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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

NOTICE OF MOTION AND UNOPPOSED MOTION OF RECEIVER MICHELE VIVES FOR ORDER APPROVING [redacted] MENT WITH [redacted] AND FOR RE [redacted] MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT THEREOF

Date: November 16, 2026
Time: 12:00 p.m. PT
Judge: Hon. Christina A. Snyder
Courtroom: 8D

DOCUMENT FILED UNDER SEAL PURSUANT TO ORDER OF OCTOBER 13, 2026 [ECF #556]

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TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE THAT, on November 16, 2026, at 12:00 p.m., or as soon thereafter as the matter may be heard in Courtroom 8D, located at the United States Courthouse, 350 West First Street, Los Angeles, California 90012, Michele Vives, not individually, but solely as the federal equity receiver (the "Receiver") of defendant 1inMM Capital, LLC and its subsidiaries, affiliates and over the assets more particularly described in the *Order on Appointment of Permanent Receiver*, dated January 14, 2022 [ECF #70] (the "Receiver Order"), will and hereby does move the Court for entry of an order approving the settlement with [redacted] and for related relief (the "Motion").

The Motion is based on the Memorandum of Points and Authorities below and is supported by: (a) the *Settlement Agreement and Mutual Release*, dated May 27, 2026 (the "Settlement Agreement"), copy attached as **Exhibit 1**; and (b) the *Declaration of Michele Vives*, dated October 14, 2026 ("Vives Decl."), copy attached as **Exhibit 2**.

This Motion is made following the Local Rule 7-3 conference of counsel which took place on September 14, 2026. **No party requests a hearing on the Motion.**

Dated: October 14, 2026

Respectfully submitted,

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

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MEMORANDUM OF POINTS AND AUTHORITIES

Factual Background

A. The Receiver; investigation of transfers

On April 5, 2021, the SEC commenced this action against Zachary J. Horwitz ("Horwitz") and 1inMM Capital, LLC ("1inMM"; together, "Defendants"), alleging that they committed an offering fraud and Ponzi scheme in violation of the federal securities laws ("Ponzi Scheme"). On January 14, 2022, the Court entered the Receiver Order, appointing Ms. Vives as receiver of 1inMM, its subsidiaries, affiliates and the assets that are attributable to funds derived from investors or clients of Defendants or were fraudulently transferred by Defendants (the "Estate"). (Vives Decl. ¶ 4.) The Receiver Order authorizes the Receiver, among other things, to prosecute claims. (*Id.* ¶ 5.)

B. The Transfers and the Receiver Claims

Pursuant to the authority conferred on the Receiver by the Receiver Order, the Receiver and her staff have devoted a great deal of time and effort to conducting a forensic accounting analysis of the financial transactions involving 1inMM, Horwitz and their respective insiders and affiliates. This project is critical to determine who may be liable to the Estate for having received fraudulent transfers, to identify previously unknown assets and to obtain information about 1inMM's investors. (Vives Decl. ¶ 6.) This work included reviewing and analyzing tens of thousands of banking transactions and associated records associated with 1inMM and Horwitz to identify those persons and entities who may have received transfers that are subject to avoidance and recovery. (*Id.* ¶ 8.)

The Receiver determined that Horwitz raised investor funds mostly using certain entities that pooled large amounts of money from many individual investors or lenders for upstream loans to, or investments in, 1inMM. Two of such entities were New Traveler, Inc. ("New Traveler") and Global Hospitality Concepts ("Global Hospitality"), in which [redacted] was an investor. (Vives Decl. ¶ 9.)

Following a diligent investigation, including the review and analysis of the books and records of the Defendants, the Receiver determined that, in connection with the 1inMM Ponzi Scheme, 1inMM made transfers to [redacted] in excess of [redacted] investment principal, or for his benefit via Global Hospitality and/or New Traveler, totaling [redacted] (the "Transfers"). (*Id.* ¶ 10.)

The Receiver asserted that the Transfers were subject to avoidance and recovery as actually fraudulent transfers under § 3439.04(a)(1) of the California Uniform Voidable Transactions Act, Cal. Civ. Code §§ 3439 *et seq.* ("UVTA"), as well as under common law principles of unjust enrichment/restitution, and that, consequently, the Receiver had, on behalf of the Estate, causes of action against [redacted] to avoid and recover the Transfers or their value, plus prejudgment interest that continued to accrue in the amount of [redacted] (collectively, the "Receiver Claims"). The Receiver contended 1inMM and Horwitz made the Transfers with the actual intent to hinder, delay or defraud their creditors, as Horwitz pled guilty and admitted that he used 1inMM to operate a Ponzi scheme, which conclusively establishes intent for purposes of a UVTA actual fraudulent transfer claim. The Receiver also argued that she could recover the Transfers from [redacted] under UVTA § 3439.08(b)(1)(A) as first transferee, because even though 1inMM made the Transfers [redacted] indirectly through Global Hospitality and New Traveler, those entities were mere conduits with no dominion over the money 1inMM transferred to them. [redacted] denied liability for the Receiver Claims and asserted several defenses (discussed *infra*). (Vives Decl. ¶ 11.)

C. The Settlement

On May 27, 2026, following a series of negotiations, the Receiver and [redacted] reached a settlement whereby [redacted] agreed to pay [redacted] to the Estate ("Settlement Payment"), or 100 percent of the Transfers, to resolve the

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Receiver Claims. The parties will also exchange mutual general releases. The Settlement is documented in the Settlement Agreement. (*Id.* ¶ 12.)

