenses and indemnities, whether primary, secondary, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of the Grantor under or in respect of the Loan Agreement and this Agreement; and

(b) all other covenants, duties, debts, obligations and liabilities of any kind of the Grantor under or in respect of the Loan Agreement, this Agreement or any other document

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made, delivered or given in connection with any of the foregoing, in each case whether evidenced by a note or other writing, whether allowed in any bankruptcy, insolvency, receivership or other similar proceeding, whether arising from an extension of credit, issuance of a letter of credit, acceptance, loan, guaranty, indemnification or otherwise, and whether primary, secondary, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, fixed or otherwise (all such obligations, covenants, duties, debts, liabilities, sums and expenses set forth in Section 3 being herein collectively called the "**Secured Obligations**").

4. No Assumption of Duties. This Agreement is executed only as security for the Secured Obligations and, therefore, the execution and delivery of this Agreement shall not subject the Secured Parties to, or transfer or pass to the Secured Parties or in any way affect or modify, the liability of the Grantor under the Accounts. In no event shall the acceptance of this Agreement by the Secured Parties or the exercise by the Secured Parties of any rights hereunder or assigned hereby, constitute an assumption of any liability or obligation of the Grantor to any of the other parties to the Accounts or any other Persons.

5. Perfection of Security Interest and Further Assurances.

(a) The Grantor hereby irrevocably authorizes the Secured Parties at any time and from time to time to file in any relevant jurisdiction any financing statements and amendments thereto that contain the information required by Article 9 of the UCC of such applicable jurisdiction for the filing of any financing statement or amendment relating to the Collateral, including any financing or continuation statements or other documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the security interest granted by the Grantor hereunder, without the signature of the Grantor where permitted by law. The Grantor agrees to provide all information required by any Secured Party pursuant to this Section promptly to the Secured Party upon request. The Secured Parties agree to provide notice to Grantor of any such filings within three (3) business days. Grantor also accepts this Agreement as sufficient notice of any such filings made within 30 calendar days of this Agreement's effective date.

(b) The Grantor agrees that at any time and from time to time, at the expense of the Grantor, the Grantor will promptly execute and deliver all further instruments and documents, obtain such agreements from third parties, and take all further action, that may be necessary or desirable, or that any Secured Party may reasonably request, in order to create and/or maintain the validity, perfection or priority of and protect any security interest granted or purported to be granted hereby or to enable the Secured Parties to exercise and enforce their rights and remedies hereunder or under any other agreement with respect to any Collateral.

6. Representations, Warranties and Covenants. The Grantor represents, warrants and covenants with and to the Secured Parties the following (all of such representations, warranties and covenants being continuing as long as any of the Secured Obligations are outstanding):

(a) Each of the Loan Agreements is and shall be a legal, valid and binding obligation of the Grantor enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors'

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rights generally and subject to equitable principles (regardless of whether enforcement is sought in equity or at law).

(b) No default or event of default under or with respect to the Accounts exists or has occurred.

(c) The Grantor has obtained or will obtain all consents required for the valid and binding assignment of the Accounts.

(d) The Grantor shall promptly and faithfully abide by, perform and discharge the obligations, covenants, conditions and duties which the Accounts provide are to be performed by the Grantor.

(e) At the Grantor's sole cost and expense, the Grantor shall appear in and defend any action or proceedings affecting any Secured Party and arising under, growing out of or in any manner connected with the obligations, covenants, conditions, duties, agreements or liabilities of the Grantor pursuant to the Accounts.

(f) The Grantor shall: (i) promptly notify the Secured Parties of each and every dispute with, proceeding or claim against, cause of action or litigation involving any Person for which the Grantor has or may have any right to indemnification or claim for damages or other relief or remedies, whether at law or in equity, arising under or in connection with the Accounts, (ii) keep the Secured Parties reasonably informed of all material circumstances bearing upon the Collateral/circumstances bearing adversely upon the Collateral, (iii) diligently enforce all rights to indemnification or claim for damages or other relief or remedies, whether at law or in equity, arising under or in connection with the Accounts and (iv) not take or permit, any action that adversely affects, in the good faith judgment of any Secured Party, the Secured Obligations or the Collateral.

(g) The Grantor shall promptly deliver, or cause to be delivered, to the Secured Party a copy of every written notice or communication received by the Grantor regarding his rights and obligations to the Capital Account and the Tax Refunds, in the manner and at the place provided for notices contained herein.

(h) Upon the occurrence and continuance of an Event of Default, the Grantor shall not, without the prior written consent of the Secured Parties, waive, release or discharge any of his rights or any of the obligations, duties or liabilities of any other party to the Accounts, or compromise or settle any right or any claim or dispute with respect to any of his rights to the Accounts. No such waiver, release, discharge, compromise or settlement shall be effective without the prior written consent of the Secured Parties.

(i) The Grantor will not assign, pledge or otherwise encumber any of his rights, title or interest under, in or to any of the Accounts or any of the Collateral except for the assignment to the Secured Parties and their successors or assigns as set forth herein.

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7. Events of Default. All Secured Obligations shall become immediately due and payable, without notice or demand, at the option of any Secured Party, upon the occurrence of any Event of Default, as such term is defined in the Loan Agreement ("**Event of Default**").

8. Rights and Remedies.

(a) At any time an Event of Default exists or has occurred and is continuing, the Secured Parties shall have all rights and remedies under this Agreement, the UCC and other applicable law, and shall have the absolute right, but not the obligation, to enforce, in its name, any and all rights to indemnification or claim for damages or other relief or remedies, whether at law or in equity, arising under or in connection with the Accounts, or otherwise and apply the proceeds thereof to the Secured Obligations in such order or manner as the Secured Parties shall determine.

(b) In order to effectuate the foregoing, the Grantor hereby appoints each of the Secured Parties and each officer and employee thereof the Grantor's attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor or otherwise, from time to time during the continuance of an Event of Default in the Secured Party's discretion to take any action and to execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement (but the Secured Party shall not be obligated to, and shall have no liability to the Grantor or any third party for failure to, do so). This appointment, being coupled with an interest, shall be irrevocable. The Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof.

(c) No failure to exercise, and no delay in exercising on the part of the Secured Party any right, power or privilege under this Agreement, the Loan Agreement, any of the other Loan Documents or other documents referred to herein or therein shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power and privilege. The rights and remedies of the Secured Party under this Agreement, the other Loan Documents or applicable law, are cumulative and not exclusive and all such rights and remedies may be exercised alternatively, successively or concurrently.

(d) The Grantor, Miod, the United States Department of Treasury, and the United States Internal Revenue Service are hereby authorized to recognize, and the Grantor hereby does recognize, the Secured Parties' claim and rights hereunder without investigating any reason for any action taken by the Secured Parties or the validity or the amount of the obligations under the Loan Agreement and the Loan Documents or the existence of any default thereunder.

9. Indemnification.

(a) The Grantor shall indemnify and hold the Secured Parties, agents and counsel, harmless from and against any and all losses, claims, damages, liabilities, costs or expenses imposed on, incurred by or asserted against any of them in connection with any litigation, investigation, claim or proceeding commenced or threatened related to the negotiation,

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preparation, execution, delivery, enforcement, performance, or administration of this Agreement, any other Loan Documents, or any undertaking or proceeding related to any of the transactions contemplated within this Agreement or any act, omission, event or transaction related or attendant thereto, including amounts paid in settlement, court costs, and the fees and expenses of counsel. To the extent that the undertaking to indemnify, pay and hold harmless set forth in this Section may be unenforceable because it violates any law or public policy, the Grantor shall pay the maximum portion which it is permitted to pay under applicable law to the Secured Party in satisfaction of indemnified matters under this Section 9. The foregoing indemnity shall survive the termination of this Agreement and the termination of the Loan Agreement.

(b) Nothing in Section 9(a) is intended by the parties to provide any duty to indemnify any individual member of Movie Fund LLC except for James Russell and Grant Whitcher related to the matters set forth therein. In addition, nothing in Section 9(a) shall include a duty or obligation by Grantor to indemnify and hold harmless the Secured Parties from any losses, claims, damages, liabilities, costs or expenses imposed on, incurred by or asserted against any of them by: (1) Zachary Horwitz, 1inMM Capital, LLC and other Horwitz related entities; (2) Romik Yeghnazary, any entity controlled by Romik Yeghnazary, including but not limited to Lending Arena LLC; (3) The Estate of Jason Page, Laura Page, and any entity controlled by Jason Page, The Estate of Jason Page or Laura Page, including but not limited to Pure Health and Movie Matrix.

