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11 Attorneys for Plaintiffs Kim Funding, LLC;
12 Kim H. Peterson; Joseph J. Cohen; ABC
13 Funding Strategies, LLC; Payson R. Stevens;
14 Kamaljit K. Kapur; and the Payson R. Stevens
15 & Kamaljit Kaur Kapur Trust dated March 28,
16 2014

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18 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
19 **COUNTY OF SAN DIEGO**
20

21 KIM FUNDING, LLC; KIM H. PETERSON;
22 JOSEPH J. COHEN; ABC FUNDING
23 STRATEGIES, LLC; PAYSON R.
24 STEVENS; KAMALJIT K. KAPUR and
25 THE PAYSON R. STEVENS & KAMALJIT
26 KAUR KAPUR TRUST DATED MARCH
27 28, 2014;

28 Plaintiffs,

v.

CHICAGO TITLE COMPANY; CHICAGO
TITLE INSURANCE COMPANY;
THOMAS SCHWIEBERT; ADELLE
DUCHARME; BETTY ELIXMAN; and
DOES 1 through 50, inclusive;

Defendants.

CASE NO. 37-2019-00066633-CU-FR-CTL

FIRST AMENDED COMPLAINT FOR:

- (1) FRAUD**
- (2) ELDER FINANCIAL ABUSE**
- (3) NEGLIGENCE**
- (4) NEGLIGENT MISREPRESENTATION**
- (5) CONVERSION**
- (6) FRAUDULENT TRANSFER**
- (7) RECEIPT OF STOLEN PROPERTY**
- (8) UNFAIR COMPETITION**
- (9) FALSE ADVERTISING**

1 Plaintiffs Kim Funding, LLC, Kim H. Peterson, Joseph J. Cohen, ABC Funding
2 Strategies, LLC, Payson R. Stevens, Kamaljit K. Kapur, and the Payson R. Stevens & Kamaljit
3 Kaur Kapur Trust dated March 28, 2014 (collectively, “Plaintiffs”), for their First Amended
4 Complaint against Defendants Chicago Title Company and Chicago Title Insurance Company
5 (collectively, “Chicago Title”), and Thomas Schwiebert, Adelle DuCharme, Betty Elixman, and
6 Does 1 through 50, inclusive (collectively with Chicago Title, “Defendants”) state and allege as
7 follows:

8 **THE PARTIES**

9 1. Plaintiff Kim Funding, LLC is a California limited liability company operating in
10 San Diego County, California.

11 2. Plaintiff ABC Funding Strategies, LLC is a Delaware limited liability company
12 operating in San Diego County, California.

13 3. Plaintiff Kim H. Peterson (collectively with Kim Funding, “Peterson”) is an
14 individual residing in San Diego County, California. He is presently 71 years old.

15 4. Plaintiff Joseph J. Cohen is an individual residing in Eastsound, Washington. He
16 is presently 71 years old.

17 5. Plaintiff Payson R. Stevens is an individual residing in Del Mar, California. He is
18 presently 75 years old.

19 6. Plaintiff Kamaljit K. Kapur is an individual residing in Del Mar, California. She
20 is presently 71 years old.

21 7. Plaintiff Payson R. Stevens & Kamaljit Kaur Kapur Trust dated March 28, 2014
22 (“Stevens & Kapur Trust”) is a trust organized under the laws of the state of California. Stevens
23 and Kapur are trustees of the Stevens & Kapur Trust.

24 8. Defendant Chicago Title Company is a California corporation with its principal
25 place of business in Los Angeles County, California. It has more than 40 offices throughout
26 California, including at least four offices in San Diego County, California.

27 9. Defendant Chicago Title Insurance Company is a Florida corporation with its
28 principal place of business in Jacksonville, Florida. According to its advertisements, it “has

1 grown in stature with a solid reputation for integrity and standing the test of time” for over 150
2 years. It is a subsidiary of the \$13 billion Fidelity National Insurance, Inc. with which it merged
3 in 1999 in a \$1.2 billion corporate transaction.

4 10. Chicago Title Insurance Company and Chicago Title Company operate as one
5 indistinguishable entity. The Chicago Title Defendants share multiple officers and employees,
6 including the same Chief Executive Officer, the same Chief Financial Officer, the same
7 Secretary and General Counsel, and the same Assistant Vice President. Defendant DuCharme
8 was identified as an agent and employee of both Chicago Title Defendants. Both Chicago Title
9 Defendants are held out to the public as “Chicago Title” and share the same logo. Chicago Title
10 Company and Chicago Title Insurance Company regularly used letterhead identifying the other
11 company, or other variations of “Chicago Title,” including on wiring instruction documentation.
12 The Chicago Title Defendants share the same website. Searching for company locations on the
13 “Chicago Title Insurance Company” website at www.ctic.com identifies the San Diego office
14 where Defendants Ducharme, Elixman, and Schwiebert were working. The Chicago Title
15 Defendants are frequently referred to as indistinguishable from one another in official
16 documentation. For example, the privacy policy on the Chicago Title website simply refers to
17 “Fidelity National Financial, Inc. and its majority-owned subsidiary companies” without
18 distinguishing between Chicago Title Company and Chicago Title Insurance Company. The
19 Chicago Title Defendants have both received substantial profits as a direct and proximate result
20 of the fraudulent scheme, and have both profited as a result of their intentional blurring of the
21 entities to the general public and to Plaintiffs. For at least the foregoing reasons, there is a unity
22 of interest and ownership between the Chicago Title Defendants, and recognizing the corporate
23 separateness between the Chicago Title Defendants would sanction fraud and render injustice on
24 Plaintiffs.

25 11. Defendant Thomas Schwiebert is an individual residing in San Diego County,
26 California. He is Vice-President—Major Accounts of Chicago Title, where he has been
27 employed for at least 24 years. At all relevant times, he was and is an agent of the Chicago Title
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1 Defendants. On information and belief, at all relevant times Schwiebert supervised, directed,
2 and authorized the conduct of Defendants DuCharme and Elixman alleged herein.

3 12. Defendant Adelle “Della” DuCharme is an individual residing in San Diego
4 County, California. She is a Senior Commercial Escrow Officer at the downtown San Diego
5 office of Chicago Title and leader of the “DuCharme Unit,” whose email addresses include
6 DuCharmeUnit@ctt.com and Della.DuCharme@ctt.com. She has worked at Chicago Title for
7 over 22 years. At all relevant times, she was and is an agent of the Chicago Title Defendants.

8 13. Defendant Betty Elixman is an individual residing in San Diego County,
9 California. She is an Escrow Officer at the downtown San Diego office of Chicago Title and a
10 member of the “DuCharme Unit.” She has worked at Chicago Title for over 10 years. At all
11 relevant times, she was and is an agent of the Chicago Title Defendants.

12 14. Gina Champion-Cain is a long-time client of Chicago Title and a close associate
13 of Defendants Schwiebert, DuCharme, and Elixman. She is a purportedly successful and well-
14 known San Diego businesswoman, restaurateur, and real estate investor. She and her investment
15 companies were recently sued by the Securities and Exchange Commission in the Southern
16 District of California for securities fraud in connection with the fraudulent liquor license escrow
17 program described below. At all relevant times, she was and is an agent and coconspirator of the
18 Chicago Title Defendants.

19 15. Prior to being sued by the SEC, Champion-Cain had a high profile and strong
20 reputation in the San Diego business community. She was on the board of trustees of the
21 University of San Diego. She was a founding investor and sat on the board of directors of
22 Endeavor Bank. She was an owner of a restaurant group, The Patio Group, which was being
23 advised regarding a possible initial public offering by a prominent San Diego law firm in 2019.
24 (On information and belief, the assets of the Patio Group included significant funds obtained
25 from the proceeds of the fraud scheme alleged herein.) She was prominently involved in the
26 Teach for America organization. She was frequently mentioned in media touting her purported
27 business prowess and entrepreneurial skills. Cain was regularly featured in articles in the San
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1 Diego Union-Tribune as a business leader and she provided advice and views on the business
2 climate and economic issues.

3 16. Plaintiffs are unable to ascertain the true names and capacities of the Defendants
4 sued herein under the fictitious names Does 1 through 50, inclusive, whether individual,
5 corporate, associate or otherwise. Plaintiffs are informed and believe, and on that ground allege,
6 that each of the Defendants designated as a Doe is legally responsible in some manner for the
7 events and happenings referred to herein, and has proximately caused the injuries and damages
8 alleged herein. Plaintiffs will amend this First Amended Complaint to allege the true names and
9 capacities of the Doe Defendants when ascertained.

10 17. Plaintiffs are informed and believe, and on that basis allege, that each Defendant
11 and Gina Champion-Cain is and was the agent, alter ego, coconspirator or accomplice of each
12 other Defendant, aided and abetted, furnished the means for, or is otherwise responsible for all of
13 the acts hereinafter alleged. Plaintiffs are informed and believe, and on that basis allege, that the
14 actions of each Defendant, as alleged herein, were duly agreed upon, ratified, and aided and
15 abetted by each other Defendant, with each Defendant acting as the agent of the other and within
16 the scope, course, and authority of the agency or conspiracy..

17 **JURISDICTION AND VENUE**

18 18. The Court therefore has jurisdiction under California Code of Civil Procedure
19 Section 410.10 in that Defendants are citizens of, resident in, or have substantial contacts with
20 the State of California.

21 19. Venue in this court is proper under California Code of Civil Procedure Section
22 395.5 in that acts giving rise to liability on the part of Defendants were performed, at least in
23 part, in San Diego County.

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1 **GENERAL ALLEGATIONS**

2 **The Liquor License Escrow Program**

3 20. Under California law, an applicant for the transfer or purchase of a liquor license
4 is required to establish an escrow account and to deposit the full amount of the purchase price or
5 consideration into that escrow account within 30 days of applying for the license and to keep the
6 funds in escrow until the purchase or transfer is complete. The escrow company is also required
7 to file a “Form ABC-226” with state authorities regarding the money in escrow. Among other
8 things, a Form 226 requires the escrow company to certify to the California Department of
9 Alcoholic Beverage Control that the total consideration for the transfer has been deposited in
10 escrow. On information and belief, thousands of liquor license transfers occur each year in
11 California.

12 21. In or around 2013, Gina Champion-Cain approached Plaintiff Kim Peterson with
13 a lending proposal. Under the proposal, Kim Peterson would provide short-term bridge loans for
14 liquor license transfer applicants by placing money in escrow on behalf of the applicant.
15 Peterson’s money would remain safely escrowed at Chicago Title while the liquor license
16 application was pending. When the transfer application was approved, the applicant would wire
17 into escrow the amount of the originally escrowed funds plus a lending fee, which would be
18 returned to the lender (in this case Peterson) and the escrow would close.

19 22. Beginning in 2013, Plaintiff Peterson placed substantial amounts of his personal
20 funds in the liquor license escrow platform. In light of the success of his early loans and the
21 safety of his principal held securely in escrow at Chicago Title, he began recruiting others to lend
22 money for the program. Plaintiff Peterson created an entity called Kim Funding, LLC to
23 facilitate those loans.

24 23. Plaintiffs Peterson and Cohen formed ABC Funding in late 2014 to serve as a
25 vehicle to facilitate additional loans for the liquor license escrow platform. Through the ABC
26 Funding platform, dozens of additional individuals (many of whom were seniors) provided over
27 \$15 million dollars in the liquor license escrow platform. Cohen also loaned substantial amounts
28 of his personal funds in the liquor license escrow platform.

1 24. In early 2015, Plaintiff Kim Funding entered into an agreement with a Champion-
2 Cain entity, ANI Development, LLC, to provide lending for the liquor license escrow platform.
3 Kim Funding entered into loan agreements for over \$125 million with various financial
4 institutions, hedge funds, individuals, and other entities to secure money to loan to applicants as
5 part of the liquor license escrow platform. In many cases, Plaintiff Peterson personally
6 guaranteed those loans based on the security provided by the Chicago Title escrows.

7 25. Plaintiffs Stevens and Kapur are elders who loaned \$500,000 to the liquor license
8 escrow platform through the Plaintiff Stevens & Kapur Trust.

9 26. Plaintiffs trusted Chicago Title to safeguard their money. A key reason Plaintiffs
10 and other lenders loaned money for the platform was the security and safety provided by the
11 Chicago Title escrows. Chicago Title is one of the largest escrow firms in the country and is a
12 subsidiary of the mammoth Fidelity National Financial, Inc., a publicly traded, Fortune 500
13 corporation. As its website advertising describes, it is in the business of operating “escrows,”
14 and Chicago Title:

15 Acts as the impartial “stakeholder” or depository, in a fiduciary
16 capacity, for all documents and monies required to complete the
 transaction per written instructions of the principals.

17 * * *

18 Chicago Title Company has a variety of products, each designed to
19 respond to a specific need. More than 150 years of experience
20 coupled with the highest insurance reserves in the industry assure
 you of the greatest level of protection available. Regardless of size,
 the experienced, dedicated members of our staff will give every
 transaction the attention it deserves.

21 27. The safety of the liquor license lending program was guaranteed by the Chicago
22 Title Escrow Agreements themselves that the Plaintiffs received, which generally provided that
23 only the specific lender had ownership rights in the funds and that when money was released
24 from the escrow, it could only be distributed to the bank account of that lender. For example, the
25 Chicago Title escrow agreement with Kim Funding, signed by Defendant DuCharme, stated:

26 Ownership of Deposit. It is acknowledged and understood that only
27 Kim Funding, LLC, has an ownership interest in the Deposit and
28 that Lender has no ownership or security interest in the Deposit and
 has no right to direct the disposition of the Deposit except as set
 forth in and as provided in the Release of Deposit paragraph as

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follows.

Release of Deposit. At any time, Lender may provide written instructions to Escrow Holder to release all of the Deposit with the interest thereon, less only unpaid escrow fees. During the term of this escrow, upon the written instructions from Lender, Escrow Holder will disburse the Deposit and, as instructed by Lender, only to the following account:

Custodian Broker: Western Alliance Bank
ABA Number: 122243635
FCC: Kim Funding, LLC
A/C#: [REDACTED]

Upon receipt of such instructions, Escrow Holder’s only duty is to comply with said instructions and to disburse the Deposit amount as requested by Lender and in accordance with this Agreement. Escrow Holder shall not release the Deposit, or any portion thereof, to any other person or entity.

(This Agreement is attached as Exhibit A.)

28. During the program, Plaintiffs would periodically receive detailed lists of liquor license applicants and the amounts of their required escrows. Plaintiffs would identify liquor license escrows for which they desired to loan money, and return those selections to Champion-Cain. When the liquor licenses were granted, the escrowed funds were to be returned plus a fee.

29. Over the course of the program, various lenders and their representatives made inquiries to Chicago Title about the liquor license escrow platform, and Defendants confirmed the program was legitimate.

30. Beginning in or around early 2015, on several occasions auditors for lender HAV Global Macro Fund, L.P. (“HAV”) contacted Chicago Title in writing to confirm that HAV’s funds were escrowed in specific liquor license escrows. Chicago Title and Champion-Cain confirmed the existence and amount of the liquor license escrows. Peterson was aware at the time that Chicago Title had provided these confirmations through his contacts with HAV personnel.

31. In or about February 2017, Plaintiff Peterson was seeking to secure a loan for Kim Funding from Torrey Pines Bank (a subsidiary of Western Alliance Bank) to use for the liquor license escrow platform. Champion-Cain and her conspirators provided Peterson escrow

1 agreements purportedly signed by a Chicago Title employee named “Wendy Reynolds.” After a
2 Torrey Pines Bank representative called Chicago Title, and he was informed that no Wendy
3 Reynolds worked there, Defendant DuCharme signed dozens of escrow agreements in the place
4 of “Wendy Reynolds.” Defendant Schweibert provided to Torrey Pines Bank a signed document
5 certifying that Defendant DuCharme had authority to sign those escrow documents and that they
6 were valid escrow agreements of the Chicago Title Defendants.

7 32. On or about April 7, 2017, David Sider, another lender in the liquor license escrow
8 program, attended a San Diego Padres game in Champion-Cain’s private box. At that game, he
9 met Defendant DuCharme, and discussed with Defendant DuCharme how she was the “queen of
10 the ABC liquor license escrow program,” which DuCharme confirmed.

11 33. On or about July 20, 2017, representatives of the investment fund Ovation Finance
12 had a telephone conference with Chicago Title regarding the liquor license escrow program.
13 During that call, Defendant DuCharme assured Ovation Finance that the escrow program was
14 legitimate and that its funds would only be released back to the Ovation Finance itself. Shortly
15 thereafter, Ovation Finance representatives told Plaintiff Peterson that they had discussed the
16 escrow program with Defendant DuCharme and that she had satisfied them of the program’s
17 legitimacy and viability.

18 34. On January 17, 2018, auditor KPMG, on behalf of Ovation Finance, requested
19 confirmation from Defendant Chicago Title Insurance Company that Defendant held
20 \$25,000,000 of Ovation’s funds in escrow as described in a detailed schedule of liquor license
21 applications. Defendant Chicago Title confirmed this in writing the following day. (This
22 confirmation is attached as Exhibit B.) A KPMG representative subsequently called Defendant
23 DuCharme and confirmed the substance of the confirmation and that she had signed the
24 confirmation letter.

25 35. On or about April 17, 2018, Banc of California emailed Plaintiff Peterson and
26 Champion-Cain to request a phone call and email with Defendant DuCharme in connection with
27 an internal audit. During a phone call the following day, Defendant DuCharme confirmed to
28 Banc of California representatives that the escrow process for their liquor license loans was

1 going well, that her department “had it down very smoothly after all these years,” that Elixman
2 was her assistant on the program, and that DuCharme signed off on all of the escrows that were
3 established and released.

4 36. On September 19, 2018, Banc of California representatives met with Defendant
5 Chicago Title representatives, Defendants Elixman and DuCharme at Chicago Title’s San Diego
6 office. The Defendants confirmed that Defendant Chicago Title held \$25,000,000 in escrow for
7 Banc of California and assured the bank representatives that Chicago Title was operating in
8 compliance with California state regulations.

9 37. On January 14, 2019, auditor KPMG on behalf of Ovation Alternative Income Fund,
10 LP, requested confirmation from Defendant Chicago Title Insurance Company that Chicago Title
11 held \$25,000,000 of Ovation’s funds in escrow for a detailed schedule of liquor license
12 applications. Defendant Chicago Title confirmed this in writing on January 17, 2019. (This
13 confirmation is attached as Exhibit C.)

14 38. On information and belief, lender Randolph Levin went to the Chicago Title offices
15 in San Diego to inquire about the liquor license escrow program. Levin spoke with Defendant
16 Elixman, who represented that the Chicago Title liquor license escrow program was legitimate
17 and viable. Defendant Elixman provided Levin with a list of what she claimed were existing
18 liquor license applications being processed by Chicago Title as part of the program.

19 39. Throughout the lifespan of the escrow lending program, Plaintiffs and other lenders
20 received from Defendants and Champion-Cain regular reports specifying which escrows they
21 had loaned money for and confirming that the full amount of their loans were safely held in
22 Chicago Title escrows.

23 40. From 2013 through 2019, relying on these and similar representations by Defendants,
24 Plaintiffs loaned more than \$140 million for the liquor license escrow program. Plaintiff
25 Peterson had such confidence in the Chicago Title escrows’ safety that he personally guaranteed
26 loans in the amount of approximately \$100 million.

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1 **The Fraudulent Scheme**

2 41. In fact, the liquor license escrow program was a fraud, designed to use the illusion of
3 safe Chicago Title escrows to solicit millions of dollars of loans, which would then be stolen by
4 the Defendants and their conspirators. In perpetrating the fraud scheme, the Defendants made
5 the following false and misleading statements and omissions, among others:

6 42. Defendant Chicago Title represented that the escrows were structured as described in
7 the escrow agreements that were provided to lenders, which stated that the escrowed funds could
8 only be returned to the lenders. In truth and in fact, Defendant Chicago Title structured the
9 escrow agreements such that the escrowed funds could be distributed to accounts controlled by
10 Champion-Cain, as alleged by the Securities and Exchange Commission.

11 43. The escrow agreements Chicago Title used internally were not the escrow agreements
12 that Defendants represented to lenders were the binding escrow agreements. On information
13 and belief, the actual escrow agreements used by Chicago Title were materially different from
14 the agreements represented to lenders, including that they involved only one party other than
15 Defendant Chicago Title, did not involve the lenders or the liquor licensees, had no discernible
16 purpose, and were not legally escrows at all. The internal Chicago Title agreements permitted
17 Defendants to divert escrowed funds to Champion-Cain’s businesses at her discretion. One
18 internal Chicago Title agreement (attached as Exhibit D) provided that:

19 **Release of the Initial Deposit: Unilateral Instruction:** At any
20 time Buyer [ANI Development, LLC] may provide written notice
21 to Escrow Holder as to the release of all or a portion of the Deposit
22 and the interest thereon to various Chicago Title Escrow Nos. or
23 otherwise directed by Buyer. Upon receipt of such notice, Escrow
24 Holder’s only duty shall be to comply with said notice and to
25 release the funds as requested by Buyer. There are no other
26 requirements or duties on the part of Escrow Holder.

27 44. The agreement specified ANI Development, LLC as the “Buyer” despite the fact that
28 there was no “Seller” listed and nothing was being “sold” and there was no sale that would close
the “escrow.” The agreement further stated that it was being “opened solely for the purposes set
forth,” but failed to specify any purpose beyond apparently acting as a slush fund bank account
for Champion-Cain.

1 45. Beginning in or around early 2015, Chicago Title and Champion-Cain assured HAV
2 auditors on multiple occasions regarding the existence and amount of funds deposited in liquor
3 license escrows. In truth and in fact, the program was a fraud and lenders' money was being
4 converted by Defendants.