As the parties agreed that [redacted] identity should remain confidential to prevent potential irreparable injury resulting from any public disclosure of the Claims, the Receiver filed an application requesting that this Motion and all supporting documents be sealed, which the Court granted. [ECF #556]

D. 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 1inMM Ponzi Scheme. The Settlement Payment constitutes ***a complete recovery of the Transfers*** without the expense and risk of litigation and represents an equitable, good-faith resolution of the Receiver Claims. (*Id.* ¶¶ 13-14.) The Receiver decided to settle rather than [redacted] (*Id.*)

While the Receiver was confident in the Receiver Claims, the risk of an adverse result always loomed. As discussed below, [redacted] asserted defenses that, if successful, may have resulted in the Receiver recovering nothing. The Settlement thus avoids protracted and expensive litigation, thereby avoiding litigation risk and conserving Estate resources. (*Id.* ¶ 14.)

Legal Standards

District courts have "extremely broad" power and "wide discretion" in overseeing the administration of a receivership. *SEC v. Peterson*, 129 F.4th 599, 608 (9th Cir. 2025); *SEC v. Hardy*, 803 F.2d 1034, 1037 (9th Cir. 1986). The Ninth Circuit "affords 'broad deference' to the [district] court's supervisory role" in receivership cases, and "generally uphold[s] reasonable procedures instituted by the district court that serve th[e] purpose of orderly and efficient administration of the

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receivership for the benefit of creditors." *CFTC v. Topworth Int'l, Ltd.*, 205 F.3d 1107, 1115 (9th Cir. 1999) (cleaned up).

That broad authority to oversee the administration of a receivership includes approving settlements. "[N]o federal rules prescribe a particular standard for approving settlements in the context of an equity receivership; instead, a district court has wide discretion to determine what relief is appropriate." *Gordon v. Dadante*, 336 F. App'x 540, 549 (6th Cir. 2009) (citing *Liberte Cap. Grp., LLC v. Capwill*, 462 F.3d 543, 551 (6th Cir. 2006)); *see also SEC v. Kaleta*, 530 F. App'x 360, 362 (5th Cir. 2013) ("because this is a case in *equity*, it is neither surprising nor dispositive that there is no case law directly controlling" the district court's order approving receiver's settlement).

Local Rule 66-8 directs a receiver to "administer the estate as nearly as possible in accordance with the practice in the administration of estates in bankruptcy." District courts sitting in receivership may look to bankruptcy law for guidance about the administration of a receivership. *See, e.g., SEC v. Cap. Consultants, LLC*, 397 F.3d 733, 745 (9th Cir. 2005) (bankruptcy law "analogous" and therefore persuasive in administration of receivership estates). This is largely because "the purpose of bankruptcy receiverships and equity receiverships is essentially the same—to marshal assets, preserve value, equally distribute to creditors, and, either reorganize, if possible, or orderly liquidate." *SEC v. Stanford Int'l Bank, Ltd.*, 927 F.3d 830, 841 (5th Cir. 2019) (internal citation and quotations omitted).

Courts in this circuit typically apply bankruptcy principles to evaluate receivership settlements. *SEC v. Champion-Cain*, 2022 WL 126114, at *1 (S.D. Cal. Jan. 13, 2022) (applying bankruptcy principles to receivership settlement); *SEC v. Total Wealth Mgmt., Inc.*, 2019 WL 13179068, at *2 (S.D. Cal. Sept. 18, 2019) (same). Bankruptcy courts evaluate whether a compromise is "fair and equitable," considering "[a] the probability of success in litigation, [b] any difficulties that may

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be encountered in collection, [c] the complexity of the litigation, the expense, inconvenience, and delay necessarily attending, and [d] the interest of the receivership entities' creditors and their reasonable views." *Champion-Cain*, 2022 WL 126114, at *1 (quoting *In re Woodson*, 839 F.2d 610, 620 (9th Cir. 1988)); *see also Martin v. Kane (In re A&C Props.)*, 784 F.2d 1377, 1381 (9th Cir. 1986). "[W]hen engaging in this analysis, bankruptcy courts need not conduct a 'mini trial on the merits,' but need only 'canvass the issues.'" *In re TBH19, LLC*, 2022 WL 16782946, at *6 (B.A.P. 9th Cir. Nov. 8, 2022).

"The analysis under these factors is holistic; the Court must canvass the issues and see whether the settlement falls below the lowest point in the range of reasonableness…[I]t is not necessary to satisfy each of these factors provided that the factors as a whole favor approving the settlement." *Total Wealth*, 2019 WL 13179068, at *3 (internal citations/quotations omitted). The Court should consider these factors "as a whole, and not individually in a vacuum, to ascertain whether the settlement is a good deal compared to litigation." *In re Open Med. Inst., Inc.*, 639 B.R. 169, 185 (B.A.P. 9th Cir. 2022). Further, the Court need not decide issues of disputed fact or questions of law raised in the controversies sought to be settled. *Burton v. Ulrich (In re Schmitt)*, 215 B.R. 417, 423 (B.A.P. 9th Cir. 1997).