10. Reasonable Care. The Secured Parties shall have no duty with respect to the care and preservation of the Collateral beyond the exercise of reasonable care. The Secured Parties shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Secured Parties accords their own property, it being understood that the Secured Parties shall not have any responsibility for (a) ascertaining or taking action with respect to any claims, the nature or sufficiency of any payment or performance by any party under or pursuant to any agreement relating to the Collateral or other matters relative to any Collateral, whether or not the Secured Parties have or are deemed to have knowledge of such matters, or (b) taking any necessary steps to preserve rights against any parties with respect to any Collateral.

11. Amendments. None of the terms or provisions of this Agreement may be amended, modified, supplemented, terminated or waived, and no consent to any departure by the Grantor therefrom shall be effective unless the same shall be in writing and signed by the Secured Parties and the Grantor, and then such amendment, modification, supplement, waiver or consent shall be effective only in the specific instance and for the specific purpose for which made or given.

12. Addresses For Notices. All notices and other communications provided for in this Agreement shall be in writing and shall be given in the manner and become effective as set forth in the Loan Agreement, and addressed to the respective parties at their addresses as specified on the signature pages hereof or as to either party at such other address as shall be designated by such party in a written notice to each other party.

13. Continuing Security Interest; Further Actions. This Agreement shall create a continuing lien and security interest in the Collateral and shall (a) subject to Section 14, remain in full

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force and effect until payment and performance in full of the Secured Obligations, (b) be binding upon the Grantor, his successors and assigns, and (c) inure to the benefit of the Secured Parties and their successors, transferees and assigns; *provided*, that the Grantor may not assign or otherwise transfer any of his rights or obligations under this Agreement without the prior written consent of the Secured Parties. Without limiting the generality of the foregoing clause (c), any assignee of any Secured Party's interest in any agreement or document which includes all or any of the Secured Obligations shall, upon assignment, become vested with all the benefits granted to the Secured Party herein with respect to such Secured Obligations.

14. Termination; Release. On the date on which all Secured Obligations have been paid and performed in full, the Secured Parties will, at the request and sole expense of the Grantor, execute and deliver to the Grantor a proper instrument or instruments acknowledging the satisfaction and termination of this Agreement.

15. Governing Law. This Agreement and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement and the transactions contemplated hereby shall be governed by, and construed in accordance with, the laws of the State of Nevada.

16. No Third-Party Beneficiaries. This Agreement benefits solely the parties to this Agreement and their respective successors and assigns and nothing in this Agreement, express or implied, confers on any other Person any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement. This Agreement expressly excludes Romik Yeghnazary, any entity controlled by Yeghnazary, including but not limited to Lending Arena LLC; The Estate of Jason Page, Laura Page, and any entity controlled by Jason Page, The Estate of Jason Page or Laura Page, including but not limited to Pure Health and Movie Matrix from receiving any benefit hereunder.

17. Miscellaneous. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement. This Agreement and the Loan Agreement constitute the entire contract among the parties with respect to the subject matter hereof and supersede all previous agreements and understandings, oral or written, with respect thereto. If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Agreement as a whole but this Agreement shall be construed as though it did not contain the particular provision or provisions held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by law.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Jeremy Salvador, as Grantor

James Russell, as Secured Party

Grant Witcher, as Secured Party

Miod and Company LLP hereby consents and agrees to the provisions of this Agreement as of this __ day of _____, 2024.

Miod and Company LLP

By: _____

Name: _____

Title: _____

Address for Notices: _____

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EXHIBIT C

Assignment of Rights to Tax Refund Agreement

This Assignment Agreement ("**Agreement**") dated as of _____, 2024 ("**Effective Date**"), is entered into by and among Jeremy J. Salvador, a resident of the State of California ("**Assigning Party**") on one hand and Movie Fund LLC, a Nevada limited liability company, James Russell, and Grant Whitcher (collectively the "**Assuming Party**") on the other hand.

WHEREAS, Assigning Party desires to assign to Assuming Party all of his rights to any tax refunds from any taxing authority, including but not limited to the United States Internal Revenue Service, the State of California, and any California local taxing authority for any and all of the years 2017, 2018, 2019, 2020, 2021, 2022, and 2023 (collectively "**Tax Refunds**");

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set out herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assignment and Assumption. Assigning Party irrevocably sells, assigns, grants, conveys and transfers to Assuming Party all of Assigning Party's right, title and interest in and to the Tax Refunds.
2. Representations and Warranties. Assigning Party represents and warrants as follows:
 - (a) He has the full right, power, and authority to enter into this Agreement and to perform his obligations hereunder.
 - (b) When executed and delivered by it, this Agreement will constitute the legal, valid, and binding obligation of Assigning Party, enforceable against him in accordance with its terms and not subject to defenses.
 - (c) He is the sole legal and beneficial owner of the all the rights under the Tax Refunds on the Effective Date, free and clear of any lien, security interest, charge, or encumbrance.
 - (d) There are no material disputes pending or, to his knowledge, threatened related to any rights or obligations transferred by this Agreement.
 - (e) He is in full compliance and has satisfied all of his tax obligations to all taxing authorities for every tax year before the tax year ending December 31, 2021.
3. Miscellaneous.
 - 3.1 Further Assurances. On the other party's reasonable request, each party shall, at its sole cost and expense, execute and deliver all such further documents and instruments, and take all such further acts, necessary to give full effect to this Agreement.
 - 3.2 Interpretation. For purposes of this Agreement: (a) the words "include," "includes," and "including" is deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto," and "hereunder" refer to this

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Agreement as a whole. Unless the context otherwise requires, references in this Agreement: (x) to sections, schedules, and exhibits mean the sections of, and schedules and exhibits attached to, this Agreement; (y) to an agreement, instrument, or other document means such agreement, instrument, or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. The parties drafted this Agreement without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The schedules and exhibits referred to herein are an integral part of this Agreement to the same extent as if they were set out verbatim herein.

3.3 Headings. The headings in this Agreement are for reference only and do not affect the interpretation of this Agreement.

3.4 Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability does not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. On such determination that any term or other provision is invalid, illegal, or unenforceable, the parties to this Agreement shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

3.5 Entire Agreement. This Agreement, together with all related exhibits and schedules, is the sole and entire agreement of the parties to this Agreement regarding the subject matter contained herein and therein, and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, regarding such subject matter.

3.6 Amendment and Modification. No amendment to this Agreement is effective unless it is in writing, identified as an amendment to this Agreement and signed by each party to this Agreement.

3.7 Waiver.

(a) No waiver under this Agreement is effective unless it is in writing, identified as a waiver to this Agreement, and signed by the party waiving its right.

(b) Any waiver authorized on one occasion is effective only in that instance and only for the purpose stated and does not operate as a waiver on any future occasion.

(c) None of the following is a waiver or estoppel of any right, remedy, power, privilege, or condition arising from this Agreement:

(i) any failure or delay in exercising any right, remedy, power, or privilege or in enforcing any condition under this Agreement; or

(ii) any act, omission, or course of dealing between the parties.

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3.8 No Third-Party Beneficiaries. This Agreement benefits solely the parties to this Agreement and their respective successors and assigns and nothing in this Agreement, express or implied, confers on any other Person any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement. This Agreement expressly excludes Romik Yeghnazary, Lending Arena LLC, the Estate of Jason Page, Laura Page, Movie Matrix, and Pure Health from receiving any benefit hereunder.

3.9 Choice of Law. This Agreement, and all matters arising out of or relating to this Agreement, are governed by, and construed in accordance with, the laws of the State of Nevada.

3.10 Choice of Forum. Each party irrevocably and unconditionally agrees that it will not commence any action, litigation, or proceeding of any kind whatsoever against the other party in any way arising from or relating to this Agreement, and exhibits and schedules attached hereto, and all contemplated transactions, including, but not limited to, contract, equity, tort, fraud, and statutory claims, in any forum other than The courts of the State of Nevada sitting in Clark County Nevada, and any appellate court from any thereof. Each party irrevocably and unconditionally submits to the exclusive jurisdiction of such courts and agrees to bring any such action, litigation, or proceeding only in the courts of the State of Nevada sitting in Clark County, Nevada. Each party agrees that a final judgment in any such action, litigation, or proceeding is conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

3.11 WAIVER OF JURY TRIAL. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT, INCLUDING EXHIBITS AND SCHEDULES ATTACHED TO THIS AGREEMENT, IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY ABOUT ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING ANY EXHIBITS OR SCHEDULES ATTACHED TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY.