5 46. On or about March 20, 2015, a lender named Steven Shaw wrote to Defendant
6 DuCharme at her @ctt.com email address requesting confirmation regarding the funds deposited
7 for an escrow for a specific liquor license. Defendant DuCharme forwarded the email to
8 Chicago Title Escrow Officer Joanne Reynolds for handling. Reynolds referred the request to
9 Champion-Cain, asking Champion-Cain to "[p]lease contact Steven regarding his request below.
10 Thank you." Rather than respond to the lender's inquiries, Cain said that she was going to
11 remove the lender from the liquor license escrow program, emailing Defendant DuCharme and
12 Joanne Reynolds at their @ctt.com email addresses:

13 By the way, he is a total pain in the ass. I'm gonna have grouchy Kim
14 Peterson replace Steve's funds as Kim, as grouchy as he is, is MUCH easier
to deal with . . . love that guy! :)

15 I have always promised you I would shelter you from my crazy investors
16 and I will continue to do so. If any one of them bug you as they are too
17 stupid to understand the program, then they are "FIRED" as an investor!!!!
18 I have plenty of dudes dying to give me money, honey!!!
Ahahahahahahaha. :-D Love you ladies!

19 (A copy of this email is attached as Exhibit E.)

20 47. In responding to inquiries from Torrey Pines Bank and Plaintiff Peterson in and
21 around February 2017, the Defendants executed an elaborate scheme involving falsifying
22 documents and covering up the illegitimate one-party escrows being used inside Chicago Title.

23 48. As alleged above in Paragraph 31, in or about February 2017, Champion-Cain and
24 her conspirators provided Plaintiff Peterson and Torrey Pines Bank with escrow agreements
25 purportedly signed by a "Wendy Reynolds." After a Torrey Pines Bank representative called
26 Chicago Title, and he was informed that no Wendy Reynolds worked there, the Defendants
27 concocted a scheme to have Defendant DuCharme re-sign the escrow agreements that had been
28 purportedly signed by a Wendy Reynolds. Torrey Pines Bank requested assurance from

1 Defendant Chicago Title that Defendant DuCharme was a qualified officer of Chicago Title,
2 authorized to execute escrow agreements and direct transfers of the escrowed funds.

3 49. In response to inquiries from Torrey Pines Bank, DuCharme and Schwiebert spoke on
4 the telephone with one or more representatives from Torrey Pines Bank in February 2017
5 regarding Chicago Title's operation of the liquor license escrow platform. One of those Torrey
6 Pines Bank representatives was a Senior Counsel named Robert Casey, who had a call with
7 DuCharme on at least February 7, 2017 and calls with Schwiebert on at least February 15, 2017
8 and February 16, 2017.

9 50. During at least one of those February 2017 calls, DuCharme falsely represented to
10 Casey that Chicago Title did liquor license transfers with Kim Funding. In truth and in fact, and
11 unbeknownst to Plaintiffs, Chicago Title had not been operating a liquor license escrow platform
12 at all. In truth and in fact, the program was a fraudulent conspiracy involving Defendants and
13 Champion-Cain to convert lenders' money.

14 51. Furthermore, during at least one of those February 2017 calls Casey informed
15 Schwiebert that someone named Wendy Reynolds had been signing documents on behalf of
16 Chicago Title, despite the fact that there was no Chicago Title employee by that name. Indeed,
17 by no later than February 2017 Schwiebert, a Chicago Title Vice President, was aware that a
18 nonexistent Chicago Title employee was signing documents on behalf of Chicago Title.
19 Defendants were also aware that hundreds of millions of dollars were flowing in and out of a
20 slush fund account for Champion-Cain for no identified purpose. Nevertheless, Defendants
21 continued to facilitate and generate fees from the fraud for multiple years and at a substantial
22 profit to Defendants.

23 52. Throughout the course of February 2017, Defendants DuCharme and Schwiebert
24 called Champion-Cain frequently concerning the inquiries from Torrey Pines Bank. Telephone
25 records indicate Defendant Schwiebert had multiple calls with Champion-Cain on at least
26 February 1 and 16, 2017. Records indicate Defendant DuCharme had similar calls with
27 Champion-Cain on at least February 7, 8, 14, 15, 16, and 23, 2017.

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1 53. On or about February 13, 2017, Defendant DuCharme signed dozens of liquor license
2 escrow agreements that appeared to be legitimate escrows containing the provisions set forth
3 above in Paragraph 27 to provide to Torrey Pines Bank. Each of the escrow agreements (i)
4 recited that Chicago Title and ANI Development, LLC were entering into the escrow agreement;
5 (ii) identified Chicago Title as the escrow holder, (iii) recited that the source of funds for the
6 escrow was from an account at Western Alliance Bank in the name of Kim Funding, LLC, (iv)
7 identified a different purported liquor license applicant by name; (v) identified a different
8 purported price for each liquor license, and (v) required Chicago Title to complete and submit an
9 ABC Form 226 to the California ABC for the liquor license applicant. Champion-Cain delivered
10 these new escrow agreements to Torrey Pines Bank on or about February 13, 2017.
11 Unbeknownst to Plaintiffs, all of that information was false. Defendants knew that the
12 information was false at the time the agreements were signed, because Defendants were not
13 operating a liquor license escrow program with Champion-Cain. In truth and fact, Defendants
14 were secretly operating slush fund accounts in a fraudulent conspiracy to convert Plaintiffs'
15 money.

16 54. Defendant Schwiebert was aware that Defendant DuCharme signed these agreements.
17 In fact, on February 13, 2017, at the request of Torrey Pines Bank to confirm that Defendant
18 DuCharme had signatory authority for Chicago Title, Defendant Schwiebert signed an
19 “Incumbency Certificate and Authorization of Chicago Title Company” certifying that
20 Defendant DuCharme was its authorized representative for these purposes, representing:

21 The persons whose names and titles appear below are authorized to
22 execute Escrow Agreements for the purpose of requesting draws
23 from Western Alliance Bank (“Bank”) pursuant to that certain
24 Credit Agreement and related loan documents dated as of February
25 1, 2017, between Kim Funding, LLC, a California limited liability
26 company, and Bank, and such persons are duly elected, qualified
27 and acting as members, managers and(or) officers, as indicated, of
28 the Company and hold on the date hereof the offices or titles set
forth opposite their respective names below, and the signatures set
opposite each of their respective names are their genuine signatures:

 Della DuCharme C&I Escrow Officer

(It is attached as Exhibit F.) This incumbency certificate was delivered to Torrey Pines Bank by

1 Champion-Cain on or about February 13, 2017.

2 55. The incumbency certificate specifically references the “Credit Agreement and related
3 loan documents dated as of February 1, 2017, between Kim Funding, LLC, a California limited
4 liability company, and Bank” which, among other things, set forth the nature of the liquor license
5 escrow platform as it was understood by Plaintiffs, and also specified that Plaintiff Peterson
6 personally guaranteed the loan. The incumbency certificate was false and misleading at least
7 because Schwiebert knew that Defendants had not been operating a liquor license escrow
8 program with Champion-Cain as set forth in the incumbency certificate, escrow agreements, and
9 referenced loan documentation. In truth and in fact, and unbeknownst to Plaintiffs, Chicago
10 Title had not been operating the liquor license escrow platform at all.

11 56. On February 14, 2017 Casey emailed Defendant DuCharme and attached a copy of
12 one of the escrow agreements that DuCharme had signed, asking her to confirm the agreement
13 and that the wiring instructions were correct. DuCharme responded the same day, and did not
14 dispute that she had signed the escrow agreement that Casey had attached to his email. (A copy
15 of this exchange is attached as Exhibit G.)

16 57. Following DuCharme’s false statement to Torrey Pines Bank’s Casey that Chicago
17 Title had been operating a liquor license escrow program with Kim Funding, on or about June
18 26, 2017, Champion-Cain wrote to Defendants DuCharme and Elixman at their @ctt.com email
19 addresses regarding a variety of incoming wires totaling over one million dollars from Kim
20 Funding, ABC Funding, and multiple other lenders. Champion-Cain wrote the following:
21 “NOTE....[KIM] CHANGED BANKS FROM ICKY TORREY PINES BANK TO WELLS
22 FARGO....HAHAHA ... Thank you, loves!!!!!!” (A copy is attached as Exhibit H.)

23 58. On or about April 7, 2017, Defendant DuCharme confirmed to another lender, David
24 Siders, that she was operating a legitimate liquor license escrow funding platform while at a San
25 Diego Padres game in Champion-Cain’s private box. In truth and in fact, the program was a
26 fraud and lenders’ money was being converted by Defendants.

27 59. On information and belief, when lender Randolph Levin went to the Chicago Title
28 offices in San Diego to inquire about the liquor license escrow program, Defendant Elixman

1 falsely confirmed the existence of a legitimate Champion-Cain liquor license escrow program at
2 Chicago Title. Defendant Elixman provided Levin with a list of what she claimed were existing
3 liquor license applications being processed by Defendant Chicago Title as part of the program.
4 That information was false.

5 60. On or about July 20, 2017, Defendant DuCharme assured Ovation Finance that the
6 escrow program was legitimate and that the funds that Ovation Finance placed in Chicago Title
7 escrows would only be released from the escrow back to Ovation Finance. In truth and in fact,
8 Ovation Finance funds were released to Champion-Cain entities and converted by her and her
9 coconspirator Defendants. Notably, two days earlier on July 18, 2017, Champion-Cain emailed
10 with Defendants DuCharme and Elixman stating “I told them NEVER to call and bother you
11 ladies,” and that “if they call asking about escrow agreements and alcohol licenses, blah, blah,
12 blah... just say ‘SURE WHATEVER NOW SHOW ME THE MONEY... HAHAAAAHA.’”

13 61. On January 18, 2018, Defendant Chicago Title Insurance Company assured auditor
14 KPMG and its client, investment fund Ovation Finance, in writing (and by phone), that
15 Defendant Chicago Title held \$25,000,000 of Ovation’s funds in escrow corresponding to a
16 detailed schedule of liquor license applications. In truth and in fact, the escrow schedule was a
17 sham and the money had been stolen by Defendants.

18 62. On or about April 17, 2018, reacting to Banc of California’s inquiry alleged in
19 Paragraph 35, Champion-Cain wrote to Defendant DuCharme at her @ctt.com email address
20 “Sigh....they always want to talk to DELLA!!” to which Defendant DuCharme replied “[a]ll my
21 fans!” Champion-Cain scheduled a call between Banc of California and Defendant DuCharme,
22 then subsequently wrote to Defendant DuCharme that “I may come over tomorrow am [sic]
23 listen in with you.....hahaha.” DuCharme responded “[w]hatever you want I can always call you
24 on my cell and have both on speaker so you can hear it all.” Cain responded that there was “no
25 need love as I am sure you will just brush them off quickly.” (A copy of these emails are
26 attached as Exhibit I.)

27 63. On September 19, 2018, Defendants Elixman and DuCharme represented to Banc of
28 California representatives that Defendant Chicago Title held \$25,000,000 in escrow for Banc of

1 California and assured the bank representatives that Chicago Title was operating in compliance
2 with California state regulations. In truth and in fact, the money had been stolen by Defendants
3 and Chicago Title was in violation of numerous state laws and regulations.

4 64. On January 17, 2019, Defendant Chicago Title Insurance Company represented to
5 auditor KPMG and its client, investment fund Ovation Alternative Income Fund, LP, in writing,
6 that Chicago Title held \$25,000,000 of Ovation’s funds in escrow corresponding to a detailed
7 schedule of liquor license applications. In truth and in fact, the escrow schedule was a sham and
8 the money had been stolen by Defendants.

9 65. On multiple occasions between 2013 and 2019, Chicago Title has sent and received
10 money into its escrow accounts with notations for specific escrows tied to specific liquor license
11 numbers and/or other references that the escrows were for liquor licenses. Plaintiffs are
12 informed and believe that HAV and related entities had over 45 wire transfers with Chicago Title
13 that had references to “ABC License Loans” or similar notations. In truth and in fact, the
14 notations were illusory, and the escrows and the liquor license transfers did not actually exist.
15 Despite hundreds of millions of dollars of money being wired into a one-party sham “escrow”
16 account controlled by Champion-Cain with no discernible purpose, the Chicago Title Defendants
17 hid from Plaintiffs the fact that the liquor license escrows did not exist, and that Plaintiffs’ funds
18 were being distributed to Champion-Cain and Defendants. To the contrary, Defendants
19 reassured lenders and their representatives of the existence and legitimacy of the liquor license
20 funding program.

21 66. Chicago Title advertised and otherwise communicated to Plaintiffs and others that it
22 was in the business of safely and reliably operating escrows, including on Chicago Title’s
23 website. In truth and in fact, Chicago Title was operating secret one-party accounts that
24 functioned as bank accounts where hundreds of millions of dollars would be sent and received at
25 the direction of one party for no discernible purpose. These accounts failed to meet the
26 definition of an escrow under California law (including California Financial Code § 17003 and
27 California Insurance Code § 12413.1), violated the regulations for legal escrows under the
28 California Financial Code and/or California Insurance Code, and through their operation of the

1 sham escrow accounts, Defendants violated California Financial Code § 560 by engaging in
2 banking business without a certificate.

3 67. Under California law an “escrow” or “escrow account” is defined as involving a
4 transaction in which “one person, for the purpose of effecting the sale, transfer, encumbering, or
5 leasing of real or personal property to another person, delivers any written instrument, money,
6 evidence of title to real or personal property, or other thing of value to a third person to be held
7 by that third person until the happening of a specified event or the performance of a prescribed
8 condition, when it is then to be delivered by that third person to a grantee, grantor, promisee,
9 promisor, obligee, obligor, bailee, bailor, or any agent or employee of any of the latter.”
10 California Financial Code § 17003; California Insurance Code § 12413.1. Plaintiffs reasonably
11 expected that Defendants’ representations and advertisements that they were operating “escrow”
12 accounts in a “fiduciary” capacity meant that they were operating accounts consistent with the
13 legal definition of an escrow, and not one-party slush fund accounts where Champion-Cain could
14 withdraw funds without any notice to Plaintiffs.

15 68. As a result of these and other misrepresentations and omissions, the Defendants
16 directed millions of dollars of purportedly secure lender funds from Chicago Title escrows to
17 Champion-Cain and her ANI Development LLC company, after which she converted those funds
18 for her own benefit and the benefit of her coconspirator Defendants.

19 69. Defendants engaged in multiple fraudulent transfers as part of the scheme, including
20 but not limited to the following:

- 21 a. On May 16, 2014 Kim Funding, LLC wired \$100,000 into Chicago Title.
22 Rather than holding that money in escrow for liquor license applicants,
23 that same day Defendants disbursed \$99,500 to ANI Development, LLC
24 without notifying Plaintiffs.
- 25 b. On May 20, 2014 Kim Funding, LLC wired \$100,000 into Chicago Title.
26 Rather than holding that money in escrow for liquor license applicants,
27 that same day Defendants disbursed \$99,500 to ANI Development, LLC
28 without notifying Plaintiffs.

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- c. On May 29, 2014 Kim Funding, LLC wired \$250,000 into Chicago Title. Rather than holding that money in escrow for liquor license applicants, that same day Defendants disbursed \$249,500 to ANI Development, LLC without notifying Plaintiffs.
- d. Plaintiffs are informed and believe that numerous similar fraudulent transfers occurred between 2014-2019. (Attached as Exhibit J is a “Final Disbursement Report” illustrating transfers.)

70. The Defendants profited from the fraudulent scheme in several ways, among them:

- a. Defendant Chicago Title received hundreds of thousands of dollars in escrow fees (if not more) over the course of the program, including \$3000 upon the deposit and \$500 per disbursement from one of the slush fund accounts that Defendants formed and operated for Champion-Cain.
- b. Champion-Cain and her entities also directed significant additional business to Chicago Title as a direct result from Defendants’ participation in the fraudulent scheme. This included using Plaintiffs’ funds to facilitate other property purchases and transaction with Chicago Title.
- c. Defendants received interest and other profits from the fraudulent escrows, such as title insurance fees paid to Chicago Title Insurance Company using Plaintiffs’ funds.
- d. On information and belief, Defendants obtained additional business and revenue from the proceeds of the fraudulent scheme and from its participants. Champion-Cain utilized Plaintiffs’ funds converted through her conspiracy with Defendants to purchase additional properties, and used the services of Chicago Title Company and Chicago Title Insurance Company for those services. Furthermore, by operating the slush fund accounts and engaging in the fraudulent statements outlined herein, Chicago Title provided consideration to Champion-Cain as an inducement for the placement of title business with Chicago Title Insurance Company

1 in connection with these real estate transactions in violation of California
2 Insurance Code § 12404.

- 3 e. On information and belief, DuCharme, Elixman, and Schwiebert
4 personally received additional compensation as a direct result of the
5 business generated for Chicago Title as a result of the fraudulent scheme
6 and paid at least in part using Plaintiffs' converted funds.
- 7 f. Defendants (including DuCharme and Elixman) received kickbacks and
8 gratuities from Champion-Cain in violation of Chicago Title policies, and
9 of state and federal regulations and laws, including those alleged herein.
10 These kickbacks and gratuities were paid by Champion-Cain in exchange
11 for Defendants' false and misleading statements to lenders and auditors,
12 signing false documentation, operation of the one-party slush fund
13 "escrow" accounts, and other participation in the fraudulent conspiracy.

14 71. Defendant DuCharme received kickbacks directly from Champion-Cain, including
15 the following:

- 16 a. On or about January 20, 2018, Defendant DuCharme received a personal
17 check for \$13,000, with the memo "gift." Notably, this was two days after
18 DuCharme had falsely confirmed to KPMG that Chicago Title held \$25
19 million in escrow for specific liquor license applications. (A copy is
20 attached as Exhibit K.)
- 21 b. On or about December 10, 2018, Defendant DuCharme received another
22 personal check from Champion-Cain, this time for \$10,000, again with the
23 memo "gift." (A copy is attached as Exhibit K.)
- 24 c. In July 2018, Defendant DuCharme received from Champion-Cain a plane
25 ticket for Defendant DuCharme's son to fly from Michigan to San Diego.
26 On information and belief, Champion-Cain also paid for DuCharme's son
27 to travel internationally.
- 28 d. In June 2019, Defendant DuCharme received first class plane tickets from

1 Champion-Cain for DuCharme and her husband for travel from San
2 Diego, California to San Jose Del Cabo, Mexico.

- 3 e. In 2019, Defendant DuCharme and Champion-Cain entered into a scheme
4 whereby Champion-Cain would purchase a home in San Diego (utilizing
5 Chicago Title escrow and insurance) and would then rent the property to
6 DuCharme at a rate significantly below market value as an additional
7 payoff.

8 72. Defendant Elixman also received kickbacks directly from Champion-Cain, including
9 the following:

- 10 a. On or about January 20, 2018, Defendant Elixman received a personal
11 check from Champion-Cain for \$5,000, with the memo, “gift.” (A copy is
12 attached as Exhibit K.)
13 b. On or about December 18, 2019, Defendant Elixman received another
14 personal check from Champion-Cain for \$1,000, with the memo, “gift.”
15 (A copy is attached as Exhibit K.)

16 73. The Defendants (including DuCharme, Elixman, and Schwiebert) also received
17 numerous things of value from Champion-Cain throughout the scheme, including but not limited
18 to the following:

- 19 a. Food and drinks at restaurants owned by Champion-Cain;
20 b. Tickets for luxury suites at sporting events involving San Diego State
21 University football and San Diego Padres baseball games, such as home-
22 plate seats featuring unlimited food and alcohol valued at over \$500 per
23 ticket;
24 c. Contributions to Defendants’ preferred local organizations; and
25 d. Fees for golf tournaments.

26 74. Following the discovery of the fraudulent scheme, Champion-Cain’s assets were
27 placed in a receivership. However, Chicago Title refused to turn over the approximately \$11
28 million in funds that remained in escrow to the receiver as required by court order. Ultimately,

1 the receiver was forced to seek to hold Chicago Title in contempt, and Chicago Title only
2 reluctantly turned over the funds after the court explained that Chicago Title would be found in
3 contempt if it failed to comply with the court’s orders.

4 75. The Chicago Title Defendants, and each of them, are fully responsible for the actions
5 of their employees, agents, accomplices, and coconspirators, and aided and abetted and furnished
6 the means for the fraudulent conduct described herein.

7 76. The Chicago Title Defendants had inadequate internal controls and compliance
8 programs to detect this fraud or they failed to competently execute those controls and programs,
9 or both. Chicago Title was aware of each of the following facts from 2013 through 2019, yet
10 failed to put a stop to the fraudulent conspiracy:

- 11 a. Chicago Title was operating and repeatedly renewing one-party slush fund
12 “escrow” accounts that did not meet the legal definition of an escrow, and
13 that served no discernable or legitimate purpose. Instead, the accounts
14 functioned as checking accounts for Champion-Cain, as illustrated by
15 Exhibit J.
- 16 b. Between 2015 and 2019, Kim Funding and its lenders initiated and
17 completed over 450 wires to Chicago Title totaling over \$280 million.
18 Dozens of wires were for over one million dollars each, and the wires
19 came from at least seventeen different sources. Other lenders deposited
20 substantial additional funds into these accounts.
- 21 c. Plaintiffs and other lenders believed that they were depositing hundreds of
22 millions of dollars into these accounts to fund liquor license escrows.
23 Indeed, as described above, multiple lenders and their representatives
24 contacted Defendants regarding their operation of a liquor license escrow
25 platform with Champion-Cain, and received false and misleading
26 responses from Defendants.
- 27 d. Operating a liquor license escrow program requires Chicago Title to send
28 a Form 226 to the California ABC in connection with each escrow.

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Indeed, Chicago Title’s website boasts of its experience with “liquor license transfer” escrows.

- e. Despite the fact that it knew it was receiving money from Plaintiffs and other lenders for liquor license escrows, and despite the fact that Chicago Title knew that a liquor license escrow required it to submit 226 forms, Chicago Title was not submitting any 226 Forms to the California ABC in connection with the slush fund accounts it was operating for Champion-Cain.
- f. Chicago Title was not operating a liquor license escrow program at all.
- g. Instead, Chicago Title was funneling hundreds of millions of dollars through the slush fund accounts for Champion-Cain without ever actually performing an escrow transaction for a liquor license.
- h. By no later than February 2017, Schwiebert, a Chicago Title Vice President, had been informed that liquor license escrow forms were being signed by a “Wendy Reynolds” purportedly on behalf of Chicago Title, despite the fact that no employee by that name worked at Chicago Title.

77. Despite being aware of the foregoing facts and others outlined in this Complaint, Chicago Title failed to properly investigate and stop the fraudulent activity. To the contrary, Defendants actively facilitated the fraud and allowed it to continue for multiple years, resulting in additional losses to Plaintiffs and others. Over the course of the program, Chicago Title failed to provide proper acknowledgements, receipts, and disclosures to Plaintiffs regarding the nature of the escrow agreements that were actually governing these funds or the fact that the money was being withdrawn from escrow by Champion-Cain and her entities. Chicago Title also failed to contact the sources of these wires to inquire as to the purpose of the wires and the instructions for the use of the funds.