Ultimately, "courts generally should give deference to a [receiver's] business judgment in deciding whether to settle a matter for the benefit of the estate." *In re Douglas J. Roger, M.D., Inc., APC*, 393 F. Supp. 3d 940, 961 (C.D. Cal. 2019) (cleaned up); *see also In re Lahijani*, 325 B.R. 282, 289 (B.A.P. 9th Cir. 2005). "Approving a proposed compromise is an exercise of discretion that should not be overturned except in cases of abuse leading to a result that is neither in the best interests of the estate nor fair and equitable for the creditors." *In re MGS Mktg.*, 111 B.R. 264, 266-67 (B.A.P. 9th Cir. 1990).

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Argument

I. The Settlement is fair, equitable and in the best interests of the Estate.

The Receiver believes the Settlement satisfies the *A&C Properties* test. (Vives Decl. ¶ 15.)

A. Probability of success

The probability of success litigating the Receiver Claims is mixed. *See, e.g., Total Wealth*, 2019 WL 13179068, at *3 (court must determine whether settlement amount is commensurate to litigation risk). Assessing risk here is largely a function of evaluating the Receiver Claims and [redacted] asserted defenses thereto.

1. Receiver Claims

The Receiver's potential claims against [redacted] arise under UVTA, the purpose of which is "to prevent debtors from placing, beyond the reach of creditors, property that should be made available to satisfy a debt by transferring that property to others." *RPB SA v. Hyla, Inc.*, 2021 WL 4980092, at *4 (C.D. Cal. June 24, 2021) (cleaned up). UVTA enables a creditor to bring an action to avoid a fraudulent transfer of an asset to the extent necessary to satisfy its claim. UVTA § 3439.07(a)(1). A transfer is fraudulent—and thus avoidable—if the debtor transferred the asset either (1) with actual intent to hinder, delay, or defraud any of its creditors (i.e., "actual fraud"), or (2) without receiving reasonably equivalent value in exchange therefor when it had unreasonably small capital or was insolvent (i.e., "constructive fraud"). *Id.* §§ 3439.04(a)(1)-(2). A creditor may bring an action under UVTA against the "first transferee" of the asset, the person for whose benefit the transfer was made or any subsequent transferees. *Id.* §§ 3439.08(b)(1)(A)-(B).

Fraudulent transfer claims are the most important tools for a receiver to recover monies lost by Ponzi-scheme investors. *Donell v. Kowell*, 533 F.3d 762, 767 (9th Cir. 2008). The Ponzi-scheme operator is the "debtor," and each investor is a "creditor," although the investors who profited from the scheme on a net basis—sometimes called "net winners"—are the recipients of the Ponzi-scheme operator's

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fraudulent transfers and are thus liable under UVTA. *Id.* at 767-71. An equity receiver has standing to pursue fraudulent transfer claims "to redress injuries that [the receivership entity] suffered when its managers caused [it] to commit waste and fraud." *Id.* at 777; *see also Winkler v. McCloskey*, 83 F.4th 720, 727 (9th Cir. 2023) ("[A] receiver has standing to pursue a fraudulent transfer claim because the receiver is acting on behalf of the receivership entity, seeking to claw back transfers that the perpetrator of the scheme fraudulently made to the net winners.") The debtor's admission that it operated a Ponzi scheme *conclusively* establishes both fraudulent intent and financial distress for purposes of UVTA claims. *In re Slatkin*, 525 F.3d 805, 814 (9th Cir. 2008); *Donell*, 533 F.3d at 770-71.

To determine whether a Ponzi-scheme investor is liable to the estate for receiving fraudulent transfers, courts apply the "netting rule," where "[a]mounts transferred by the Ponzi scheme perpetrator to the investor are netted against the initial amounts invested by that individual. If the net is positive, the receiver has established liability[.]" *Donell*, 533 F.3d at 771. Generally, "innocent" investors may retain the payments they received up to the amount invested but must disgorge the "profits" received from the Ponzi scheme as they "do not represent a return on legitimate investment activity." *Id.* at 772, 777.

Here, the Receiver contended, based on her review of the documentation, that [redacted] had received the Transfers from 1inMM, and argued that she could avoid the Transfers as actually fraudulent under UVTA § 3439.04(a)(1). The Receiver argued that an actual fraud claim would not require her to prove that 1inMM was insolvent or made the transfers for less than reasonably equivalent value. Instead, the Receiver would have to show that 1inMM made the Transfers "with actual intent to hinder, delay or defraud any creditor of the debtor." UVTA § 3439.04(a)(1). Because Horwitz pled guilty to securities fraud and admitted that he used 1inMM to operate a Ponzi scheme, 1inMM's fraudulent intent was conclusively established for purposes of a UVTA actual fraud claim. *Slatkin*, 525 F.3d at 814. The Receiver

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therefore contended that the Transfers were avoidable. [redacted] disputed the Receiver Claims and denied liability.

2. Defenses

[redacted] asserted several defenses to the Receiver Claims. (Vives Decl. ¶ 16.) [redacted] argued, for example, that the Receiver Claims were time-barred under UVTA. [redacted] asserted, for example, that the one-year discovery rule under UVTA § 3439.09(a) was triggered when the Receiver was appointed on January 14, 2022 and barred most, if not all, of the Transfers.