3.12 Counterparts. This Agreement may be executed in counterparts, each of which is deemed an original, but all of which together is deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail, or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

JEREMY SALVADOR

MOVIE FUND LLC

By _____

Name: James Russell

Title: Managing Member

JAMES RUSSELL

GRANT WHITCHER

SETTLEMENT AND CLAIM REDUCTION AGREEMENT

THIS SETTLEMENT AND CLAIM REDUCTION AGREEMENT (this “Agreement”) is made and entered into as of this 2nd day of August, 2024 (the “Effective Date”), between and among:

- (a) Michele Vives, not individually, but solely as the receiver (the “Receiver”) as more particularly described in the second recital of this Agreement;
- (b) Jeremy J. Salvador (“Salvador”), Trinity Equity Group LLC, JSalvador Roth IRA LLC, JSalvador Consulting and Miod and Company LLP (collectively, the “Salvador Parties”);
- (c) James T. Russell (“Russell”);
- (d) Grant Whitcher (“Whitcher”); and
- (e) Movie Fund, LLC (“Movie Fund”).

The Receiver, the Salvador Parties, Russell, Whitcher and Movie Fund are referred to collectively herein as the “Parties” or each, a “Party.”

Recitals

WHEREAS, on April 6, 2021, the Securities and Exchange Commission commenced the civil action styled *Securities & Exchange Commission v. Horwitz*, No. 2:21-cv-02927-CAS(PDx) (the “Action”), in the United States District Court for the Central District of California (the “Court”) against Zachary J. Horwitz and 1inMM Capital, LLC (“1inMM,” and together with Horwitz, the “1inMM Defendants”), alleging that they conducted an offering fraud and Ponzi scheme in violation of federal securities laws (the “1inMM Ponzi Scheme”);

WHEREAS, on January 14, 2022, the Court entered the *Order on Appointment of Permanent Receiver* (the “Appointment Order”) in the Action that, among other things, appointed Michele Vives to be the federal equity receiver of 1inMM and its subsidiaries and affiliates, as well as over the assets that are attributable to funds derived from investors or clients of the 1inMM Defendants or were fraudulently transferred by the 1inMM Defendants (the “Receivership Estate”);

WHEREAS, the Appointment Order authorizes the Receiver to, among other things, investigate and prosecute claims and causes of action against persons and entities who may be liable to the Receivership Estate;

WHEREAS, following a diligent investigation, including the review and analysis of the books and records of the 1inMM Defendants as well as documents and information provided by Movie Fund, Russell, Whitcher and the Salvador Parties, the Receiver has identified transfers of fictional “profits” of the 1inMM Ponzi Scheme from the 1inMM Defendants to or for the benefit of the Salvador Parties (primarily through Movie Fund) totaling \$1,077,744 (the “Transfers”);

WHEREAS, the Receiver contends that the Transfers are subject to avoidance and recovery under the Uniform Voidable Transactions Act as enacted in California (California Civil Code §§ 3439-3439.14) (“UVTA”), and that, consequently, she has, on behalf of the Receivership Estate, causes of action against the Salvador Parties under the UVTA to avoid and recover the Transfers or their value (collectively, irrespective of how styled and inclusive of any and all claims that could have been but were not asserted against the Salvador Parties by the Receiver, the “Receiver Claims”);

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WHEREAS, the Salvador Parties have asserted various defenses to the Receiver Claims, deny that they are liable to the Receivership Estate on account of the Receiver Claims and deny that they had any knowledge of the 1inMM Ponzi Scheme prior to it becoming public knowledge;

WHEREAS, Russell, Whitcher and Salvador, among others, were members of Movie Fund, the purpose of which was to be a vehicle for its members to raise money for 1inMM and profit from their transactions with 1inMM;

WHEREAS, after the 1inMM Defendants' illegal and fraudulent conduct became public knowledge and after receiving other information, Russell, Whitcher and Salvador determined that they were targets of the 1inMM Ponzi Scheme and that all of the distributions of profits which Movie Fund made to its members were, in fact, fictitious profits resulting from the 1inMM Ponzi Scheme;

WHEREAS, Whitcher and Russell contend that Salvador is liable to them because he and/or the Salvador Parties received distributions from Movie Fund in excess of the amounts permissible under Movie Fund's operating agreement ("Whitcher-Russell Claims"), which distributions Salvador did not have involvement in approving and was unaware that the distributions were allegedly inconsistent with Movie Fund's operating agreement;

WHEREAS, the Salvador Parties have asserted various defenses to the Whitcher-Russell Claims and deny that they are liable to Whitcher or Russell on account of the Whitcher-Russell Claims;

WHEREAS, the Receiver has determined that Whitcher and Russell are "net losing" investors of the 1inMM Ponzi Scheme, and thus have claims against the Receivership Estate to recover their unrecouped investments (the "Investment Losses");

WHEREAS, the Salvador Parties, Whitcher and Russell have entered into a *Settlement Agreement and Mutual Release* (the "Principal Settlement Agreement"), whereby, in resolution of the Whitcher-Russell Claims, the Salvador Parties will pay Whitcher and Russell the sum of \$1,077,744 (i.e., the amount of the Transfers) with interest over ten years, for a total sum of \$1,591,071.81 (the "Salvador Settlement Payment");

WHEREAS, because the amount of the Salvador Settlement Payment is roughly equivalent to Salvador's net winnings from the 1inMM Ponzi Scheme, the Receiver has determined that payment of the Salvador Settlement Payment to Whitcher and Russell should reduce, on a dollar-for-dollar basis, their respective Investment Losses as well as any claim they may file against the Receivership Estate in connection therewith, but should not expose the Salvador Parties to paying the same liability twice on account of the Receiver Claims; and

WHEREAS, the Receiver and the Salvador Parties, wishing to avoid the expense, delay, and uncertainty of litigation of the Receiver Claims, and the Salvador Parties, Whitcher and Russell, wishing to conclude the transactions contemplated by the Principal Settlement Agreement and remove any uncertainty about the effect thereof on the Receivership Estate, have agreed to enter into this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which the Parties acknowledge, the Parties agree as follows:

Agreement

1. **Recitals Incorporated.** All of the foregoing recitals are true and correct and are incorporated herein as part of the Agreement for all purposes.

2. **Approval Order.** The validity of this Agreement, and the Parties' obligations hereunder, are subject to the condition precedent that the Court enters an order approving the material terms of the

transactions contemplated by this Agreement (the “Approval Order”). The Salvador Parties, Whitcher and Russell will support the entry of the Approval Order and will, upon the Receiver’s reasonable request, submit declarations in support thereof and attend any hearing in connection therewith. If, however, the Court declines to approve the transactions documented by this Agreement, then this Agreement will be void, and the Parties will retain all of their respective rights, claims and defenses in existence on the day before the Effective Date as if this Agreement never existed.

3. **Reduction and Disclaimer of Claims.** Whitcher and Russell agree that—

(a) Their receipt of the Salvador Settlement Payment reduces, on a dollar-for-dollar basis, their respective Investment Losses as well as any claim they may file against the Receivership Estate in connection therewith (the “Claim Reduction”);

(b) The Receiver may apply to or move the Court to enter an order disallowing any proofs of claim Whitcher and/or Russell file in the Action to the extent Whitcher and/or Russell, as applicable, do not credit the amount of the Salvador Settlement Payment against their claimed Investment Losses resulting from the 1inMM Ponzi Scheme, in which case (i) Whitcher and Russell expressly waive any notice or opportunity to be heard on any such application or motion and (ii) paragraph 10 of this Agreement shall apply; and

(c) Movie Fund does not hold a claim against the Receivership Estate, will not file any proof of claim in the Action and is not entitled to any distributions from the Receivership Estate.