78. In designing, perpetrating, executing, and concealing this scheme, the conduct of Defendants, and each of them, was knowing, willful, deliberate, reckless, malicious, oppressive and fraudulent. Defendants were aware that Plaintiffs (and other similarly-situated parties)

1 would rely on the statements set forth above, and Defendants intended that Plaintiffs would rely
2 on such statements to their detriment.

3 79. Defendants' conduct has also violated multiple laws. For example, Defendants
4 provided false escrow agreements to lenders with no intent of following their terms. Instead,
5 Defendants followed a different, undisclosed set of instructions that Defendants knew or should
6 have known failed to comply with the requirements of California Financial Code §§ 17003 &
7 17403.1 and California Insurance Code §§ 12389.6, 12404, & 12413.1. In addition, through
8 their operation of the sham escrow accounts, Defendants violated California Financial Code §
9 560 by engaging in banking business without a certificate. Defendants also violated California
10 Penal Code § 496 by receiving stolen property.

11 80. Plaintiffs have suffered significant monetary losses as a direct and proximate result of
12 Defendants' conduct. In addition, as a direct and proximate result of Defendants' conduct,
13 Plaintiffs have suffered various other damages, including but not limited to pain and suffering,
14 emotional distress, loss of enjoyment of life, and reputational harm. The damages sought by
15 Plaintiffs in this action are sought on behalf of Plaintiffs.

16 **FIRST CAUSE OF ACTION**

17 **FRAUD**

18 **(Against All Defendants)**

19 81. Plaintiffs reallege each and every allegation set forth in Paragraphs 1 through 80,
20 inclusive, and incorporate them by reference herein.

21 82. By and through the fraudulent escrow scheme, the Defendants made false and
22 misleading statements and omissions, knowing that the statements and omissions were false and
23 misleading, or in reckless disregard of the truth.

24 83. Defendants intended that Plaintiffs rely on their false and misleading statements and
25 omissions.

26 84. Plaintiffs reasonably relied on Defendants' false and misleading statements and
27 omissions.

28

1 85. Plaintiffs were harmed by Defendants’ false representations, which were a substantial
2 factor in causing Defendants’ harm.

3 86. Defendants’ acts were willful, malicious, oppressive, and fraudulent. Plaintiffs are
4 entitled to an award of exemplary damages and attorneys’ fees against Defendants.

5 **SECOND CAUSE OF ACTION**

6 **ELDER FINANCIAL ABUSE**

7 **California Welfare & Institutions Code § 15610.30**

8 **(Peterson, Cohen, Stevens, Kapur, and the Stevens & Kapur Trust Against All Defendants)**

9 87. Plaintiffs reallege each and every allegation set forth in Paragraphs 1 through 86,
10 inclusive, and incorporate them by reference herein.

11 88. At the time of the acts, omissions, and breaches of duty by Defendants alleged above,
12 Plaintiffs Peterson, Cohen, Stevens, and Kapur were “elders” within the meaning of Welfare &
13 Institutions Code § 15610.27.

14 89. Kim Funding and ABC Funding Strategies, LLC were formed as a result of and in
15 reliance on Defendants’ conduct as alleged herein. Furthermore, Plaintiffs Peterson, Cohen,
16 Stevens, and Kapur have been harmed by Defendants’ conduct independently of their
17 relationship with Kim Funding and ABC Funding Strategies, LLC. Peterson guaranteed millions
18 of dollars of loans in his personal capacity as a result of and in reliance on Defendants’ conduct
19 alleged herein. Peterson, Cohen, Stevens, and Kapur have all suffered financial losses separate
20 and apart from the losses of Kim Funding and ABC Funding Strategies, LLC, and have also
21 suffered pain and suffering, emotional distress, loss of enjoyment of life, and reputational harm.

22 90. Defendants committed financial abuse within the meaning of Welfare & Institutions
23 Code § 15610.30 in that they participated and assisted in the taking, secreting, appropriating,
24 obtaining, or retaining Plaintiffs’ funds, and the funds of their lenders.

25 91. Defendants participated and assisted in the taking, secreting, appropriating, obtaining,
26 or retaining Plaintiffs’ funds for a wrongful use or with intent to defraud.

27 92. Defendants knew or should have known that their conduct was likely to harm
28 Plaintiffs and their property.

1 93. Defendants' acts were willful, malicious, oppressive, and fraudulent. Plaintiffs are
2 entitled to an award of exemplary damages and attorneys' fees against Defendants.

3 **THIRD CAUSE OF ACTION**

4 **NEGLIGENCE**

5 **(Against All Defendants)**

6 94. Plaintiffs reallege each and every allegation set forth in Paragraphs 1 through 93,
7 inclusive, and incorporate them by reference herein.

8 95. Defendants owed Plaintiffs a duty of care for at least the following reasons:

- 9 a. The transactions alleged herein were intended to affect the Plaintiffs. For
10 example, Plaintiffs deposited money with Defendants.
- 11 b. It was foreseeable that Defendants' conduct would harm Plaintiffs, and it
12 was certain that Plaintiffs would suffer injury. Defendants advertised and
13 represented that they were in the business of operating escrows, had
14 expertise in liquor license escrow transactions, and operated in a fiduciary
15 capacity. Defendants received hundreds of millions of dollars in deposits
16 from Plaintiffs that Defendants knew Plaintiffs believed were for use for
17 liquor license escrows. However, instead of using those funds for liquor
18 license escrows, Defendants provided false confirmations and operated
19 one-party slush fund accounts without informing Plaintiffs that their
20 money was being converted and used for other purposes. It was also
21 foreseeable that the failure to implement and/or enforce adequate internal
22 controls would lead to the harm alleged herein.
- 23 c. Defendants' conduct was the proximate cause and was closely connected
24 to Plaintiffs' injuries. For example, Defendants never would have
25 participated in the program if their funds were being deposited into a de
26 facto checking account for Champion-Cain as opposed to a purported
27 escrow. However, the Defendants operated slush fund accounts that
28 operated as secret bank accounts for Champion-Cain. Plaintiffs also never

1 would have participated in the program had Defendants not provided the
2 false confirmations alleged herein, or if Defendants had contacted
3 Plaintiffs to inform them of how their money was being secretly
4 converted.

5 d. Defendants' conduct is morally blameworthy. For example, Defendants
6 provided false confirmations as alleged herein. Defendants received
7 payoffs and other gifts in exchange for their participation in the scheme.
8 Defendants violated multiple California statutes through their conduct,
9 including California Financial Code § 560 and California Penal Code §
10 496.

11 e. Finding Defendants' conduct to be negligent will further a policy of
12 preventing future harm. For example, Defendants and similarly-situated
13 parties will be less likely to provide false confirmations, operate secret
14 slush fund accounts, accept payoffs and gifts from clients, and engage in
15 criminal conspiracies.

16 f. Defendants were in possession of clear evidence of fraud as alleged above.

17 96. By virtue of the actions and omissions described above, Defendants were negligent
18 and breached their duty of care to Plaintiffs. Among other things, Defendants failed to
19 implement adequate internal controls and/or failed to enforce internal controls, allowing the
20 fraudulent activity to continue unabated for multiple years.

21 97. Plaintiffs have suffered harm as a result of Defendants' conduct.

22 98. Defendants' negligence was a substantial factor in causing Plaintiffs harm.

23 **FOURTH CAUSE OF ACTION**

24 **NEGLIGENT MISREPRESENTATION**

25 **(Against All Defendants)**

26 99. Plaintiffs reallege each and every allegation set forth in Paragraphs 1 through 98,
27 inclusive, and incorporate them by reference herein.

28

1 **SIXTH CAUSE OF ACTION**

2 **FRAUDULENT TRANSFER**

3 **(Against All Defendants)**

4 110. Plaintiffs reallege each and every allegation from Paragraph 1 through 109,
5 inclusive, and incorporate them by reference herein.

6 111. By the acts and omissions described above, Defendants transferred Plaintiffs’
7 property. The transfers include, but are not limited to the transfers alleged in Paragraph 69.

8 112. Defendants transferred Plaintiffs’ property with the intent to hinder, delay, or
9 defraud Plaintiffs.

10 113. Plaintiffs suffered harm as a result of Defendants’ actions.

11 **SEVENTH CAUSE OF ACTION**

12 **RECEIPT OF STOLEN PROPERTY**

13 **(California Penal Code § 496 *et seq.*)**

14 **(Against All Defendants)**

15 114. Plaintiffs reallege each and every allegation from Paragraph 1 through 113,
16 inclusive, and incorporate them by reference herein.

17 115. Plaintiffs’ property was stolen or obtained in a manner constituting theft.

18 116. Defendants knew that Plaintiffs’ property was stolen.

19 117. Defendants received and had possession of Plaintiffs’ stolen property.

20 118. Plaintiffs have been injured by Defendants’ conduct.

21 **EIGHTH CAUSE OF ACTION**

22 **UNFAIR COMPETITION**

23 **(California Business and Professions Code § 17200 *et seq.*)**

24 **(Against All Defendants)**

25 119. Plaintiffs reallege each and every allegation from Paragraph 1 through 118,
26 inclusive, and incorporate them by reference herein.

27 120. Defendants’ actions as detailed above constitute unlawful, unfair, and fraudulent
28 business practices in violation of the California Unfair Competition Law, Cal. Bus. & Prof. Code

1 § 17200 *et seq.* Defendants’ fraudulent scheme also violated numerous California statutes and
2 regulations, including but not limited to laws governing escrow accounts under California
3 Financial Code §§ 17003 & 17403.1 *et seq.* and California Insurance Code §§ 12389.6, 123404
4 & 12413.1 *et seq.*, laws governing banking practices such as California Financial Code § 560,
5 and California Penal Code § 496. As part of their scheme, Defendants intended that Plaintiffs
6 would rely on their false and misleading statements set forth above, and Plaintiffs relied on those
7 statements.

8 121. As a direct and proximate result of Defendants’ actions as detailed above,
9 Defendants have been and will continue to be unjustly enriched in an amount to be proven at
10 trial.

11 **NINTH CAUSE OF ACTION**

12 **FALSE ADVERTISING**

13 **(California Business and Professions Code § 17500 *et seq.*)**

14 **(Against All Defendants)**

15 122. Plaintiffs reallege each and every allegation from Paragraph 1 through 121
16 inclusive, and incorporate them by reference herein.

17 123. Defendants’ actions as detailed above, including but not limited to their
18 advertisements that they were operating “escrows” and operating in a fiduciary capacity,
19 constitute false or misleading statements in violation of the California Unfair Competition Law,
20 Cal. Bus. & Prof. Code § 17500 *et seq.*

21 124. Plaintiffs relied on Defendants’ false and misleading statements.

22 125. As a direct and proximate result of Defendants’ actions as detailed above,
23 Defendants have been and will continue to be unjustly enriched in an amount to be proven at
24 trial.

25 **PRAYER FOR RELIEF**

26 WHEREFORE, Plaintiffs pray for judgment against Defendants as follows:

27 1. For injunctive relief, including an order: (a) that the Defendants, their directors
28 and officers, agents, servants, employees, and all other persons in active concert or privity or in

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Attorneys for Plaintiffs Kim Funding, LLC;
Kim H. Peterson; Joseph J. Cohen; ABC
Funding Strategies, LLC; Payson R. Stevens;
Kamaljit K. Kapur; and the Payson R. Stevens
& Kamaljit Kaur Kapur Trust dated March 28,
2014

EXHIBIT A

Escrow No. 66061-DD

Chicago Title Company
701 B Street, Suite 1120
San Diego, CA 92101

ESCROW AGREEMENT
(Holding Funds)

This Escrow Agreement ("this Agreement") is made and entered into as of **February 13, 2017** by and between ANI Development, LLC, a California limited liability company ("Lender") and Chicago Title Company, a California corporation ("Escrow Holder").

RECITALS

Lender desires to deposit certain funds and direct others to deposit certain funds into this escrow and to provide Escrow Holder with written instructions setting forth the conditions under which Escrow Holder will invest and hold the funds and ultimately disburse them.

Lender and Escrow Holder understand that this is a limited escrow only and is being opened for the benefit of **Saim Hirbod** ("Applicant"), who is applying for a License to be issued by the California Department of Alcoholic Beverage Control ("ABC") under Business and Professions Code sections 24070-24-082. The license that is the subject of Applicant's application to ABC is License No. **471400** ("the License").

NOW, THEREFORE, the parties agree as follows:

AGREEMENTS

Deposit. Within five days following the date this Agreement is signed by Lender and Escrow Holder, Lender will cause to be deposited a total sum of **\$50,000** ("the Deposit") with Escrow Holder for the refundable deposit for Applicant's application to ABC for approval of transfer to Applicant of the License. The source of funds for the Deposit shall be from an account at Western Alliance Bank in the name of Kim Funding, LLC. Escrow Holder will do the following:

Invest Funds. Place the Deposit into an interest-bearing account with all interest accruing to the account of Lender. Concurrently herewith, Lender will provide Escrow Holder with the required IRS Form W-9 and Investment Instructions required to establish such account.

226 Form. Escrow Holder to send to ABC Form 226 upon Escrow Holder's receipt of the Deposit.

Ownership of Deposit. It is acknowledged and understood that only Kim Funding, LLC, has an ownership interest in the Deposit and that Lender has no ownership or security interest in the Deposit and has no right to direct the disposition of the Deposit except as set forth in and as provided in the Release of Deposit paragraph as follows.

Release of Deposit. At any time, Lender may provide written instructions to Escrow Holder to release all of the Deposit with the interest thereon, less only unpaid escrow fees. During the term of this escrow, upon the written instructions from Lender, Escrow Holder will disburse the Deposit and, as instructed by Lender, only to the following account:

Custodian Broker: Western Alliance Bank
ABA Number: 122243635
FCC: Kim Funding, LLC
A/C#: [REDACTED]

Upon receipt of such instructions, Escrow Holder's only duty is to comply with said instructions and to disburse the Deposit amount as requested by Lender and in accordance with this Agreement. Escrow Holder shall not release the Deposit, or any portion thereof, to any other person or entity.

Escrow Holder's Requirement to Terminate Escrow. Escrow Holder shall terminate this escrow upon the instructions of Lender or 270 days after the escrow has been opened, whichever comes first, unless requested to do otherwise by Lender. At the time that this escrow is terminated, the Deposit and, as instructed by Lender, shall be disbursed to the Kim Funding, LLC account referenced above, less Escrow Holder's unpaid fees.

Escrow Holder's Fee. Lender shall pay to Escrow Holder a fee in the amount of \$1,000.00 for Escrow Holder's services provided in connection with this Escrow, which fee shall be paid \$500.00 upon Escrow Holder's receipt of the Deposit and \$500.00 upon Escrow Holder's release of the Deposit.

Escrow Holder's General Provisions. By signature hereon, Lender approves Escrow Holder's general provisions, a copy of which is attached to this Agreement as **Exhibit "A"** and is incorporated by reference as if fully set forth in this section.

Escrow Holder's Wiring Instructions. By signature hereon, Lender approves Escrow Holder's wiring instructions directive, a copy of which is attached to this Agreement as **Exhibit "B"** and incorporated by reference as if fully set forth in this section.

Third Party Beneficiary. Lender and Escrow Holder agree that Western Alliance Bank shall be and is hereby named an express third-party beneficiary of this Agreement with full rights as such. The language of this Agreement relating to "Release of the Deposit" and "Escrow Holder's Requirement to Terminate Escrow" cannot be amended without the advance written consent of Western Alliance Bank. Applicant shall not have the rights of a third-party beneficiary to this Agreement and shall not be entitled to direct Escrow Holder.

Miscellaneous. Lender and Escrow Holder further agree:

- a) This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and shall not be modified except in a writing signed by all parties. This Agreement will be binding on and insure to the benefit of the parties hereto and their respective successors and assigns. This Agreement may be executed in one or more counterparts, which together will constitute on and the same agreement.
- b) Any dispute arising out of or in connection with this Agreement shall be governed by and construed under the laws of California without regard to conflict of laws principles thereof. Each of the parties consents to venue in San Diego County and personal jurisdiction of any action brought in any federal or state court within California having subject-matter jurisdiction for any action arising out of this Agreement.
- c) The parties hereby waive to the fullest extent permitted by law the right to trial by jury in any action, proceedings, or counterclaim, whether in contract, tort, or otherwise, relating directly or indirectly to this Agreement. If a court finds the preceding jury waiver is not enforceable, the parties agree that such dispute will be determined by a general reference proceeding in accordance with California Code of Civil Procedure sections 638 through 645.1, except for (i) nonjudicial foreclosure of any security interest in real or personal property, (ii) exercise of self-help remedies (including, without limitation, set-off), (iii) appointment of a receiver and (iv) temporary, provisional, or ancillary remedies (including, without limitation, writs of attachment, writs of possession, temporary restraining orders, or preliminary injunctions).


IN WITNESS WHEREOF, this Agreement has been executed by the parties effective as of the date indicated above.

LENDER

ESCROW HOLDER

ANI Development, LLC,
a California Limited Liability Company
3515 Hancock Street, Ste. 200
San Diego, CA 92110

Chicago Title Company,
a California Corporation


By: Gina Champion-Cain
Date: February 13, 2017

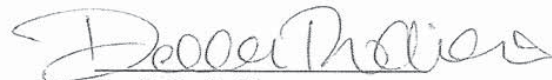

By: Della DuCharme
Date: February 13, 2017

Exhibit "A"
GENERAL PROVISIONS

1. DEPOSIT OF FUNDS

The law dealing with the disbursement of funds requires that all funds be available for withdrawal as a matter of right by the title entity's escrow and/or sub escrow account prior to disbursement of any funds. Only cash or wire-transferred funds can be given immediate availability upon deposit. Cashier's checks, teller's checks and Certified checks may be available one business day after deposit. All other funds such as personal, corporate or partnership checks and drafts are subject to mandatory holding periods which may cause material delays in disbursement of funds in this escrow. In order to avoid delays, all fundings should be wire transferred. Outgoing wire transfers will not be authorized until confirmation of the respective incoming wire transfer or of availability of deposited checks.

Deposit of funds into general escrow trust account unless instructed otherwise. You may instruct Escrow Holder to deposit your funds into an interest bearing account by signing and returning the "Notice of Opportunity to Open Interest Bearing Account", which has been provided to you. If you do not so instruct us, then all funds received in this escrow shall be deposited with other escrow funds in one or more general escrow trust accounts, which include both non-interest bearing demand accounts and other depository accounts of Escrow Holder, in any state or national bank or savings and loan association insured by the Federal Deposit Insurance Corporation (the "depository institutions") and may be transferred to any other such escrow trust accounts of Escrow Holder or one of its affiliates, either within or outside the State of California. A general escrow trust account is restricted and protected against claims by third parties and creditors of Escrow Holder and its affiliates.

Receipt of benefits by Escrow Holder and affiliates. The parties to this escrow acknowledge that the maintenance of such general escrow trust accounts with some depository institutions may result in Escrow Holder or its affiliates being provided with an array of bank services, accommodations or other benefits by the depository institution. Some or all of these benefits may be considered interest due you under California Insurance Code Section 12413.5. Escrow Holder or its affiliates also may elect to enter into other business transactions with or obtain loans for investment or other purposes from the depository institution. All such services, accommodations, and other benefits shall accrue to Escrow Holder or its affiliates and Escrow Holder shall have no obligation to account to the parties to this escrow for the value of such services, accommodations, interest or other benefits.

Said funds will not earn interest unless the instructions otherwise specifically state that funds shall be deposited in an interest-bearing account. All disbursements shall be made by check of (PROFCNTR). The principals to this escrow are hereby notified that the funds deposited herein are insured only to the limit provided by the Federal Deposit Insurance Corporation. Any instruction for bank wire will provide reasonable time or notice for Escrow Holder's compliance with such instruction. Escrow Holder's sole duty and responsibility shall be to place said wire transfer instructions with its wiring bank upon confirmation of (1) satisfaction of conditions precedent or (2) document recordation at close of escrow. Escrow Holder will NOT be held responsible for lost interest due to wire delays caused by any bank or the Federal Reserve System, and recommends that all parties make themselves aware of banking regulations with regard to placement of wires.

In the event there is insufficient time to place a wire upon any such confirmation or the wires have closed for the day, the parties agree to provide written instructions for an alternative method of disbursement. **WITHOUT AN ALTERNATIVE DISBURSEMENT INSTRUCTION, FUNDS WILL BE HELD IN TRUST IN A NON-INTEREST BEARING ACCOUNT UNTIL THE NEXT OPPORTUNITY FOR WIRE PLACEMENT.**

2. PRORATIONS AND ADJUSTMENTS

All prorations and/or adjustments called for in this escrow are to be made on the basis of a thirty (30) day month unless otherwise instructed in writing. You are to use information contained on last available tax statement, rental statement as provided by the Seller, beneficiary's statement and fire insurance policy delivered into escrow for the prorations provided for herein.

3. SUPPLEMENTAL TAXES

The within described property may be subject to supplemental real property taxes due to the change of ownership taking place through this escrow. Any supplemental real property taxes arising as a result of the transfer of the property to Buyer shall be the sole responsibility of Buyer and any supplemental real property taxes arising prior to the closing date shall be the sole responsibility of the Seller. **TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER.**

4. UTILITIES/POSSESSION

Transfer of utilities and possession of the premises are to be settled by the parties directly and outside escrow.

5. PREPARATION AND RECORDATION OF INSTRUMENTS

Escrow Holder is authorized to prepare, obtain, record and deliver the necessary instruments to carry out the terms and conditions of this escrow and to order the policy of title insurance to be issued at close of escrow as called for in these instructions. Close of escrow shall mean the date instruments are recorded.

6. AUTHORIZATION TO FURNISH COPIES

You are authorized to furnish copies of these instructions, supplements, amendments, notices of cancellation and closing statements, to the Real Estate Broker(s) and Lender(s) named in this escrow.