The Receiver countered with cases holding that a receiver—who is thrust into the shoes of the wrongdoer—cannot discover every possible claim immediately upon her appointment. *Gill v. Blessing*, 2014 WL 12573667, at *3 (C.D. Cal. Oct. 6, 2014) ("the plain language" of § 3439.09(a), which turns on whether the subject transfer "could reasonably have been discovered" by the claimant, "belies [the] rule" that a receiver must instantly discover "every claim that could possibly be derived from the files in [her] possession"). Instead, the one-year "clock" starts running at some point *after* the receiver's appointment and depends on the receiver's diligence under the circumstances. *Id.* In turn, UVTA's discovery rule is only triggered when a receiver discovers, or reasonably could have discovered, both (1) the transfer itself *and* (2) its fraudulent nature. *In re Ezra*, 537 B.R. 924, 933 (B.A.P. 9th Cir. 2015); *see also Donell v. Mojtahedian*, 976 F. Supp. 2d 1183, 1187 (C.D. Cal. 2013) (a receiver's "knowledge of an individual's status as an investor is insufficient to begin running the statute of limitations" under UVTA, as a defendant's "receipt of funds, alone, could not establish whether she received a net profit or a net loss from the Ponzi scheme"); *Gill*, 2014 WL 12573667, at *3 (UVTA discovery rule focuses on "the diligence of the receivers' investigations, not merely [on] the date that they obtain records").

Moreover, the Receiver has an independent, court-ordered duty to investigate the Estate's acts and transactions, which California federal courts uniformly

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recognize.[1] *See, e.g., Seaman v. Sedgwick, LLP*, 2011 WL 13393442, at *5 (C.D. Cal. Aug. 31, 2011) (receivers must have opportunity to develop "comprehensive understanding of the situation," as "it can take a significant amount of time…to trace funds and conclusively determine…the strength of any third party claims"); *Gill v. Blessing*, 2014 WL 12579788, at *1-*2 (C.D. Cal. June 2, 2014) (denying motion to dismiss UVTA claims where receiver received only some records from defendants but could not discover fraudulent nature of transfers until conducting massive undertaking involving review of "a multitude of paper and electronic documents…in a state of shambles"); *Fed. Deposit Ins. Co. v. O'Melveny & Myers*, 61 F.3d 17, 19 (9th Cir. 1995) (receiver should not be "punish[ed]" or prohibited from asserting certain arguments simply because she was thrust into wrongdoer's shoes).

The Receiver asserted that, upon her appointment, she did not yet have enough information to reasonably discover her claims. Thus, the one-year "clock" could not start until she was able to conduct a diligent investigation, including the massive undertaking of conducting a forensic accounting analysis of Defendants' books and records. *Gill*, 2014 WL 12579788, at *2.

Even if the Receiver's UVTA claims were time-barred, she argued that she could still recover the Transfers on an unjust enrichment theory under California law. UVTA is not the only way to avoid a fraudulent transfer. UVTA § 3439.12 ("the principles of law and equity, including…the law relating to…fraud…supplement [UVTA's] provisions"); *Donell v. Keppers*, 835 F. Supp. 2d 871, 879 (S.D. Cal. 2011) ("a suit under [UVTA] is not the exclusive remedy by which fraudulent transfers may be attacked" because common law remedies, such as unjust enrichment, remain available); *Damian v. A-Mark Precious Metals, Inc.*,

[1] The Court's receivership order directed the Receiver to "investigate and, where appropriate, institute, prosecute and pursue all claims" that the Estate may have. ECF #70, § II(I).

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2017 WL 6940515 (C.D. Cal. Aug. 28, 2017) (considering UVTA and unjust enrichment claims filed by receiver, and acknowledging the latter as separate cause of action based on same transfers). Under California law, unjust enrichment is "an independent cause of action or…a quasi-contract claim for restitution," which requires the plaintiff to show (1) "the receipt of a benefit" and (2) the "unjust retention of the benefit at the expense of another." *ESG Cap. Partners, LP v. Stratos*, 828 F.3d 1023, 1038-39 (9th Cir. 2016); *Bhatia v. Silvergate Bank*, 725 F. Supp. 3d 1079, 1126 (S.D. Cal. 2024).

Unlike UVTA, unjust enrichment claims are subject to a three-year discovery period. Cal. Code Civ. Proc. § 338(d) (statute of limitations for "[a]n action for relief on the ground of fraud" is three years from "the discovery, by the aggrieved party, of the facts constituting fraud or mistake"); *Macedo v. Bosio*, 86 Cal. App. 4th 1044, 1051 (1st Dist. 2001) (holding that if plaintiff uses common law unjust enrichment theory to avoid fraudulent transfer, "the applicable statute of limitations is section 338(d)," which accrues "depending upon the belated discovery issue"). So even if [redacted] were correct that the Receiver should have discovered her claims upon her appointment (or shortly thereafter), she could still pursue the Transfers via unjust enrichment claims. [redacted] disagreed with this analysis.