4. **Release of the Salvador Parties by the Receiver; Covenant Not to Sue.** The Receiver, on behalf of herself, the Receivership Estate and their respective agents, employees, officers, partners, managers, parents, subsidiaries, affiliates, insurers and attorneys (collectively, the “Receiver Releasing Parties”), hereby forever releases, remises and discharges the Salvador Parties and their respective heirs, successors, assigns, agents, employees, officers, shareholders, managers, parents, subsidiaries, affiliates, insurers and attorneys (collectively, the “Salvador Released Parties”), from any and all claims, counterclaims, actions, causes of action, lawsuits, proceedings, adjustments, offsets, contracts, obligations, liabilities, controversies, costs, expenses, attorney’s fees and losses whatsoever, whether known or unknown, disclosed or concealed, asserted or unasserted, liquidated or unliquidated, contingent or absolute, accrued or unaccrued, matured or unmatured, insured or uninsured, joint or several, determined or undetermined, determinable or otherwise, whether in law, in admiralty, in bankruptcy, or in equity, and whether based on any federal law, state law, common law right of action or otherwise, from the beginning of time to the Effective Date of this Agreement arising out of or relating to the 1inMM Ponzi Scheme, the Transfers and the Receiver Claims (collectively, the “Receiver Released Claims”), but specifically excluding any claims or causes of action arising out of or related to enforcement of this Agreement. The Receiver Releasing Parties hereby covenant not to sue any of the Salvador Released Parties on account of any Receiver Released Claim.

5. **Exclusions.** Notwithstanding anything in paragraph 4 to the contrary—

(a) The Receiver Released Claims exclude any claims or causes of action that the Receivership Estate may have against any (i) investor in or lender to 1inMM other than the Salvador Parties (collectively, “Other 1inMM Investors”) or (ii) other current or former member of Movie Fund or their respective affiliates, heirs, successors and assigns (collectively, the “Other Movie Fund Members”); and

(b) The Salvador Released Parties exclude the Other Movie Fund Members.

6. **Release of the Receivership Estate by the Salvador Parties; Covenant Not to Sue.** The Salvador Parties, on behalf of themselves and their respective heirs, successors, assigns, agents, employees, officers, partners, managers, parents, subsidiaries, affiliates, insurers and attorneys (collectively, the “Salvador Releasing Parties”), hereby forever release, remise and discharge the Receiver, the Receivership

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Estate and their respective agents, employees, officers, shareholders, managers, parents, subsidiaries, affiliates, insurers and attorneys (collectively, the “Receiver Released Parties”), from any and all claims, counterclaims, actions, causes of action, lawsuits, proceedings, adjustments, offsets, contracts, obligations, liabilities, controversies, costs, expenses, attorney’s fees and losses whatsoever, whether known or unknown, disclosed or concealed, asserted or unasserted, liquidated or unliquidated, contingent or absolute, accrued or unaccrued, matured or unmatured, insured or uninsured, joint or several, determined or undetermined, determinable or otherwise, whether in law, in admiralty, in bankruptcy, or in equity, and whether based on any federal law, state law, common law right of action or otherwise, from the beginning of time to the Effective Date of this Agreement arising out of or relating to the 1inMM Ponzi Scheme, the Transfers and the Receiver Claims (collectively, the “Salvador Released Claims”), but specifically excluding any claims or causes of action arising out of or related to enforcement of this Agreement. The Salvador Releasing Parties hereby covenant not to sue any of the Receiver Released Parties on account of any Salvador Released Claim.

7. **Section 1542 Waiver.** The Parties acknowledge that they have read and understand section 1542 of the California Civil Code (Cal. Civ. Code § 1542), which reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

The Parties hereby expressly waive and relinquish all rights and benefits under California Civil Code section 1542 with respect to the Receiver Released Claims and the Salvador Released Claims.

8. **Disclaimer of Claim.** The Salvador Parties acknowledge and agree that—

(a) They are net winners of the 1inMM Ponzi Scheme, do not hold a claim against the Receivership Estate and will not file any proof of claim in the Action;

(b) If, notwithstanding the immediately previous subparagraph, any of the Salvador Parties files a proof of claim in the Action, then the Receiver may apply to or move the Court to enter an order disallowing that proof of claim, in which case (i) the Salvador Parties expressly waive any notice or opportunity to be heard on any such application or motion and (ii) paragraph 10 of this Agreement shall apply; and

(c) None of them is entitled to any distributions from the Receivership Estate.

9. **Representations and Warranties.** The Parties warrant and represent to each other that: (a) each Party shall act in good faith seeking to accomplish the purpose of this Agreement; (b) each Party has not transferred, conveyed, released, pledged, assigned or made any other disposition of the claimed rights, interests, demands, actions or causes of action, obligations, or any other matter covered by this Agreement; (c) each Party has not relied upon any promises, agreements, representations, statements or warranties in entering into this Agreement, except those that are expressly set forth herein; (d) each signatory to this Agreement has the authority to execute this Agreement and to bind the persons or entities on behalf of which he, she or it signs, including, without limitation, each of the Receiver Releasing Parties and the Salvador Releasing Parties specified above; and (e) EACH PARTY ACKNOWLEDGES THAT HE, SHE OR IT HAS READ THIS AGREEMENT IN ITS ENTIRETY AND THAT HE, SHE OR IT UNDERSTANDS AND APPRECIATES ITS CONTENTS AND SIGNIFICANCE AND HEREBY EXECUTES THE SAME AND MAKES THE RELEASE PROVIDED FOR IN THIS AGREEMENT VOLUNTARILY AND OF HIS, HER OR ITS OWN FREE WILL, HAVING FIRST HAD THE OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL.

10. **Enforcement of this Agreement.** If any Party files a motion or pleading against another Party to enforce the terms of this Agreement, in addition to any other relief to which the successful or prevailing party or parties (the “**Prevailing Party**”) is entitled, the Prevailing Party is entitled to recover, and the non-Prevailing Party shall pay, all reasonable attorney’s fees of the Prevailing Party, court costs, and expenses (even if not recoverable by law as court costs) incurred in that action, and all appellate proceedings related thereto. The Parties also agree that any dispute arising out of or related to this Agreement shall be decided only by the Court by application or motion filed in the Action. In connection with any action or proceeding to enforce, interpret or construe any provision of this Agreement, each of the Salvador Parties, Whitcher and Russell hereby irrevocably and unconditionally (a) consents to the exercise of personal jurisdiction over her, him or it by the Court, and (b) waives any defense of improper venue or forum non conveniens. Furthermore, the Parties agree that the Court shall retain exclusive jurisdiction over all matters relating to this Agreement.

11. **Binding on Successors and Assigns.** This Agreement is and shall be binding upon: (a) the officers, directors, successors, heirs and assigns of each Party; (b) each past, present, direct or indirect parent, subsidiary, division or affiliated entity of each Party; and (c) each past or present agent, representative or shareholder of each Party. Any person executing this Agreement on behalf of a Party represents and warrants that he or she is duly authorized to enter into this Agreement on behalf of said Party.

12. **Fair Construction.** The Parties acknowledge that this Agreement is the manifestation of direct negotiation and represents the mutual and voluntary consent and understanding of each Party. As such, this Agreement shall be deemed to be the joint work product of the Parties without regard to the identity of the draftsman, and any rule of construction that a document shall be interpreted or construed against the drafting Party shall not be applicable.

13. **No Third-Party Beneficiaries.** Nothing in this Agreement benefits, or is intended to benefit, or confers the power to enforce or claim any benefit under this Agreement, on any third party, including without limitation, the Other 1inMM Investors and the Other Movie Fund Members.

14. **Severability.** If any provision of this Agreement is determined to be invalid or unenforceable, such invalidity or unenforceability shall not affect the remaining provisions of this Agreement.

15. **Fees and Costs.** Each of the Parties will bear her, his or its own costs and attorney’s fees incurred in connection with the negotiation and delivery of this Agreement.

16. **Entire Agreement.** This Agreement constitutes the entire agreement and understanding between the Parties with regard to all matters addressed herein. This Agreement supersedes and replaces all prior commitments, negotiations, and all agreements proposed or otherwise, if any, whether written or oral, concerning the subject matters contained in this Agreement. The Parties expressly acknowledge that they have not relied on any prior or contemporaneous oral or written representations or statements by another Party in connection with the subject matter of this Agreement, except as expressly set forth herein.

17. **No Collateral Representations.** The consideration provided herein consists of the entire consideration to which the Parties are entitled. The Parties acknowledge that none of the Parties, their agents, attorneys, insurers, representatives, successors, assigns, heirs, beneficiaries, executors, administrators, parents, subsidiaries, affiliates, current and former directors, officers, employees and representatives (as appropriate for each Party) has made any promise, representation or warranty, expressed or implied, not expressly set forth in this Agreement, which has induced any Party to execute this Agreement.

18. **Exculpation.** The Receiver is executing this Agreement solely in her representative capacity as the Receiver appointed by the Court, and the Receiver’s liability hereunder shall be limited to

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the assets of the Receivership Estate. The Salvador Parties, Witcher and Russell shall not assert any claims against the Receiver in her personal capacity.