7. RIGHT OF CANCELLATION

Any principal instructing you to cancel this escrow shall file notice of cancellation in your office in writing. You shall, within two (2) working days thereafter, deliver, one copy of such notice to each of the other principals at the addresses stated in this escrow. **UNLESS WRITTEN**

OBJECTION TO CANCELLATION IS FILED IN YOUR OFFICE BY A PRINCIPAL WITHIN TEN (10) DAYS AFTER DATE OF SUCH MAILING, YOU ARE AUTHORIZED TO COMPLY WITH SUCH NOTICE AND DEMAND PAYMENT OF YOUR CANCELLATION CHARGES. If written objection is filed, you are authorized to hold all money and instruments in this escrow and take no further action until otherwise directed, either by the principals' mutual written instructions, or by final order of a court of competent jurisdiction.

8. PERSONAL PROPERTY

No examination or insurance as to the amount or payment of personal property taxes is required unless specifically requested.

By signing these General Provisions, the parties to the escrow hereby acknowledge that they are indemnifying the Escrow Holder against any and all matters relating to any "Bulk Sales" requirements, and instruct Escrow Agent to proceed with the closing of escrow without any consideration of matter of any nature whatsoever regarding "Bulk Sales" being handled through escrow.

9. RIGHT OF RESIGNATION

Escrow Holder has the right to resign upon ten (10) days written notice delivered to the principals herein. If such right is exercised, all funds and documents shall be returned to the party who deposited them and Escrow Holder shall have no liability hereunder.

10. AUTHORIZATION TO EXECUTE ASSIGNMENT OF HAZARD INSURANCE POLICIES

Either Buyer, Seller and/or Lender may hand you the insurance agent's name and insurance policy information, and you are to execute, on behalf of the principals hereto, form assignments of interest in any insurance policy (other than title insurance) called for in this escrow, forward assignment and policy to the insurance agent, requesting that the insurer consent to such transfer and/or attach a loss payable

clause and/or such other endorsements as may be required, and forward such policy(s) to the principals entitled thereto. It is not your responsibility to verify the information handed you or the assignability of said insurance. Your sole duty is to forward said request to insurance agent at close of escrow.

Further, there shall be no responsibility upon the part of Escrow Holder to renew hazard insurance policy(s) upon expiration or otherwise keep it in force either during or subsequent to the close of escrow. Cancellation of any existing hazard insurance policies is to be handled directly by the principals, and outside of escrow.

11. ACTION IN INTERPLEADER

The principals hereto expressly agree that you, as Escrow Holder, have the absolute right at your election to file an action in interpleader requiring the principals to answer and litigate their several claims and rights among themselves and you are authorized to deposit with the clerk of the court all documents and funds held in this escrow. In the event such action is filed, the principals jointly and severally agree to pay your cancellation charges and costs, expenses and reasonable attorney's fees which you are required to expend or incur in such interpleader action, the amount thereof to be fixed and judgment therefore to be rendered by the court. Upon the filing of such action, you shall thereupon be fully released and discharged from all obligations imposed by the terms of this escrow or otherwise.

12. TERMINATION OF AGENCY OBLIGATION

If there is no action taken on this escrow within six (6) months after the "time limit date" as set forth in the escrow instructions or written extension thereof, your agency obligation shall terminate at your option and all documents, monies or other items held by you shall be returned to the parties depositing same. In the event of cancellation of this escrow, whether it be at the request of any of the principals or otherwise, the fees and charges due {PROFCNTR}, including expenditures incurred and/or authorized shall be borne equally by the parties hereto (unless otherwise agreed to specifically).

13. CONFLICTING INSTRUCTIONS

Upon receipt of any conflicting instructions, you are to take no action in connection with this escrow until non-conflicting instructions are received from all of the principals to this escrow (subject to sections 7, 9, 11 and 12 above).

14. REIMBURSEMENT ATTORNEY FEES/ESCROW HOLDER

In the event that a suit is brought by any party or parties to these escrow instructions to which the Escrow Holder is named as a party which results in a judgment in favor of the Escrow Holder and against a principal or principals herein, the principals or principals' agent agree to pay said Escrow Holder all costs, expenses and reasonable attorney's fees which it may expend or incur in said suit, the amount thereof to be fixed and judgment therefore to be rendered by the court in said suit.

15. DELIVERY/RECEIPT

Delivery to principals as used in these instructions unless otherwise stated herein is to be by regular mail, and receipt is determined to be 72 hours after such mailing. All documents, balances and statements due to the undersigned are to be mailed to the address shown herein. All notices, change of instructions, communications and documents are to be delivered in writing to the office of Chicago Title Company as set forth herein.

16. STATE/FEDERAL CODE NOTIFICATIONS

According to Federal Law, the Seller, when applicable, will be required to complete a sales activity report that will be utilized to generate a 1099 statement to the Internal Revenue Service.

Pursuant to State Law, prior to the close of escrow, Buyer will provide Escrow Holder with a Preliminary Change of Ownership Report. In the event said report is not handed to Escrow Holder for submission to the County in which subject property is located, upon recording of the Grant Deed, Buyers acknowledge that the applicable fee will be assessed by said County and Escrow Holder shall debit the account of Buyer for same at close of escrow.

Buyer and Seller herein represent and warrant that they will seek and obtain independent legal advice and counsel relative to their obligations under the "Foreign Investors In Real Property Act", and any other applicable federal and/or state laws regarding same, and will take all steps necessary in order to comply with such requirements and hereby hold you harmless relative to their compliance therewith.

17. ENCUMBRANCES

Escrow Holder is to act upon any statements furnished by a lienholder or his agent without liability or responsibility for the accuracy of such statements. Any adjustments necessary because of a discrepancy between the information furnished Escrow Holder and any amount later determined to be correct shall be settled between the parties direct and outside of escrow.

You are authorized, without the need for further approval, to debit my account for any fees and charges that I have agreed to pay in connection with this escrow, and for any amounts that I am obligated to pay to the holder of any lien or encumbrance to establish the title as insured by the policy of title insurance called for in these instructions. If for any reason my account is not debited for such amounts at the time of closing, I agree to pay them immediately upon demand, or to reimburse any other person or entity who has paid them.

18. ENVIRONMENTAL ISSUES

Chicago Title Company has made no investigation concerning said property as to environmental/toxic waste issues. Any due diligence required or needed to determine environmental impact as to forms of toxification, if applicable, will be done directly and by principals outside of escrow. Chicago Title Company is released of any responsibility and/or liability in connection therewith.

19. USURY

Escrow Holder is not to be concerned with any questions of usury in any loan or encumbrance involved in the processing of this escrow and is hereby released of any responsibility or liability therefore.

20. DISCLOSURE

Escrow Holder's knowledge of matters affecting the property, provided such facts do not prevent compliance with these instructions, does not create any liability or duty in addition to these instructions.

21. FACSIMILE SIGNATURE

Escrow Holder is hereby authorized and instructed that, in the event any party utilizes "facsimile" transmitted signed documents or instructions to Escrow Holder, you are to rely on the same for all escrow instruction purposes and the closing of escrow as if they bore original signatures. Each party shall make every effort to provide to the other party and to Escrow Holder, within 72 hours after transmission, duplicate original documents or instructions bearing the original signatures. Each party further acknowledges and agrees that documents with non-original signatures may not be accepted for recording by the County Recorder, therefore no closing or recording may take place without the submission of the original documents.

22. CLARIFICATION OF DUTIES

Chicago Title Company serves ONLY as an Escrow Holder in connection with these instructions and cannot give legal advice to any party hereto.

Escrow Holder is not to be held accountable or liable for the sufficiency or correctness as to form, manner of execution, or validity of any instrument deposited in this escrow, nor as to the identity, authority or rights of any person executing the same. Escrow Holder's duties hereunder shall be limited to the proper handling of such money and the proper safekeeping of such instruments, or other documents received by Escrow Holder, and for the disposition of same in accordance with the written instructions accepted by Escrow Holder.

The agency and duties of Escrow Holder commence only upon receipt of copies of these Escrow Instructions executed by all parties.

23. FUNDS HELD IN ESCROW

When the company has funds remain in escrow over 90 days after close of escrow or estimated close of escrow, the Company shall impose a monthly holding fee of \$25.00 that is to be charged against the funds held by the Company.

THIS AGREEMENT IN ALL PARTS APPLIES TO, INURES TO THE BENEFIT OF, AND BINDS ALL PARTIES HERETO, THEIR HEIRS, LEGATEES, DEVISEES, ADMINISTRATORS, EXECUTORS, SUCCESSORS AND ASSIGNS, AND WHENEVER THE CONTEXT SO REQUIRES THE MASCULINE GENDER INCLUDES THE FEMININE AND NEUTER, AND THE SINGULAR NUMBER INCLUDES THE PLURAL. THESE INSTRUCTIONS AND ANY OTHER AMENDMENTS MAY BE EXECUTED IN ANY NUMBER OF COUNTERPARTS, EACH OF WHICH SHALL BE CONSIDERED AS AN ORIGINAL AND BE EFFECTIVE AS SUCH.

MY SIGNATURE HERETO CONSTITUTES INSTRUCTION TO ESCROW HOLDER OF ALL TERMS AND CONDITIONS CONTAINED IN THIS AND ALL PRECEDING PAGES AND FURTHER SIGNIFIES THAT I HAVE READ AND UNDERSTAND THESE GENERAL PROVISIONS.

Chicago Title Company conducts escrow business under a Certificate of Authority No. 350 issued by the California Department of Insurance.

ACKNOWLEDGED BY

BUYER

ANI Development, LLC,
a California limited liability
company

Address: 3515 Hancock St, Ste 200
Address: San Diego, CA 92110


By: 
Name: Gina Changian-Cam
Its: Managing Member

Exhibit "B" – Wiring Instructions

Escrow Holder will disburse the Deposit and, as instructed by Lender, only to the following account:

Custodian Broker: Western Alliance Bank
ABA Number: 122243635
FCC: Kim Funding, LLC
A/C#: [REDACTED]

EXHIBIT B



Attn: Della DuCharme
Chicago Title Insurance Company
701 B Street, Suite 760
San Diego, CA 92101

January 17, 2018

Dear Ms. Ducharme:

In connection with an audit of the financial statements of Ovation Alternative Income Fund, LP as of December 31, 2017 and for the year then ended, our independent auditors wish to determine whether our records of cash funds held in escrow by you at December 31, 2017 agree with your records. According to our records, as of the close of business on December 31, 2017, Chicago Title held in escrow \$25,000,000 in the name of Ovation Finance Holdings 2 LLC per the License List and Amounts, as set forth in Exhibit A attached hereto.

Please compare the above information to your records, complete the statement below and return this letter directly to our independent auditors, KPMG LLP, attention: Connor Yager, 111 Congress Ave., Suite 1900, Austin, Texas 78701. An addressed envelope is enclosed for your convenience. In addition, please e-mail a copy of your response to KPMG LLP attention: Connor Yager at cyager@kpmg.com prior to mailing by January 23, 2018 to allow us to meet the scheduled completion of the audit.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Joel Katz'.

Joel Katz
Chief Financial Officer

The information stated above is

correct.

not correct.



(Please give details of differences, if any.)

Company Chicago Title

Signature [Handwritten Signature]

Title Senior Escrow Officer

Date 1-18-18

License#	Origination Date	Commence Date	Amount Funded
330958	7/17/2017	7/20/2017	250,000.00
527439	7/17/2017	7/20/2017	225,000.00
525529	7/17/2017	7/20/2017	225,000.00
523657	7/17/2017	7/20/2017	225,000.00
418751	7/17/2017	7/20/2017	225,000.00
418261	7/17/2017	7/20/2017	225,000.00
347436	7/17/2017	7/20/2017	225,000.00
478321	7/17/2017	7/20/2017	200,000.00
476912	7/17/2017	7/20/2017	200,000.00
417382	7/17/2017	7/20/2017	200,000.00
374682	7/17/2017	7/20/2017	200,000.00
578214	7/17/2017	7/20/2017	175,000.00
529071	7/17/2017	7/20/2017	175,000.00
475624	7/17/2017	7/20/2017	375,000.00
385457	7/17/2017	7/20/2017	375,000.00
523876	7/17/2017	7/20/2017	350,000.00
476329	7/17/2017	7/20/2017	350,000.00
428472	7/17/2017	7/20/2017	325,000.00
478215	7/17/2017	7/20/2017	275,000.00
475128	7/17/2017	7/20/2017	275,000.00
450583	7/17/2017	7/20/2017	275,000.00
419484	7/17/2017	7/20/2017	275,000.00
569338	7/17/2017	7/20/2017	250,000.00
475221	7/17/2017	7/20/2017	250,000.00
419027	7/17/2017	7/20/2017	250,000.00
412855	7/17/2017	7/20/2017	250,000.00
439287	7/17/2017	7/20/2017	150,000.00
429074	7/17/2017	7/20/2017	150,000.00
419374	7/17/2017	7/20/2017	150,000.00
423671	7/17/2017	7/20/2017	125,000.00
481431	7/17/2017	7/20/2017	75,000.00
411199	7/17/2017	7/20/2017	150,000.00
485022	7/17/2017	7/20/2017	25,000.00
410752	7/17/2017	7/20/2017	25,000.00
512975	7/17/2017	7/20/2017	175,000.00
475611	7/17/2017	7/20/2017	175,000.00
475189	7/17/2017	7/20/2017	175,000.00
462822	7/17/2017	7/20/2017	175,000.00
439807	7/17/2017	7/20/2017	175,000.00
430992	7/17/2017	7/20/2017	175,000.00
412841	7/17/2017	7/20/2017	175,000.00
387923	7/17/2017	7/20/2017	175,000.00
384320	7/17/2017	7/20/2017	175,000.00
228965	7/17/2017	7/20/2017	175,000.00
505196	7/17/2017	7/20/2017	150,000.00
478358	7/17/2017	7/20/2017	150,000.00
460975	7/17/2017	7/20/2017	150,000.00

478665	8/24/2017	8/30/2017	50,000.00
521721	8/24/2017	8/30/2017	350,000.00
478747	8/24/2017	8/30/2017	225,000.00
518592	8/24/2017	8/30/2017	275,000.00
485221	8/24/2017	8/30/2017	200,000.00
476359	8/24/2017	8/30/2017	175,000.00
376378	8/24/2017	8/30/2017	200,000.00
576412	8/24/2017	8/30/2017	125,000.00
488777	8/24/2017	8/30/2017	175,000.00
524763	8/24/2017	8/30/2017	75,000.00
512087	8/24/2017	8/30/2017	225,000.00
418954	8/24/2017	8/30/2017	175,000.00
424285	8/24/2017	8/30/2017	250,000.00
478821	8/24/2017	8/30/2017	250,000.00
482524	8/24/2017	8/30/2017	175,000.00
417999	8/24/2017	8/30/2017	100,000.00
485647	8/24/2017	8/30/2017	125,000.00
521042	8/24/2017	8/30/2017	325,000.00
475017	8/24/2017	8/30/2017	275,000.00
415874	8/24/2017	8/30/2017	50,000.00
421879	8/24/2017	8/30/2017	225,000.00
485411	8/24/2017	8/30/2017	175,000.00
471921	8/24/2017	8/30/2017	200,000.00
522914	8/24/2017	8/30/2017	125,000.00
439004	8/24/2017	8/30/2017	225,000.00
529223	8/24/2017	8/30/2017	175,000.00
411964	8/24/2017	8/30/2017	75,000.00
505169	10/2/2017	10/5/2017	450,000
416230	10/2/2017	10/5/2017	350,000
419436	10/2/2017	10/5/2017	75,000
584124	10/2/2017	10/5/2017	125,000
422520	10/2/2017	10/5/2017	150,000
574369	10/2/2017	10/5/2017	225,000
428921	10/2/2017	10/5/2017	275,000
523008	10/2/2017	10/5/2017	350,000
485567	10/2/2017	10/5/2017	225,000
413252	10/2/2017	10/5/2017	175,000
538912	10/2/2017	10/5/2017	125,000
432951	10/2/2017	10/5/2017	325,000
471152	10/2/2017	10/5/2017	100,000
475482	10/2/2017	10/5/2017	175,000
420055	10/2/2017	10/5/2017	50,000
538910	10/2/2017	10/5/2017	250,000
471527	10/2/2017	10/5/2017	225,000
383856	10/2/2017	10/5/2017	250,000
526652	10/2/2017	10/5/2017	125,000
325874	10/2/2017	10/5/2017	150,000
523951	10/2/2017	10/5/2017	175,000

470005	10/2/2017	10/5/2017	275,000
425897	10/2/2017	10/5/2017	50,000
412257	10/2/2017	10/5/2017	75,000
523845	10/2/2017	10/5/2017	275,000
426481	11/28/2017	12/1/2017	175,000
527222	11/28/2017	12/1/2017	275,000
416651	11/28/2017	12/1/2017	50,000
41115	11/28/2017	12/1/2017	350,000
414141	11/28/2017	12/1/2017	250,000
476633	11/28/2017	12/1/2017	275,000
380022	11/28/2017	12/1/2017	50,000
525891	11/28/2017	12/1/2017	250,000
389000	11/28/2017	12/1/2017	200,000
483112	11/28/2017	12/1/2017	375,000
476598	11/28/2017	12/1/2017	425,000
517940	11/28/2017	12/1/2017	225,000
378233	11/28/2017	12/1/2017	125,000
473877	11/28/2017	12/1/2017	375,000
512946	11/28/2017	12/1/2017	250,000
427892	11/28/2017	12/1/2017	325,000
417112	11/28/2017	12/1/2017	50,000
521986	11/28/2017	12/1/2017	225,000
425714	11/28/2017	12/1/2017	175,000
505126	11/28/2017	12/1/2017	275,000
473856	11/28/2017	12/1/2017	175,000
410278	11/28/2017	12/1/2017	225,000
423984	12/19/2017	12/22/2017	25,000
464511	12/19/2017	12/22/2017	175,000

EXHIBIT C

From: [DuCharme, Della](#)
To: [Zahid, Maria](#)
Cc: [Gante, Paloma](#); [Yager, Connor](#); [Justin White](#)
Subject: RE: Ovation Confirmation
Date: Thursday, January 17, 2019 9:01:00 AM
Attachments: [image001.png](#)
[image002.png](#)
[Scanned from a Xerox Multifunction Device.pdf](#)

Please find signed document attached per request below, have a great day.

DD

Della DuCharme
Chicago Title Company
C&I Escrow Officer
701 B Street, **SUITE 1120**
San Diego, CA 92101
(619) 230-6363 direct
(619) 230-6368 fax
619-839-3866 Efax
Della.ducharme@ctt.com

DuCharme Unit
ducharmeunit@ctt.com
Della DuCharme
Betty Elixman
619-230-6375
Betty.elixman@ctt.com



Privileged & Confidential

****Be aware! Online banking fraud is on the rise. If you receive an email containing WIRE TRANSFER INSTRUCTIONS call your escrow officer immediately to verify the information prior to sending funds.****

From: Zahid, Maria <mariazahid@KPMG.com>
Sent: Wednesday, January 16, 2019 6:03 PM
To: DuCharme, Della <Della.DuCharme@ctt.com>
Cc: Gante, Paloma <pgante@KPMG.com>; Yager, Connor <cyager@kpmg.com>;

justin.white@ovationpartners.com

Subject: Ovation Confirmation

IMPORTANT NOTICE - This message sourced from an external mail server outside of the Company.

Hello Della,

KPMG has been engaged to audit the financial statements of Ovation Alternative Income Fund, as of December 31, 2018 and for the year then ended. Please fill out and sign the attached confirmation, pertaining to funds Chicago Title held in escrow in the name of Ovation Finance Holdings 2 LLC per the License List and Amounts, as set forth in Exhibit A attached hereto. Please note, we are confirming Ovation's funds held in escrow as of 12/31/2018.

Your prompt response to this request is greatly appreciated. If you have any questions, please let me know.

Thank you for your time and assistance, have a great day!

Regards,

Maria Zahid

Intern, Audit

KPMG LLP | 111 Congress Avenue | Suite 1900 | Austin, Texas 78701

Office (512) 320-5200 | Mobile (210) 254-7128

mariazahid@kpmg.com

kpmg.com/us | [KPMG on LinkedIn](#) | [KPMG on Twitter](#)

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835 W. 6th Street, Suite 1440
Austin, TX 78703

Della DuCharme
Chicago Title Insurance Company
701 B Street, Suite 760
San Diego, CA 92101

January 14, 2019

Dear Ms. Ducharme:

In connection with an audit of the financial statements of Ovation Alternative Income Fund, LP as of December 31, 2018 and for the year then ended, our independent auditors wish to determine whether our records of cash funds held in escrow by you at December 31, 2018 agree with your records. According to our records, as of the close of business on December 31, 2018, Chicago Title held in escrow \$25,000,000 in the name of Ovation Finance Holdings 2 LLC per the License List and Amounts, as set forth in Exhibit A attached hereto.

Please compare the above information to your records, complete the statement below and return this letter directly to our independent auditors, KPMG LLP, attention: Connor Yager, 111 Congress Ave., Suite 1900, Austin, Texas 78701. An addressed envelope is enclosed for your convenience. In addition, please e-mail a copy of your response to KPMG LLP attention: Connor Yager at cyager@kpmg.com prior to mailing by January 24, 2019 to allow us to meet the scheduled completion of the audit.

Very truly yours,

Joel Katz
Chief Financial Officer

The information stated above is correct.

not correct.

(Please give details of differences, if any.)