In addition to the limitations issues above, the Receiver asserted that, even though 1inMM made the Transfers to [redacted] through Global Hospitality and New Traveler, she could recover the Transfers from [redacted] because those entities were "mere conduits" rather than transferees. While UVTA authorizes plaintiffs to recover an avoided transfer from the "first transferee" of the asset transferred, it does not define that term. The Ninth Circuit has observed that "'[t]ransferee' is not a self-defining term; it must mean something different from 'possessor' or 'holder' or 'agent,'" and that "treating 'anyone who touches the money' as a 'transferee' could lead to 'absurd results'…." *In re Walldesign, Inc.*, 872 F.3d 954, 962 (9th Cir. 2017). The Ninth Circuit applies the "dominion test" to

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determine whether a party is a first transferee or a mere conduit. *In re Incomnet, Inc.*, 463 F.3d 1064, 1071 (9th Cir. 2006). Under that test, the "minimum requirement [for] status as a 'transferee' is dominion over the money or other asset," i.e., "the *right* to put the money to one's own purposes." *Walldesign*, 872 F.3d at 962. Thus, Global Hospitality and New Traveler would be deemed the first transferees if they had dominion over the money 1inMM transferred to it earmarked for [redacted] on account of [redacted] investments; otherwise, they were merely conduits for 1inMM to transfer the money to [redacted], the first transferee.

[redacted] asserted that Global Hospitality and New Traveler had dominion over the Transfers, thereby making them the first transferees, as they had discretion to put the funds to other uses. The Receiver, however, countered that the express language from the relevant contracts showed that Global Hospitality and New Traveler were contractually bound to disburse the Transfers immediately to [redacted] The Ninth Circuit has held that a recipient's contractual obligation to disburse money to another constitutes a lack of dominion. *See, e.g.*, *Danning v. Miller (In re Bullion Reserve of N. Am.)*, 922 F.2d 544, 549 (9th Cir. 1991); *Northpoint Commc'ns Grp., Inc.*, 2007 WL 7541001, at *4-5 (B.A.P. 9th Cir. Nov. 7, 2007). The Receiver asserted that Global Hospitality and New Traveler's role in receiving repayments of loans from 1inMM was akin to a bank, merely holding funds for the benefit of specific, named "depositors." *Bullion Reserve*, 922 F.2d at 549.

Given the arguments above, [redacted] asserted defenses presented an important litigation risk for the Receiver. The mere-conduit issue was also significant, considering that every Transfer flowed from 1inMM through Global Hospitality and New Traveler to [redacted]. The Receiver believes [redacted] is liable as a net winner, but litigation may not have resulted in the Receiver avoiding and recovering *all* of the Transfers plus accrued prejudgment interest. *Cf. In re ISE Corp.*, 2012 WL 1377085, at *8 (Bankr. S.D. Cal. Apr. 13, 2012) ("the success of

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litigation also entails consideration of the risk of uncertainty and the desire for expediency"). The Court may have sustained some of [redacted] defenses, which would be an outcome worse than the Settlement. Rather than take that risk, the Receiver compromised. (Vives Decl. ¶ 17.) *See, e.g., SEC v. Cap. Cove Bancorp LLC*, 2016 WL 11752897, at *2 (C.D. Cal. Dec. 15, 2016) (approving settlement, reasoning it "provide[d] a recovery that is proportionate to the successful prosecution of this action when discounts are factored in for the risk, time, and expense of fully litigating the case, and maximize[d] the funds available for distribution to creditors"); *Open Med. Inst.*, 639 B.R. at 183-84 (same, where trustee averred the odds of success as a "coin flip" and "thought it was safer to settle").

For these reasons, the Receiver concluded that the Settlement accounts for the mixed probability of success on the merits. (Vives Decl. ¶ 18.)

B. Collection difficulties

"Assessing the difficulties in collection 'is largely a bird-in-the-hand consideration' that weighs the certainty of settlement against the potential uncertainty of collection even where a receiver secures a favorable judgment." *Total Wealth Mgmt.*, 2019 WL 13179068, at *3 (citation omitted). It is unclear, based on the information presently available to the Receiver, whether [redacted] would have had sufficient assets to satisfy an adverse judgment entered in favor of the Receiver. The Receiver believes the Settlement Payment—which represents the entire amount of the Transfers but none of the prejudgment interest—reasonably accounts for the potential uncertainty of collection that would result from litigation. (Vives Decl. ¶¶ 19-20.) So, this factor is neutral.

C. Complexity/expense

It would be complex, expensive and time-consuming for the parties to litigate the Receiver Claims. (*Id.* ¶ 21.) This factor is particularly important in liquidations like here where the goal is "obtaining the best possible realization upon the available assets and without undue waste by needless or fruitless litigation." *In re Law*, 308 F.

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App'x 152, 153 (9th Cir. 2009). Litigating [redacted] defenses would necessarily entail discovery and trial to resolve, along with the associated time and expense.

Given the evidence and defense arguments, the Receiver believes litigation against [redacted] would be expensive and time-consuming, requiring extensive discovery, retention of experts and numerous witnesses. (Vives Decl. ¶ 22.) A trial and appeal would likely take at least two years to complete and cost the Estate several hundred thousand dollars in fees and expenses—an amount that could exceed the value of the Transfers themselves. (*Id.*) This factor, therefore, weighs heavily in favor of approving the Settlement. *See, e.g.*, *TBH19*, 2022 WL 16782946, at *3 (complexity element weighed in favor of settlement where dispute would require extensive discovery, cost the estate hundreds of thousands of dollars and take years to resolve).

D. Creditors

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

In sum, the Receiver believes the Settlement is fair, equitable and adequate under the circumstances to realize the value of the Receiver Claims. (Vives Decl. ¶ 23.) Litigation is, certainly, an alternative course, but "while the [Receiver] might do better in [] litigation, she is not likely to do so." *In re Tidwell*, 2018 WL 1162511, at *3 (Bankr. C.D. Cal. Mar. 1, 2018) (cleaned up).