19. **Further Assurances.** The Parties will cooperate fully and execute all supplementary documents and take all additional actions that may be necessary or appropriate to give full force and effect to the terms and intent of this Agreement.

20. **Modification.** This Agreement may only be modified by a writing signed by all Parties.

21. **Governing Law.** This Agreement and the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of California, without reference to the conflict-of-laws rules thereof.

22. **Time.** Time is of the essence as to all dates and time periods specified in this Agreement. All time periods in this Agreement shall be computed pursuant to Federal Rule of Civil Procedure 6(a).

23. **Tax Implications.** Each Party shall be responsible for seeking her, his, or its own individual tax advice and shall bear whatever tax liability she, he or it incurs in connection with the transactions contemplated by this Agreement. The Parties make no representations to each other about what tax consequences, if any, result from the transactions contemplated by this Agreement.

24. **Waiver.** No waiver of any right, obligation, or duty imposed by or under this Agreement shall be effective unless such waiver is reflected in a writing duly executed by all parties hereto. No waiver shall be effective based on conduct or oral statements. Waiver by any Party of any breach of this Agreement shall not be a waiver by such Party of any other breach of this Agreement.

25. **Counterparts.** This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one in the same instrument. Facsimile or PDF signatures shall be deemed to have the same effect as original signatures.

26. **Compromise.** The Parties expressly agree that this Agreement is a compromise of disputed claims for the purposes of avoiding the expense, delay, uncertainty and burden of litigation. This Agreement is inadmissible in any proceeding for any purpose other than to enforce its terms. The Parties further agree that executing this Agreement and making the Settlement Payment is not, and shall never be construed as, an admission by any Party of any fact, liability, wrongdoing or violation of any law, statute or regulation.

27. **Notices.** Any and all notices under this Agreement shall be in writing, and shall be transmitted to the Parties by electronic mail or express overnight delivery service as follows:

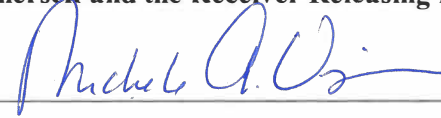
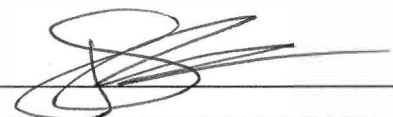
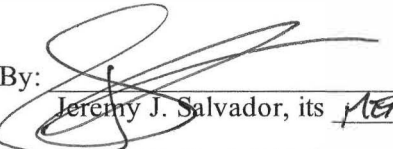
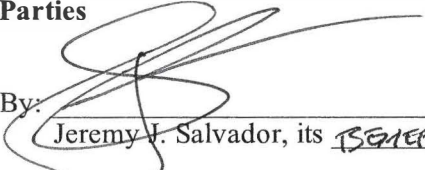
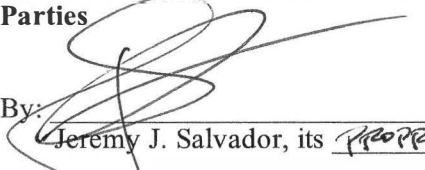
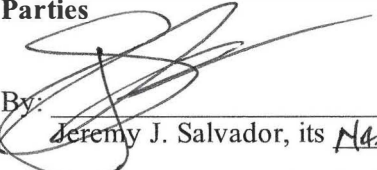
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|--|---|
| <p>If to the Receiver:</p> <p>KATTEN MUCHIN ROSENMAN LLP Terence G. Banich 525 W. Monroe St. Chicago, IL 60661 terence.banich@katten.com</p> <p>with a copy to:</p> <p>Michele Vives, Receiver 1620 Fifth Ave., Ste. 400 San Diego, CA 92101 mvives@douglaswilson.com</p> | <p>If to the Salvador Parties:</p> <p>THE KIRCHER LAW FIRM PLLC Christopher D. Kircher 2831 St. Rose Pkwy., Ste. 200 Henderson, NV 89052 CDK@kircherlawfirm.com</p> |
|--|---|

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| | |
|---|--|
| <p>If to Whitcher and/or Russell:</p> <p>THE GORDILLO LAW FIRM LLC Gregory A. Gordillo 5940 S Rainbow Blvd., Ste. 4011 Las Vegas, NV 89118 greg@gordillolawfirm.com</p> | |
|---|--|









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IN WITNESS WHEREOF, the Parties hereby execute this Agreement as of the Effective Date.

| | |
|--|--|
| <p>MICHELE VIVES, Receiver, on behalf of herself and the Receiver Releasing Parties</p>  | <p>JAMES T. RUSSELL, individually</p> |
| <p>JEREMY J. SALVADOR, on behalf of himself and his respective Salvador Releasing Parties</p>  | <p>GRANT WHITCHER, individually</p> |
| <p>TRINITY EQUITY GROUP LLC, on behalf of itself and its respective Salvador Releasing Parties</p> <p>By:  Jeremy J. Salvador, its <u>MEMBER</u></p> | <p>MOVIE FUND LLC</p> <p>By: _____, its _____</p> |
| <p>JSALVADOR ROTH IRA LLC, on behalf of itself and its respective Salvador Releasing Parties</p> <p>By:  Jeremy J. Salvador, its <u>GENERATOR</u></p> | |
| <p>JSALVADOR CONSULTING, on behalf of itself and its respective Salvador Releasing Parties</p> <p>By:  Jeremy J. Salvador, its <u>PROPRIETOR</u></p> | |
| <p>MIOD AND COMPANY LLP, on behalf of itself and its respective Salvador Releasing Parties</p> <p>By:  Jeremy J. Salvador, its <u>MANAGING PARTNER</u></p> | |

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IN WITNESS WHEREOF, the Parties hereby execute this Agreement as of the Effective Date.

| | |
|---|---|
| <p>MICHELE VIVES, Receiver, on behalf of herself and the Receiver Releasing Parties</p> | <p>JAMES T. RUSSELL, individually</p>  |
| <p>JEREMY J. SALVADOR, on behalf of himself and his respective Salvador Releasing Parties</p>  | <p>GRANT WHITCHER, individually</p>  |
| <p>TRINITY EQUITY GROUP LLC, on behalf of itself and its respective Salvador Releasing Parties</p> <p>By:  Jeremy J. Salvador, its <u>MEMBER</u></p> | <p>MOVIE FUND LLC</p> <p>By:  James T. Russell its <u>Managing Member</u></p> |
| <p>JSALVADOR ROTH IRA LLC, on behalf of itself and its respective Salvador Releasing Parties</p> <p>By:  Jeremy J. Salvador, its <u>BENEFICIARY</u></p> | |
| <p>JSALVADOR CONSULTING, on behalf of itself and its respective Salvador Releasing Parties</p> <p>By:  Jeremy J. Salvador, its <u>PROPRIETOR</u></p> | |
| <p>MIOD AND COMPANY LLP, on behalf of itself and its respective Salvador Releasing Parties</p> <p>By:  Jeremy J. Salvador, its <u>MANAGING PARTNER</u></p> | |

1 Terence G. Banich (SBN 212173)
terence.banich@katten.com
2 Allison E. Yager (*pro hac vice*)
allison.yager@katten.com
3 **KATTEN MUCHIN ROSENMAN LLP**
525 W. Monroe St.
Chicago, IL 60661
4 Telephone: (312) 902-5665
Facsimile: (312) 902-1061

5
6 *Attorneys for the Receiver*
Michele Vives

7
8
9 **UNITED STATES DISTRICT COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**

11 SECURITIES AND EXCHANGE
12 COMMISSION,

13 Plaintiff,

14 v.

15 ZACHARY J. HORWITZ; and 1inMM
16 CAPITAL, LLC,

Defendants.

Case No. 2:21-cv-02927-CAS-PD

**DECLARATION OF MICHELE
VIVES**

Judge: Hon. Christina A. Snyder
Courtroom: 8D

KATTEN MUCHIN ROSENMAN LLP
525 W. MONROE ST.
CHICAGO, IL 60661
(312) 902-5200

KATTEN MUCHIN ROSENMAN LLP
525 W. MONROE ST.
CHICAGO, IL 60661
(312) 902-5200

1 I, Michele Vives, declare as follows:

2 1. I am over the age of eighteen years, am under no disability and am
3 competent to testify to the matters set forth herein. Except as otherwise stated, all
4 facts set forth in this declaration are based upon my personal knowledge and/or my
5 review of documents. If called as a witness in this case, I could and would testify
6 competently to the facts set forth in this declaration.