Company

Chicago Title

Signature

Della DuCharme

Title

Senior Escrow Officer

Date

1.17.19

Exhibit A

License #	Origination Date	Commence Date	Amount Funded
416230	10/2/2017	10/5/2017	350000.00
574369	10/2/2017	10/5/2017	225000.00
428921	10/2/2017	10/5/2017	275000.00
523008	10/2/2017	10/5/2017	350000.00
485567	10/2/2017	10/5/2017	225000.00
413252	10/2/2017	10/5/2017	175000.00
432951	10/2/2017	10/5/2017	325000.00
475482	10/2/2017	10/5/2017	175000.00
538910	10/2/2017	10/5/2017	250000.00
471527	10/2/2017	10/5/2017	225000.00
383856	10/2/2017	10/5/2017	250000.00
526652	10/2/2017	10/5/2017	125000.00
325874	10/2/2017	10/5/2017	150000.00
523951	10/2/2017	10/5/2017	175000.00
470005	10/2/2017	10/5/2017	275000.00
523845	10/2/2017	10/5/2017	275000.00
527222	11/28/2017	12/1/2017	275000.00
41115	11/28/2017	12/1/2017	350000.00
414141	11/28/2017	12/1/2017	250000.00
476633	11/28/2017	12/1/2017	275000.00
525891	11/28/2017	12/1/2017	250000.00
389000	11/28/2017	12/1/2017	200000.00
483112	11/28/2017	12/1/2017	375000.00
476598	11/28/2017	12/1/2017	425000.00
517940	11/28/2017	12/1/2017	225000.00
378233	11/28/2017	12/1/2017	125000.00
473877	11/28/2017	12/1/2017	375000.00
512946	11/28/2017	12/1/2017	250000.00
427892	11/28/2017	12/1/2017	325000.00
521986	11/28/2017	12/1/2017	225000.00
505126	11/28/2017	12/1/2017	275000.00
410278	11/28/2017	12/1/2017	225000.00
417632	2/20/2018	2/20/2018	225000.00
4811211	2/20/2018	2/20/2018	375000.00
478263	2/20/2018	2/20/2018	375000.00
521777	2/20/2018	2/20/2018	225000.00
470092	2/27/2018	3/1/2018	400000.00
412287	2/27/2018	3/1/2018	325000.00
422775	2/27/2018	3/1/2018	275000.00
512187	2/27/2018	3/1/2018	175000.00
478643	2/27/2018	3/1/2018	175000.00
421325	3/13/2018	3/14/2018	325000.00
488756	3/13/2018	3/14/2018	275000.00
410487	3/13/2018	3/14/2018	350000.00
386745	3/13/2018	3/14/2018	150000.00

421451	3/29/2018	4/3/2018	150000.00
488569	3/29/2018	4/3/2018	225000.00
465465	3/29/2018	4/3/2018	225000.00
385470	3/29/2018	4/3/2018	175000.00
482202	3/29/2018	4/3/2018	400000.00
528974	3/29/2018	4/3/2018	175000.00
475869	3/29/2018	4/3/2018	375000.00
478547	6/12/2018	6/13/2018	250000.00
325654	6/12/2018	6/13/2018	150000.00
414150	6/12/2018	6/13/2018	225000.00
479963	6/12/2018	6/13/2018	350000.00
475220	6/12/2018	6/13/2018	325000.00
525200	6/12/2018	6/13/2018	250000.00
323001	6/12/2018	6/13/2018	350000.00
325876	6/12/2018	6/13/2018	250000.00
521741	7/30/2018	7/30/2018	75000.00
463281	7/30/2018	7/30/2018	250000.00
454563	7/30/2018	7/30/2018	50000.00
569852	7/30/2018	7/30/2018	375000.00
418988	7/30/2018	7/30/2018	150000.00
381366	8/27/2018	9/5/2018	375000.00
421317	8/27/2018	9/5/2018	250000.00
523799	8/27/2018	9/5/2018	225000.00
474659	8/27/2018	9/5/2018	75000.00
370123	8/27/2018	9/5/2018	100000.00
524364	9/5/2018	9/5/2018	75000.00
420002	9/5/2018	9/5/2018	125000.00
423345	10/3/2018	10/3/2018	225000.00
478372	10/3/2018	10/3/2018	200000.00
478875	10/3/2018	10/3/2018	50000.00
476010	10/10/2018	10/11/2018	450000.00
412999	10/10/2018	10/11/2018	150000.00
473629	10/10/2018	10/11/2018	325000.00
476352	10/10/2018	10/11/2018	200000.00
519577	10/10/2018	10/11/2018	150000.00
543720	10/10/2018	10/11/2018	325000.00
417675	10/10/2018	10/11/2018	350000.00
423333	10/10/2018	10/11/2018	375000.00
578374	10/10/2018	10/11/2018	125000.00
487511	10/29/2018	10/30/2018	175000.00
429056	10/29/2018	10/30/2018	225000.00
423095	10/29/2018	10/30/2018	175000.00
418460	10/29/2018	10/30/2018	175000.00
480432	10/29/2018	10/30/2018	375000.00
532187	10/29/2018	10/30/2018	175000.00
417990	10/30/2018	10/31/2018	375000.00
563321	10/30/2018	10/31/2018	250000.00

423873	10/30/2018	10/31/2018	175000.00
475987	10/30/2018	10/31/2018	225000.00
365238	10/30/2018	10/31/2018	225000.00
417896	10/30/2018	10/31/2018	625000.00
478344	10/30/2018	10/31/2018	475000.00
426884	10/30/2018	10/31/2018	375000.00
418934	11/15/2018	11/16/2018	150000.00

EXHIBIT D



Chicago Title Company

701 B Street, Suite 1120, San Diego, CA 92101
Phone (619) 230-6363 Fax 629-230-6368

Escrow No: 102122DD
Date: December 31, 2018

Officer: Della DuCharme
Fax Number: (619) 230-6368

ESCROW AGREEMENT (Holding Funds)

This Escrow Agreement ("Agreement") is made and entered into as of January 1, 2019, by and between ANI Development, LLC, a California limited liability company and/or its assignees/nominees ("Buyer") and Chicago Title Company, a California corporation ("Escrow Holder").

RECITALS

Buyer desires to deposit certain funds (the "Deposit") into this escrow and to provide Escrow Holder with written instructions setting forth the conditions under which Escrow Holder will invest and hold the funds and ultimately disburse same.

Buyer understands that this is a limited escrow only and is being opened solely for the purposes set forth, and is subject only to the terms and conditions contained, in this Agreement.

NOW, THEREFORE the parties agree as follows.

AGREEMENTS

Deposit. Buyer will deposit the sum of \$500,000.00 or more with Escrow Holder, which funds will either be in the form of a Wire Transfer or certified bank check. This sum represents the Deposit. Upon receipt of the Deposit, Escrow Holder will do the following:

Release of the Initial Deposit: Unilateral Instruction. At any time Buyer may provide written notice to Escrow Holder as to the release of all or a portion of the Deposit and the interest thereon to various Chicago Title Escrow Nos. or otherwise directed by Buyer. Upon receipt of such notice, Escrow Holder's only duty shall be to comply with said notice and to release the funds as requested by Buyer. There are no other requirements or duties on the part of Escrow Holder.

Escrow Holder's Right to Terminate Escrow After One Hundred and Twenty (120) Days. In the event that on or after one hundred twenty (120) days following Escrow Holder's receipt of the Deposit funds remain in this escrow, Escrow Holder shall have the right to deliver any and all funds then on deposit, including interest, but less Escrow Holder's unpaid fees, TO THE BUYER and to terminate this escrow.


Escrow Holder's Fee. The base Escrow Fee is \$3,000.00 is to be paid to Escrow Holder when the deposit is received and additional Escrow Fees of \$500.00 per disbursement is to be paid to Escrow Holder when each disbursement is made.

Escrow Holder's General Provisions. By signature hereon, Buyer approve Escrow Holder's General Provisions, a copy of which is attached to this Agreement as Exhibit "A" and are incorporated by reference as if fully set forth in this Section.

IN WITNESS WHEREOF, this Escrow Agreement has been executed by the parties effective as of the date indicated above.

BUYER

ANI Development, LLC,
a California limited liability company
Address: 3515 Hancock St Ste 200
Address: San Diego CA 92110

By: 
Name: Gina Champion-Cain
Its: Managing Member

ESCROW HOLDER

Chicago Title Company,
a California corporation

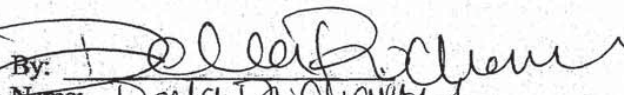
By: 
Name: Delta DuCharme
Its: Senior Escrow Officer

Exhibit "A"
GENERAL PROVISIONS

1. DEPOSIT OF FUNDS

The law dealing with the disbursement of funds requires that all funds be available for withdrawal as a matter of right by the title entity's escrow and/or sub escrow account prior to disbursement of any funds. Only wire-transferred funds can be given immediate availability upon deposit. Cashier's checks, teller's checks and Certified checks may be available one business day after deposit. All other funds such as personal, corporate or partnership checks and drafts are subject to mandatory holding periods which may cause material delays in disbursement of funds in this escrow. In order to avoid delays, all fundings should be wire transferred. Outgoing wire transfers will not be authorized until confirmation of the respective incoming wire transfer or of availability of deposited checks.

Deposit of funds into general escrow trust account unless instructed otherwise. You may instruct Escrow Holder to deposit your funds into an interest bearing account by signing and returning the "Escrow Instructions - Interest Bearing Account", which has been provided to you. If you do not so instruct us, then all funds received in this escrow shall be deposited with other escrow funds in one or more general escrow trust accounts, which include both non-interest bearing demand accounts and other depository accounts of Escrow Holder, in any state or national bank or savings and loan association insured by the Federal Deposit Insurance Corporation (the "depository institutions") and may be transferred to any other such escrow trust accounts of Escrow Holder or one of its affiliates, either within or outside the State of California. A general escrow trust account is restricted and protected against claims by third parties and creditors of Escrow Holder and its affiliates.

Receipt of benefits by Escrow Holder and affiliates. The parties to this escrow acknowledge that the maintenance of such general escrow trust accounts with some depository institutions may result in Escrow Holder or its affiliates being provided with an array of bank services, accommodations or other benefits by the depository institution. Some or all of these benefits may be considered interest due you under California Insurance Code Section 12413.5. Escrow Holder or its affiliates also may elect to enter into other business transactions with or obtain loans for investment or other purposes from the depository institution. All such services, accommodations, and other benefits shall accrue to Escrow Holder or its affiliates and Escrow Holder shall have no obligation to account to the parties to this escrow for the value of such services, accommodations, interest or other benefits.

Said funds will not earn interest unless the instructions otherwise specifically state that funds shall be deposited in an interest-bearing account. All disbursements shall be made by check of Chicago Title Company. The principals to this escrow are hereby notified that the funds deposited herein are insured only to the limit provided by the Federal Deposit Insurance Corporation. Any instruction for bank wire will provide reasonable time or notice for Escrow Holder's compliance with such instruction. Escrow Holder's sole duty and responsibility shall be to place said wire transfer instructions with its wiring bank upon confirmation of (1) satisfaction of conditions precedent or (2) document recordation at close of escrow. Escrow Holder will NOT be held responsible for lost interest due to wire delays caused by any bank or the Federal Reserve System, and recommends that all parties make themselves aware of banking regulations with regard to placement of wires.

In the event there is insufficient time to place a wire upon any such confirmation or the wires have closed for the day, the parties agree to provide written instructions for an alternative method of disbursement. WITHOUT AN ALTERNATIVE DISBURSEMENT INSTRUCTION, FUNDS WILL BE HELD IN TRUST IN A NON-INTEREST BEARING ACCOUNT UNTIL THE NEXT OPPORTUNITY FOR WIRE PLACEMENT.

2. PRORATIONS AND ADJUSTMENTS

All prorations and/or adjustments called for in this escrow are to be made on the basis of a thirty (30) day month unless otherwise instructed in writing. You are to use information contained on last available tax statement, rental statement as provided by the Seller, beneficiary's statement and fire insurance policy delivered into escrow for the prorations provided for herein.

3. SUPPLEMENTAL TAXES

The within described property may be subject to supplemental real property taxes due to the change of ownership taking place through this or a previous escrow transaction. Any supplemental real property taxes arising as a result of the transfer of the property to Buyer shall be the sole responsibility of Buyer and any supplemental real property taxes arising prior to the closing date shall be the sole responsibility of the Seller. TAX BILLS OR REFUNDS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER.

4. UTILITIES/POSSESSION

Transfer of utilities and possession of the premises are to be settled by the parties directly and outside escrow.

5. PREPARATION AND RECORDATION OF INSTRUMENTS

Escrow Holder is authorized to prepare, obtain, record and deliver the necessary instruments to carry out the terms and conditions of this escrow and to order the policy of title insurance to be issued at close of escrow as called for in these instructions. Close of escrow shall mean the date instruments are recorded.

6. AUTHORIZATION TO FURNISH COPIES

You are authorized to furnish copies of these instructions, supplements, amendments, notices of cancellation and closing statements, to the Real Estate Broker(s) and Lender(s) named in this escrow.

7. RIGHT OF CANCELLATION

Any principal instructing you to cancel this escrow shall file notice of cancellation in your office in writing. You shall, within two (2) working days thereafter, deliver, one copy of such notice to each of the other principals at the addresses stated in this escrow. UNLESS WRITTEN OBJECTION TO CANCELLATION IS FILED IN YOUR OFFICE BY A PRINCIPAL WITHIN TEN (10) DAYS AFTER DATE OF SUCH DELIVERY, YOU ARE AUTHORIZED TO COMPLY WITH SUCH NOTICE AND DEMAND PAYMENT OF YOUR CANCELLATION CHARGES. If written objection is filed, you are authorized to hold all money and instruments in this escrow and take no further action until otherwise directed, either by the principals' mutual written instructions, or by final order of a court of competent jurisdiction.

8. PERSONAL PROPERTY

No examination or insurance as to the amount or payment of personal property taxes is required unless specifically requested.

By signing these General Provisions, the parties to the escrow hereby acknowledge that they are indemnifying the Escrow Holder against any and all matters relating to any "Bulk Sales" requirements, and instruct Escrow Agent to proceed with the closing of escrow without any consideration of matter of any nature whatsoever regarding "Bulk Sales" being handled through escrow.

9. RIGHT OF RESIGNATION

Escrow Holder has the right to resign upon written notice delivered to the principals herein. If such right is exercised, all funds and documents shall be returned to the party who deposited them and Escrow Holder shall have no liability hereunder.

10. AUTHORIZATION TO EXECUTE ASSIGNMENT OF HAZARD INSURANCE POLICIES

Either Buyer, Seller and/or Lender may hand you the insurance agent's name and insurance policy information, and you are to execute, on behalf of the principals hereto, form assignments of interest in any insurance policy (other than title insurance) called for in this escrow, forward assignment and policy to the insurance agent, requesting that the insurer consent to such transfer and/or attach a loss payable clause and/or such other endorsements as may be required, and forward such policy(s) to the principals entitled thereto. It is not your responsibility to verify the information handed you or the assignability of said insurance. Your sole duty is to forward said request to insurance agent at close of escrow.

Further, there shall be no responsibility upon the part of Escrow Holder to renew hazard insurance policy(s) upon expiration or otherwise keep it in force either during or subsequent to the close of escrow. Cancellation of any existing hazard insurance policies is to be handled directly by the principals, and outside of escrow.

11. ACTION IN INTERPLEADER

The principals hereto expressly agree that you, as Escrow Holder, have the absolute right at your election to file an action in interpleader requiring the principals to answer and litigate their several claims and rights among themselves and you are authorized to deposit with the clerk of the court all documents and funds held in this escrow. In the event such action is filed, the principals jointly and severally agree to pay your cancellation charges and costs, expenses and reasonable attorney's fees which you are required to expend or incur in such interpleader action, the amount thereof to be fixed and judgment therefore to be rendered by the court. Upon the filing of such action, you shall thereupon be fully released and discharged from all obligations imposed by the terms of this escrow or otherwise.

12. TERMINATION OF AGENCY OBLIGATION

If there is no action taken on this escrow within six (6) months after the "time limit date" as set forth in the escrow instructions or written extension thereof, your agency obligation shall terminate at your option and all documents, monies or other items held by you shall be returned to the parties depositing same. In the event of cancellation of this escrow, whether it be at the request of any of the principals or otherwise, the fees and charges due Chicago Title Company, including expenditures incurred and/or authorized shall be borne equally by the parties hereto (unless otherwise agreed to specifically).

13. CONFLICTING INSTRUCTIONS

Upon receipt of any conflicting instructions, you are to take no action in connection with this escrow until non-conflicting instructions are received from all of the principals to this escrow (subject to sections 7, 9, 11 and 12 above).

14. DELIVERY/RECEIPT

Delivery to principals as used in these instructions unless otherwise stated herein is to be by hand in person to the principal, regular mail, email or fax to any of the contact information provided in these instructions. If delivered by regular mail receipt is determined to be 72 hours after such mailing. All documents, balances and statements due to the undersigned may be delivered to the contact information shown herein. All notices, change of instructions, communications and documents are to be delivered in writing to the office of Chicago Title Company as set forth herein.

15. STATE/FEDERAL CODE NOTIFICATIONS

According to Federal Law, the Seller, when applicable, will be required to complete a sales activity report that will be utilized to generate a 1099 statement to the Internal Revenue Service.

Pursuant to State Law, prior to the close of escrow, Buyer will provide Escrow Holder with a Preliminary Change of Ownership Report. In the event said report is not handed to Escrow Holder for submission to the County in which subject property is located, upon

recording of the Grant Deed, Buyers acknowledge that the applicable fee will be assessed by said County and Escrow Holder shall debit the account of Buyer for same at close of escrow.

16. NON-RESIDENT ALIEN

The Foreign Investment in Real Property Tax Act (FIRPTA), Title 26 U.S.C., Section 1445, and the regulations there under, provide in part, that a transferee (buyer) of a U.S. real property interest from a foreign person must withhold a statutory percentage of the amount realized on the disposition, report the transaction and remit the withholding to the Internal Revenue Service (IRS) within twenty (20) days after the transfer. Chicago Title Company will not determine nor aid in the determination of whether the FIRPTA withholding provisions are applicable to the subject transaction, nor act as a Qualified Substitute under state or federal law, nor furnish tax advice to any party to the transaction. Chicago Title Company will not determine nor aid in the determination of whether the transaction will qualify for an exception or an exemption and is not responsible for the filing of any tax forms with the IRS as they relate to FIRPTA, nor responsible for collecting and holding of any documentation from the buyer or seller on the buyer's behalf for the purpose of supporting a claim of an exception or exemption. Chicago Title Company is not an agent for the buyer for the purposes of receiving and analyzing any evidence or documentation that the seller in the subject transaction is a U.S. citizen or resident alien. Chicago Title Company is not responsible for the payment of this tax and/or penalty and/or interest incurred in connection therewith and such taxes are not a matter covered by the Owner's Policy of Title Insurance to be issued to the buyer. Chicago Title Company is not responsible for the completion of any IRS documents or related forms related to the referenced statute. The buyer is advised: they must independently make a determination of whether the contemplated transaction is subject to the withholding requirement; bear full responsibility for compliance with the withholding requirement if applicable and/or for payment of any tax, interest, penalties and/or other expenses that may be due on the subject transaction; and they are responsible for the completion of any and all forms, including but not limited to applicable IRS documentation, and the mailing of those forms. The Buyer is advised any forms, documents, or information received from Chicago Title Company is not tax or legal advice and should not be construed as such nor treated as a complete representation of FIRPTA requirements. Buyer should seek outside counsel from a qualified individual to determine any and all implications of the referenced statute.

17. ENCUMBRANCES

Escrow Holder is to act upon any statements furnished by a lienholder or his agent without liability or responsibility for the accuracy of such statements. Any adjustments necessary because of a discrepancy between the information furnished Escrow Holder and any amount later determined to be correct shall be settled between the parties direct and outside of escrow.

You are authorized, without the need for further approval, to debit my account for any fees and charges that I have agreed to pay in connection with this escrow, and for any amounts that I am obligated to pay to the holder of any lien or encumbrance to establish the title as insured by the policy of title insurance called for in these instructions. If for any reason my account is not debited for such amounts at the time of closing, I agree to pay them immediately upon demand, or to reimburse any other person or entity who has paid them.

18. ENVIRONMENTAL ISSUES

Chicago Title Company has made no investigation concerning said property as to environmental/toxic waste issues. Any due diligence required or needed to determine environmental impact as to forms of toxification, if applicable, will be done directly and by principals outside of escrow. Chicago Title Company is released of any responsibility and/or liability in connection therewith.

19. USURY

Escrow Holder is not to be concerned with any questions of usury in any loan or encumbrance involved in the processing of this escrow and is hereby released of any responsibility or liability therefore.

20. DISCLOSURE

Escrow Holder's knowledge of matters affecting the property, provided such facts do not prevent compliance with these instructions, does not create any liability or duty in addition to these instructions.

21. FACSIMILE/ELECTRONIC SIGNATURE

Escrow Holder is hereby authorized and instructed that, in the event any party utilizes electronic or "facsimile" transmitted signed documents or instructions to Escrow Holder, you are to rely on the same for all escrow instruction purposes and the closing of escrow as if they bore original signatures. "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law.

22. CLARIFICATION OF DUTIES

Chicago Title Company serves ONLY as an Escrow Holder in connection with these instructions and cannot give legal advice to any party hereto.

Escrow Holder is not to be held accountable or liable for the sufficiency or correctness as to form, manner of execution, or validity of any instrument deposited in this escrow, nor as to the identity, authority or rights of any person executing the same. Escrow Holder's duties hereunder shall be limited to the proper handling of such money and the proper safekeeping of such instruments, or other documents received by Escrow Holder, and for the disposition of same in accordance with the written instructions accepted by Escrow Holder.

The agency and duties of Escrow Holder commence only upon receipt of copies of these Escrow Instructions executed by all parties.

23. FUNDS HELD IN ESCROW

When the company has funds remaining in escrow over 90 days after close of escrow or estimated close of escrow, the Company shall impose a monthly holding fee of \$25.00 that is to be charged against the funds held by the Company.

THIS AGREEMENT IN ALL PARTS APPLIES TO, INURES TO THE BENEFIT OF, AND BINDS ALL PARTIES HERETO, THEIR HEIRS, LEGATEES, DEVISEES, ADMINISTRATORS, EXECUTORS, SUCCESSORS AND ASSIGNS, AND WHENEVER THE CONTEXT SO REQUIRES THE MASCULINE GENDER INCLUDES THE FEMININE AND NEUTER, AND THE SINGULAR NUMBER INCLUDES THE PLURAL. THESE INSTRUCTIONS AND ANY OTHER AMENDMENTS MAY BE EXECUTED IN ANY NUMBER OF COUNTERPARTS, EACH OF WHICH SHALL BE CONSIDERED AS AN ORIGINAL AND BE EFFECTIVE AS SUCH.

MY SIGNATURE HERETO CONSTITUTES INSTRUCTION TO ESCROW HOLDER OF ALL TERMS AND CONDITIONS CONTAINED IN THIS AND ALL PRECEDING PAGES AND FURTHER SIGNIFIES THAT I HAVE READ AND UNDERSTAND THESE GENERAL PROVISIONS.