Notice to Creditors

"Creditors are entitled to 'notice reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections.'" *Perez v. Safety-Kleen Sys., Inc.*,

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253 F.R.D. 508, 518 (N.D. Cal. 2008) (quoting *Mullane v. Central Hanover Bank & Trust Co.*, 339 U.S. 306, 314 (1950)). "[D]ue process…is not a technical conception with a fixed content unrelated to time, place and circumstances[.]" *Grimm v. City of Portland*, 971 F.3d 1060, 1065 (9th Cir. 2020). Instead, "due process is flexible and calls for such procedural protections as the particular situation demands." *Muñoz v. United States Dep't of State*, 50 F.4th 906, 922 (9th Cir. 2022). The Court may "exercise[] significant control over the time and manner" of any proceeding to hear a creditor's objections. *Liberte Cap. Grp.*, 462 F.3d at 552.

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

The Court should deem this notice sufficient under the circumstances. *See, e.g., Fed. Trade Comm'n v. Cardiff*, 2020 WL 9938072, at *4 (C.D. Cal. Mar. 10, 2020) (receiver's notice of settlement satisfied due process where receiver posted motion to its website and served on all parties, known creditors and interested parties); *SEC v. Adams*, 2021 WL 8016843, at *2 (S.D. Miss. Feb. 25, 2021) (same, where receiver provided mail notice to interested parties, publicized settlement on receivership website and gave interested parties instructions how to submit comment or objection to settlement).

WHEREFORE, the Receiver respectfully requests the Court enter an order: (a) granting the Motion; (b) finding notice of the Motion is sufficient under the circumstances and satisfies due process, and waiving any further notice otherwise required by Local Rule 66-7; (c) approving the terms of the Settlement memorialized in the Settlement Agreement as fair and equitable; (d) authorizing the Receiver to

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take such further actions as may be necessary to consummate the transactions in the Settlement Agreement; and (e) granting such further relief as the Court deems necessary and appropriate.

Dated: October 14, 2026

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 4,572 words, which complies with the word limit of L.R. 11-6.1.

Dated: October 14, 2026

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 October 14, 2026, I served the following document(s) described as:

MOTION OF RECEIVER MI [redacted] OR ORDER APPROVING SETTLEMENT WITH [redacted] 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.

[X] 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.

[ ] 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.

[X] 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 October 14, 2026, at Chicago, Illinois.

/s/Terence G. Banich
Terence G. Banich

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

THIS SETTLEMENT AGREEMENT AND MUTUAL RELEASE (this "Agreement") is made and entered into as of this 27th day of May, 2026 (the "Effective Date"), between and among (a) Michele Vives, not individually, but solely as the receiver as more particularly described in the second recital of this Agreement (the "Receiver"), on the one hand, and (b) [redacted] The Receiver and [redacted] are referred to collectively herein as the "Parties."

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 ("Horwitz") and 1inMM Capital, LLC ("1inMM") and its subsidiaries and affiliates (collectively with 1inMM, the "Receivership Entities," 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 the Receiver 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, the Receiver and her professional staff conducted a forensic accounting of the Receivership Entities' sources and uses of funds and the other assets of the Receivership Estate, including, without limitation, the amounts invested or deposited with the Receivership Entities by investors and other third parties and the amounts distributed or paid to or on behalf of investors, aggregators, insiders and other third parties;

WHEREAS, as a result of her forensic accounting analysis, the Receiver determined that Horwitz raised funds primarily from certain entities that aggregated large amounts of money from many individual investors for upstream loans to, or investments in, 1inMM, which entities included New Traveler, Inc. ("New Traveler") and Global Hospitality Concepts ("Global Hospitality"), in which [redacted] was an investor;

WHEREAS, following a diligent investigation, including the review and analysis of the books and records of the 1inMM Defendants, the Receiver determined that, in connection with the 1inMM Ponzi Scheme, 1inMM made transfers to [redacted] in excess of [redacted] investment principal, or for [redacted] benefit via Global Hospitality and/or New Traveler, totaling [redacted] (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") as well as under common law principles of unjust enrichment/restitution, and that, consequently, she has, on behalf of the Receivership Estate, causes of action against [redacted] to avoid and recover the Transfers or their value plus prejudgment interest in the amount of [redacted] (collectively, irrespective of how styled and inclusive of any and all claims that could have been but were not asserted against [redacted] by the Receiver, the "Receiver Claims");

WHEREAS, the Receiver and [redacted] wishing to avoid the expense, delay and uncertainty of litigation of the Receiver Claims, have agreed to settle and resolve all claims and disputes between them arising out of or relating to 1inMM, the 1inMM Ponzi Scheme, the Transfers and the Receiver Claims (collectively, the "Disputes") on the terms and conditions set forth in 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 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 settlement documented in this Agreement (the "Approval Order," and the date that the Court enters the Approval Order on the docket of the Action, the "Approval Date"). [redacted] will support the entry of the Approval Order. If, however, the Court declines to approve the settlement documented by this Agreement, then this Agreement (including the releases contained in paragraphs 4-5 hereof) will be void, and the Parties will retain all of their respective rights, claims and defenses as if this Agreement never existed.