7 2. I submit this declaration in support of the *Unopposed Motion of*
8 *Receiver Michele Vives for Order Approving Settlement with Jeremy J. Salvador,*
9 *James T. Russell, Grant Whitcher and Movie Fund, LLC, and for Related Relief,*
10 dated December 20, 2024 (the “Motion”). Any capitalized terms not defined herein
11 have the meanings ascribed to them in the Motion.

12 3. I am the President of the Douglas Wilson Companies (“DWC”), an
13 advisory firm that assists companies and entities of all kinds, from financial
14 institutions to operating companies, law firms, state and federal courts, corporations,
15 partnerships, pension funds, REITs and more. DWC has been appointed as receiver
16 or otherwise involved in hundreds of receiver cases over the last 30 years, and has
17 served in other fiduciary roles, such as chapter 11 trustee, chapter 11 examiner,
18 special master, liquidating trustee, assignee for the benefit of creditors and chief
19 restructuring officer.

20 **A. The Receiver; investigation of transfers**

21 4. On January 14, 2022, this Court entered the *Order on Appointment of*
22 *a Permanent Receiver* [ECF #70] (the “Receiver Order”), which appointed me to be
23 the federal equity receiver of defendant 1inMM Capital, LLC (“1inMM”) as well as
24 assets that are attributable to investor or client funds or that were fraudulently
25 transferred by 1inMM or Zachary J. Horwitz (“Horwitz,” and together with 1inMM,
26 “Defendants”) (collectively, the “Estate”).

27 5. The Receiver Order confers on me “full powers of an equity receiver,”
28 and specifically authorizes and directs me to, among other things: take custody and

1 control over all assets of 1inMM and its subsidiaries and affiliates; conduct an
2 investigation and discovery as may be necessary to locate and account for the assets
3 of or managed by 1inMM and its subsidiaries and affiliates; and investigate and,
4 where appropriate, prosecute claims and causes of action that I may possess.

5 **B. Movie Fund and the Whitcher-Russell Claims**

6 6. Pursuant to the authority conferred on me by the Receiver Order, and
7 as I have discussed in my previous quarterly reports, my staff and I have devoted a
8 great deal of time and effort to conducting a forensic accounting analysis of the
9 financial transactions involving 1inMM, Horwitz and their respective insiders and
10 affiliates. This project is critical to determine who may be liable to the Estate for
11 receiving fraudulent transfers, to identify previously unknown assets and to obtain
12 information about 1inMM’s investors.

13 7. I have determined that 1inMM did not just transfer funds to investors
14 and their feeder funds; 1inMM also transferred very large sums to various persons
15 and entities who do not appear to have been investors and/or lenders in the Ponzi
16 Scheme. I am investigating both types of transfers. In doing so, I will be able to
17 identify potential fraudulent transfers to both investors and non-investors alike,
18 thereby increasing the pool of potential recovery to the Estate. Settlements that I
19 reach with such transferees are likely to be very significant Estate assets.

20 8. My professional staff and I have, therefore, devoted considerable time
21 and attention to reviewing and analyzing tens of thousands of banking transactions
22 and associated records associated with 1inMM and Horwitz to identify those persons
23 and entities who may have received transfers that are subject to avoidance and
24 recovery.

25 9. I determined, among other things, that 1inMM, through Horwitz, raised
26 investor funds mostly using certain entities that pooled large amounts of money from
27 many individual investors or lenders. One of these entities was Movie Fund, LLC
28 (“Movie Fund”), of which Jeremy Salvador (“Salvador”), James Russell (“Russell”),

KATTEN MUCHIN ROSENMAN LLP
525 W. MONROE ST.
CHICAGO, IL 60661
(312) 902-5200

1 Grant Whitcher (“Whitcher”), Jason Page (“Page”) and Romik Yeghnazary
2 (“Yeghnazary,” and collectively with Movie Fund, Salvador, Russell, Whitcher and
3 Page, the “Movie Fund Parties”) were members. The purpose of Movie Fund was to
4 be a vehicle for its members to contribute and aggregate money for loans to 1inMM
5 and profit from their transactions with 1inMM.

6 **C. The Transfers**

7 10. I worked closely and cooperatively with Gregory A. Gordillo of The
8 Gordillo Law Firm LLC on behalf of Whitcher and Russell, and Christopher D.
9 Kircher of The Kircher Law Firm PLLC on behalf of Salvador and various entities
10 he owned and controlled (namely, Trinity Equity Group LLC, JSalvador Roth IRA
11 LLC, JSalvador Consulting and Miod and Company LLP) (collectively with
12 Salvador, the “Salvador Parties,” and collectively with Movie Fund, Whitcher and
13 Russell, the “Settling Parties”). Messrs. Gordillo and Kircher and their respective
14 clients gathered and produced to me a large volume of financial documents and
15 related information. I then performed a forensic accounting analysis of those
16 documents and information in conjunction with banking documents already in my
17 possession.

18 11. From that analysis, I determined that the Salvador Parties received
19 (primarily through Movie Fund) transfers from 1inMM totaling \$1,077,744 (the
20 “Transfers”) and are thus net winners of the 1inMM Ponzi Scheme. By contrast, I
21 determined that Whitcher and Russell are net losing investors of the 1inMM Ponzi
22 Scheme, and thus have approximately \$4,162,472.10 of claims against the Estate to
23 recover their unrecouped investments (the “Investment Losses”).

24 12. I asserted that I may avoid and recover the Transfers from the Salvador
25 Parties as actual fraudulent transfers pursuant to § 3439.04(a)(1) of the California
26 Uniform Voidable Transactions Act, Cal. Civ. Code § 3439 *et seq.* (“UVTA”) (the
27 “Receiver Claims,” and together with the Whitcher-Russell Claims, the “Claims”).
28 As I contended, 1inMM and Horwitz made the Transfers with the actual intent to

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1 hinder, delay, or defraud their creditors, as Horwitz pled guilty and admitted that he
2 used 1inMM to operate a Ponzi scheme, which conclusively establishes intent for
3 purposes of a UVTA actual fraudulent transfer claim.

4 13. I argued that I could recover the Transfers from the Salvador Parties
5 under UVTA § 3439.08(b)(1)(A) as their first transferee, because even though
6 1inMM made many of the Transfers to them indirectly through Movie Fund, Movie
7 Fund was a mere conduit that had no dominion over the money 1inMM transferred
8 to it.

9 **D. The Settlement Agreements**

10 14. Whitcher and Russell are net losing investors of the 1inMM Ponzi
11 Scheme and thus are entitled to file claims against the Estate to recover their
12 Investment Losses. But, as a result of the Principal Settlement Agreement, Whitcher
13 and Russell will recover a significant percentage of their Investment Losses directly
14 from the Salvador Parties. It was, therefore, critically important to me that Whitcher
15 and Russell do not double recover their Investment Losses from the Estate from a
16 future claims process. Accordingly, I insisted that Whitcher and Russell must agree
17 that payment of the Salvador Settlement Payment to them will reduce, on a dollar-
18 for-dollar basis, their respective Investment Losses as well as any claim they may
19 file against the Estate in connection therewith.

20 15. Thus, in conjunction with the Principal Settlement Agreement, the
21 Settling Parties and I reached a separate, related settlement (the “Settlement”)
22 whereby, in resolution of the Receiver Claims, Whitcher and Russell agreed that
23 their receipt of the Salvador Settlement Payment will reduce their Investment Losses
24 on a dollar-for-dollar basis, meaning that any claims they may file against the Estate
25 will be reduced by the same amount (the “Claim Reduction”). Recognizing that the
26 Salvador Settlement Payment greatly exceeds the amount of the Transfers and that
27 the Claim Reduction will considerably increase the amount available for distribution
28 to all creditors, I agreed to release the Salvador Parties for any claims arising out of

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1 or relating to the 1inMM Ponzi Scheme. For the avoidance of doubt, however, the
2 releases that I grant to the Salvador Parties do not extend to any other Movie Fund
3 member, such as Yeghnazary, Page or Levesque.

4 16. As recited in the Receiver Settlement Agreement, Witcher and Russell
5 agreed that I may apply to or move the Court to enter an order disallowing any proofs
6 of claim Witcher and/or Russell file in this action to the extent either does not credit
7 the amount of the Salvador Settlement Payment against their claimed Investment
8 Losses resulting from the 1inMM Ponzi Scheme. The parties also agreed that Movie
9 Fund and the Salvador Parties do not hold a claim against the Estate, will not file
10 any proof of claim in this action and are not entitled to any distributions from the
11 Estate. Finally, the validity of the Receiver Settlement Agreement is subject to the
12 condition precedent that the Court approves it.