Chicago Title Company conducts escrow business under a Certificate of Authority No. 350 issued by the California Department of Insurance.

ACKNOWLEDGED BY

ANI Development, LLC,
a California limited liability
company

Address: 3515 Hampden St. Ste 200

Address: San Diego, CA 92110

By: 

Name: Gina Champion-Cain

Its: Managing Member

EXHIBIT E

To: Reynolds, Joanne[Reynolds, Joanne <Joanne.Reynolds@ctt.com>]
Cc: Cris Torres[Cris Torres <cris@americannationalinvestments.com>]; DuCharme, Della[DuCharme, Della <Della.DuCharme@ctt.com>]
From: Gina Champion-Cain[gina@americannationalinvestments.com]
Sent: Fri 3/20/2015 7:21:41 PM (UTC)
Subject: Re: Escrow Deposit Receipt #32896

By the way, he is a total pain in the ass. I'm gonna have grouchy Kim Peterson replace Steve's funds as Kim, as grouchy as he is, is MUCH easier to deal with....love that guy! :)

I have always promised you I would shelter you from my crazy investors and I will continue to do so. If any one of them bug you as they are too stupid to understand the program, then they are "FIRED" as an investor!!!! I have plenty of dudes dying to give me money, honey!!!! Ahahahahahahahahahahaha.

:-D

Love you ladies!

On Mar 20, 2015 10:26 AM, "Reynolds, Joanne" <Joanne.Reynolds@ctt.com> wrote:

>

> Good Morning Gina and Cris,

>

>

>

> Please contact Steven regarding his request below. Thank you.

>

>

>

>

>

> PLEASE NOTE THAT THE SAN DIEGO COUNTY RECORDER WILL BE CLOSED ON MARCH 31, 2015 IN OBSERVANCE OF CESAR CHAVEZ DAY

>

>

>

> Joanne Reynolds

>

> Chicago Title Company

>

> CI Escrow Officer

>

> DuCharme Unit

>

> 701 B Street, Suite 760

>

> San Diego, CA 92101

>

> 619-230-6351 direct

>

> 619-230-6368 fax

>

> joanne.reynolds@ctt.com

>

>

>

>

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>

>
> From: DuCharme, Della
> Sent: Friday, March 20, 2015 9:52 AM
> To: Reynolds, Joanne
> Subject: Fwd: Escrow Deposit Receipt #32896

>
>
>
> ?

> Sent from my iPhone

>
>
> Begin forwarded message:

>>
>> From: Steve Shaw <steveshaw@cox.net>
>> Date: March 20, 2015 at 9:32:48 AM PDT
>> To: <della.ducharme@ctt.com>
>> Subject: FW: Escrow Deposit Receipt #32896

>>
>>
>>
>>
>>

>> Dear Ms. DuCharme,

>>
>> Kaleidoscope One, LLC is a third party depositor escrow #05880-930515789 001 U42 deposited \$212,500 on November 13, 2013.

>>
>> Please confirm that you, as escrow holder, currently hold a deposit balance of \$87,500 either in the ANI Master Account or the ANI Sub Account for ABC License #476665.

>>
>>
>>

>> Thank you,

>>
>>
>>
>>
>>

>> Steven L. Shaw

>>
>> Chief Executive Officer

>>
>> Kaleidoscope One, LLC

>>
>> 9101 Alta Drive #1406

>>
>> Las Vegas, NV. 89145

>>
>> Mobile 858-735-4856

>>
>>
>>
>>
>

> _____


> NOTICE: The information contained in this message is proprietary and/or confidential and may be privileged. If you are not the intended recipient of this communication, you are hereby notified to: (i) delete the message and all copies; (ii) do not disclose, distribute or use the message in any manner; and (iii) notify the sender immediately.

EXHIBIT F

**INCUMBENCY CERTIFICATE AND AUTHORIZATION
OF
CHICAGO TITLE COMPANY**

The undersigned [*C&I Escrow Officer*] of CHICAGO TITLE COMPANY, a California corporation ("Company"), does hereby certify on behalf of the Company that:

The persons whose names and titles appear below are authorized to execute Escrow Agreements for the purpose of requesting draws from Western Alliance Bank ("Bank") pursuant to that certain Credit Agreement and related loan documents dated as of February 1, 2017, between Kim Funding, LLC, a California limited liability company, and Bank, and such persons are duly elected, qualified and acting as members, managers and(or) officers, as indicated, of the Company and hold on the date hereof the offices or titles set forth opposite their respective names below, and the signatures set opposite each of their respective names are their genuine signatures:

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Della DuCharme	C&I Escrow Officer	By: 

This Incumbency Certificate and Authorization may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. facsimile signatures shall be treated in all respects as having the same effect as an original signature.

IN WITNESS WHEREOF, this Incumbency Certificate and Authorization is executed by the undersigned and is dated February __, 2017.

Chicago Title Company,
a California corporation

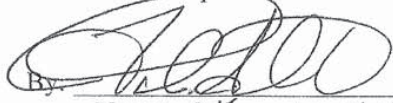
By: 
Name: Thomas M. Schwartz
Title: VP Chicago Title

EXHIBIT G

From: Robert Casey [rcasey@westernalliancebank.com]
Sent: 2/14/2017 2:02:28 PM
To: DuCharme, Della [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=9e781bc3c70b4f92b126bec318fa0135-DuCharme, Della]
CC: Chris Grassa [CGrassa@torreypinesbank.com]
Subject: FW: 66061
Attachments: Wire Instructions-IMPACT.doc; Scanned from a Xerox multifunction device.pdf

Della,
Can you confirm the attached agreement and instructions.

Bob Casey
Vice President, Corporate Counsel
 **Western Alliance Bank**
rcasey@westernalliancebank.com
Main: 858.523.4600 | Direct: 858.523.4627

From: Chris Grassa
Sent: Wednesday, February 08, 2017 3:54 PM
To: Robert Casey
Subject: FW: 66061

Chris Grassa
Senior Vice President
Regional Manager
Direct: (619) 233-2532

From: DuCharme, Della [<mailto:Della.DuCharme@ctt.com>]
Sent: Tuesday, February 07, 2017 1:26 PM
To: Chris Grassa
Subject: 66061

Here I am, nice speaking with you.

Della DuCharme
Chicago Title Company
C&I Escrow Officer
701 B Street, **SUITE 1120**
San Diego, CA 92101
(619) 230-6363 direct
(619) 230-6368 fax
619-839-3866 Efax
Della.ducharme@ctt.com

DuCharme Unit
ducharmeunit@ctt.com
Della DuCharme
Betty Elixman
619-230-6375
Betty.elixman@ctt.com



Privileged & Confidential

****Be aware! Online banking fraud is on the rise. If you receive an email containing WIRE TRANSFER INSTRUCTIONS call your escrow officer immediately to verify the information prior to sending funds.****

NOTICE: The information contained in this message is proprietary and/or confidential and may be privileged. If you are not the intended recipient of this communication, you are hereby notified to: (i) delete the message and all copies; (ii) do not disclose, distribute or use the message in any manner; and (iii) notify the sender immediately.

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CONFIDENTIALITY. This email and any attachments are confidential, except where the email states it can be disclosed; it may also be privileged. If received in error, please do not disclose the contents to anyone, but notify the sender by return email and delete this email (and any attachments) from your system.

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CONFIDENTIALITY. This email and any attachments are confidential, except where the email states it can be disclosed; it may also be privileged. If received in error, please do not disclose the contents to anyone, but notify the sender by return email and delete this email (and any attachments) from your system.

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CONFIDENTIALITY. This email and any attachments are confidential, except where the email states it can be disclosed; it may also be privileged. If received in error, please do not disclose the contents to anyone, but notify the sender by return email and delete this email (and any attachments) from your system.

,

INSURANCE COMPANY

WIRE Transfer Instructions

Bank Name:	Union Bank 1980 Saturn St. Monterey Park, CA 91756
International SWIFT Code:	BOFCUS33MPK
ABA / Routing Number :	122000496
Account Number:	0010425492
Account Name :	CHICAGO TITLE COMPANY
Reference:	Escrow / Title Order No: 66061 -DD Escrow / Title Officer Name: Della DuCharme

If you have any questions, please contact Union Bank Customer Service at 888-849-6466.

Escrow No. 66061-DD

Chicago Title Company
701 B Street, Suite 1120
San Diego, CA 92101

ESCROW AGREEMENT
(Holding Funds)

This Escrow Agreement ("this Agreement") is made and entered into as of **February 13, 2017** by and between ANI Development, LLC, a California limited liability company ("Lender") and Chicago Title Company, a California corporation ("Escrow Holder").

RECITALS

Lender desires to deposit certain funds and direct others to deposit certain funds into this escrow and to provide Escrow Holder with written instructions setting forth the conditions under which Escrow Holder will invest and hold the funds and ultimately disburse them.

Lender and Escrow Holder understand that this is a limited escrow only and is being opened for the benefit of **Saim Hirbod** ("Applicant"), who is applying for a License to be issued by the California Department of Alcoholic Beverage Control ("ABC") under Business and Professions Code sections 24070-24-082. The license that is the subject of Applicant's application to ABC is License No. **471400** ("the License").

NOW, THEREFORE, the parties agree as follows:

AGREEMENTS

Deposit. Within five days following the date this Agreement is signed by Lender and Escrow Holder, Lender will cause to be deposited a total sum of **\$50,000** ("the Deposit") with Escrow Holder for the refundable deposit for Applicant's application to ABC for approval of transfer to Applicant of the License. The source of funds for the Deposit shall be from an account at Western Alliance Bank in the name of Kim Funding, LLC. Escrow Holder will do the following:

Invest Funds. Place the Deposit into an interest-bearing account with all interest accruing to the account of Lender. Concurrently herewith, Lender will provide Escrow Holder with the required IRS Form W-9 and Investment Instructions required to establish such account.

226 Form. Escrow Holder to send to ABC Form 226 upon Escrow Holder's receipt of the Deposit.

Ownership of Deposit. It is acknowledged and understood that only Kim Funding, LLC, has an ownership interest in the Deposit and that Lender has no ownership or security interest in the Deposit and has no right to direct the disposition of the Deposit except as set forth in and as provided in the Release of Deposit paragraph as follows.

Release of Deposit. At any time, Lender may provide written instructions to Escrow Holder to release all of the Deposit with the interest thereon, less only unpaid escrow fees. During the term of this escrow, upon the written instructions from Lender, Escrow Holder will disburse the Deposit and, as instructed by Lender, only to the following account:

Custodian Broker:	Western Alliance Bank
ABA Number:	122243635
FCC:	Kim Funding, LLC
A/C#:	8026487237

Upon receipt of such instructions, Escrow Holder's only duty is to comply with said instructions and to disburse the Deposit amount as requested by Lender and in accordance with this Agreement. Escrow Holder shall not release the Deposit, or any portion thereof, to any other person or entity.

Escrow Holder's Requirement to Terminate Escrow. Escrow Holder shall terminate this escrow upon the instructions of Lender or 270 days after the escrow has been opened, whichever comes first, unless requested to do otherwise by Lender. At the time that this escrow is terminated, the Deposit and, as instructed by Lender, shall be disbursed to the Kim Funding, LLC account referenced above, less Escrow Holder's unpaid fees.

Escrow Holder's Fee. Lender shall pay to Escrow Holder a fee in the amount of \$1,000.00 for Escrow Holder's services provided in connection with this Escrow, which fee shall be paid \$500.00 upon Escrow Holder's receipt of the Deposit and \$500.00 upon Escrow Holder's release of the Deposit.

Escrow Holder's General Provisions. By signature hereon, Lender approves Escrow Holder's general provisions, a copy of which is attached to this Agreement as **Exhibit "A"** and is incorporated by reference as if fully set forth in this section.

Escrow Holder's Wiring Instructions. By signature hereon, Lender approves Escrow Holder's wiring instructions directive, a copy of which is attached to this Agreement as **Exhibit "B"** and incorporated by reference as if fully set forth in this section.

Third Party Beneficiary. Lender and Escrow Holder agree that Western Alliance Bank shall be and is hereby named an express third-party beneficiary of this Agreement with full rights as such. The language of this Agreement relating to "Release of the Deposit" and "Escrow Holder's Requirement to Terminate Escrow" cannot be amended without the advance written consent of Western Alliance Bank. Applicant shall not have the rights of a third-party beneficiary to this Agreement and shall not be entitled to direct Escrow Holder.

Miscellaneous. Lender and Escrow Holder further agree:

- a) This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and shall not be modified except in a writing signed by all parties. This Agreement will be binding on and insure to the benefit of the parties hereto and their respective successors and assigns. This Agreement may be executed in one or more counterparts, which together will constitute on and the same agreement.
- b) Any dispute arising out of or in connection with this Agreement shall be governed by and construed under the laws of California without regard to conflict of laws principles thereof. Each of the parties consents to venue in San Diego County and personal jurisdiction of any action brought in any federal or state court within California having subject-matter jurisdiction for any action arising out of this Agreement.
- c) The parties hereby waive to the fullest extent permitted by law the right to trial by jury in any action, proceedings, or counterclaim, whether in contract, tort, or otherwise, relating directly or indirectly to this Agreement. If a court finds the preceding jury waiver is not enforceable, the parties agree that such dispute will be determined by a general reference proceeding in accordance with California Code of Civil Procedure sections 638 through 645.1, except for (i) nonjudicial foreclosure of any security interest in real or personal property, (ii) exercise of self-help remedies (including, without limitation, set-off), (iii) appointment of a receiver and (iv) temporary, provisional, or ancillary remedies (including, without limitation, writs of attachment, writs of possession, temporary restraining orders, or preliminary injunctions).


IN WITNESS WHEREOF, this Agreement has been executed by the parties effective as of the date indicated above.

LENDER

ESCROW HOLDER

ANI Development, LLC,
a California Limited Liability Company
3515 Hancock Street, Ste. 200
San Diego, CA 92110

Chicago Title Company,
a California Corporation


By: Gina Champion-Cain
Date: February 13, 2017

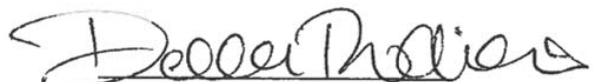

By: Della DuCharme
Date: February 13, 2017

Exhibit "A"
GENERAL PROVISIONS

1. DEPOSIT OF FUNDS

The law dealing with the disbursement of funds requires that all funds be available for withdrawal as a matter of right by the title entity's escrow and/or sub escrow account prior to disbursement of any funds. Only cash or wire-transferred funds can be given immediate availability upon deposit. Cashier's checks, teller's checks and Certified checks may be available one business day after deposit. All other funds such as personal, corporate or partnership checks and drafts are subject to mandatory holding periods which may cause material delays in disbursement of funds in this escrow. In order to avoid delays, all fundings should be wire transferred. Outgoing wire transfers will not be authorized until confirmation of the respective incoming wire transfer or of availability of deposited checks.

Deposit of funds into general escrow trust account unless instructed otherwise. You may instruct Escrow Holder to deposit your funds into an interest bearing account by signing and returning the "Notice of Opportunity to Open Interest Bearing Account", which has been provided to you. If you do not so instruct us, then all funds received in this escrow shall be deposited with other escrow funds in one or more general escrow trust accounts, which include both non-interest bearing demand accounts and other depository accounts of Escrow Holder, in any state or national bank or savings and loan association insured by the Federal Deposit Insurance Corporation (the "depository institutions") and may be transferred to any other such escrow trust accounts of Escrow Holder or one of its affiliates, either within or outside the State of California. A general escrow trust account is restricted and protected against claims by third parties and creditors of Escrow Holder and its affiliates.

Receipt of benefits by Escrow Holder and affiliates. The parties to this escrow acknowledge that the maintenance of such general escrow trust accounts with some depository institutions may result in Escrow Holder or its affiliates being provided with an array of bank services, accommodations or other benefits by the depository institution. Some or all of these benefits may be considered interest due you under California Insurance Code Section 12413.5. Escrow Holder or its affiliates also may elect to enter into other business transactions with or obtain loans for investment or other purposes from the depository institution. All such services, accommodations, and other benefits shall accrue to Escrow Holder or its affiliates and Escrow Holder shall have no obligation to account to the parties to this escrow for the value of such services, accommodations, interest or other benefits.

Said funds will not earn interest unless the instructions otherwise specifically state that funds shall be deposited in an interest-bearing account. All disbursements shall be made by check of (PROFCNTR). The principals to this escrow are hereby notified that the funds deposited herein are insured only to the limit provided by the Federal Deposit Insurance Corporation. Any instruction for bank wire will provide reasonable time or notice for Escrow Holder's compliance with such instruction. Escrow Holder's sole duty and responsibility shall be to place said wire transfer instructions with its wiring bank upon confirmation of (1) satisfaction of conditions precedent or (2) document recordation at close of escrow. Escrow Holder will NOT be held responsible for lost interest due to wire delays caused by any bank or the Federal Reserve System, and recommends that all parties make themselves aware of banking regulations with regard to placement of wires.

In the event there is insufficient time to place a wire upon any such confirmation or the wires have closed for the day, the parties agree to provide written instructions for an alternative method of disbursement. WITHOUT AN ALTERNATIVE DISBURSEMENT INSTRUCTION, FUNDS WILL BE HELD IN TRUST IN A NON-INTEREST BEARING ACCOUNT UNTIL THE NEXT OPPORTUNITY FOR WIRE PLACEMENT.

2. PRORATIONS AND ADJUSTMENTS

All prorations and/or adjustments called for in this escrow are to be made on the basis of a thirty (30) day month unless otherwise instructed in writing. You are to use information contained on last available tax statement, rental statement as provided by the Seller, beneficiary's statement and fire insurance policy delivered into escrow for the prorations provided for herein.

3. SUPPLEMENTAL TAXES

The within described property may be subject to supplemental real property taxes due to the change of ownership taking place through this escrow. Any supplemental real property taxes arising as a result of the transfer of the property to Buyer shall be the sole responsibility of Buyer and any supplemental real property taxes arising prior to the closing date shall be the sole responsibility of the Seller. TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER.

4. UTILITIES/POSSESSION

Transfer of utilities and possession of the premises are to be settled by the parties directly and outside escrow.

5. PREPARATION AND RECORDATION OF INSTRUMENTS

Escrow Holder is authorized to prepare, obtain, record and deliver the necessary instruments to carry out the terms and conditions of this escrow and to order the policy of title insurance to be issued at close of escrow as called for in these instructions. Close of escrow shall mean the date instruments are recorded.

6. AUTHORIZATION TO FURNISH COPIES

You are authorized to furnish copies of these instructions, supplements, amendments, notices of cancellation and closing statements, to the Real Estate Broker(s) and Lender(s) named in this escrow.

7. RIGHT OF CANCELLATION

Any principal instructing you to cancel this escrow shall file notice of cancellation in your office in writing. You shall, within two (2) working days thereafter, deliver, one copy of such notice to each of the other principals at the addresses stated in this escrow. UNLESS WRITTEN

OBJECTION TO CANCELLATION IS FILED IN YOUR OFFICE BY A PRINCIPAL WITHIN TEN (10) DAYS AFTER DATE OF SUCH MAILING, YOU ARE AUTHORIZED TO COMPLY WITH SUCH NOTICE AND DEMAND PAYMENT OF YOUR CANCELLATION CHARGES. If written objection is filed, you are authorized to hold all money and instruments in this escrow and take no further action until otherwise directed, either by the principals' mutual written instructions, or by final order of a court of competent jurisdiction.

8. PERSONAL PROPERTY

No examination or insurance as to the amount or payment of personal property taxes is required unless specifically requested.

By signing these General Provisions, the parties to the escrow hereby acknowledge that they are indemnifying the Escrow Holder against any and all matters relating to any "Bulk Sales" requirements, and instruct Escrow Agent to proceed with the closing of escrow without any consideration of matter of any nature whatsoever regarding "Bulk Sales" being handled through escrow.

9. RIGHT OF RESIGNATION

Escrow Holder has the right to resign upon ten (10) days written notice delivered to the principals herein. If such right is exercised, all funds and documents shall be returned to the party who deposited them and Escrow Holder shall have no liability hereunder.

10. AUTHORIZATION TO EXECUTE ASSIGNMENT OF HAZARD INSURANCE POLICIES

Either Buyer, Seller and/or Lender may hand you the insurance agent's name and insurance policy information, and you are to execute, on behalf of the principals hereto, form assignments of interest in any insurance policy (other than title insurance) called for in this escrow, forward assignment and policy to the insurance agent, requesting that the insurer consent to such transfer and/or attach a loss payable

clause and/or such other endorsements as may be required, and forward such policy(s) to the principals entitled thereto. It is not your responsibility to verify the information handed you or the assignability of said insurance. Your sole duty is to forward said request to insurance agent at close of escrow.

Further, there shall be no responsibility upon the part of Escrow Holder to renew hazard insurance policy(s) upon expiration or otherwise keep it in force either during or subsequent to the close of escrow. Cancellation of any existing hazard insurance policies is to be handled directly by the principals, and outside of escrow.

11. ACTION IN INTERPLEADER

The principals hereto expressly agree that you, as Escrow Holder, have the absolute right at your election to file an action in interpleader requiring the principals to answer and litigate their several claims and rights among themselves and you are authorized to deposit with the clerk of the court all documents and funds held in this escrow. In the event such action is filed, the principals jointly and severally agree to pay your cancellation charges and costs, expenses and reasonable attorney's fees which you are required to expend or incur in such interpleader action, the amount thereof to be fixed and judgment therefore to be rendered by the court. Upon the filing of such action, you shall thereupon be fully released and discharged from all obligations imposed by the terms of this escrow or otherwise.

12. TERMINATION OF AGENCY OBLIGATION

If there is no action taken on this escrow within six (6) months after the "time limit date" as set forth in the escrow instructions or written extension thereof, your agency obligation shall terminate at your option and all documents, monies or other items held by you shall be returned to the parties depositing same. In the event of cancellation of this escrow, whether it be at the request of any of the principals or otherwise, the fees and charges due (PROFCNTR), including expenditures incurred and/or authorized shall be borne equally by the parties hereto (unless otherwise agreed to specifically).

13. CONFLICTING INSTRUCTIONS

Upon receipt of any conflicting instructions, you are to take no action in connection with this escrow until non-conflicting instructions are received from all of the principals to this escrow (subject to sections 7, 9, 11 and 12 above).