3. **Settlement Payment.** In exchange for the releases contained in paragraph 4 of this Agreement, [redacted] agrees to pay the sum of [redacted] to the Receivership Estate (the "Settlement Payment") no later than fourteen (14) calendar days after the Approval Date. [redacted] shall remit the Settlement Payment in immediately available United States Dollars by wire transfer per instructions that the Receiver will provide no later than seven (7) days before the payment deadline.

4. **Release of [redacted] by 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 [redacted] as well as [redacted] respective heirs, successors, assigns, agents, employees, officers, shareholders, managers, parents, subsidiaries, affiliates, trustees, beneficiaries, insurers and attorneys (collectively, the "[redacted] 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 Disputes (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 [redacted] Released Parties on account of any Receiver Released Claim.

5. **Release of the Receivership Estate by [redacted] Covenant Not to Sue.** [redacted] on behalf of [redacted] and [redacted] respective heirs, successors, assigns, agents, employees, officers, partners, managers, parents, subsidiaries, affiliates, insurers and attorneys (collectively, the "[redacted] Releasing Parties"), hereby forever releases, remises and discharges the Receiver, the Receivership Estate as well as their agents, employees, officers, shareholders, managers, parents, subsidiaries, affiliates, trustees, beneficiaries, 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 Disputes (collectively, the "[redacted] Released Claims"), but specifically excluding any claims or causes of action arising out of or related to enforcement of this Agreement. The [redacted] Releasing Parties hereby covenant not to sue any of the Receiver Released Parties on account of any [redacted] Released Claim.

6. **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 [redacted] Released Claims and the Receiver Released Claims.

7. **Waiver of Claim and Distribution.** [redacted] hereby waives any right to file, and covenants not to file, a claim against the Receivership Estate (a "Proof of Claim"). If, notwithstanding the immediately previous sentence, [redacted] files a Proof of Claim, then the Receiver may apply to or move the Court to enter an order disallowing that Proof of Claim, and [redacted] hereby waives any notice or opportunity to be heard on any such application or motion. [redacted] acknowledges and agrees that he is not entitled to any distributions whatsoever from the Receivership Estate.

8. **IRC Section 1341.** The Receiver will, within thirty (30) days of her receipt of the Settlement Payment, issue an appropriate written acknowledgement of her receipt of the Settlement Payment for purposes of [redacted] claim to any tax benefits under Section 1341 of the Internal Revenue Code with respect to all or part of the Settlement Payment.

9. **Confidentiality.** The Receiver shall to use her reasonable best efforts, pursuant to the procedures specified in Local Rule 79-5.2.2, to obtain an order from the Court authorizing her to file the Approval Motion under seal and to serve on parties in interest redacted copies of the Approval Motion and its exhibits (including this Agreement) (a "Sealing Order"). *Provided, however,* [redacted] agrees that obtaining a Sealing Order from the Court is not a condition precedent to the validity of this Agreement or his performance under it.

10. **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 warrants that he, she or it 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 [redacted] Releasing Parties and the Receiver Releasing Parties specified in paragraphs 4-5; 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.

11. **Enforcement of this Agreement.** If any Party files a motion or pleading against the other to enforce the terms of this Agreement (an "Enforcement Proceeding"), 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, [redacted] hereby irrevocably and unconditionally (a) consents to the exercise of personal jurisdiction over [redacted] 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.

12. **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.

13. **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 draftsperson, and any rule of construction that a document shall be interpreted or construed against the drafting Party shall not be applicable.

14. **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.

15. **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.

16. **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.

17. **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.

18. **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.

19. **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 the assets of the Receivership Estate. [redacted] shall not have or assert any claims against the Receiver in her personal capacity.

20. **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.

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

22. **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.

23. **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).

24. **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.

25. **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.

26. **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.

27. **Compromise.** The Parties agree and acknowledge that this Agreement is the result of a compromise and a decision to settle all disputes between them relating to the Disputes. 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 [redacted] of any fact, liability, wrongdoing or violation of any law, statute or regulation.

28. **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:

If to the Receiver: KATTEN MUCHIN ROSENMAN LLP Terence G. Banich 525 W. Monroe St. Chicago, IL 60661 (312) 902-5665 terence.banich@katten.com with a copy to: Michele Vives, Receiver 1620 Fifth Ave., Ste. 400 San Diego, CA 92101 mvives@douglaswilson.com	If to [redacted] [redacted]

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

MICHELE VIVES, Receiver, on behalf of herself and the Receiver Releasing Parties	[redacted]

Terence G. Banich (SBN 212173)
terence.banich@katten.com
Allison E. Yager (*pro hac vice)*
allison.yager@katten.com
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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 MICHELE VIVES** Judge: Hon. Christina A. Snyder Courtroom: 8D

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I, Michele Vives, declare as follows:

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

2. I submit this declaration in support of the *Unopposed Motion of Receiver Michele Vives for Order Approving Settlement with* [redacted] *and for Related Relief* (the "Motion"). Any capitalized terms not defined herein have the meanings ascribed to them in the Motion.

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

A. The Receiver; investigation of transfers

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

5. The Receiver Order confers on me "full powers of an equity receiver," and specifically authorizes and directs me to, among other things: take custody and control over all assets of 1inMM and its subsidiaries and affiliates; conduct an

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

B. The Transfers and the Claims

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

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

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

9. I determined, among other things, that Horwitz raised investor funds mostly using certain entities that pooled large amounts of money from many individual investors or lenders for upstream loans to, or investments in, 1inMM. Two of such entities were New Traveler, Inc. ("New Traveler") and Global Hospitality

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Concepts ("Global Hospitality"), in which [redacted] was an investor.