13 **E. Assessment of the Settlement**

14 17. I believe the Settlement is in the best interest of the Estate and its
15 creditors—the net losing investors in the Ponzi Scheme.

16 18. While the Witcher, Russell and I were confident in our respective
17 Claims, there was a significant risk of an adverse result. The Salvador Parties
18 asserted meaningful defenses that, if successful, may have resulted in Witcher,
19 Russell and I recovering nothing.

20 19. The Salvador Settlement Payment resolves the Witcher-Russell
21 Claims as well as the Receiver Claims. The Settlement thus avoids protracted and
22 expensive litigation, thereby avoiding litigation risk and conserving Estate
23 resources.

24 20. Even though the Estate will not receive cash as a result of this
25 Settlement, the Claim Reduction constitutes a substantial benefit to the Estate that is
26 more valuable than had I been entirely successful in litigation against the Salvador
27 Parties. The Claims Reduction reduces the overall claims pool by over \$1.5 million
28 (i.e., by reducing Witcher and Russell’s claims from \$4.16 million to \$2.57

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1 million), thereby increasing the amount available to distribute to all net losing
2 investors.

3 21. Moreover, the Salvador Settlement Payment and the corresponding
4 Claim Reduction resolve a particularly complex multiparty dispute. The Whitcher-
5 Russell Claims and the Receiver Claims arise from a common nucleus of operative
6 facts—the 1inMM Ponzi Scheme—but the parties’ objectives were not necessarily
7 the same. Specifically, Whitcher and Russell pursued the Salvador Parties to remedy
8 their own personal damages, while I focused on benefitting the Estate as a whole.
9 Those goals often conflicted, resulting in disagreements between Whitcher and
10 Russell and me about settlement terms and how to proceed.

11 22. The Whitcher-Russell Claims are, nonetheless, derivative of the
12 Receiver Claims and compete with me for the Salvador Parties’ assets. Whitcher and
13 Russell and I are pursuing the same parties on account of the same conduct arising
14 out of the same transactions and occurrences involving the same actors. As such, the
15 Whitcher-Russell Claims affected the Estate’s assets and ultimate recoveries; every
16 dollar Whitcher and Russell managed to recover from the Salvador Parties was
17 arguably a dollar I could not recover from them.

18 23. The Salvador Parties wanted to achieve finality with a settlement,
19 which they really could only accomplish through a deal with me. At the same time,
20 I did not think it advisable or practical to exclude from those discussions Whitcher
21 and Russell, who were net losing investors of the 1inMM Ponzi Scheme seeking the
22 same recoveries from the Salvador Parties.

23 24. I continually focused on achieving a settlement that properly resolved
24 all of the Claims. These factors, among others, made the Claims complex and
25 particularly difficult to settle on a global basis.

26 **F. The Settlement is fair, equitable and in the best interests of the**
27 **Estate.**

28 **1. Probability of success**

25. I believe the Settlement satisfies the *A&C Properties* test.

1 26. The Salvador Settlement Payment—which is far more than the total
2 amount of the Transfers—exceeds any result that I could have obtained had I entirely
3 prevailed in litigation against the Salvador Parties.

4 **2. Collection difficulties**

5 27. It is unclear whether the Salvador Parties would have had sufficient
6 assets to satisfy an adverse judgment entered in favor of Witcher, Russell and/or
7 me.

8 **3. Complexity/expense**

9 28. It would be complex, expensive and time-consuming for the parties to
10 litigate the Claims.

11 29. Given my review of the available evidence, I believe litigation against
12 the Salvador Parties would be expensive and time-consuming, as it would likely
13 require extensive discovery, retention of multiple experts and the testimony of
14 numerous witnesses. Discovery, trial and an appeal would likely take at least two
15 years to complete and cost the estate several hundred thousand dollars in fees and
16 expenses.

17 **4. Creditors**

18 30. I believe the Claim Reduction is in the best interests of the Estate.
19 Because Witcher and Russell have effectively agreed to reduce the claims pool by
20 over \$1.5 million, all creditors will receive higher distributions than they otherwise
21 would have received without the Settlement. The Claim Reduction will also allow
22 me to avoid litigating the Claims, thereby preserving additional Estate funds.

23 31. I believe the Settlement is fair, equitable and adequate under the
24 circumstances to realize the value of the Claims.

25 **G. Notice to creditors**

26 32. I will give notice of the Motion by: (a) CM/ECF to parties/interested
27 parties; (b) email to all known creditors of the Estate (or, if represented, their
28 counsel) with a link to the Motion and supporting exhibits; and (c) posting it on the

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1 receivership website. These communications will include instructions on how to
2 advise me of any objections to the Motion by no later than seven days before the
3 hearing. I will thereafter file a status report.

4 Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the
5 laws of the United States of America that the foregoing is true and correct.

6 Executed on December 20, 2024
7 in San Diego, California

/s/Michele Vives
Michele Vives

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6 *Attorneys for the Receiver*
Michele Vives

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9 **UNITED STATES DISTRICT COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**

11 SECURITIES AND EXCHANGE
12 COMMISSION,

13 Plaintiff,

14 v.

15 ZACHARY J. HORWITZ; and 1inMM
16 CAPITAL, LLC,

Defendants.

Case No. 2:21-cv-02927-CAS-PD

**DECLARATION OF
CHRISTOPHER D. KIRCHER**

Judge: Hon. Christina A. Snyder
Courtroom: 8D

KATTEN MUCHIN ROSENMAN LLP
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1 I, Christopher D. Kircher, declare as follows:

2 1. I am over the age of eighteen years, am under no disability and am
3 competent to testify to the matters set forth herein. Except as otherwise stated, all
4 facts set forth in this declaration are based upon my personal knowledge and/or my
5 review of documents. If called as a witness in this case, I could and would testify
6 competently to the facts set forth in this declaration.

7 2. I submit this declaration in support of the *Unopposed Motion of*
8 *Receiver Michele Vives for Order Approving Settlement with Jeremy J. Salvador,*
9 *James T. Russell, Grant Whitcher and Movie Fund, LLC and for Related Relief,*
10 dated December 20, 2024 (the “Motion”). Any capitalized terms not defined herein
11 have the meanings ascribed to them in the Motion.

12 3. I am an attorney licensed to practice law in the State of Nevada, the
13 State of Texas and the State of Georgia. I am a partner at The Kircher Law Firm
14 PLLC, a law firm known that provides highly sophisticated legal services to clients
15 in civil litigation, business law, collection law, personal injury and general liability
16 matters in Nevada, Georgia and Texas. I have comprehensive experience
17 representing individuals, governmental entities, and business enterprises in personal
18 injury, contract disputes, casino collections, landlord-tenant conflicts and the adept
19 representation of clients in all phases of their business, from startup to dissolution.

20 4. I represent Jeremy J. Salvador (“Salvador”) and various entities he
21 owned and controlled (namely, Trinity Equity Group LLC, JSalvador Roth IRA
22 LLC, JSalvador Consulting and Miod and Company LLP) (collectively with
23 Salvador, the “Salvador Parties”) with respect to the Receiver Claims, the Settlement
24 and other events described in the Motion.

25 5. Salvador, James Russell (“Russell”), Grant Whitcher (“Whitcher”),
26 Jason Page (“Page”) and Romik Yeghnazary (“Yeghnazary”) were members of
27 Movie Fund, LLC (“Movie Fund”). The purpose of Movie Fund was to be a vehicle
28

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1 for its members to contribute and aggregate money for loans to 1inMM and profit
2 from their transactions with 1inMM.

3 6. After the 1inMM Ponzi Scheme became public knowledge, and after
4 receiving other information, it is my understanding and belief that Salvador realized
5 that he had been an investor in the 1inMM Ponzi Scheme and that all of the
6 distributions of profits Movie Fund made to its members were likely fictitious
7 profits. This resulted in an inter-Movie Fund dispute between its members,
8 including, among other things, litigation commenced by an affiliate of Yeghnazary
9 and out-of-court settlement discussions between Whitcher and Russell, on the one
10 hand, and Salvador, on the other hand.