14. REIMBURSEMENT ATTORNEY FEES/ESCROW HOLDER

In the event that a suit is brought by any party or parties to these escrow instructions to which the Escrow Holder is named as a party which results in a judgment in favor of the Escrow Holder and against a principal or principals herein, the principals or principals' agent agree to pay said Escrow Holder all costs, expenses and reasonable attorney's fees which it may expend or incur in said suit, the amount thereof to be fixed and judgment therefore to be rendered by the court in said suit.

15. DELIVERY/RECEIPT

Delivery to principals as used in these instructions unless otherwise stated herein is to be by regular mail, and receipt is determined to be 72 hours after such mailing. All documents, balances and statements due to the undersigned are to be mailed to the address shown herein. All notices, change of instructions, communications and documents are to be delivered in writing to the office of Chicago Title Company as set forth herein.

16. STATE/FEDERAL CODE NOTIFICATIONS

According to Federal Law, the Seller, when applicable, will be required to complete a sales activity report that will be utilized to generate a 1099 statement to the Internal Revenue Service.

Pursuant to State Law, prior to the close of escrow, Buyer will provide Escrow Holder with a Preliminary Change of Ownership Report. In the event said report is not handed to Escrow Holder for submission to the County in which subject property is located, upon recording of the Grant Deed, Buyers acknowledge that the applicable fee will be assessed by said County and Escrow Holder shall debit the account of Buyer for same at close of escrow.

Buyer and Seller herein represent and warrant that they will seek and obtain independent legal advice and counsel relative to their obligations under the "Foreign Investors in Real Property Act", and any other applicable federal and/or state laws regarding same, and will take all steps necessary in order to comply with such requirements and hereby hold you harmless relative to their compliance therewith.

17. ENCUMBRANCES

Escrow Holder is to act upon any statements furnished by a lienholder or his agent without liability or responsibility for the accuracy of such statements. Any adjustments necessary because of a discrepancy between the information furnished Escrow Holder and any amount later determined to be correct shall be settled between the parties direct and outside of escrow.

You are authorized, without the need for further approval, to debit my account for any fees and charges that I have agreed to pay in connection with this escrow, and for any amounts that I am obligated to pay to the holder of any lien or encumbrance to establish the title as insured by the policy of title insurance called for in these instructions. If for any reason my account is not debited for such amounts at the time of closing, I agree to pay them immediately upon demand, or to reimburse any other person or entity who has paid them.

18. ENVIRONMENTAL ISSUES

Chicago Title Company has made no investigation concerning said property as to environmental/toxic waste issues. Any due diligence required or needed to determine environmental impact as to forms of toxification, if applicable, will be done directly and by principals outside of escrow. Chicago Title Company is released of any responsibility and/or liability in connection therewith.

19. USURY

Escrow Holder is not to be concerned with any questions of usury in any loan or encumbrance involved in the processing of this escrow and is hereby released of any responsibility or liability therefore.

20. DISCLOSURE

Escrow Holder's knowledge of matters affecting the property, provided such facts do not prevent compliance with these instructions, does not create any liability or duty in addition to these instructions.

21. FACSIMILE SIGNATURE

Escrow Holder is hereby authorized and instructed that, in the event any party utilizes "facsimile" transmitted signed documents or instructions to Escrow Holder, you are to rely on the same for all escrow instruction purposes and the closing of escrow as if they bore original signatures. Each party shall make every effort to provide to the other party and to Escrow Holder, within 72 hours after transmission, duplicate original documents or instructions bearing the original signatures. Each party further acknowledges and agrees that documents with non-original signatures may not be accepted for recording by the County Recorder, therefore no closing or recording may take place without the submission of the original documents.

22. CLARIFICATION OF DUTIES

Chicago Title Company serves ONLY as an Escrow Holder in connection with these instructions and cannot give legal advice to any party hereto.

Escrow Holder is not to be held accountable or liable for the sufficiency or correctness as to form, manner of execution, or validity of any instrument deposited in this escrow, nor as to the identity, authority or rights of any person executing the same. Escrow Holder's duties hereunder shall be limited to the proper handling of such money and the proper safekeeping of such instruments, or other documents received by Escrow Holder, and for the disposition of same in accordance with the written instructions accepted by Escrow Holder.

The agency and duties of Escrow Holder commence only upon receipt of copies of these Escrow Instructions executed by all parties.

23. FUNDS HELD IN ESCROW

When the company has funds remain in escrow over 90 days after close of escrow or estimated close of escrow, the Company shall impose a monthly holding fee of \$25.00 that is to be charged against the funds held by the Company.

THIS AGREEMENT IN ALL PARTS APPLIES TO, INURES TO THE BENEFIT OF, AND BINDS ALL PARTIES HERETO, THEIR HEIRS, LEGATEES, DEVISEES, ADMINISTRATORS, EXECUTORS, SUCCESSORS AND ASSIGNS, AND WHENEVER THE CONTEXT SO REQUIRES THE MASCULINE GENDER INCLUDES THE FEMININE AND NEUTER, AND THE SINGULAR NUMBER INCLUDES THE PLURAL. THESE INSTRUCTIONS AND ANY OTHER AMENDMENTS MAY BE EXECUTED IN ANY NUMBER OF COUNTERPARTS, EACH OF WHICH SHALL BE CONSIDERED AS AN ORIGINAL AND BE EFFECTIVE AS SUCH.

MY SIGNATURE HERETO CONSTITUTES INSTRUCTION TO ESCROW HOLDER OF ALL TERMS AND CONDITIONS CONTAINED IN THIS AND ALL PRECEDING PAGES AND FURTHER SIGNIFIES THAT I HAVE READ AND UNDERSTAND THESE GENERAL PROVISIONS.

Chicago Title Company conducts escrow business under a Certificate of Authority No. 350 issued by the California Department of Insurance.

ACKNOWLEDGED BY

BUYER

ANI Development, LLC,
a California limited liability
company

Address: 3515 Hancock St, Ste 200
Address: San Diego, CA 92110

By: [Signature]
Name: Gina Champion Con
Its: Managing Member

Exhibit "B" – Wiring Instructions

Escrow Holder will disburse the Deposit and, as instructed by Lender, only to the following account:

Custodian Broker: Western Alliance Bank

ABA Number: 122243635

FCC: Kim Funding, LLC

A/C#: 8026487237

From: DuCharme, Della [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=9E781BC3C70B4F92B126BEC318FA0135-DUCHARME, DELLA]
Sent: 2/14/2017 2:07:56 PM
To: Robert Casey [rcasey@westernalliancebank.com]
CC: Chris Grassa [CGrassa@torreypinesbank.com]
Subject: RE: 66061
Attachments: Wire Instructions-IMPACT.DOC

Bob, please allow this email to confirm the wiring instructions attached are correct for Chicago Title and you are authorized to attach them to the agreement as Exhibit 'B.'

Our offices and the county of San Diego will be closed on Monday February 20th, 2017 for Presidents Day.

Della DuCharme
Chicago Title Company
C&I Escrow Officer
701 B Street, **SUITE 1120**
San Diego, CA 92101
(619) 230-6363 direct
(619) 230-6368 fax
619-839-3866 Efax
Della.ducharme@ctt.com

DuCharme Unit
ducharmeunit@ctt.com
Della DuCharme
Betty Elixman
619-230-6375
Betty.elixman@ctt.com




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****Be aware! Online banking fraud is on the rise. If you receive an email containing WIRE TRANSFER INSTRUCTIONS call your escrow officer immediately to verify the information prior to sending funds.****

From: Robert Casey [mailto:rcasey@westernalliancebank.com]
Sent: Tuesday, February 14, 2017 2:02 PM
To: DuCharme, Della
Cc: Chris Grassa
Subject: FW: 66061

Della,
Can you confirm the attached agreement and instructions.

Bob Casey
Vice President, Corporate Counsel
 **Western Alliance Bank**
rcasey@westernalliancebank.com
Main: 858.523.4600 | Direct: 858.523.4627

From: Chris Grassa
Sent: Wednesday, February 08, 2017 3:54 PM
To: Robert Casey
Subject: FW: 66061

Chris Grassa
Senior Vice President
Regional Manager
Direct: (619) 233-2532

From: DuCharme, Della [mailto:Della.DuCharme@ctt.com]
Sent: Tuesday, February 07, 2017 1:26 PM
To: Chris Grassa
Subject: 66061

Here I am, nice speaking with you.

Della DuCharme
Chicago Title Company
C&I Escrow Officer
701 B Street, **SUITE 1120**
San Diego, CA 92101
(619) 230-6363 direct
(619) 230-6368 fax
619-839-3866 Efax
Della.ducharme@ctt.com

DuCharme Unit
ducharmeunit@ctt.com
Della DuCharme
Betty Elixman
619-230-6375
Betty.elixman@ctt.com



Privileged & Confidential

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,

INSURANCE COMPANY

WIRE Transfer Instructions

Bank Name:	Union Bank 1980 Saturn St. Monterey Park, CA 91756
International SWIFT Code:	BOFCUS33MPK
ABA / Routing Number :	122000496
Account Number:	0010425492
Account Name :	CHICAGO TITLE COMPANY
Reference:	Escrow / Title Order No: 66061 -DD Escrow / Title Officer Name: Della DuCharme

If you have any questions, please contact Union Bank Customer Service at 888-849-6466.

EXHIBIT H

americannationalinvestments.com • 3515 Hancock Street • San Diego • CA • 92110

"This is what you shall do. Love the earth and the sun and the animals." - Walt Whitman

"Great ideas often receive violent opposition from mediocre minds." - Albert Einstein

"One of the penalties for refusing to participate in politics is that you end up being governed by your inferiors." - Plato

"The more I know about people, the better I like my dog." - Mark Twain

"Vision without Implementation is Hallucination." - Thomas Edison

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EXHIBIT I

To: Gina Champion-Cain[Gina Champion-Cain <gina@americannationalinvestments.com>]
From: DuCharme, Della[Della.DuCharme@ctt.com]
Sent: Tue 4/17/2018 6:34:14 PM (UTC)
Subject: RE: Auditor review

All my fans!

DD

Della DuCharme
Chicago Title Company
CI Escrow Officer
701 B Street, **SUITE 1120**
San Diego, CA 92101
(619) 230-6363 direct
(619) 230-6368 fax
619-839-3866 Efax
Della.ducharme@ctt.com

DuCharme Unit
ducharmeunit@ctt.com
Della DuCharme
Betty Elixman
619-230-6375
Betty.elixman@ctt.com



CA SENATE BILL 2
EFFECTIVE: JANUARY 1, 2018

Pursuant to **CA Senate Bill 2**, commencing Jan. 1, 2018, in addition to any other recording fees, a fee of \$75-\$225 earmarked to fund affordable housing will be charged at closing on certain types of transactions. Contact me today for more information.

Privileged Confidential

****Be aware! Online banking fraud is on the rise. If you receive an email containing WIRE TRANSFER INSTRUCTIONS call your escrow officer immediately to verify the information prior to sending funds.****

From: Gina Champion-Cain <gina@americannationalinvestments.com>
Sent: Tuesday, April 17, 2018 11:18 AM
To: DuCharme, Della <Della.DuCharme@ctt.com>
Subject: Fwd: Auditor review

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Sigh....they always want to talk to DELLA!! 浪

----- Forwarded message -----

From: Lindy Mamer <Lindy.Mamer@bancofcal.com>
Date: Tue, Apr 17, 2018, 11:12 AM
Subject: Auditor review
To: Kim Peterson (kimharoldpeterson@gmail.com) < kimharoldpeterson@gmail.com >, Gina Champion-Cain < gina@americannationalinvestments.com >

Hi Kim and Gina,

We have an internal audit, and they have asked if I have spoken directly to Della as an "extra" check that we are dealing with Chicago Title. Yes... I know we are because the process is working smoothly ☺ but just to answer the auditors, I would like to just touch bases with Della. Would that be okay? And if so, can you send me her email and phone number? Thank you, thank you!!

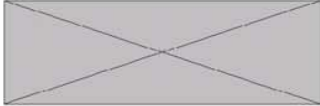
Lindy

Lindy Mamer

Senior Vice President, Senior Relationship Manager

Commercial Banking

NMLS# 613697



4655 Executive Drive, Suite 380

San Diego, CA 92121

Office: 858-221-0891

Cell: 858-322-1031

Fax: 978-967-8646

Lindy.Mamer@bancofcal.com

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To: Gina Champion-Cain[Gina Champion-Cain <gina@americannationalinvestments.com>]
From: DuCharme, Della[Della.DuCharme@ctt.com]
Sent: Tue 4/17/2018 8:46:09 PM (UTC)
Subject: RE: Auditor review

Right on let's do that skip all the calls.....HA HA HA!

DD

Della DuCharme
Chicago Title Company
CI Escrow Officer
701 B Street, **SUITE 1120**
San Diego, CA 92101
(619) 230-6363 direct
(619) 230-6368 fax
619-839-3866 Efax
Della.ducharme@ctt.com

DuCharme Unit
ducharmeunit@ctt.com
Della DuCharme
Betty Elixman
619-230-6375
Betty.elixman@ctt.com



CA SENATE BILL 2
EFFECTIVE: JANUARY 1, 2018

Pursuant to CA Senate Bill 2, commencing Jan. 1, 2018, in addition to any other recording fees, a fee of \$75-\$225 earmarked to fund affordable housing will be charged at closing on certain types of transactions. Contact me today for more information.

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From: Gina Champion-Cain <gina@americannationalinvestments.com>
Sent: Tuesday, April 17, 2018 1:43 PM
To: DuCharme, Della <Della.DuCharme@ctt.com>
Subject: Re: Auditor review

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Ha...I guess there is no need love as I am sure you will just brush them off quickly. I did throw them a carrot that maybe we could all go to a baseball game one day....OMG you would have thought I told them they won the LOTTERY!!!! ☐藍

On Tue, Apr 17, 2018, 1:34 PM DuCharme, Della <Della.DuCharme@ctt.com> wrote:

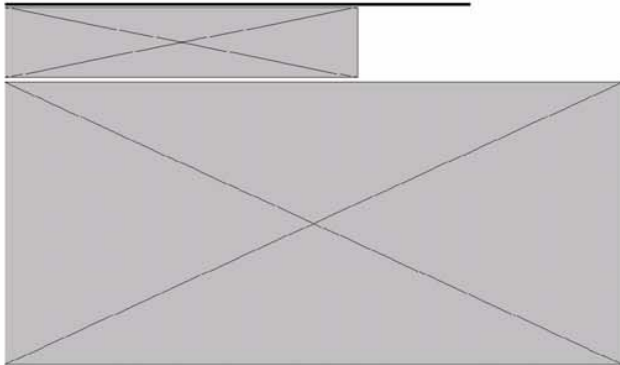
Whatever you want I can always call you on my cell and have both on speaker so you can hear it all.

DD

Della DuCharme
Chicago Title Company

CI Escrow Officer
701 B Street, **SUITE 1120**
San Diego, CA 92101
(619) 230-6363 direct
(619) 230-6368 fax
619-839-3866 Efax
Della.ducharme@ctt.com

DuCharme Unit
ducharmeunit@ctt.com
Della DuCharme
Betty Elixman
619-230-6375
Betty.elixman@ctt.com

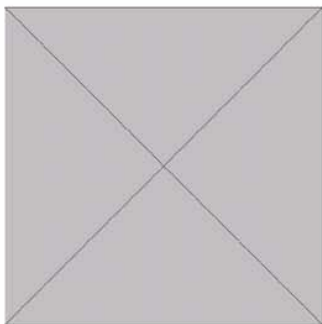


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From: Gina Champion-Cain <gina@americannationalinvestments.com>
Sent: Tuesday, April 17, 2018 12:09 PM
To: DuCharme, Della <Della.DuCharme@ctt.com>
Subject: Fwd: Auditor review

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and there you have it....hey, I may come over tomorrow am and listen in with you.....hahaha



Gina Champion-Cain
CEO Chair of the Board
Mail: gina@americannationalinvestments.com
Phone: 858-270-9900

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----- Forwarded message -----

From: **Lindy Mamer** <Lindy.Mamer@bancofcal.com>
Date: Tue, Apr 17, 2018 at 12:00 PM
Subject: RE: Auditor review
To: Gina Champion-Cain <gina@americannationalinvestments.com>
Cc: Adrienne Helvie <Adrienne.Helvie@bancofcal.com>

9:30 would be fabulous. Adrienne and I will call her directly. Thank you so much.

Lindy Mamer

Senior Vice President, Senior Relationship Manager

Commercial Banking

NMLS# 613697

BANC OF CALIFORNIA

[4655 Executive Drive, Suite 380](#)

[San Diego, CA 92121](#)

Office: 858-221-0891

Cell: 858-322-1031

Fax: 978-967-8646

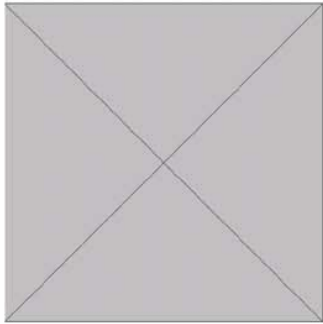
Lindy.Mamer@bancofcal.com

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From: Gina Champion-Cain [mailto:gina@americannationalinvestments.com]
Sent: Tuesday, April 17, 2018 11:54 AM
To: Lindy Mamer
Subject: Re: Auditor review

She is in and out of the office a lot today and tomorrow. She said she will be available at her office phone anytime between 9:30am - 11am **tomorrow** (Wednesday) for a quick introduction call. (619) 230-6363 direct. Do you want to give me a time you want to buzz her quickly so I can let her know to make sure she doesn't step out of the office unexpectedly? She is really a busy lady!!

GCC_00000561



Gina Champion-Cain
CEO Chair of the Board

Mail:

gina@americannationalinvestments.com

Phone: 858-270-9900

americannationalinvestments.com • [3515 Hancock Street • San Diego • CA • 92110](#)

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On Tue, Apr 17, 2018 at 11:36 AM, Lindy Mamer <Lindy.Mamer@bancofcal.com> wrote:

I think both. I should talk to her to verify her voice (if I ever need to call her in the future) and an email so I can have it in writing for the file.

Lindy Mamer

Senior Vice President, Senior Relationship Manager

Commercial Banking

NMLS# 613697

BANC OF CALIFORNIA

[4655 Executive Drive, Suite 380](#)

GCC_00000562

[San Diego, CA 92121](#)

Office: [858](#) -221-0891

Cell: 858-322-1031

Fax: 978-967-8646

Lindy.Mamer@bancofcal.com

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From: Gina Champion-Cain [mailto: gina@americannationalinvestments.com]
Sent: Tuesday, April 17, 2018 11:17 AM
To: Lindy Mamer
Cc: Kim Peterson (kimharoldpeterson@gmail.com)
Subject: Re: Auditor review

Sure!!! Do you want email or phone? She has two email addresses they use for internal and external lines of businesses or maybe you want to just call her? Let me know so I can give her heads up you are calling (or emailing) to just introduce yourself and to satisfy your auditors that she actually exists. Haha. *

On Tue, Apr 17, 2018, 11:12 AM Lindy Mamer <Lindy.Mamer@bancofcal.com> wrote:
Hi Kim and Gina,

We have an internal audit, and they have asked if I have spoken directly to Della as an "extra" check that we are dealing with Chicago Title. Yes... I know we are because the process is working smoothly ☺ but just to answer the auditors, I would like to just touch bases with Della. Would that be okay? And if so, can you send me her email and phone number? Thank you, thank you!!

Lindy

Lindy Mamer

Senior Vice President, Senior Relationship Manager

Commercial Banking

NMLS# 613697

Error! Filename not specified.