10. I investigated 1inMM's transactions with third parties and discovered that [redacted] may have received avoidable transfers. Ultimately, I determined that 1inMM made transfers to [redacted] in excess of [redacted] investment principal, or for his benefit via Global Hospitality and/or New Traveler, totaling [redacted] (the "Transfers").

11. I asserted that the Transfers were subject to avoidance and recovery as actually fraudulent transfers under § 3439.04(a)(1) of the California Uniform Voidable Transactions Act, Cal. Civ. Code §§ 3439 *et seq.* ("UVTA"), as well as under common law principles of unjust enrichment/restitution, and that, consequently, I had, on behalf of the Estate, causes of action against [redacted] to avoid and recover the Transfers or their value, plus prejudgment interest that continued to accrue (collectively, the "Receiver Claims"). I contended 1inMM and Horwitz made the Transfers with the actual intent to hinder, delay or defraud their creditors, as Horwitz pled guilty and admitted that he used 1inMM to operate a Ponzi scheme, which conclusively establishes intent for purposes of a UVTA actual fraudulent transfer claim. I also argued that I could recover the Transfers from [redacted] under UVTA § 3439.08(b)(1)(A) as first transferee, because even though 1inMM made the Transfers to [redacted] indirectly through Global Hospitality and/or New Traveler, those entities were mere conduits with no dominion over the money 1inMM transferred to them. [redacted] denied liability for the Receiver Claims and asserted several defenses.

C. The Settlement

12. On May 27, 2026, following a series of negotiations, I reached a settlement with [redacted] whereby he agreed to pay [redacted] to the Estate ("Settlement Payment"), or 100 percent of the Transfers, to resolve the Receiver

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Claims. The parties will also exchange mutual general releases. The Settlement is documented in the Settlement Agreement.

D. Assessment of the Settlement

13. I believe the Settlement is in the best interest of the Estate and the net losing investors in the Ponzi Scheme. I decided to settle rather than pursue [redacted] for the [redacted] of prejudgment interest.

14. The Settlement Payment constitutes a complete recovery for the Estate without the expense and risk of litigation, and the Settlement represents an equitable, good-faith resolution of all Receiver Claims. While I was confident in my Receiver Claims, the risk of an adverse result always loomed. As discussed in the Motion, [redacted] asserted defenses that, if successful, may have resulted in me recovering nothing. The Settlement thus avoids protracted and expensive litigation, thereby avoiding litigation risk and conserving Estate resources.

E. The Settlement is fair, equitable and in the best interests of the Estate.

1. Probability of success

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

16. [redacted] asserted defenses to the Receiver Claims.

17. The Court may have sustained some of [redacted] defenses, which would be an outcome worse than the Settlement. Rather than take that risk, I compromised.

18. For the reasons described in the Motion, I concluded that the Settlement appropriately takes into account the mixed probability of success on the merits.

2. Collection difficulties

19. It is unclear, based on the information presently available to me, whether [redacted] would have had sufficient assets to satisfy an adverse judgment entered in my favor.

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20. In short, I believe the Settlement Payment—which represents one hundred percent of the Transfers but none of the prejudgment interest—reasonably accounts for the potential uncertainty of collection that would result from litigation.

3. Complexity/expense

21. It would be complex, expensive and time-consuming for the parties to litigate the Receiver Claims.

22. Given the evidence and defense arguments described in the Motion, I believe litigation against [redacted] would be expensive and time-consuming, requiring extensive discovery, retention of experts and numerous witnesses. A trial and appeal would likely take at least two years to complete and cost the Estate several hundred thousand dollars in fees and expenses.

4. Creditors

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

F. Notice to creditors

24. I will give notice of the Motion by: (a) CM/ECF to parties/interested parties; (b) email to all known creditors of the Estate (or, if represented, their counsel) with a link to the Motion and supporting exhibits; and (c) posting it on the receivership website. These communications will include instructions on how to advise me of any objections to the Motion by no later than seven days before the hearing. I will thereafter file a status report.

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

Executed on October 14, 2026 in San Diego, California

/s/*Michele Vives*
Michele Vives

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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 APPRO NT WITH [redacted] AND FOR R**

Upon consideration of the *Unopposed Motion of Receiver Michele Vives for Order Approving Settlement with* [redacted] *and for Related Relief* (the "Motion"), the Court, having jurisdiction to hear and determine the Motion, has reviewed the Motion and accompanying memorandum of points and authorities and declarations in support thereof, considered the exhibits to the Motion and the objection(s) to the Motion, if any, and concluded that all parties in interest have due and sufficient notice of the Motion; after due deliberation and consideration of the Motion, and there being good cause to grant the relief provided herein; it is, pursuant to the Court's power to supervise equity receiverships and all other powers in that behalf so enabling, hereby ORDERED:

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

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

3. The terms of the Settlement between and among the Receiver and [redacted] memorialized in the Settlement Agreement are fair, equitable and in the best interests of the Estate, and are therefore APPROVED.

4. The Receiver is AUTHORIZED to take such further actions as may be necessary to consummate the transactions in the Settlement Agreement.

5. The Court retains exclusive jurisdiction to hear and determine any disputes arising out of or relating to the settlement approved by this order.

Dated:

_____
United States District Judge

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