11 7. Whitcher and Russell contended that Salvador was liable to them
12 because he and/or the other Salvador Parties received distributions from Movie Fund
13 in excess of the amounts permissible under Movie Fund’s operating agreement (the
14 “Whitcher-Russell Claims”). Salvador, in response, claimed he did not approve the
15 challenged Movie Fund distributions and was unaware that they were allegedly
16 inconsistent with its operating agreement. The Salvador Parties asserted various
17 defenses to the Whitcher-Russell Claims and denied that they were liable to
18 Whitcher or Russell on account of them.

19 8. The Salvador Parties, Whitcher and Russell entered into that certain
20 *Settlement Agreement and Mutual Release*, dated August 8, 2024 (the “Principal
21 Settlement Agreement”), to resolve the Whitcher-Russell Claims.

22 9. Recognizing that the Salvador Settlement Payment greatly exceeds the
23 amount of the Transfers and that the Claim Reduction will considerably increase the
24 amount available for distribution to all creditors, the Receiver agreed to release the
25 Salvador Parties for any claims arising out of or relating to the 1inMM Ponzi
26 Scheme.

27 10. As recited in the Receiver Settlement Agreement, the parties agreed that
28 Movie Fund and the Salvador Parties do not hold a claim against the Estate, will not

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1 file any proof of claim in this action and are not entitled to any distributions from
2 the Estate.

3 11. The validity of the Receiver Settlement Agreement is subject to the
4 condition precedent that the Court approves it.

5 Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the
6 foregoing is true and correct.

7 Executed on December 20, 2024
8 in Henderson, Nevada

/s/Christopher D. Kircher
Christopher D. Kircher

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Attorneys for the Receiver
Michele Vives

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

ZACHARY J. HORWITZ; and 1inMM
CAPITAL, LLC,

Defendants.

Case No. 2:21-cv-02927-CAS-PD

**DECLARATION OF GREGORY A.
GORDILLO**

Judge: Hon. Christina A. Snyder
Courtroom: 8D

KATTEN MUCHIN ROSENMAN LLP
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1 I, Gregory A. Gordillo, declare as follows:

2 1. I am over the age of eighteen years, am under no disability and am
3 competent to testify to the matters set forth herein. Except as otherwise stated, all
4 facts set forth in this declaration are based upon my personal knowledge and/or my
5 review of documents. If called as a witness in this case, I could and would testify
6 competently to the facts set forth in this declaration.

7 2. I submit this declaration in support of the *Unopposed Motion of*
8 *Receiver Michele Vives for Order Approving Settlement with Jeremy J. Salvador,*
9 *James T. Russell, Grant Whitcher and Movie Fund, LLC and for Related Relief,*
10 dated December 20, 2024 (the “Motion”). Any capitalized terms not defined herein
11 have the meanings ascribed to them in the Motion.

12 3. I am an attorney licensed to practice law in the State of Nevada and the
13 State of Ohio. I am the founder of The Gordillo Law Firm LLC, a Las Vegas, Nevada
14 law firm that provides general counsel services to small businesses, professional
15 estate planning and employment dispute mediation services. I have comprehensive
16 experience representing and providing private mediation services to individuals and
17 organizations that need assistance with resolving their employment and business
18 disputes, and individuals who need estate planning.

19 4. I represent Grant Whitcher and James Russell with respect to the
20 Receiver Claims, the Settlement and other events described in the Motion.

21 5. Jeremy Salvador (“Salvador”), James Russell (“Russell”), Grant
22 Whitcher (“Whitcher”), Jason Page (“Page”) and Romik Yeghnazary
23 (“Yeghnazary”) were members of Movie Fund, LLC (“Movie Fund”). The purpose
24 of Movie Fund was to be a vehicle for its members to contribute and aggregate
25 money for loans to 1inMM and profit from their transactions with 1inMM.

26 6. After the 1inMM Ponzi Scheme became public knowledge, and after
27 receiving other information, Whitcher and Russell realized that they had been
28 investors in the 1inMM Ponzi Scheme and that all of the distributions of profits

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1 Movie Fund made to its members were likely fictitious profits. This resulted in an
2 inter-Movie Fund dispute between its members, including, among other things,
3 litigation commenced by an affiliate of Yeghnazary and out-of-court settlement
4 discussions between Witcher and Russell, on the one hand, and Salvador, on the
5 other hand.

6 7. Witcher and Russell contended that Salvador was liable to them
7 because he and/or various entities he owned and controlled (namely, Trinity Equity
8 Group LLC, JSalvador Roth IRA LLC and JSalvador Consulting (collectively with
9 Salvador, the “Salvador Parties”) received distributions from Movie Fund in excess
10 of the amounts permissible under Movie Fund’s operating agreement (the
11 “Witcher-Russell Claims”). Salvador, in response, claimed he did not approve the
12 challenged Movie Fund distributions and was unaware that they were allegedly
13 inconsistent with its operating agreement. The Salvador Parties asserted various
14 defenses to the Witcher-Russell Claims and denied that they were liable to
15 Witcher or Russell on account of them.

16 8. The Salvador Parties (plus Salvador’s affiliate, Miod and Company
17 LLP), Witcher and Russell entered into that certain *Settlement Agreement and*
18 *Mutual Release*, dated August 8, 2024 (the “Principal Settlement Agreement”), to
19 resolve the Witcher-Russell Claims.

20 9. As recited in the Receiver Settlement Agreement, Witcher and Russell
21 agreed that the Receiver may apply to or move the Court to enter an order
22 disallowing any proofs of claim Witcher and/or Russell file in this action to the
23 extent either does not credit the amount of the Salvador Settlement Payment against
24 their claimed Investment Losses resulting from the 1inMM Ponzi Scheme.

25 10. The parties also agreed that Movie Fund and the Salvador Parties do
26 not hold a claim against the Estate, will not file any proof of claim in this action and
27 are not entitled to any distributions from the Estate.
28

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1 11. The validity of the Receiver Settlement Agreement is subject to the
2 condition precedent that the Court approves it.

3 Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the
4 foregoing is true and correct.

5 Executed on December 20, 2024
6 in Las Vegas, Nevada

/s/ Gregory A. Gordillo
Gregory A. Gordillo

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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

ZACHARY J. HORWITZ; and 1inMM
CAPITAL, LLC,

Defendants.

Case No. 2:21-cv-02927-CAS-PD

**[PROPOSED] ORDER
APPROVING SETTLEMENT
WITH JEREMY J. SALVADOR,
JAMES T. RUSSELL, GRANT
WHITCHER AND MOVIE FUND,
LLC AND FOR RELATED RELIEF**

KATTEN MUCHIN ROSENMAN LLP
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1 Upon consideration of the *Unopposed Motion of Receiver Michele Vives for*
2 *Order Approving Settlement with Jeremy J. Salvador, James T. Russell, Grant*
3 *Whitcher and Movie Fund, LLC, and for Related Relief*, dated December 20, 2024
4 (the “Motion”), the Court, having jurisdiction to hear and determine the Motion, has
5 reviewed the Motion and accompanying memorandum of points and authorities and
6 declarations in support thereof, considered the exhibits to the Motion and the
7 objection(s) to the Motion, if any, and concluded that all parties in interest have due
8 and sufficient notice of the Motion; after due deliberation and consideration of the
9 Motion, and there being good cause to grant the relief provided herein; it is, pursuant
10 to the Court’s power to supervise equity receiverships and all other powers in that
11 behalf so enabling, hereby ORDERED:

12 1. The Motion is GRANTED. Capitalized terms not defined herein have
13 the meanings ascribed to them in the Motion or the Receiver Settlement Agreement.

14 2. Notice of the Motion is sufficient under the circumstances and satisfies
15 due process, and any further notice otherwise required by Local Rule 66-7 is waived.

16 3. The terms of the Settlement between and among the Receiver, Jeremy
17 Salvador, Trinity Equity Group LLC, JSalvador Roth IRA LLC, JSalvador
18 Consulting, Miod and Company LLP, James Russell and Grant Whitcher
19 memorialized in the Receiver Settlement Agreement are fair, equitable and in the
20 best interests of the Estate, and are therefore APPROVED.

21 4. For the avoidance of doubt—

22 (a) The Receiver Released Claims exclude any claims or causes of
23 action that the Receivership Estate may have against any (i) investor in or lender to
24 1inMM other than the Salvador Parties (collectively, “Other 1inMM Investors”) or
25 (ii) other current or former member of Movie Fund or their respective affiliates,
26 heirs, successors or assigns (collectively, the “Other Movie Fund Members”); and

27 (b) The Salvador Released Parties exclude the Other Movie Fund
28 Members and the Other 1inMM Investors.

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