[4655 Executive Drive, Suite 380](#)

[San Diego, CA 92121](#)

Office: [858](#) -221-0891

Cell: [858](#) -322-1031

Fax: 978-967-8646

Lindy.Mamer@bancofcal.com

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GCC_00000563

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EXHIBIT J

Chicago Title Company Final Disbursement Report

Print Date - Time: 07/23/2014 - 8:14:11AM

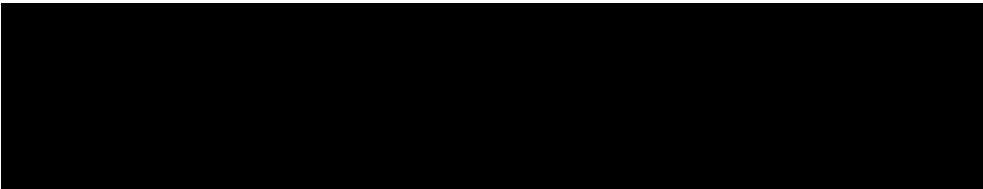
Page 1 of 2

User: BE3

File Information					
Escrow Number: 00022237-004			Open Date: 04/01/2014		
Escrow Officer: Della DuCharme			Close Date:		
Seller / Buyer: /ANI DEVELOPMENT LLC					
Property Address: , CA					
Payee / Payor	Ref Num	Date	Status / Type / Sub Amount	Amount	Totals
Receipts					
Receipts					
1. Kyle G Nau	4002532	04/10/2014	WIN	1,700.00	
2. Susan Greenberg Neshat	4002573	04/11/2014	WIN	20,000.00	
3. Susan Greenberg Neshat	4002584	04/14/2014	WIN	25,000.00	
4. Daniel L O'Halloran	4002599	04/15/2014	WIN	13,750.00	
5. Thomas Davis	4002629	04/22/2014	WIN	25,000.00	
6. Cardiff Insight Inc.	4002719	05/07/2014	WIN	100,000.00	
7. Kim Funding LLC	4002791	05/16/2014	WIN	100,000.00	
8. Kim Funding LLC	4002813	05/20/2014	WIN	100,000.00	
9. Bryan Edelman	4002823	05/21/2014	WIN	12,750.00	
10. KIM FUNDING LLC	4002863	05/29/2014	WIN	250,000.00	
11. Cardiff Insight Inc	4002880	05/30/2014	WIN	225,000.00	
12. Cardill Insight Inc	4002903	06/03/2014	WIN	200,000.00	
13. Ronald G Marks	4002904	06/04/2014	WIN	1,000,000.00	
14. DERRICK STONE TRUST	4002974	06/11/2014	WIN	50,000.00	
15. Kaleidoscope One LLC	4003064	06/26/2014	WIN	250,000.00	
16. TPC Capital, LLC	4003072	06/27/2014	WIN	250,000.00	
17. Jerome P. Wallingford	4003086	06/30/2014	WIN	50,000.00	
18. Desert Lake Advisors Inc.	4003105	07/01/2014	WIN	250,000.00	
19. Deborah Fedorchuk	4003138	07/09/2014	WIN	100,000.00	
20. Debra M. Patterson Living Trust	4003164	07/10/2014	WIN	37,500.00	
21. TPC Capital, LLC	4003255	07/21/2014	WIN	150,000.00	
22. James L Covington	4003269	07/22/2014	WIN	100,000.00	
					3,310,700.00
Disbursements					
Disbursements					
1. ANI DEVELOPMENT LLC	4002250	04/11/2014	WIO	(18,700.00)	
2. ANI DEVELOPMENT LLC	4002276	04/15/2014	WIO	(24,500.00)	
3. ANI DEVELOPMENT LLC	4002293	04/16/2014	WIO	(13,250.00)	
4. ANI DEVELOPMENT LLC	4002320	04/22/2014	WIO	(24,500.00)	
5. ANI DEVELOPMENT LLC	4002405	05/08/2014	WIO	(99,500.00)	
6. ANI DEVELOPMENT LLC	4002450	05/16/2014	WIO	(99,500.00)	
7. ANI DEVELOPMENT LLC	4002478	05/20/2014	WIO	(99,500.00)	
8. ANI COMMERCIAL CA III LLC	4002494	05/22/2014	WIO	(12,250.00)	
9. ANI DEVELOPMENT LLC	4002520	05/29/2014	WIO	(249,500.00)	
10. ANI DEVELOPMENT LLC	4002581	06/04/2014	WIO	(424,500.00)	
11. ANI DEVELOPMENT	4002645	06/11/2014	WIO	(49,500.00)	
12. ANI DEVELOPMENT LLC	4002764	06/26/2014	WIO	(249,500.00)	
13. ANI DEVELOPMENT, LLC	4002781	06/27/2014	WIO	(249,500.00)	
14. ANI DEVELOPMENT, LLC	4002802	06/30/2014	WIO	(49,500.00)	
15. ANI DEVELOPMENT LLC	4002840	07/01/2014	WIO	(249,500.00)	
16. ANI COMMERCIAL CA III, LLC	4002887	07/08/2014	WIO	(350,000.00)	
17. ANI DEVELOPMENT, LLC	4002918	07/17/2014	WIO	(400,000.00)	
18. ANI DEVELOPMENT, LLC	4002935	07/22/2014	WIO	(300,000.00)	
					(2,963,200.00)

disburse.rpt (10/09/2013)

EXHIBIT K



NUMBER OR CODE	DATE	TRANSACTION DESCRIPTION	PAYMENT, FEE WITHDRAWAL	FEE
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2471	12/18	Jella Duchesne	13,000	<input checked="" type="checkbox"/>
2472	12/18	Betty Brown	5,000	<input checked="" type="checkbox"/>
2546	12/16/18	Jella Duchesne gift	10,000	<input checked="" type="checkbox"/>
2547	12/16/18	Betty Brown gift	1,000	<input checked="" type="checkbox"/>





JPMorgan Chase Bank, N.A.
 P O Box 659754
 San Antonio, TX 78265-9754

January 11, 2018 through February 09, 2018
 Account Number: [REDACTED] 7306

CUSTOMER SERVICE INFORMATION

Web site: Chase.com
 Service Center: 1-800-935-9935
 Deaf and Hard of Hearing: 1-800-242-7383
 Para Espanol: 1-877-312-4273
 International Calls: 1-713-262-1679

00008212 DRE 703 142 04118 NNNNNNNNNNN T 1 000000000 27 0000

GINA CHAMPION-CAIN
 4014 BANDINI ST
 SAN DIEGO CA 92103-1535



CHECKING SUMMARY

Chase Premier Plus Checking

	AMOUNT
Beginning Balance	[REDACTED]
Deposits and Additions	[REDACTED]
Checks Paid	[REDACTED]
Electronic Withdrawals	[REDACTED]
Ending Balance	[REDACTED]
Annual Percentage Yield Earned This Period	[REDACTED]
Interest Paid This Period	[REDACTED]
Interest Paid Year-to-Date	[REDACTED]

Interest paid in 2017 for account [REDACTED] 7306 was \$1.75.

CHECKS PAID

CHECK NUMBER	DATE PAID	AMOUNT
2471 ^	01/26	\$13,000.00
[REDACTED]	[REDACTED]	[REDACTED]
2473 ^	01/26	5,000.00
Total Checks Paid		[REDACTED]

If you see a check description in the Transaction Detail section, it means your check has already been converted for electronic payment. Because of this, we're not able to return the check to you or show you an image on Chase.com.

^ An image of this check may be available for you to view on Chase.com.

TRANSACTION DETAIL

DATE	DESCRIPTION	AMOUNT	BALANCE
	Beginning Balance		[REDACTED]
01/17	Chevron Cc Payment PPD ID: 9069872000	[REDACTED]	[REDACTED]
01/22	Online Transfer From Chk ...7916 Transaction#: 6838675620	[REDACTED]	[REDACTED]
01/25	Check # 2472	[REDACTED]	[REDACTED]



January 11, 2018 through February 09, 2018
Account Number: [REDACTED] 7306

TRANSACTION DETAIL (continued)

DATE	DESCRIPTION	AMOUNT	BALANCE
01/26	Check # 2471	-13,000.00	[REDACTED]
01/26	Check # 2473	-5,000.00	[REDACTED]
02/09	Interest Payment	0.29	[REDACTED]
Ending Balance			[REDACTED]

Della - Betty

A monthly Service Fee was **not** charged to your Chase Premier Plus Checking account. Here are the two ways you can continue to avoid this fee during any statement period.

- **Have an average qualifying deposit and investment balance of \$15,000.00 or more**
(Your average qualifying deposit and investment balance was \$34,902.00)
- **OR, authorize us to make automatic payments to your qualifying Chase mortgage from your Chase account.**
(You do not have a qualifying Chase mortgage)

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC FUNDS TRANSFERS: Call us at 1-866-564-2262 or write us at the address on the front of this statement (non-personal accounts contact Customer Service) immediately if you think your statement or receipt is incorrect or if you need more information about a transfer listed on the statement or receipt.

For personal accounts only: We must hear from you no later than 60 days after we sent you the FIRST statement on which the problem or error appeared. Be prepared to give us the following information:

- Your name and account number
- The dollar amount of the suspected error
- A description of the error or transfer you are unsure of, why you believe it is an error, or why you need more information.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days (or 20 business days for new accounts) to do this, we will credit your account for the amount you think is in error so that you will have use of the money during the time it takes us to complete our investigation

IN CASE OF ERRORS OR QUESTIONS ABOUT NON-ELECTRONIC TRANSACTIONS: Contact the bank immediately if your statement is incorrect or if you need more information about any non-electronic transactions (checks or deposits) on this statement. If any such error appears, you must notify the bank in writing no later than 30 days after the statement was made available to you. For more complete details, see the Account Rules and Regulations or other applicable account agreement that governs your account. Deposit products and services are offered by JPMorgan Chase Bank, N.A. Member FDIC



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JPMorgan Chase Bank, N.A.
 P O Box 182051
 Columbus, OH 43218-2051

December 12, 2018 through January 10, 2019

Account Number: [REDACTED] 7306

00007517 DRE 703 142 01119 NNNNNNNNNNN T 000000000 27 0000

GINA CHAMPION-CAIN
 4014 BANDINI ST
 SAN DIEGO CA 92103-1535

CUSTOMER SERVICE INFORMATION

Web site: **Chase.com**
 Service Center: **1-800-935-9935**
 Deaf and Hard of Hearing: **1-800-242-7383**
 Para Espanol: **1-877-312-4273**
 International Calls: **1-713-262-1679**



We are clarifying the fee for incoming wires

On March 17, 2019, we're updating the document explaining our Additional Banking Services and Fees to clarify that the fee for an incoming wire is \$0 if it is sent from another Chase account with the help of a Chase banker or through chase.com or the Chase Mobile® app.

As a reminder, our standard fee to receive a wire is \$15, however, some of our products do not charge this fee.

Please call the number on this statement if you have any questions.

CHECKING SUMMARY

Chase Premier Plus Checking

	AMOUNT
Beginning Balance	[REDACTED]
Deposits and Additions	[REDACTED]
Checks Paid	[REDACTED]
Electronic Withdrawals	[REDACTED]
Fees	[REDACTED]
Ending Balance	[REDACTED]
Annual Percentage Yield Earned This Period	[REDACTED]
Interest Paid This Period	[REDACTED]
Interest Paid Year-to-Date	[REDACTED]

Interest paid in 2018 for account [REDACTED] 7306 was [REDACTED]



December 12, 2018 through January 10, 2019
Account Number: [REDACTED] 7306

CHECKS PAID

CHECK NUMBER	DATE PAID	AMOUNT
[REDACTED]	[REDACTED]	[REDACTED]
2547 * ^	12/24	1,000.00
[REDACTED]	[REDACTED]	[REDACTED]
Total Checks Paid		[REDACTED]

If you see a check description in the Transaction Detail section, it means your check has already been converted for electronic payment. Because of this, we're not able to return the check to you or show you an image on Chase.com.

* All of your recent checks may not be on this statement, either because they haven't cleared yet or they were listed on one of your previous statements.

^ An image of this check may be available for you to view on Chase.com.

TRANSACTION DETAIL

DATE	DESCRIPTION	AMOUNT	BALANCE
	Beginning Balance		[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
12/24	Check # 2547	-1,000.00	18,234.33
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	Ending Balance		[REDACTED]

- Betty

A monthly Service Fee was **not** charged to your Chase Premier Plus Checking account. Here are the two ways you can continue to avoid this fee during any statement period.

- **Have an average qualifying deposit and investment balance of \$15,000.00 or more**
(Your average qualifying deposit and investment balance was [REDACTED])
- **OR, authorize us to make automatic payments to your qualifying Chase mortgage from your Chase account.**
(You do not have a qualifying Chase mortgage)



December 12, 2018 through January 10, 2019

Account Number: [REDACTED] 7306

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC FUNDS TRANSFERS: Call us at 1-866-564-2262 or write us at the address on the front of this statement (non-personal accounts contact Customer Service) immediately if you think your statement or receipt is incorrect or if you need more information about a transfer listed on the statement or receipt.

For personal accounts only: We must hear from you no later than 60 days after we sent you the FIRST statement on which the problem or error appeared. Be prepared to give us the following information:

- Your name and account number
- The dollar amount of the suspected error
- A description of the error or transfer you are unsure of, why you believe it is an error, or why you need more information.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days (or 20 business days for new accounts) to do this, we will credit your account for the amount you think is in error so that you will have use of the money during the time it takes us to complete our investigation.

IN CASE OF ERRORS OR QUESTIONS ABOUT NON-ELECTRONIC TRANSACTIONS: Contact the bank immediately if your statement is incorrect or if you need more information about any non-electronic transactions (checks or deposits) on this statement. If any such error appears, you must notify the bank in writing no later than 30 days after the statement was made available to you. For more complete details, see the Account Rules and Regulations or other applicable account agreement that governs your account. Deposit products and services are offered by JPMorgan Chase Bank, N.A. Member FDIC



JPMorgan Chase Bank, N.A. Member FDIC



December 12, 2018 through January 10, 2019
Account Number: [REDACTED] 7306

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JPMorgan Chase Bank, N.A.
 P O Box 182051
 Columbus, OH 43218-2051

January 11, 2019 through February 11, 2019
 Account Number: [REDACTED] 7306

CUSTOMER SERVICE INFORMATION

Web site: **Chase.com**
 Service Center: **1-800-935-9935**
 Deaf and Hard of Hearing: **1-800-242-7383**
 Para Espanol: **1-877-312-4273**
 International Calls: **1-713-262-1679**

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 GINA CHAMPION-CAIN
 4014 BANDINI ST
 SAN DIEGO CA 92103-1535



CHECKING SUMMARY

Chase Premier Plus Checking

	AMOUNT
Beginning Balance	[REDACTED]
Deposits and Additions	[REDACTED]
Checks Paid	[REDACTED]
Electronic Withdrawals	[REDACTED]
Fees	[REDACTED]
Ending Balance	[REDACTED]
Annual Percentage Yield Earned This Period	0.01%
Interest Paid This Period	[REDACTED]
Interest Paid Year-to-Date	[REDACTED]

Interest paid in 2018 for account [REDACTED] 7306 was [REDACTED]

CHECKS PAID

CHECK NUMBER	DATE	AMOUNT
[REDACTED]	[REDACTED]	[REDACTED]
2546 * ^	01/30	10,000.00
[REDACTED]	[REDACTED]	[REDACTED]
Total Checks Paid		[REDACTED]

If you see a check description in the Transaction Detail section, it means your check has already been converted for electronic payment. Because of this, we're not able to return the check to you or show you an image on Chase.com.

* All of your recent checks may not be on this statement, either because they haven't cleared yet or they were listed on one of your previous statements.

^ An image of this check may be available for you to view on Chase.com.



January 11, 2019 through February 11, 2019
Account Number: [REDACTED] 7306

TRANSACTION DETAIL

DATE	DESCRIPTION	AMOUNT	BALANCE
	Beginning Balance		[REDACTED]
01/30	Check # 2546	-10,000.00	4,115.13 - Della
	Ending Balance		[REDACTED]

WANT TO AVOID PAYING A MONTHLY SERVICE FEE ON YOUR CHECKING ACCOUNT?

A monthly Service Fee was charged to your Chase Premier Plus Checking account. Here are the two ways you can avoid this fee during any statement period.

- **Have an average qualifying deposit and investment balance of at least \$15,000.00 during your statement period.**
(Your average qualifying deposit and investment balance was [REDACTED])

Talk to a banker about transferring your balances to Chase today!

- **OR, authorize us to make automatic payments to your qualifying Chase mortgage from your Chase account.**
(You do not have a qualifying Chase mortgage)

Talk to a banker about a Chase mortgage!

Stop in today and explore all Chase has to offer.

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC FUNDS TRANSFERS: Call us at 1-866-564-2262 or write us at the address on the front of this statement (non-personal accounts contact Customer Service) immediately if you think your statement or receipt is incorrect or if you need more information about a transfer listed on the statement or receipt.

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- A description of the error or transfer you are unsure of, why you believe it is an error, or why you need more information.

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JPMorgan Chase Bank, N.A. Member FDIC

JPMORGAN CHASE & Co.

Post date: 01/26/2018

Amount: \$ 13000.00

Account: [REDACTED] 7306

Check Number: 2471

GINA CHAMPION-CAIN
619-253-7188 619-253-7108
619-253-7188
4014 BANDINI STREET
SAN DIEGO, CA 92103

80-102 4126
202

2471

DATE 1-20-18

PAY TO THE ORDER OF Della DuCharme \$ 13,000

thirteen thousand 00/100

CHASE
JPMorgan Chase Bank, N.A.
www.Chase.com

MEMO Gift

⑆ 22271627⑆ [REDACTED] 2471

ENDORSE HERE

COPIES: DATE STAMP OR SIGN BELOW THIS LINE
STAMPED OR SIGNATURE LINE

1. The money order is valid only as long as it is not cashed or cashed for less than the amount shown on the front of the money order.

2. The money order is not valid if it is cashed for less than the amount shown on the front of the money order.

3. The money order is not valid if it is cashed for less than the amount shown on the front of the money order.

4. The money order is not valid if it is cashed for less than the amount shown on the front of the money order.

5. The money order is not valid if it is cashed for less than the amount shown on the front of the money order.

6. The money order is not valid if it is cashed for less than the amount shown on the front of the money order.

7. The money order is not valid if it is cashed for less than the amount shown on the front of the money order.

8. The money order is not valid if it is cashed for less than the amount shown on the front of the money order.

9. The money order is not valid if it is cashed for less than the amount shown on the front of the money order.

10. The money order is not valid if it is cashed for less than the amount shown on the front of the money order.

FEDERAL RESERVE BOARD OF GOVERNORS REG. CG

JPMORGAN CHASE & CO.

Post date: 01/25/2018

Amount: \$ 5000.00

Account: [REDACTED] 7306

Check Number: 2472

GINA CHAMPION-CAIN
 619-253-7188 619-253-7188
 619-253-7188
 4014 BANDINI STREET
 SAN DIEGO, CA 92103

2472
 DATE 1-26-18

PAY TO THE ORDER OF Betty Elixman \$ 5,000
Five thousand 00/100 DOLLARS

CHASE
 JPMorgan Chase Bank, N.A.
 www.Chase.com

MEMO Gift

3222746274 7306 2472

This security feature is not a guarantee of the validity of the check. It is a security feature that helps to prevent fraud.

If you are unsure if a check is genuine, please contact your bank.

Security Features:

- Microprint
- Color-shifting Ink
- Security Thread
- Watermark
- Ultraviolet Ink
- Security Features

MICR LINE
 6192537188
 0125018
 7306 2472

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE
 RESERVED FOR SPECIAL INSTITUTION USE

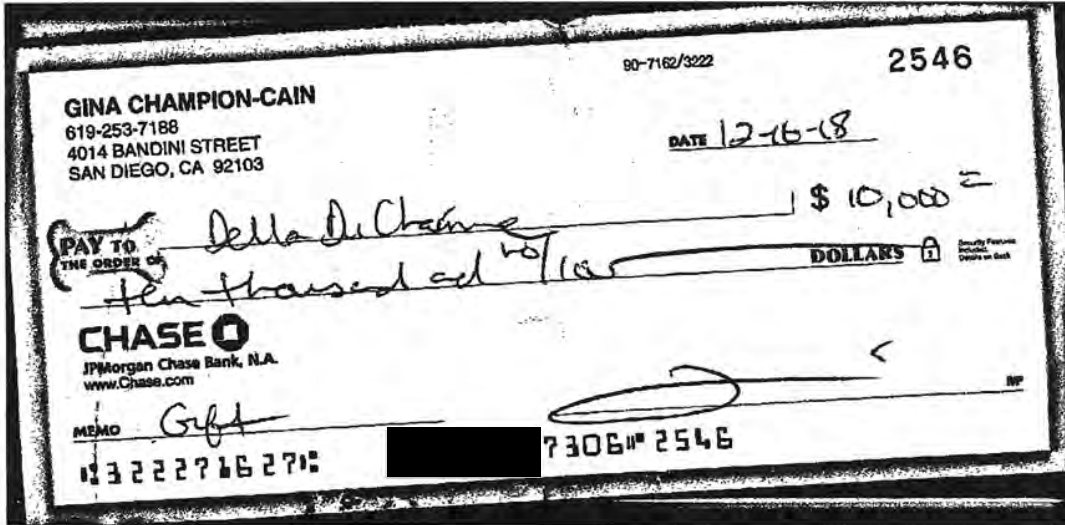
[Signature]

CHASE for BUSINESS

Printed from Chase for Business

Check

Front



Back



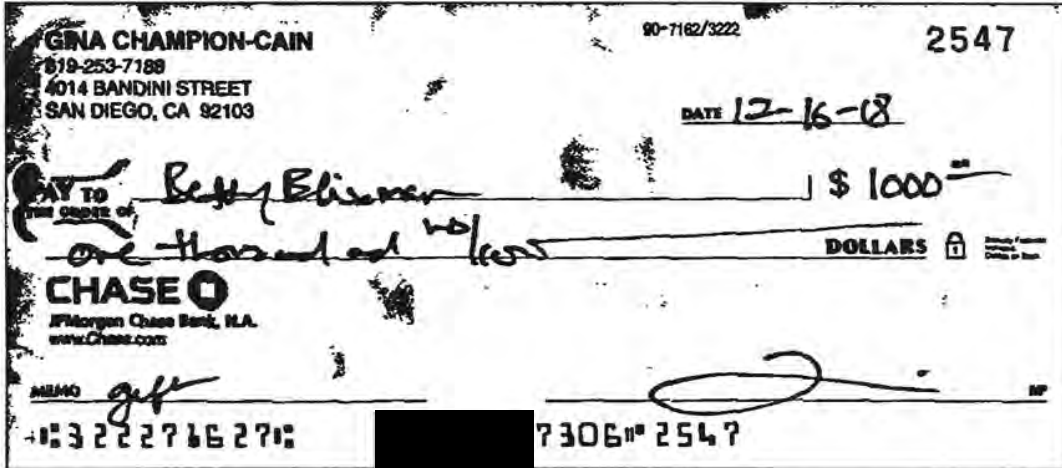
Post date	Check #	Check amount
Jan 30, 2019	2546	\$10,000.00

CHASE for BUSINESS

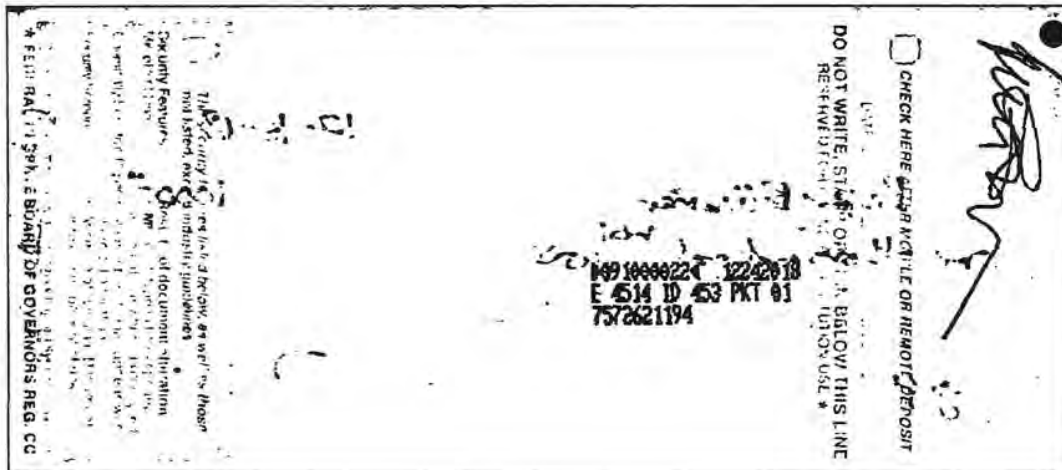
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Check

Front



Back



Post date	Check #	Check amount
Dec 24, 2018	2547	\$1,000.00